APOLLO HOSPITALS ENTERPRISE LIMITED

CIN : L85110TN1979PLC008035

21st September 2017

The Secretary,
Bombay Stock Exchange Ltd (BSE)
Phiroze Jheejheebhoy Towers,
Dalal Street,
Mumbai – 400 001.
Scrip Code – 508869
ISIN INE437A01024

The Secretary,
National Stock Exchange,
Exchange Plaza, 5th Floor
Plot No.C/1, 'G' Block
Bandra – Kurla Complex
Bandra (E)
Mumbai – 400 051.
Scrip Code– APOLLOHOSP
ISIN INE437A01024

The Manager
The National Stock Exchange,
Wholesale Debt Market
Exchange Plaza, 5th Floor
Plot No.C/1, 'G' Block
Bandra – Kurla Complex
Bandra (E)
Mumbai – 400 051.
ISIN INE437A07062,
INE437A07070,
INE437A07104,
INE437A07112 &
INE437A07120

Dear Sir,

Sub: 36th Annual General Meeting – Proceedings and voting results

Further to our letter dated 30th August 2017, we wish to inform you that the Thirty Sixth Annual General Meeting (AGM) of the Company was held on Wednesday, 20th September 2017 at 10.15 a.m. at The Music Academy, No. 168 TTK Road, Royapettah, Chennai – 600 014.

In this regard, please find enclosed the following:-

(i) Summary of proceedings as required under Regulation 30, Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

(ii) Voting results as required under Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations.

(iii) Report of Scrutinizer dated 20th September 2017.

(iv) Annual Report for the financial year 2016-2017 as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

(v) Business Responsibility Report for the financial year 2016-2017.

We request you to kindly take the same on record.

Thanking you

Yours faithfully
For APOLLO HOSPITALS ENTERPRISE LIMITED

S.M. KRISHNAN
VICE PRESIDENT – FINANCE
AND COMPANY SECRETARY

CC : The Secretary,
Luxembourg Stock Exchange,
B.P. 165,
L-2011 Luxembourg.
Ref : ISIN US0376081065 – Rule 144a GDR
ISIN US0376082055 – Reg. S GDR

Securities and Exchange Commission
Division of Corporation Finance
Office of International Corporate Finance
450 Fifth Street, N.W. Washington, D.C
20549-0302
File No. 82-34893

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Apollo HOSPITALS
TOUCHING LIVES

"guardians of health and well-being"



THE APOLLO WAY

Annual Report 2016–2017

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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 speed post/email separately.

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."

"We are not tinkers who merely patch and mend what is broken; we must be watchmen, guardians of the life and health of our generation, so that stronger and more able generations may come after"*

We believe in people. We believe that every single human life is priceless beyond measure. We believe that prevention is better than cure, but if it hasn't been prevented, we will leave no stone unturned in our quest to cure it. We will strive to the utmost of our ability to provide to each and every Indian the highest quality healthcare. We will inspire people to treat their bodies with care. Every single member of the Apollo staff will treat visitors to our hospital not as patients but as family. No case will be given up without a fight. Nobody will walk out of our doors without a smile.

We are Apollo and we believe that Life is Priceless. 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.

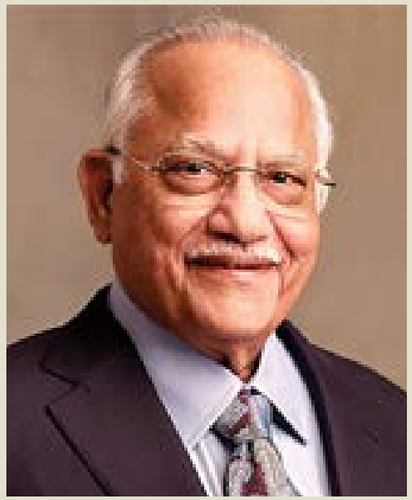
We could not have said it better ourselves. The words of Dr Blackwell, the first woman to receive a medical degree in the USA and the first woman on the UK medical register, aptly describe our mission- to touch lives with a passion for well-being so as to make 'every patient interaction clinically and experientially wonderful'. At Apollo Hospitals we value life as we believe it is priceless and we aim to prevent, diagnose, and treate symptoms and disease that can compromise a person's total wellness.

Non-Communicable Diseases or NCDs, otherwise known as chronic diseases, chief among which are cardiovascular diseases, cancers, respiratory diseases, kidney diseases, hypertension, and diabetes, are often long duration, and generally slow progressing conditions. India's burden of NCDs is daunting. The country accounts for nearly 1/5th of global NCD mortality, a remarkably high proportion, which poses a substantial threat to its socio-economic development. "A nation that is healthy will be prosperous." At Apollo Hospitals, we deem it our responsibility to guard the health and well-being of current and future generations of India. While we know that addressing NCDs is a complex and difficult task requiring multifaceted solutions, we believe we have to start by influencing a behaviour and mindset change among individuals-one that will inspire in them, a culture of health and wellness; where they will see healthy living as an investment. Global experience shows that interventions aimed at prevention and early diagnosis, offer the highest chance of reduction in morbidity and mortality.

We therefore put ourselves at the cutting edge of innovation in healthcare service delivery to guard the nation's health. We harness the latest technology. And we bring together the best minds in medicine within a world class environment to find cures that can end a person's suffering, be it through a procedure, surgery, or change in lifestyle. Whether through our clinics, birthing centres or pharmacies, be it via Personalized Health Checks, tele-medicine, or eDocs, we put the patient at the core to give them what they need to stay healthy. That is our hallmark. That is the Apollo Way.

**Dr Elizabeth Blackwell, 1821 - 1910*

FROM THE CHAIRMAN



Dear Shareholders,

We started our journey 34 years ago determined to build an institution that would offer to fellow countrymen, high quality healthcare at affordable prices right here in India. Healthcare that would be comparable to the best available in the West. I can look back today and say with satisfaction that we have accomplished that mission. We have earned the trust of millions of people over three decades at all our hospitals spread across the country. We have left no stone unturned during this time to provide them the appropriate care to ease their suffering and protect their well-being.

In a country like India where a large proportion of the population lives in rural towns and villages, innovation in healthcare delivery is critical. I have always said that the human body is priceless; that it is important to keep one's body heathy and pursue wellness in everyday life. In recent years, Non-Communicable Diseases have fast become a roadblock to wellness. This is India's biggest healthcare burden, and if neglected, can overwhelm the general population and become a severe threat to the country's productivity and socio-economic progress. As India's leading health services provider, we believe we have a responsibility in fighting this menace. We have already differentiated ourselves at every touch point of the Patient Care cycle and our patient outcomes are comparable to the best in the world. We now want to revolutionize the healthcare eco-system through newer ways of reaching India's masses in order to put them on the road to wellness. We want to create and implement a strong digital strategy to enhance patient outreach and access, customer experience and loyalty. We want to deploy high-tech equipment to further improve outcomes while enabling patients to recover faster, thereby cutting short their stay in the hospital. We also want to strengthen consultant engagement, focus on specialty forays and achieve distinction through advanced medical treatments.

We have taken some steps in this regard. We have partnered with the State Government of Andhra Pradesh in a PPP model to set up 164 Electronic Urban Primary Health Centers that will address the healthcare needs of over 60,000 Panchayats. The first such center was set up in November 2016 and will enable poor and marginalized patients to access specialists through telemedicine facilities. We are making great effort to increase awareness in these areas for early detection and screening and have provided high quality diagnostic facilities in their own neighbourhoods. This first of its kind initiative will leverage the benefits of digitalization of healthcare and render hope to rural India.

Moving forward with the conviction that our efforts at innovation, clinical expertise, medical excellence and tender loving care are not just restricted to treating a particular symptom, disease or patient but rather to holistically improving the overall health quotient of our patients, we have consolidated all our clinical assets in oncology into an independent integrated specialty practice under Apollo Cancer Institutes. These institutes will function from a common platform based on standard protocols which will ensure uniform quality of care for patients while elevating the track record and knowledge bank for specialists across the network. We are also now well poised to become the first provider of the revolutionary Proton Beam Therapy treatment for cancer cure in India. The machine is with us and we will launch the centre in 2018. This will serve patients in the UK, Europe, the Middle East, Australia, Singapore, Malaysia, and other countries in South and South East Asia, as it will be the only one of its kind in this region. This initiative exemplifies our Mission and our commitment to provide the best possible healthcare to put people on the road to recovery.

I would like to share with you our joy and pride in Apollo Hospitals, Greams Lane, Chennai receiving the #1 Top Super Specialty Hospital in India ranking in India, followed by Apollo Indraprastha, New Delhi, in the #2 spot. Our hospitals were also ranked #1 Multi Specialty Hospitals in Chennai, Hyderabad, and Bangalore. I am also pleased to state that Apollo Hospitals, Greams Lane, Chennai, won the best Multi-Specialty Hospital Megapolis in the country award at the ICICI Lombard & CNBC TV18 India Healthcare Awards 2016.

We launched our 480-bed hospital in Mumbai in November 2016. It is one of the most advanced Multi-Specialty Tertiary Care Hospitals in the region and effectively represents the final leg of our current expansion plan which has resulted in an increase of capacity by 30% with the addition of ~2,500 beds over the last 3 years. We are pleased to share that we have now crossed the milestone of 10,000 beds capacity across our pan India network. Our focus is to have a dominant market presence in all these locations over the next 2 years by delivering superior clinical outcomes and service standards.

Growth in our Healthcare Services has been led by strong momentum at several of the newer facilities as new hospitals have reported 51% growth in revenues on a year on year basis driven by strong growth in volumes.

The International Finance Corporation, Washington DC, along with its associates acquired a 29% stake in Apollo Health and Lifestyle Limited (AHLL). AHLL will expand its network of clinics, cradles and diagnostics centers all across India. It has recently introduced clinics specializing in stroke and elder care, setting new path breaking trends in the retail health landscape.

The Standalone Pharmacy business revenues grew by 24% with EBITDA growth at 53%. Last year we added 285 stores and closed 55 stores for a net addition of 230 stores. The total number of stores in our network is now 2,556 on a pan India basis.

Despite some external setbacks, the group had another good financial year with consolidated annual revenues growing 17% to ₹ 73 billion and consolidated net profits of ₹ 2 billion. Consolidated EPS for the year stood at ₹ 15.9. We are happy to declare a dividend of ₹ 6 per share for the fiscal year 2017.

Our journey is not yet over. We have a long way to go to achieve our vision of bringing quality health care to India's masses. But I am confident that we have made a good start and our fundamentals are robust enough to deliver that goal.

I thank you all for the trust you have reposed in our hospitals and thank each and every stakeholder for their continued support in our journey.

I wish you and your families all the very best of health and wellness.

With warm personal regards,

Dr. Prathap C Reddy
Executive Chairman
Apollo Hospitals Group

THE APOLLO WAY

The magic of the Apollo Way lies in the İnstitution's ability to dismantle the layers and boundaries between the hospital and its patients and streamline healthcare delivery from diagnostics to treatment to rehabilitation into a personalized patient centric model. The amalgam of process, protocols, and tender loving care that Apollo is best known for, has evolved over nearly thirty five years into a trusted need-to-go-to brand, that delivers a distinctive patient experience every time someone steps into the hospital. Apollo is aware of patient pain points and finds a way to meet their specific needs; it leaves no doubt in their minds that they are in safe hands. This unique patient experience is consistent across all 70 hospitals in the country. İt is founded on the bedrock of the Group's experience and expertise.

experience unparalleled in İndia

experience

İn medicine, experience is the most important contributing factor for clinical excellence and superior clinical outcomes. The experience of a healthcare institution comprises the years of actual practice of medicine by its doctors and supporting staff and their exposure to a large number of cases – something which is directly proportional to the footfalls received by the healthcare provider over a long period of time.

The Apollo Hospitals Group with 70 hospitals, 7500 clinicians, and a culture of adopting new skills and cutting edge technology, combined with a 33-year history of clinical excellence, demonstrates experience which is unmatched in İndia.

70 hospitals

55 specialties

7500+ clinicians

10000+ nurses

4600 paramedics

unmatched edge in multispecialty collaboration for achieving exceptional clinical outcomes

expertise

Skills and knowledge constitute expertise. İn a hospital setting, expertise represents the collective skills and knowledge of all its care givers.

Apollo Hospitals Group has a remarkable pool of eminent clinicians who come from varied backgrounds – reputed overseas institutions, top academic centres, premier public hospitals and those trained within the Apollo system. This unique Apollo milieu gives clinical teams an unmatched edge, as specialists with exposure to large volumes, rare, complex and difficult cases support each other in a spirit of multispecialty collaboration to achieve exceptional clinical outcomes.

The expertise available at the Apollo Hospitals Group has over the years resulted in the emergence of a one stop shop for all conditions from a normal delivery to an en-bloc transplant.

Clinical expertise is supplemented by expertise across healthcare services – specialised nursing, physiotherapy, rehabilitation and dietetics.

Exceptional coordination between clinical specialties, laboratory and radiology services, facilitates multidisciplinary care for complex cases.

SIX REASONS TO BELIEVE

A PIONEER HEALTHCARE ORGANIZATION

Premium Quality

Outstanding

•TECHNOLOGY • DOCTORS • PROCESSES •

CLINICAL OUTCOMES WHICH ARE BENCHMARKED TO AND **SURPASS THE BEST IN THE WORLD**

WORLD-CLASS HEALTHCARE AT A FRACTION OF THE COST OVERSEAS

END-TO-END SERVICES– a differentiator from peers

PRACTICES FOUNDED ON RELENTLESS RESEARCH & INNOVATION

CARING AND COMPASSIONATE

EARNING THE TRUST

FY 17 In Apollo Hospitals	**400,000+** In Patient Admissions	**3,500,000+** Out Patients
300,000+ Preventive Health Checks	**60,000+** Cardiac Procedures	**50,000+** Chemotherapy Sittings
150,000 Radiotherapy Sessions	**14,000** Neuro Surgical Operations	**190** Bone Marrow Transplants
5,600+ Total Joint Replacements	**1,250** Solid Organ Transplants	**900+** Robotic Surgeries

Note: FY17 info for Owned hospitals only. Does not include Managed hospitals.

THE PATIENT CARE JOURNEY

Apollo's focus on patient experience arising out of a strong understanding of patient needs, is a true differentiator and has earned the group the trust of the community

Apollo's unique value proposition is drawn from the differentiated care we give our patients at every touch point of the Patient Care Journey, one that is underscored by outstanding standards of quality and superior service. Treatment at all our super specialty centres is founded on clinical excellence, punctuated by expert pathways and protocols.

comprehensive consult review

Our multi-disciplinary approach to patient care and treatment ensures that all consultations are reviewed comprehensively by all relevant consultants, and the most appropriate treatment plan is offered to the patient.

smoothing the patient flow seamless scheduling

We believe that smoothing the flow of patients in and out of hospitals, and even in and out of the ICU and Emergency, can help to reduce surges, prevent poor handoffs, increase patient safety and quality of care, reduce morbidity, and avoid delays in rendering treatment. We are pursuing various strategies such as making admission and discharge processes more efficient, supporting more planned admissions and timely discharge of patients undergoing elective procedures, and when needed transferring the oversight of patients in Emergency to other units. Added to this, we seek to provide seamless scheduling for appointments, whether for diagnostics or consultations, enriching patient experience at the hospitals.

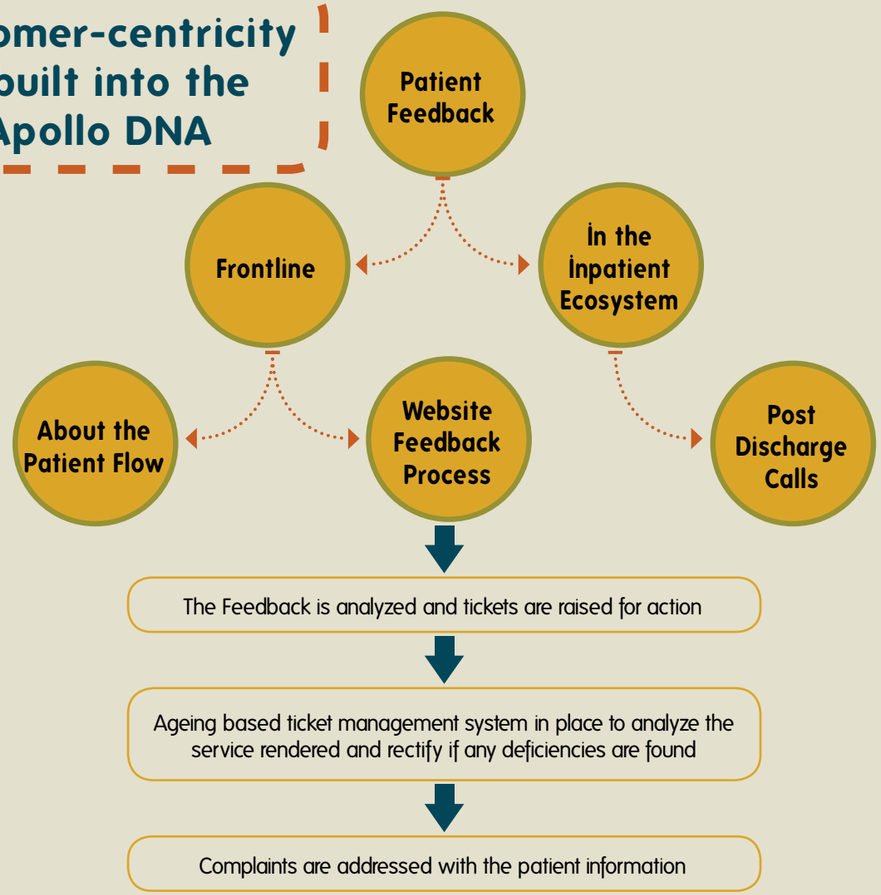
superior diagnostics

Accurate diagnosis is critical for ensuring the most effective treatment.

Diagnostic medicine is the process of identifying the condition or disease that a patient has and ruling out conditions or diseases the patient does not have through assessment of the patient's signs, symptoms, and results of various diagnostic and pathological tests. We invest in cutting edge technology and diagnostic equipment to ensure accurate diagnosis - key to effective and appropriate treatment and better outcomes.

service differentiators

Customer-centricity is built into the Apollo DNA



leveraging technology

İnformation and communication technology is the backbone of our healthcare delivery systems and patient care processes.

Advancements in IT are greatly impacting the quality of healthcare and the way it is being rendered. In our continuing mission to "bring quality healthcare within the reach of India's masses", we have invested in innovative technologies and harnessed that power to generate solutions that bring patients closer to owning their personal wellness. Through on-line tools, they can get valuable insights on how to manage their health.

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

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

Telemedicine

India's population is highly underserved and her urban rural divide only enhances inequity in healthcare access. Apollo Hospitals has therefore pioneered remote healthcare delivery in India. Remote Healthcare involves healthcare providers delivering care from a location different from that of the patient, using technologies such as real-time video conferencing and phone calls. Apollo Tele Health Services provides front-end services related to tele- consulting and back-end IT services. Telemedicine and mobility come together to facilitate delivery of remote care.

Mobile Health supports tele-medicine by offering remote patient monitoring with the use of mobile (cellular or Wi-Fi) technology, which can be easily used with common over the shelf mobile products. mHealth supports a platform and a market place, where all mobile users, even in remote, rural and resource-limited settings, will among other things be able to access trustworthy healthcare.

Medmantra is an integrated enterprise hospital information system that includes an electronic medical record. The system is designed on a web based technology supported by enterprise class infrastructure in a regional private cloud architecture. The solution enables scalability for hospital operations and offers advanced hospital based workflows in an integrated and seamless user experience.

Medmantra enables the following:

- Access to Patient data across the region in a single UHID enabling continuum of care.
- On demand reports for lab, radiology and cardiology, enhancing real time availability.
- Optimal TAT for the Discharge Process as it is mapped in the software with time stamps for all activities.
- Dashboards for Nurses, doctors and other support staff that provide alerts through icons for proactive closure of pending activities.
- Access to lab reports and billing information across all group hospitals.
- Increased clinical and operational efficiency through SMS enabled interaction with doctors, nurses, paramedical staff, and operational and administration teams.

İmpact on Patients

- Continuum of care across regions.
- Reduced wait time to collect reports.
- İmprovement in discharge process Turn Around Time.
- İncreased coordination of care.
- Reduced errors in clinical and administrative transactions. Complete online validation of billing.

PRİSM, the Patient Engagement Platform empowers patients to take control of their health. İt receives and stores all their health information on a secure cloud, enabling them to access their health information on-line, anytime, anywhere. Log-in information is provided during hospital registration.

Ask Apollo, is a robust clinical delivery engine. İt is a patient-centric service that allows 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 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; and locating a hospital or clinic. The consultations can be scheduled as a video conference, voice call or on e-mail. Users can 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 anywhere around the globe. The Ask Apollo website has a simple user interface making it easy to navigate. İt promotes reduced health costs for an individual without compromising on the quality of healthcare.

tender loving care

Apollo's signature 'Tender, Loving Care' (TLC) is a defining term that characterizes the care the group provides - one which can comfort the human spirit at times of fear and vulnerability. TLC is rooted firmly in relationships, that is, the dynamic that exists between the care giver and the cared for. Such care resonates with superior patient experience. It presents a narrative that places TLC at the centre of engagement between the doctor and the patient; between a nurse and a patient.

WARD as a Unit

Different teams come together in a WARD and function as an individual unit focused on effective coordination and administration to deliver high quality patient care with the best possible outcomes. The concept vests accountability on the members of the ward for providing the standard of care that the Apollo brand stands for.

Every WARD is a specialty centre and houses complex procedures and processes. It works as one team – independent and inter-dependent, and all achievements are looked upon as team wins. The WARD deals with the business of emotions and the business of life, bringing caregivers and patients together as one family. Many TLC moments are celebrated here.

Good ward management is multi-dimensional; it spans all services provided by a coordinated group of professionals–technical, supportive and those in clinical support, dietetics, pharmacology, billing, insurance, etc. The WARD In-charge doctor administers the ward as an individual SBU and is responsible for all its end-to-end operations with the support of other stake holders. He executes a process and adopt steps and methods for dealing with patient needs and complaints through other team members of the ward. Thanks to automation and digitization of processes, the benefits include better TATs, higher cost efficiencies and new solutions towards better patient care.

Benefits for the Patient

- Seamless service
- Better discharge experience
- Reduction in errors
- Increased satisfaction, loyalty, trust of the patient and increased chances of repeat business
- Format vests accountability on employees to provide compassionate, quality care that will significantly improve experience of patients and their families and friends
- Single administrator not only improves the system of care in which attention to every individual patron is explicitly recognized but it also results in customer satisfaction. Patient/family satisfaction metrics go up in such an environment.

Benefits for the Organization

- Higher productivity & efficiency
- Effective material management
- Improved reporting system to drive organization performance
- Individual accountability for performance of the unit. Can be mapped to organizational goals
- Assurance of good ROI in both positive and negative market situations, as prompt and customized service strengthens business

OUR PRACTICES

engaging consultants

Caring for the physicians has stood the test of time within the Hospitals. Each department has three generations of doctors, but is extremely cohesive in delivering patient care. Apollo Hospitals has engaged the consultants deeply through special initiatives. The Hospital's world class infrastructure, adherence to the highest standards of quality and its investment in cutting-edge technology has drawn highly skilled and experienced doctors from across India and overseas to the group, where they find many opportunities to excel in their chosen specialty.

Go for Gold program

A weekly initiative involving consultants as champions of Quality improvement.

- ★ Each week data on priority indices and hospital wide indicators presented
- ★ Ideation on improving indicators and sustaining high patient safety

- ★ Closure of issues raised in the previous meetings
- ★ Improving patient safety with team work focus

- ★ Involving the professional and personal journey of our star consultants
- ★ A small token of appreciation is provided



Involving Physicians in Data Sharing



Status Report on Raised Concerns



Felicitating Consultants for their Exemplary Service

clinical excellence



patient centeredness

We believe in offering Patient-centered care to anyone that comes to our hospitals. We are respectful of and responsive to our patients' individual needs and see them as an equal partner while planning, developing and monitoring their care. We are compassionate and empathetic to our patients and believe in communicating effectively with them. Our experience shows that these practices effectively improve patient care outcomes and satisfaction.

usage of evidence based guidelines

We conscientiously use current best evidence in making decisions about patient care. This practice integrates best research evidence with clinical expertise and patient values ensuring the most effective care possible for the patient which ultimately leads to improved patient outcomes.

patient safety

we understand how to keep you safe

Safety through Systems and Protocols

We seek to prevent harm to patients, their families and health care professionals by developing a culture of safety through systems and protocols. This culture of safety gives the patients a sense of comfort when they place their lives in our hands. Starting with the ISO certification, over time we have taken many initiatives to build safety through systems and protocols.

Joint Commission International (JCI)

Apollo Hospitals, Delhi was the first hospital in the country and sixth in Asia to be accredited by the Joint Commission International, (JCI) way back in 2005. The stroke program at Apollo Hospitals Hyderabad became the first JCI accredited stroke program in the world in 2006. The JCI standards provide for safe systems by ensuring adherence to 329 standards and 1196 measurable elements.

JCI



National Accreditation Board for Hospitals and Healthcare Providers (NABH)

Our Chairman's discussions with the Quality Council of India, led to the establishment of NABH. A think tank was assembled from within the healthcare industry, and they finalized the standards for the NABH and laid out the survey process. NABH has 101 standards and 638 objective elements.

NABH



The Apollo Standards of Clinical Care (TASCC)

Going beyond just accreditation, the Apollo Hospitals Group has set up standards, systems and protocols to objectively monitor and evaluate core clinical and managerial indicators involved in patient care.

TASCC comprises of the following programs to ensure safety through systems and protocols:



the Apollo Quality Program

Apollo has an unshakeable devotion to quality

The Apollo Quality Program (AQP) was designed to help enhance patient safety and quality across the Group Hospitals. The AQP encompasses the essential tenets of patient safety-standardized methodologies for implementing clinical handovers, international patient safety goals (IPSGs), surgical care improvement, medication safety and standardization of medical records.

Clinical Handovers

Clinical handovers are standardized for transfer and handover of care from one healthcare worker to the other. Forms using SBAR for nurses and physicians have been implemented.

International Patient Safety Goals

The six IPSGs have been implemented for all hospitals irrespective of accreditation status:

- Patient identifiers
- Read back for verbal orders
- Safety of high alert medications
- Surgical site marking and time out
- Hand hygiene
- Falls risk-assessment

Surgical Care Improvement

Surgical Care Improvement Plan envisages safety during surgeries by preventing wrong-site, wrong-patient, wrong-procedure surgery, surgical-site infections and foreign-body retention during surgery.

Medication Safety

Medication Safety includes standardizing the medication management plan, ensuring prescription audits of all prescriptions including discharge summaries and measurement of medication errors.

Standardization of Medical Records

Minimum content of medical records across Group Hospitals have been defined.

Reporting Mechanism

A measurable, online, quality dashboard covering 25 parameters which enables monthly monitoring wherein each hospital reports compliance data. The expected outcomes are defined and categorized into ranges.

Validation

ACAT audits have been institutionalised to validate these processes. The last five years have shown a significant increase in group compliance to patient-safety processes and procedures.

2011-12 77 → 87 2015-16

Group average AQP score

outcomes

A quality measure, quality indicator or outcome measure is medical information from patient records converted into a rate or percentage that shows how well hospitals care for their patients. Publishing outcomes indicates a true commitment to an environment of constant improvement and transparency. Our outcome measures have been benchmarked to published results of reputed institutions in the world.

In order to efficiently measure and compare key clinical outcome measures across all hospitals in the Apollo group, a balanced score card, the ACE@25 scoring system focusing on clinical excellence, was devised. This is a set of key parameters that measure complication rates, mortality rates, and average length of stay after major procedures. It also includes hospital acquired infection rates, satisfaction levels with pain management and medication errors.

International Benchmarks

- Cleveland Clinic
- Mayo Clinic
- National Healthcare Safety Network
- Massachusetts General Hospital
- Agency for Healthcare Research & Quality (AHRQ) US
- Columbia University Medical Center
- US Census Bureau
- National Kidney Foundation Disease Outcomes Quality Initiative

ALOS Post Angioplasty

Our Benchmark	2.5 days
Numerator	Total number of inpatient days post angioplasty
Denominator	Total number of angioplasties performed

2.51-3.00 — Cleveland Clinic

≤ 2.50 — Apollo Hospitals

One Year Survival Rate for Liver Transplants

Our Benchmark	93.1%
Numerator	Number of living patients one year post liver transplant
Denominator	Number of liver transplants conducted during the defined period

93.00-84.81 — Mayo Clinic

≥93.1 — Apollo Hospitals

Catheter Related Blood Stream Infections

Our Benchmark	1 per 1000 central line days
Numerator	Total number of CR-BSI cases
Denominator	Total number of catheter (central line) days

1.01-2.20 — National Healthcare Safety Network

≤ 1.0 — Apollo Hospitals

Door to Thrombolysis Time in İschemic Stroke in ER

Out Benchmark	60 minutes
Numerator	Average time lag between arrival of the patient, to start of the thrombolysis in patients with ischemic stroke in ER
Denominator	Total number of ischemic stroke patients in ER

80.01-90.00 — Emergency US

70.01-80.00 — General Hospital

60.01-70.00 — Massachusetts

≤ 60.00 — Apollo Hospitals

expertise across patient care services

pain management

"Pain is a major healthcare problem worldwide. Although acute pain may reasonably be considered a symptom of disease or injury, chronic and recurrent pain is a specific healthcare problem, a disease in its own right"–EFIC

Ways of managing pain:

- ★ Intravenous Patient-Controlled Analgesia (PCA)
- ★ Patient-Controlled Epidural Analgesia
- ★ Nerve Blocks
- ★ Pain Medications Taken by Mouth

The Pain Management Team at our hospitals believes that there is no pain which cannot be managed and is committed to providing superior patient experience after surgeries through focused pain management. Pain has a profound impact on the quality of life and can have physical, psychological and social consequences. It can lead to reduced mobility and a consequent loss of strength; it can compromise the immune system and interfere with a person's ability to eat, work, concentrate, sleep, or interact with others.

Pain can be of two types–acute and chronic. Chronic pain is one of the most significant causes of suffering and disability worldwide. Interventional pain management procedures are most often used in concert with standard analgesic regimens to reduce opioid side effects or to gain better analgesic efficacy for chronic pain management. Pain control helps in speedy recovery and reduces the risk of developing certain complications after surgery, such as pneumonia and blood clots. If pain is well controlled, important tasks, such as walking and deep breathing exercises become easier.

Case Study

A 60 year old gentleman was referred to the pain clinic after being diagnosed by the gastroenterologist with carcinoma pancreas. Life expectancy after pancreas cancer detection is generally about 3 to 6 months. The Patient had very severe upper abdominal pain due to the cancer. As per revised WHO guidelines percutaneous interventional pain procedure was performed without delay after getting an informed consent. He was then started on a minimal dose of oral pain medication which he was advised to continue.

After this pain intervention, the patient pain score decreased significantly. He became cheerful ,independent, and started working. In fact he forgot he had a dreadful ailment. He could fulfill his tasks and spend quality time with his family. Unbelievably he lived for five years happily without much suffering, then passed away peacefully without pain due to tumour embolization. The Pain Management Clinic at Apollo is rendering top standards of humane service to cancer survivors who are in severe pain.

physiotherapy & rehab

Physiotherapy helps restore movement and function when someone is affected by injury, illness or disability, through movement and exercise, manual therapy, education and advice. The department encourages development and facilitates faster recovery.

Physiotherapy is a science-based profession and takes a holistic approach to health and wellbeing, which includes the patient's general lifestyle. At the core is the patient's involvement in their own care, regimen through education, awareness, empowerment and participation in the treatment.

Physiotherapy helps with back pain or sudden injury, managing long-term medical conditions such as asthma, and in preparing for childbirth or a sporting event.

Physios use their knowledge and skills to improve a range of conditions in patients:

- ★ Neurological (stroke, multiple sclerosis, Parkinson's)
- ★ Neuromusculoskeletal (back pain, whiplash associated disorder, sports injuries, arthritis)
- ★ Cardiovascular (chronic heart disease, rehabilitation after heart attack)
- ★ Respiratory (asthma, chronic obstructive pulmonary disease, cystic fibrosis)

psychiatry

The department with four consultants and two clinical psychologists provides both out-patient and in-patient services. In-patient services include consultation liaison services for pre-existing conditions as well as the onset of new symptoms. They also provide special counselling services for transplantation patients, both the donor and the recipient. They evaluate their capacity and psychiatric fitness to donate/receive major organs and help them understand what organ donation means, including its ethical aspects.

Out-patient services is run through a well established general psychology clinic that deals mainly with mental and substance misuse disorders. As the department forms part of the general hospital, the trust in the Apollo brand helps to remove the stigma associated with psychiatric evaluations.

specialised nursing

Making the difference to Patient Outcomes

If there is a bed in a hospital, there is a nurse. Nurses are the largest healthcare workforce in any hospital. At Apollo, they are a special team of people who are not only well qualified to ably assist the doctors, but are naturally inclined towards giving every patient, our hallmark Tender Loving Care. They make every patient experience meaningful and unique. They laugh and they grieve and they empathise. They witness many close 'moments'.

Nurses celebrate the miracle of birth and stand by to support the dignity of death – both in equal measure.

Doctors work very closely with the nursing staff. In fact, it is not an exaggeration to say that however highly skilled a doctor may be, it is critical that he is ably assisted by quality nurses. Clinical outcomes are driven by a great doctor and his nursing services who drive patient care in many ways – from the intent of outcomes to treatment and recovery. Through latent errors which they spot by continuous monitoring, they help the doctor in making treatment decisions.

Every ward in the hospital is a self-contained specialty centre- it houses complex procedures and processes, and a variety of patients of whom no two are alike. This is where the nurses at Apollo differentiate themselves. They come together to manage and process the unique needs of every patient in the ward. They are well trained to take patient care decisions. They remove lines; change diapers and dressings, dispense medication; and most importantly keep an alert look-out for changes in the patient's condition.

Nursing is extremely specialized today because of the super specialties in a hospital – for example, Theatre vs IP setting; cardiac vs pediatric. At Apollo they are at the core of a transformational journey since all wards are moving towards a SBU format and have the opportunity to develop skills beyond the day to day requirements. Automation and digitization within the hospitals have scaled down TATs significantly and improved cost efficiency, contributing to a better patient experience. The nurses can spearhead innovative solutions to further improve operational efficiencies and enhance productivity.

Nurses impact the reputation of a institution and even its ranking. But for all that, she remains behind the scene, working silently without glitz or glamour.

Apollo launches a career for its nurses. Being a super specialty institution, it gives them specialized training and exposure to multi-various treatment and patient care scenarios, in all of which she is indispensable.

dietetics

Being patient-centric is not a goal, it is the core of our existence.

Increasing knowledge of the nutritional care process in chronic and acute diseases has stimulated rapid advances in the design, development and clinical application of nutritional support. The philosophy of the Department of Dietetics in our Group is to establish and encourage good nutritional practices and standards as an integral part of health care.

Objectives of the Department

- ★ To provide the highest quality nutrition care and dietetic services to patients
- ★ To advance practice of clinical nutrition
- ★ To develop effective therapies and new treatments using evidence-based practices
- ★ To develop specialist teams and educate future Dietitians

Dietetics is one of the cornerstones of recuperative health. The patient diet, supports clinical excellence. Proper nutritive planning and timely and visually appealing service and presentation enhance patient experience. The planned wholesome diet given to patients, who are recovering from a surgical or medical procedure, involves extensive planning accentuated by accountability, accuracy, consistency and safety.

Contrary to general perception, dietetics isn't just prescribing food with vitamins, minerals and other essential components. It is the precise customization of every guest's diet, taking into consideration nutritional assessment, diagnosis, intervention, monitoring and evaluation, all of which is documented diligently on a daily basis.

Menu correction for food or drug interactions, dietetic history, tracking acuity levels, scheduling patient visits can now be accomplished on a click.

Automated Nutrition Services Operations

- ★ higher patient satisfaction
- ★ compliance with clinically recommended diet orders
- ★ greater precision in terms of safety
- ★ higher assurance that the right diet with the right ingredients is being given to the right guest
- ★ a drastic reduction in human errors, wastage and time delays
- ★ improved coordination

transfusion medicine

Issuing the safest blood possible for our patients

The task of the blood transfusion services of Apollo Hospitals is to provide safe and sustainable blood supply to all needy patients. The Blood Bank classifies blood donations based on blood groups and matches the donor and recipient blood correctly by means of a 'compatibility testing' before transfusion. After collection, the blood is tested for blood group confirmation and infectious diseases, and grouped before issue. Each unit of blood is processed and labeled, and the components stored appropriately under optimal temperatures. Modern transfusion practice does not include transfusion of whole blood. The patient receives appropriate doses of the required component – plasma, red cells, platelets, or cryoprecipitate – so as to render every donation as effective as possible.

The blood bank has achieved 100% automation of the Infectious Disease Screening and Immuno-haematology laboratories with high-throughput machines. It has also achieved 100% NAT testing of all donated blood providing an additional layer of blood safety for patients in Chennai (first centre to do so in South India). 368 potentially infectious transfusions have been averted saving 1104 patients from Transfusion transmitted infections.

Automated immuno-hematology has improved blood grouping and cross matching tests; minimised errors of testing and improved efficiency of testing. Electronic crossmatches reduce "turnaround time" for issue of red blood cells minimizing morbidity and mortality in bleeding patients. Universal Pre-storage Leucodepletion of cellular components (RBCs and Platelets) by filtration, has been instituted, reducing "transfusion reactions" like fever, allergy and sensitisation which can increase morbidity and ALOS. It has also reduced intracellular viruses which can trigger infections in neonates, recipients of solid organ transplantation and immunity compromised patients.

The Department works closely with a multi-disciplinary team of Intensivists, nephrologists, neurologists, haematologists and solid organ transplant and orthopaedic surgeons to help perform large volume therapeutic exchange therapies using the Apheresis systems and contributes significantly to improved clinical outcomes.

Supported:

- ★ the first ABO-incompatible kidney transplant in the country using the Adsorption therapy
- ★ the first Lipid Apheresis in the country to manage two patients with Congenital Hyperlipidaemia

molecular lab

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

Oncology

Personalised medicine for cancer is not new. It is also known as individualised, stratified, or precision medicine. Molecular testing for genetic markers and signatures has become the standard of care and is mandatory for clinical decision making in most malignancies. These help in establishing diagnosis, identifying druggable targets for precision medicine, therapeutic monitoring and stratification of the prognosis. Reliable and accurate testing with stringent quality practices ensure better patient outcomes. Currently, the laboratory is in the process of implementing the more complex multigene panels for solid tumours and leukemias in concurrence with updated oncology practice guidelines. Towards achieving this, the lab has included the Oncomine Knowledge Database in its informatics pipeline for reliable, accurate and actionable patient sample reporting.

Transplantation

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

Infectious Disease

Apart from routine tests in molecular virology and bacteriology, specialized rapid multiplex testing is done to identify viral, bacterial, fungal and parasitic infections of the respiratory and gastrointestinal tracts, blood stream infections and meningitis/encephalitis. Rapid diagnostic testing for tuberculosis and drug resistance profiling ensures appropriate treatment selection. Tests for surveillance and monitoring of resistance to specific groups of antibiotics are routinely carried out. The lab is licensed to carry out testing of pathogens like H1N1.

OUR CLINICAL OBJECTIVES

combating NCDs

Poor nutrition, physical inactivity, long working hours, increase in stress levels, and changes in food habits, are some of the rising negative trends of increased urbanization which are leading to various lifestyle diseases and non-communicable diseases such as diabetes, heart disease and cancer. We therefore aim to enhance patient touch points and optimize reach by leveraging multiple healthcare formats. With this kind of integrated offering, we can play a pivotal role in improving the country's overall healthcare standards. A patient can consider not only our 'hospital' format but also easily access other delivery formats to fulfill their basic healthcare requirements. The model allows us to participate in multiple stages of the patient care process resulting in better outcomes and an enhanced value proposition for the patient. The objective is to ensure that patients receive the highest quality of personal care right at inception so that progress or increasing complexity of an ailment can be arrested at the earliest possible opportunity

wellness and healthy living

preventive health checks

Preventive Health Checks can help one take measures for disease prevention, as opposed to disease treatment. Health, disease, and disability are dynamic processes which begin before individuals realize they are affected. The old saying, "an ounce of prevention is worth a pound of cure", can be especially true when it comes to staying healthy and improving one's health.

centres of excellence

The Group's Healthcare framework operates with a mix of primary, secondary and tertiary care facilities. Our tertiary care hospitals provide advanced levels of care in over 55 specialties, including cardiac sciences, oncology, critical care, neurosciences, orthopedics, radiology, gastroenterology and transplants. We have designated our focus areas as "Centers of Excellence". To offer the best possible care to our patients, we invest in the latest medical technology for each Centre Of Excellence and endeavour to provide comprehensive sub-specialties and treatment services within each center. With the support of skilled and experienced surgeons and physicians, we share knowledge and adopt best practices across our network within each COE and have also established well-defined guidelines and protocols in each to bring about a strong thrust on clinical outcomes. Putting the patient at the core of our operations, we have developed robust quality standards, used expert diagnoses and treatment plans and enhanced infection and safety protocols to provide them the most appropriate treatment.



HEART INSTITUTES

WORLD'S LEADING CARDIOLOGY & CARDIOTHORACIC CENTRE

Clinical innovation consistently leads to many firsts in the Apollo group

The Apollo Heart Institutes are regarded as one of the top centres in the world. They 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 completely dedicated to the prevention and treatment of cardiac disease. Our pioneering work in this area has led to the achievement of better outcomes and improved quality of life for thousands of cardiac patients who visit us each year with complex heart problems.

Our advanced infrastructure 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.

KUDOS

APOLLO KOLKATA HAS BEEN NAMED AS AN INTERNATIONAL CENTRE OF EXCELLENCE BY THE AMERICAN COLLEGE OF CARDIOLOGY. THE RECOGNITION, A FIRST FOR AN INDIAN HEALTHCARE FACILITY, ACKNOWLEDGES THE HIGHEST STANDARDS OF MEDICAL PRACTICE AND CONTINUING DEDICATION TO THE PROVISION OF QUALITY CARDIOVASCULAR CARE.

FY17
60,000+
CARDIAC PROCEDURES

UNMATCHED RECORD OF OVER 170,000 SURGERIES

TRANSCATHETER AORTIC VALVE REPLACEMENT (TAVR) PROGRAMME, A FIRST IN APOLLO CHENNAI

Case Studies

MULTI-DISCIPLINARY EFFORT

A 9-year old girl having a large ventricular septal defect with bidirectional shunt and severe pulmonary hypertension was discharged after successful VSD patch closure. The girl was first reviewed by Paediatric Cardiology. After clinical assessment and cardiac catheterization study she was transferred to the cardio-thoracic department for surgical intervention. Through the team effort of paediatricians, paediatric cardiologist, cardiac surgeon, cath lab and other team members, the patient recovered and was successfully discharged.

EMERGENCY BENTALL SURGERY WITH TRIPLE BYPASS CABG FOR TYPE A ACUTE AORTIC DISSECTION AND TRIPLE VESSEL DISEASE

Acute Type A Aortic Dissection is a medical emergency and requires emergency repair to avoid mortality. The repair is however a formidable challenge and mortality ranges from 8% to 35%.

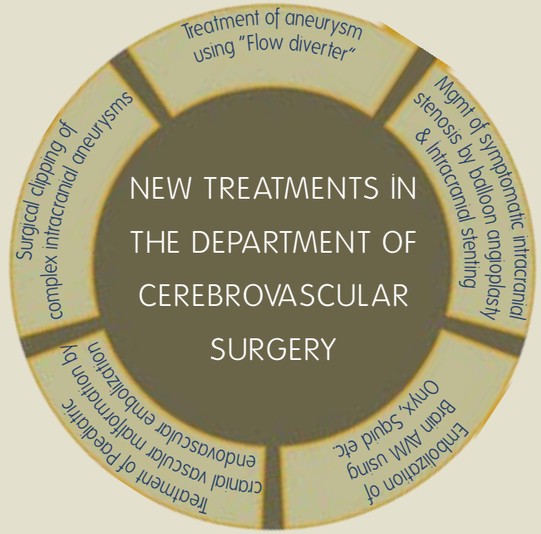
A 58 year old gentleman developed acute and severe chest pain radiating to the back and was brought into the emergency room. He was transferred for a coronary angiogram under the assumption that this was an acute coronary syndrome. During screening, a flap was observed in the ascending aorta, pointing towards the true nature of the disease. An immediate CT Aortogram revealed Acute Type A Aortic Dissection. At Apollo, Ahmedabad, a Bentall Surgery was performed, by excising the ascending aorta and the affected area inclusive of the entry tear. The patient was weaned off the cardiopulmonary bypass and after a secured homeostasis the chest was closed. The patient had an excellent postoperative recovery. Very few such cases have been reported in medical literature including the International Registry for Aortic Dissection Surgery.

FIRSTS

Performed TAVR on a 75 year old, a first in the region

Two cases of life-saving emergency primary Thoracic Endovascular Aortic/Aneurysm Repair (TEVAR) for aortic transection in a road accident, was a first in Apollo, Chennai and a rare case in the world.

Rare case of TAVR was done on a multi co-morbid sick elderly via transcommon iliac artery conduit (proctor). A valve-in-valve TAVR with Core valve 31 inside 29 Evolut R was needed for managing PVL successfully. This is a first in Apollo and a first in the world.



Apollo HOSPITALS | INSTITUTES OF ORTHOPAEDICS

PIONEERING BONE AND JOINT CENTRES

The Apollo Institutes of Orthopedics enjoy the reputation of being one of the pioneering bone and joint centres in the country with a legacy of innovation and excellence. The Institutes are at the forefront in offering the latest in Orthopedic treatments and Orthopedic surgical advancements to patients. Our Orthopedicians are trained at top centres worldwide and bring with them valuable knowledge and experience. Our facilities are fitted with cutting-edge technology in terms of equipments, operating rooms, recovery areas and advanced Physical Therapy facilities.

Bones in our body are living tissues surviving with their own blood supply allowing several cycles of bone remodeling during ones' lifetime.

Bioactive glass S53P4 granules is a cutting-edge CE-marked class III medical device that is used in surgical procedures to regenerate bone. The granules are osteostimulative which means they activate genes responsible for bone formation in osteogenic cells. They have the added special property of effectively inhibiting bacterial growth, which makes these granules a very unique material for regenerating bone.

Symptoms of bone defect

- ★ Stiffness in joints
- ★ Severe immobility
- ★ Swelling & Infection
- ★ Joint deterioration

5,600+

Joint Replacements

FY17

A **knee replacement** typically consists of four parts: a femur, a tibial base, an insert, and a patella. Apollo Hospitals is now using a U.S. manufactured advanced total knee replacement which uses an insert with vitamin E blended right in. Vitamin E is a naturally occurring anti-oxidant. e-plus is a new FDA approved solution that hinders oxidation which can cause degradation of an insert.

Pediatric orthopedics

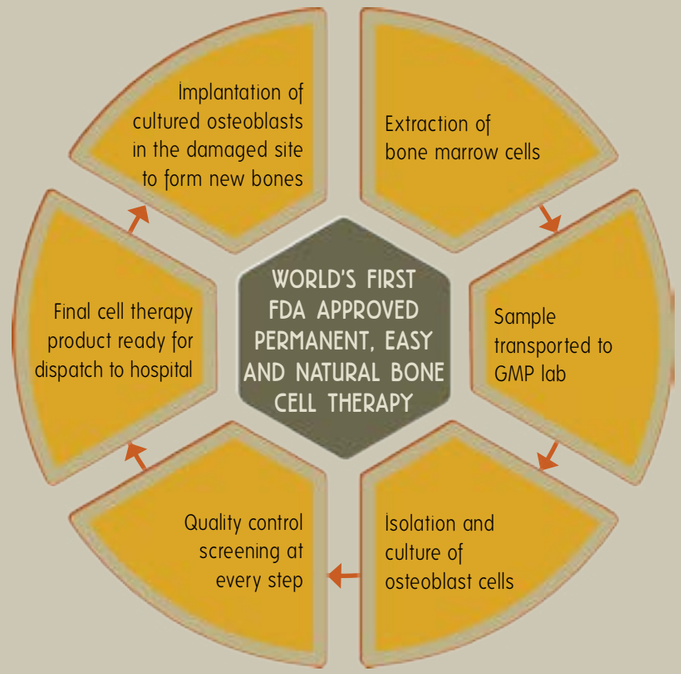
The long-term use of these granules for treating bone defects created by benign bone tumors in children shows that the granules resorbs slowly and the grafred area remodels to bone over time without disturbing the normal growth of bones in children.

Cell Therapy

This is a therapy in which cellular material is injected into a patient, through which healthy living cells replace diseased or dysfunctional cells. Biotechnology and in particular stem cell bioprocessing and cell based therapeutics is a revolutionary growth engine in regenerative medicine. The musculoskeletal system is made up of several connective tissues including bones, muscles, cartilage, tendons and ligaments. Each joint has different functions such as supporting the body.

Tissues in our body tend to break, degenerate and die with the stresses of everyday life. However, the damage within the musculoskeletal system cannot be repaired without a surgical intervention. The revolutionary new cell therapy treatment makes repair possible for a permanent, easy and natural way to regain normal functions.

The therapy is a minimally invasive procedure which regresses the progression of osteoarthritis and helps in regeneration of the cartilage. It restores a complete range of motion and supports active normal life.



Benefits:

- ★ Targeted, personalized Cell Therapy
- ★ Accelerated bone healing
- ★ Three-dimensional bone regeneration
- ★ Complete relief from pain
- ★ Further progression of the disease is ceased
- ★ New blood supply is initiated which further supports bone growth
- ★ Active normal life

Case Study

A 49-year old woman was diagnosed with Giant Cell Tumour of bone involving her distal femur bone close to the knee joint for which she was treated by cure age and cementa 16 years ago. However, she developed severe knee pain associated with extreme limitation of her daily activities. She was then diagnosed with acute osteoarthritis of the knee with cement at distal end femur. In view of the complex nature of her condition, she was advised that the best treatment would be total knee replacement which was done using conventional prostheses with navigation assistance (first instance in the world). The surgery was successfull and ensured great improvement in her quality of life.

Apollo HOSPITALS | INSTITUTES OF NEUROSCIENCES

BETTER DIAGNOSIS & BETTER TREATMENT FOR NEURO HEALTHCARE

The Apollo Institutes of Neurology and Neurosurgery uphold the lofty ideal of reaching the best of neuro healthcare to every individual. Ably assisted by the latest Neuro-Radiology services, Neuro-Intensive Care facilities and Medical and Radiation Oncology services, our Neurologists and Neurosurgeons achieve outcomes in treating neurological diseases matching those of the leading institutions across the globe.

Cutting-edge treatments at Apollo in Cerebrovascular Surgery

- ★ Treatment of aneurysm using "Flow diverter"
- ★ Management of symptomatic intracranial stenosis by balloon angioplasty and Intracranial stenting
- ★ Embolization of Brain AVM using Onyx, Squid, etc.
- ★ Treatment of Paediatric cranial vascular malformation by endovascular embolization
- ★ Surgical clipping of complex intracranial aneurysms

The Department also specializes in Pin-hole surgery, where a small pin hole is cut in the groin through which procedures and treatment are offered. This a minimally invasive procedure which enhances patient experience as the recovery is quick and easy with minimal bleeding.

One of the most important medical innovations of the 21st century is the leverage and expertise radiologists trained in interpreting images of human body through X-rays, ultrasound, MRI and CT, bring to the treatment of various diseases in the body.

FY17
14,000
Neuro Surgical Operations

Interventional Neuroradiology

Apollo practices Interventional Neuroradiology, an accredited medical super specialty specializing in pin-hole/ minimally invasive image-based technologies and procedures used in diagnosis and treatment of diseases of the head, neck, and spine.

The following is a list of diseases and conditions typically treated by neuro interventionalists:

- ★ Cerebral aneurysm
- ★ Brain arteriovenous malformation (AVM)
- ★ Carotid-cavernous fistula (CCF)
- ★ Dural arteriovenous fistula
- ★ Extracranial (brachiocephalic) atherosclerosis
- ★ Extracranial (head and neck) and paraspinal vascular malformations
- ★ Head and neck tumours
- ★ Intracranial atherosclerosis
- ★ Juvenile nasopharyngeal tumour
- ★ Meningiomas
- ★ Nosebleeds
- ★ Paragangliomas
- ★ Stroke
- ★ Spinal vascular malformations
- ★ Traumatic vascular lesions
- ★ Vasospasm
- ★ Vertebral body tumours
- ★ Vertebral body compression fractures

Case Studies

A young professional (32 year old) employed with the Indian space agency came with blocked artery of the brain and paralysis of his hands and legs. The artery was opened by the Interventional Neuro-radiologist in Apollo Chennai using this state-of-the art procedure, endowing the patient with a new lease on life. The patient resumed normal life within 2 weeks.

In another case, a 44 year old mother of two came with one sided paralysis because of a blocked brain artery. The Interventional Neuro-radiologist attended on her and the patient was able to resume normal functions the very next day after treatment.

Apollo Stroke Services

Apollo uses the Penumbra device to open a blood vessel and remove a blood clot. This is just one example of the multiple stent retriever devices used in its hospitals. Apollo is one of the few centres in the world which specializes in this procedure.

WORLD-CLASS 24-HOUR EMERGENCY CARE

The Emergency Department at Apollo Hospitals is singular and world class. The department has a quick and efficient nurse led triage often augmented by the senior Doctor on the floor. The triage ensures no time critical emergency is missed, and evaluation and interventions are not unnecessarily delayed.

Our Emergency Rooms offer easy and swift access to super specialist surgeons and cutting edge procedures. Our long years of experience has taught us the value of every minute in an emergency and we have cardiologists, neurologists, neurosurgeons and trauma specialists on 24x7 standby to provide expert care during a medical emergency.

We actively leverage our multi-specialty prowess to deliver the crucial edge in emergency care. Our protocols are designed for quick response and have proven outcomes that are on par with the very best in the world. We follow evidence based practices in line with international norms. Guidelines and protocols for all common emergencies that come to the department are in place. Daily teaching sessions and bed-side clinical discussions ensure all care providers are aware, well prepared and well trained to combat an emergency. Time critical interventions are expertly and routinely carried out in a safe manner in all Apollo EDs where patient safety underscores all treatment.

Case Study

A lady called 1066 one afternoon saying her father had been having indigestion since morning but was now worse - out of breath and faint. An Apollo ambulance reached them in ten minutes flat; the paramedic team quickly assessed the gentleman, coordinated with the nearest Apollo Emergency and moved him into the ambulance. But a catastrophe struck.

The man suffered a cardiac arrest - all alarms on the ambulance went off at once. But this was exactly what the experienced Paramedic was trained for. With one quick look at the monitor, he knew this was a Ventricular Fibrillation and he had less than a minute to set matters right. He fixed the defibrillator Pads on the patient's chest and delivered the life-saving shock within seconds.

When the patient was wheeled into ER a few minutes later, he was quickly stabilized. The diagnosis was "STEMI" - the worst kind of heart attack. The Emergency Physician was ready with a Cardio team. The patient was moved into the Cath Lab within minutes, his STEMI treated, and heart attack reversed within the hour.

So what makes the APOLLO ED one of a kind?

A guarantee of the highest levels of skill, expertise & infrastructure

1. A large Ambulance fleet with GPS and mobile ECG transmission capability to the base centre

2. Paramedical staff who are meticulously well trained in resuscitation and initial treatment of a sick patient and are able to start care right at the patient's doorstep in his house. Top notch staff capable of rendering a gamut of urgent responses like:

- Cardiopulmonary resuscitation
- Patient bedside ECG
- Providing pain relief right at the patient bedside
- Securing intra venous line and traeating low blood pressures with fluids
- A complete evaluation and relay of the patient's clinical parameters to the Emergency physician
- Identifying and treating low blood sugars (a life threatening condition if not treated on time) in a span of minutes

Apollo's EDs are backed with strong and competent critical care units ensuring quality care on par with international centres. This is marked by:

- Certified trained Emergency Physicians who are available round the clock to assess and stabilize the patient
- Protocol based care of Emergencies ensuring uniform and effective patient care across all the Apollo Emergency Departments
- Point of care tests like Ultrasound scans at the patients' bedside supporting quicker diagnosis and faster disease specific therapy
- A fully equipped state of the art Cardiac catheterisation Lab that is operative 24*7 to support emergencies

Two emergency medical conditions that have time critical treatment considerations

1. In the case of stroke, there is a window of three hours within which the benefit of thrombolytic drugs outweighs the risk of major bleeding.

2. In the case of a heart attack, rapid stabilization of fatal arrhythmias can prevent sudden cardiac arrest. There is also a direct relationship between time-to-treatment and the successful restoration of blood flow to the heart, including a time-dependent reduction in the mortality.

Apollo HOSPITALS | CANCER INSTITUTES

THE LAST WORD IN CANCER CARE

PRECISION ONCOLOGY

Cancer care has moved into the era of personalized medicine where individual therapies are tailored to fit the needs of individual patients. Precision Oncology at Apollo Cancer Institutes delivers this kind of personalized care to every patient where the approach to treating cancer is based on a patient's individual genetic makeup. While traditional methods treat cancer by disease type, precision medicine looks at specific cancer-associated genes in cells and then targets the "Achilles Heel" of the tumour – the genetic drivers that cause cancer.

Therapies are matched to pinpoint and destroy specific genetic abnormalities and mutations in the tumour, while sparing normal cells. Genomic sequencing, a process used to determine the genetic makeup of a patient's cancer, can reveal the ideal medication to treat the cancer effectively.

LIVE ROBOTIC SURGERY WORKSHOP FOR HEAD & NECK CANCERS

Our Hospitals in Kolkata, hosted a live robotic surgery workshop for head and neck cancers–the first of its kind in this region.

The lead faculty for the daylong workshop was the renowned head and neck onco surgeon Dr Yoon Woo Koh, Professor at Seoul's Yonsei College of Medicine, Yonsei Head and Neck Cancer Centre, and Severance Hospitals. The workshop was attended by over fifty specialist head and neck onco surgeons from across the country.

Transoral robotic surgeries for tonsil, tongue base and supraglottic cancers

Apollo Main in Chennai has the distinction of being the only one in the group to perform Transoral robotic surgeries for tonsil, tongue base and supraglotic cancers. The Hospital has also successfully performed (for the first time in Southern India) robotic surgeries for parapharyngeal space tumour and hypopharyngeal cancer without external incision in the neck. It has also performed endoscopic thyroidectomy and neck dissection for the first time in Tamil Nadu.

THE PROTON CANCER CENTRE AT APOLLO HOSPITALS, CHENNAI

The first of its kind in South East Asia, the centre will identify priority areas for Research & Development and develop cancer control strategies which will include newer modalities of prevention, early diagnosis and treatment.

The Proton Cancer Centre will focus on organ specific cancer management and will have a dedicated Oncology team.

Proton Beam Therapy provides an advanced radiation treatment option for oncologists. It is highly precise and the radiation is focused directly into the tumor, without causing any harm to the adjoining tissues. Tumours in difficult to access areas such as, in the head, neck, brain, pancreas and prostate can be targeted. This treatment will be especially beneficial to Paediatric cancer patients.

At Apollo Children's Hospital, Chennai

- ENT surgeons treated a case of thyroid carcinoma with secondary's involving the carotid artery
- A very rare bronchial carcinoid tumour was excised in a 14 year-old girl with lobectomy of right side middle and lower lobe by a paediatric surgeon
- A very rare anterior mediastinal mass germ cell tumour was excised by a thoracic surgeon in a 10 year old

At Kolkata

Radical micro-neurosurgical complete removal of a giant skull-base brain tumour by subtemporal (intra and extradural) and lateral infratemporal (modified Fisch Type C) complex skull-based approach was successfully performed on a 43 year-old

50,000+
CHEMOTHERAPY SITTINGS

150,000
RADIOTHERAPY SESSIONS

Apollo HOSPITALS | INSTITUTES OF TRANSPLANT

THE LARGEST & MOST COMPREHENSIVE SOLID ORGAN TRANSPLANT PROGRAM IN THE WORLD

Our Transplant İnstitutes are well known for several organ transplantation procedures such as liver transplants, kidney transplants, corneal transplants, heart transplants, intestinal and Gİ transplants, pancreatic transplants and pediatric transplants. Apollo Hospitals has been a leader in the field of organ transplantation.

Our doctors' experience and expertise, integrated team approach, high-end equipment, superior outcomes and excellent infrastructure make Apollo Hospitals an ideal choice for transplants. Teams work with transplantation recipients before, during and after surgery to ensure the greatest likelihood of superior results.

An eminent multidisciplinary pool of internationally renowned physicians and surgeons deliver the highest standard of care earning our Centre the reputation of excellence and expertise.

FY2017

Solid Organ Transplants

Liver	331
Kidney	893
Heart	8
Lung	8
Heart & Lung	2
Kidney & Pancreas	6

Largest pancreas programme in Asia



WITH OVER **90%** SUCCESS RATES, OUR PROGRAM IS A BEACON OF QUALITY AND HOPE FOR PATIENTS FROM ACROSS THE WORLD

REMOTE, PATİENT LED DYNAMİC İMMUNE SURVEİLLANCE AFTER SOLİD ORGAN TRANSPLANTATİON

Case Study

A RARE LIVER TRANSPLANT ON A SIX AND HALF MONTH OLD TINY BABY WEIGHING 5.5 KGS

This is one of the youngest and underweight infants to undergo liver transplant. Only a few centres in the world carry out liver transplants on children lesser than 10 kgs in weight.

The Transplant team at Apollo Hospitals, Hyderabad, performed the critical liver transplant surgery on the baby who was suffering from biliary atresia. The transplant was carried out successfully by taking a slice of the father's liver on 13th October, 2016. The team consisted of transplantation specialists, a Paediatric Gastroenterologist, Anaesthetist and a postoperative team of specialists and critical care doctors including an Intensivist, a Paediatric Intensivist, Paediatric Critical Care specialist; Infectious Diseases specialists and an Endocrinologist.

SİMULTANEOUS PANCREAS-KİDNEY TRANSPLANTATİON AT APOLLO HOSPİTALS

THE FIRST SUCCESSFUL PEDIATRIC AND ADULT LIVER TRANSPLANTS IN INDIA WERE PERFORMED AT APOLLO HOSPITALS IN NOVEMBER 1998

FIRST 6 CASES IN THE WORLD FOR LUNG AND PANCREAS TRANSPLANTATION

FIRST IN ASIA – PANCREAS ALONE TRANSPLANTATION TO CURE DIABETES

FIRST IN ASIA – COMBINED EN-BLOC HEART LIVER TRANSPLANT

FIRST IN ASIA – ABDOMINAL WALL TRANSPLANT

FIRST IN INDIA – INTRODUCTION OF GENETIC ANALYSIS FOR ACCURATE TACROLIMUS DOSING POST-TRANSPLANT

The Apollo Institute of Robotic Surgery is committed to providing patients with exceptional clinical outcomes. The state-of-the-art operating theatres are equipped with the da Vinci® surgical system, the most advanced platform for minimally invasive surgery available today. The four armed surgical robotic system is a breakthrough in surgical technology and is used in the specialties of Urology, Gynaecology, Cardiac, Gastrointestinal surgery, Bariatrics and Paediatrics.

We also use the Renaissance Robotic Technology, the only technology specifically designed for spine surgery. Apollo Hospitals is the **first in Asia-Pacific** to offer this minimally-invasive robotic-guided spine surgery system.

Apollo Chennai has the busiest Robotic Colorectal surgery program in the country and has performed robotic surgery for both benign and malignant cases.

FIRSTS AT APOLLO CHENNAI

- robot assisted transoral excision of a parapharyngeal space tumour without neck incision
- transoral robotic salvage surgery for a woman with posterior pharyngeal wall cancer

Robotic surgery is presently the most advanced system for physically manipulating the internal organs in a precise manner in order to remove lethal diseases like cancers, repair dysfunctional organs or perform any other procedure with minimal disturbance to adjacent tissues. This translates into minimal blood loss, little post operative pain, early recovery and a shorter stay in the hospital. In order to understand how it occurs, one should imagine the following:

- If the size of the human wrist were to be reduced to just less than a centimetre and a pair of eyes were placed within a space of little more than a size of a pen
- And these were inserted into the human body through small holes, sufficient enough to allow them to reach the target organ within the human body
- There would hardly be any disturbance to other organs of the body while a precise procedure could be carried out within the depths of the human body

As a result, the so called 'big surgical procedures' become small 'Local Procedures'. Robotic surgery is ideally suited for surgical procedures carried out in the depths of the abdomen and pelvis on the organs of the urinary tract, situated extra-peritoneally. Reconstruction of any organ system requires 'suturing' and Robotic technology allows the placement of precise sutures using fine suture material, resulting in approximation of tissues quite close to natural. This makes Robotic technology the modality of choice where reconstruction is required, for after ablation of tumours and treatment of congenital anomalies.

ROBOTIC SURGERY. BETTER TREATMENT. OUTCOMES.

Case Studies

A large thymus gland tumour, weighing 450gm was removed by means of Robotic surgery from the chest cavity of a 57-year-old woman at Delhi. This involved making three small keyholes in the chest region; one of them 12mm (to insert the robot's arm carrying a camera and light for better vision) and the other two sized 8mm for carrying instruments. Through a console, the surgeon guided the arms to detach the tumour from the surrounding blood vessels and tissues and slowly removed it through the 12mm-sized hole, which had to be stretched further since the tumour was too big. Conventional surgery would have required cutting open the chest to remove the tumour. It was an extremely difficult procedure but the patient recovered well post-surgery thanks to the skills of the surgeon.

A 39-year old patient was keen to conceive. She reported heavy menstrual flow and dysmenorrhea. Evaluation showed a large fibroid of 18x12 cms in her uterus. Multiple gynaecologists had advised her hysterectomy but Apollo Hyderabad successfully performed Robotic assisted Myomectomy on her and helped her recover quickly.

A 40-year old male who was diagnosed with Papillary Carcinoma Thyroid, underwent Remote Access total thyroidectomy, at Kolkata. The right lateral neck was dissected and central compartment cleared. This scar-less procedure is minimally invasive and a significant advancement over traditional open thyroidectomy, ensures more aesthetic outcomes for head and neck surgeries.

A 70-year old gentleman was found to have intermediate category prostatic lesion but his prostate biopsy showed adenocarcinoma of prostate with only 8% involvement. Robotic assisted prostatectomy was performed and the bilateral nerve was preserved, leaving the patient cancer free.

A 60-year old lady was diagnosed in Delhi with tumours in both kidneys. Six small keyholes were made in the abdomen and the kidney was isolated from surrounding structures through a procedure called Robotic Assisted Partial Nephrectomy. The blood vessels could be clamped for just twenty minutes as anything longer may have been detrimental for the recovery of the kidney. The tumour was carved out using a sharp instrument and the cut margin of the kidney was stitched using a special suture material. The repair was perfect and there was no bleeding after removal of the clamps. The entire procedure was managed in little less than twenty minutes. The patient was shifted to the ward after two hours and discharged on the third post-operative day. After five weeks, the urologist carried out the same procedure on the right side. The kidney function assessed at the end of the second surgery revealed normal values. This is a classic case where state-of-the-art technology like robotics can save useful kidney tissue while removing deadly tumours.

Thymomas are rare intrathoracic neoplasms of the thymus with an annual incidence of approximately 0.15 per 100,000 people. A rare case presented itself in Hyderabad. The patient complained of tightness in chest and breathlessness when walking or lifting heavy objects. A Robot assisted Thymectomy was performed on the patient with less than 5 ml of blood loss. Robotic approaches in thoracic surgery result in less operative trauma, shorter hospital stay, preserved pulmonary function, and better cosmetic results.

INDIA'S BUSIEST ROBOTIC COLORECTAL PROGRAMME BY VOLUME

900+
ROBOTIC SURGERIES

bringing healthcare to the neighbourhood

The Group today runs the largest chain of standardized primary healthcare models – multispecialty clinics under the brand "Apollo Clinics". In India, the healthcare industry is undergoing a revolutionary change mainly due to rising income levels, increasing awareness about lifestyle diseases, changing attitude from prescriptive to preventive healthcare, growing insurance market and increasing government spending on healthcare.

Helathcare services portfolio that addresses key consumer megatrends





Geographic footprint across India

Legend

Customer Touch Points	Count
Apollo Diagnostics	207
Apollo Clinics	75
Apollo Spectra	12
Apollo Cradle	12
Apollo Sugar	38
Apollo Dental	73
Apollo Dialysis	5

> Retail Healthcare begins with a focus on preventive health and can extend to treatment of lower complexity. Consumers prefer such seamless healthcare delivery channels within a less intimidating and relaxed atmosphere (when compared to a hospital setting), to treat their minor illnesses.

> Consumers are increasingly looking for treatment options that will enhance quality of life even when the medical condition is non-threatening - knee replacement and bariatric procedures, for example.

> Disease profiles are changing with increasing incomes. Rising pollution levels, rich diets, sedentary lifestyles and increasing stress levels are leading to a surge in the incidence of non-communicable diseases.

> With cities boundaries expanding rapidly, patients are looking for neighbourhood facilities that offer the same conveniences as a large stand-alone multi-specialty hospital.

> The rise in per capita income while improving affordability particularly in the bulging middle class segment, has also fostered sophistication in healthcare demand.

Apollo Clinic
Expertise. Closer to you.

75 PRIMARY CLINICS

33 Owned ★ 42 Franchisee

(40 National ★ 2 International)

~371,000 CONSULTATIONS

~200,000 HEALTH CHECKS

~1150 DOCTORS

Apollo DIAGNOSTICS
Expertise. Empowering you.

44 LABORATORIES

163 COLLECTION CENTERS

~348,500 DIRECT AND

~900,000 INTERNAL BILLINGS

~74 DOCTORS

800 TEST MENU

Apollo Sugar Clinics
PROVEN DIABETES CARE

38 DIABETIC CARE CENTERS

3 ADVANCED CENTERS

35 PRIMARY CENTERS

~122,000 CONSULTATIONS

~90 DOCTORS & 27 DIETICIANS

Apollo Dialysis Clinic

5 DIALYSIS CENTERS

~22,700 DIALYSIS SESSIONS

~13 DOCTORS

Apollo WHITE dental

73 DENTAL CARE CENTERS

~52,500 PROCEDURES

~300 DOCTORS

Apollo Spectra HOSPITALS

12 SURGERY CENTERS

11 Owned ★ 1 OMA

~17,900 SURGERIES

~750 DOCTORS

Apollo Cradle
FOR WOMEN & CHILDREN

12 BIRTHING CENTERS

8 Owned Cradles ★ 2 Fertility Units

1 Cradle Clinic ★ 1 Franchisee

~100,000 CONSULTATIONS

~4,350 DELIVERIES

~7,400 NICU DAYS

~500 DOCTORS

single specialty hospitals

Single specialty healthcare centers like the APOLLO CRADLE and Children's Hospital are growing increasingly popular.

Apollo Cradle

Delivering Joy

Expectant mothers today celebrate pregnancy with cheerful anticipation, optimism, and pride in their womanhood. Apollo Cradle aspires to make a woman's journey to parenthood truly spectacular.

Cradle is a standalone birthing centre. We believe that a child is life's greatest gift and pregnancy is one of the most magical experiences nature can offer. We also strongly believe that this gift deserves to be nurtured and cared for, not just during birth, but for the entire duration of the pregnancy. We therefore aim to ensure that our expectant mothers are healthy and happy during pregnancy and they leave our hospital with their new borns happy and confident after a fabulous birthing experience.

Apollo Cradle provides world-class medical expertise, elite facilities filled with love and laughter and staff dedicated to the holistic well-being of mother and baby.

Why Apollo Cradle is special?

Apollo Cradle was born out of our belief that childbirth is a celebration. We uphold this belief by delivering joy through tender loving care in an environment that replicates the warmth and comfort of home. Each mother and baby is unique to us and we want to make our mothers feel special.

During Pregnancy

- ★ Talks on staying healthy
- ★ Yoga classes
- ★ Diet schedules
- ★ Classes on delivery
- ★ Post-natal care

Welcoming the new born

- ★ Congratulatory song around the hospital
- ★ Welcome baloons and gifts for the new born in the room
- ★ Cake cutting and photographs

Baby Spa

An exciting venue where new mothers learn to handle their babies. It promotes breast-feeding and bonding between the child and parent.

Home Visit

A caring home visit by the nurses to reassure new mothers, is a distinguishing hallmark of Cradle. The patient is contacted on the seventh day after discharge to schedule a visit by a team of nurses and doctors.

Apollo Children's Hospital

The hospital was started eight years ago. It is a stand-alone pediatric hospital, which aims to cure children with various kinds of complications in order to give them a happy childhood. The hospital currently has 30 specialties and around 100 consultants.

A day at Apollo Children's Hospital



Apollo Children's Hospital offers superior pediatric care. It is complete with a best-in-class Pediatric Intensive care facility, Operating Rooms with advanced technology, including a facility for complex cardiac surgeries, procedure rooms, laboratory services and clinics to treat developmental disorders and conduct counseling services.

The hospital has a multi-disciplinary team of medical experts. Being a child care hospital, the process of healing is made as child-friendly as possible. The ambience, the mood and the care culture have all been centered around the young patients.

The Children's Hospital makes the difference by integrating medical care, education and research to provide the highest quality specialized health care services under one roof for all children.

Located in the heart of Chennai, it is just a stone's throw away from the flagship Apollo Hospitals. The Children's Hospital is a 80-bedded facility and offers the finest quaternary Pediatric care in the country.

The Paediatric Intensive Care Unit (PICU)

This is the most advanced treatment facility of its kind in the area, providing the highest standard of care for critically ill and injured children from all over India, and also internationally.

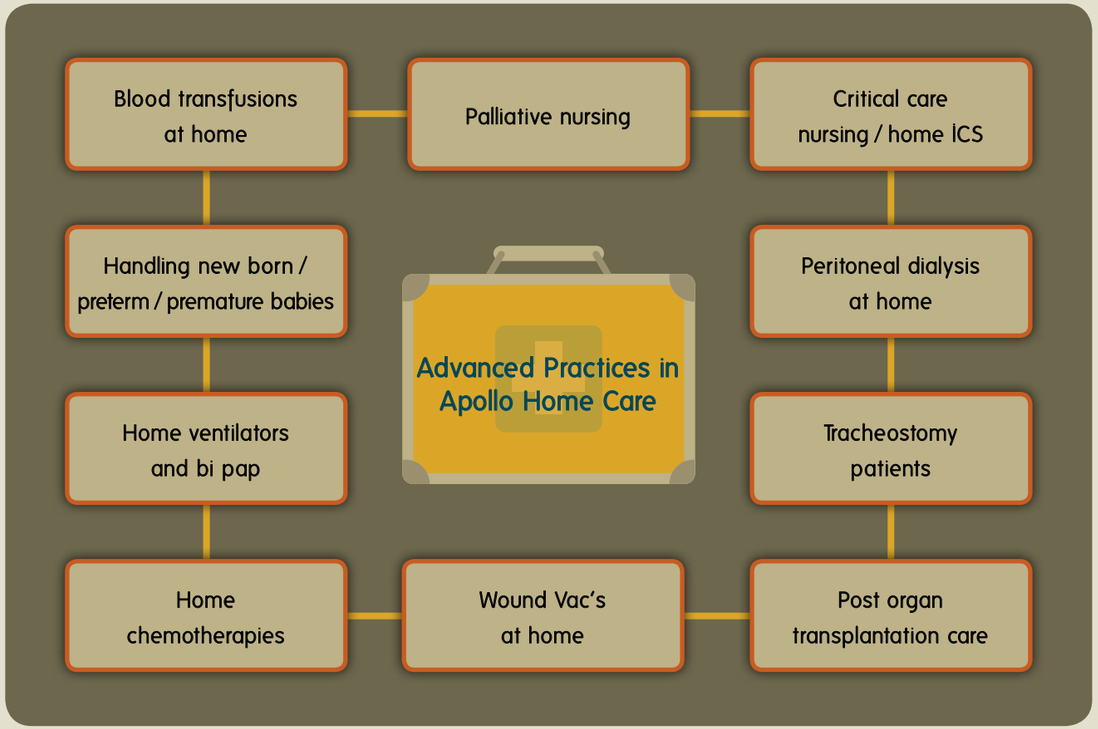
The PICU team provides treatment that is current, evidence based and which closely adheres to global best practices. The unit is staffed by internationally trained and highly committed Paediatric Intensive Care Physicians. It provides Critical Care 24 hours a day, 7 days a week. The doctors liaise regularly with Paediatric medical and surgical subspecialists regarding coordination of care, discharges and follow-ups. In addition, specially trained Critical Care nurses complement the PICU care.

Apollo Homecare

An extension of Apollo Hospitals' care continuum and excellence in healthcare provision

Apollo Homecare ensures that high quality healthcare is more accessible to the community. Integrated healthcare for elderly, chronically ill patients and patients recovering post surgery ensures personalized attention from well-trained and qualified healthcare providers within the comfort of their homes.

Apollo Homecare offers unique treatment options delivered with compassion and care and underscored by clinical excellence. The goal of Apollo Homecare is to enhance quality of lives by upholding the dignity of those receiving care. Services include treatment of common conditions, long term care, post-operative care, lab investigations and advanced treatments like Home dialysis, Home chemotherapy, Home ICU setup, Home ventilator care and Blood transfusion at home.



pharmacies

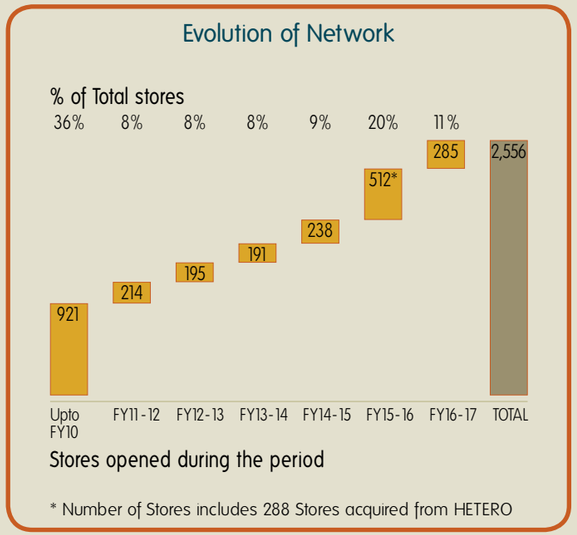
Apollo Pharmacy is India's first and largest branded pharmacy network, with over 2,550 outlets in key locations. Accredited with International Quality Certification, Apollo Pharmacy offers genuine medicines round-the-clock, through 24-hour Pharmacies. Apollo Pharmacy also provides Customer Care any time of the day. We have gained experience in pharmacy operations management over the last 2 decades and are committed to delivering best-in-class service in the industry. Apollo Pharmacy is well stocked with prescription medicines, OTC drugs and FMCG products. It stocks more than 4000 products in various categories including more than 400 Apollo branded products.

Started in 1988, Apollo Pharmacy is India's first and largest branded pharmacy network which serves over 2.75 Lakh customers daily and employs over 16,675 people in Retail Pharmacies. The network is spread across 22 states, with 71% of the stores present in South India (in Telengana, AP, Karnataka and TN)

Revenue
₹ **28,745** mn
FY17
24%
yoy growth

EBITDA
₹ **1,233** mn
FY17
4.3%
margin

Capital Employed
₹ **6,559** mn
FY17
15%
ROCE



of Stores
FY17
Added **285**
Closed **55**
Total **2,556**
as on 31 Mar '17

Mature Stores
FY17 (Up to FY15 Batch)
Operate at **5.7%** EBIDTA
Contribute **83%** of Revenue

awards & recognitions

Times of India Ranking Survey 2017

#1 Top Super Specialty Hospital in India–Apollo Hospitals, Greams Lane, Chennai

#2 Top Super Specialty Hospital in India–Apollo Indraprastha, Sarita Vihar, New Delhi

Top Multi Specialty In the South Zone

#1 Apollo Hospitals, Greams Lane, Chennai
#2 Apollo Hospitals, Jubilee Hospitals, Hyderabad
#3 Apollo Hospitals, Bannergatta Road, Bangalore

Asian Hospital Management Awards 2016 – Hoi Chi Minh Vietnam

Apollo Hospitals won **13 Best Hospital in the Asia Pacific Region awards** in 11 categories plus **2 Grand Awards** for Apollo Indraprastha, New Delhi, and Apollo Gleneagles, Kolkata.

Frost and Sullivan 2016

Frost and Sullivan Excellence Awards give recognition for demonstrating outstanding achievement and superior performance in the areas of **Process Innovation**; **HR Excellence**; **Environment Leadership**; **Operational Excellence**; Nursing; **Medical Tourism**; and **Process Innovation Leadership**.

Business Superbrands 2016

The prestigious title of '**Business Superbrand**' for the year 2016 was conferred upon Apollo Hospitals, underpinning the **undisputed leadership** of Apollo Hospitals in the industry.

Week-Nielsen Best Hospital Survey 2016

Apollo Hospitals, Greams Lane, Chennai was awarded the **2nd Best Multi Specialty Hospital** in the country

ICICI Lombard & CNBC TV 18 Best Hospital Survey 2016

Apollo Hospitals, Greams Lane, Chennai, was adjudged the **Best Multi Specialty Hospital Megapolis** in India

FINANCIAL HIGHLIGHTS

consolidated financial performance

Rupees million, except for share data	FY 2017	FY 2016
Revenue from operations	72,549	62,147
Operating EBITDA (Earnings before Interest, Tax & Depreciation)	7,286	6,878
Operating EBIT (Earnings before Interest & Tax)	4,145	4,239
Profit Before Tax	2,221	3,321
Profit After Tax	2,210	2,364
Earnings per share (EPS)-Basic (₹)	15.88	16.99
Earnings per share (EPS)-Diluted (₹)	15.88	16.99

consolidated financial position

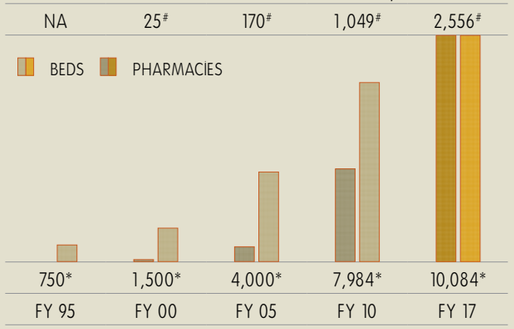
Rupees million	FY 2017	FY 2016
Application of Funds	**81,165**	**73,598**
Fixed Assets	47,700	43,514
Goodwill	2,267	2,076
Non-Current Investments	3,020	2,706
Net Current Assets & Long term Advances*	28,178	25,302
Sources of Funds	**81,165**	**73,598**
Shareholders Fund	36,714	33,311
Minority Interest	2,164	779
Loan Funds & Long term Provisions/ Liabilities	40,018	37,333
Deferred Tax Liability	2,269	2,175

* includes cash and investment in liquid mutual funds of ₹ 6,245 million in FY17 and ₹ 4,109 million in FY 16.

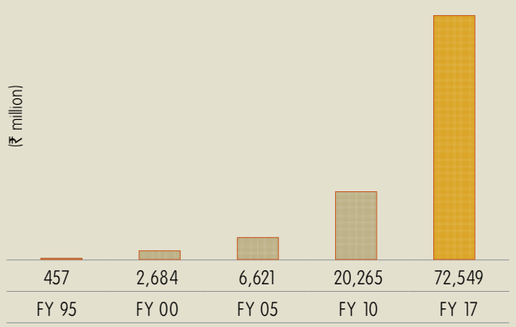
sustained growth

Bed & Pharmacy Count — CAGR–13% & 31%

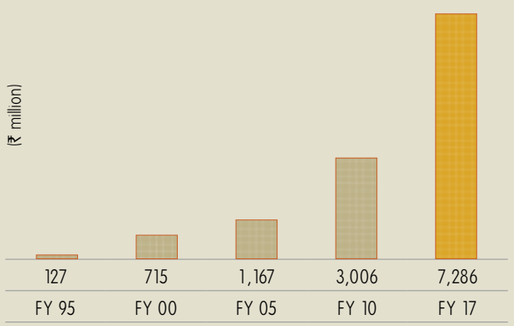
Plan to add another 700 beds in the next 5 years



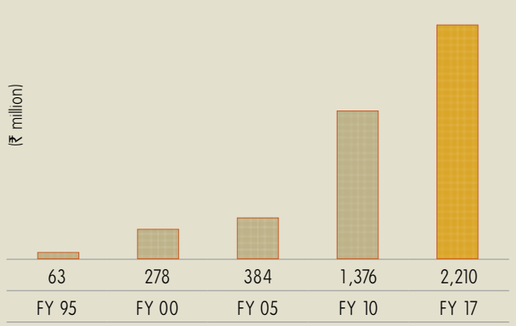
Revenue — CAGR–26%



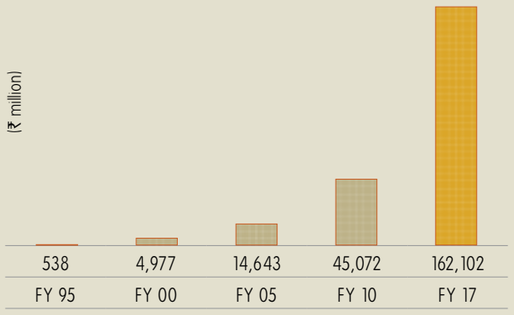
EBITDA — CAGR–20%



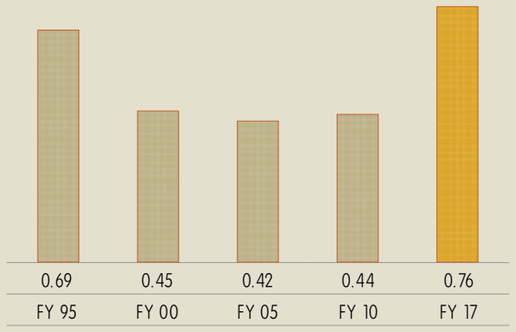
PAT — CAGR–17%



Market cap — CAGR–30%



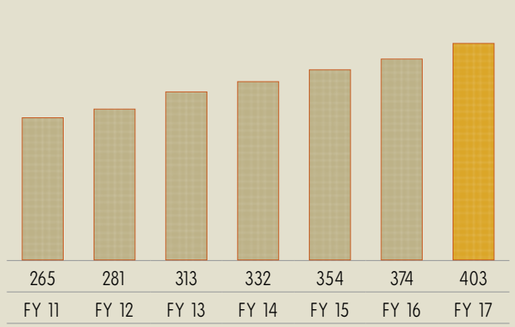
Debt / equity ratio



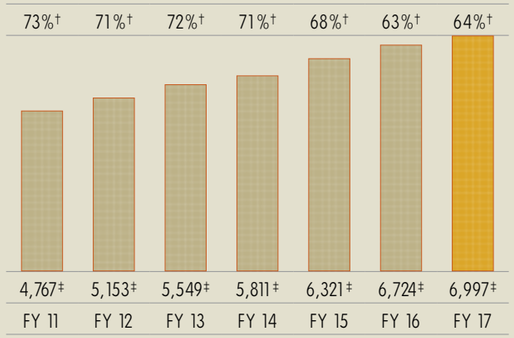
* Bed includes both owned & managed hospitals; # Number of standalone pharmacies. Note: FY17 figures has been presented on the basis of Ind AS.

strong operational performance

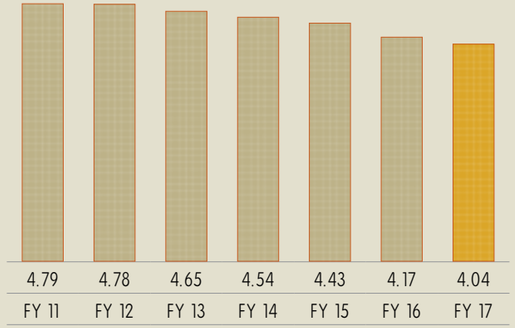
Discharges (in '000s) — CAGR–7%



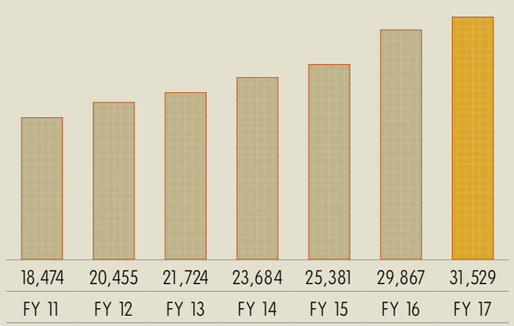
Occupancy



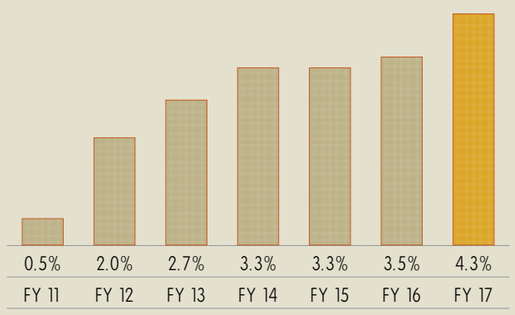
ALOS (Days)



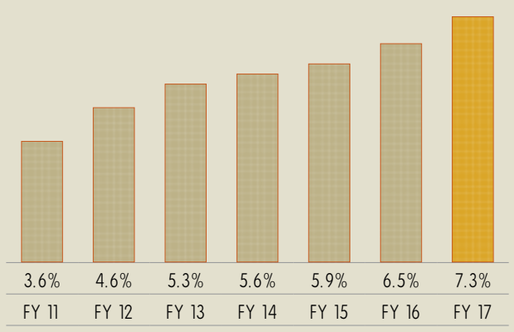
ARPOB (₹ per day) — CAGR–9%



SAP EBITDA Margins



Mature Stores (Pre FY08) EBITDA Margins



ALOS – Average Length of Stay; ARPOB – Average Revenue per Occupied Bed. Note: FY17 figures has been presented on the basis of Ind AS.

† Occupancy rate. ‡ Operating beds.

BOARD MEMBERS

founder chairman



Dr. Prathap C Reddy
Founder and Executive Chairman

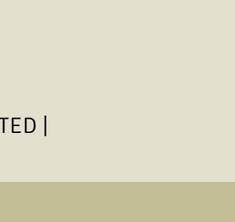
executive directors



Smt. Preetha Reddy
Executive Vice Chairperson



Smt. Suneeta Reddy
Managing Director



Smt. Shobana Kamineni
Executive Vice Chairperson



Smt. Sangita Reddy
Joint Managing Director

independent directors



Shri. Deepak Vaidya



Shri. Habibullah Badsha#



Shri. BVR Mohan Reddy*



Shri. Rafeeque Ahamed#



Shri. Raj Kumar Menon#



Dr. T Rajgopal**



Shri. Sanjay Nayar



Shri. N Vaghul



Shri. G Venkatraman



Shri. Vinayak Chatterjee

* Appointed with effect from 14th August 2017. ** Appointed with effect from 30th May 2017. # Resigned with effect from 14th August 2017.

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 India
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
Dr. T.Rajgopal** Member	Shri. Rafeeque Ahamed* Member	Shri. G. Venkatraman** Chairman	Shri. G. Venkatraman Member
	Shri. BVR Mohan Reddy ** 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	Smt. Suneeta Reddy Member
Shri. Vinayak Chatterjee Member	Smt. Suneeta Reddy Member	Shri. Rajkumar Menon* Member
Dr. Sathyabhama Member	Shri. Deepak Vaidya Member	Shri. Rafeeque Ahamed* Member
Dr. K. Hariprasad Member	Shri. Vinayak Chatterjee Member	Shri. G. Venkatraman** Member

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

Directors' Report to the Shareholders

Your Directors are pleased to present the **THIRTY SIXTH ANNUAL REPORT** and the audited financial statements for the year ended 31st March 2017.

Financial Results (Standalone)

(₹ in million)

For the year ended	March 31, 2017	March 31, 2016
Income from operations	64,417	55,883
Profit before Exceptional Items and Taxation	3,589	4,428
Exceptional Items	-	(257)
Profit after Exceptional Items before Tax	3,589	4,171
Provision for Tax	738	832
Profit for the Period	2,851	3,339
Earning per Share (₹)	20.50	23.91

Indian Accounting Standards

The Ministry of Corporate Affairs vide a notification dated February 16, 2015, notified the Indian Accounting Standards ("Ind AS") to be applicable to a certain class of companies including listed companies, for the accounting periods beginning on or after April 1, 2016, with comparatives to be provided for the period ending on March 31, 2016. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013. Accordingly, the standalone and consolidated financial statements for the financial year ended March 31, 2017, forming part of this Annual Report, have been prepared in accordance with Ind AS with a transition date of April 1, 2015.

The reconciliations and descriptions of the effect of the transition from previous GAAP to Ind AS have been provided in the notes to accounts to the standalone and consolidated financial statements.

Results of Operations

During the year under review, the income from operations of the Company increased to ₹64,417 million compared to ₹55,883 million in the previous year, registering a growth of 15%. The profit after tax for the year declined by 15% to ₹2,851 million compared to ₹3,339 million in the previous year.

During the year under review, the consolidated gross revenue of the Company increased to ₹72,549 million compared to ₹ 62,146 million registering an impressive growth of 17%. Net profit after minority interest for the group stood at ₹1,990 million.

Consolidated Financial Statements

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

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

Material Changes affecting the Company

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

Dividend

The Board of Directors has recommended a dividend of ₹6.00 per equity share (120% on face value of ₹5/-per share) on the paid-up equity share capital of the company for the financial year ended 31st March 2017 amounting to ₹1,004 million inclusive of tax of ₹170 million, which if approved at the forthcoming Annual General Meeting on 20th September 2017, will be paid to those shareholders whose names appear in the Register of Members as at the closing hours of business on 8th September 2017. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by the depositories viz., NSDL and CDSL for this purpose.

The Register of Members and Share Transfer Books will remain closed from Saturday, 9th September 2017 to 20th September 2017 (both days inclusive).

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

Credit Rating

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

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

Subsidiaries, Associate Companies and Joint Ventures.

At the beginning of the year, your Company had Sixteen direct subsidiaries and five step down subsidiaries, six joint ventures and three associate companies. As on 31st March 2017, your Company had eighteen direct subsidiaries, four step down subsidiaries, three joint ventures, and four associate companies.

The statement containing the summarized financial position of the subsidiary companies viz., Apollo Home Healthcare (I) Ltd (AHHCL), AB Medical Centres Limited (ABMCL), Samudra Healthcare Enterprises Limited (SHEL), Apollo Hospital (UK) Limited (AHUKL), Apollo Hospitals Singapore Pte Limited (AHSPL), Apollo Health and Lifestyle Limited (AHLL), Western Hospitals Corporation Pvt Limited (WHCPL), Total Health (TH), Imperial Hospital and Research Centre Limited (IHRCL), Apollo Home Healthcare Limited (AHHL), Apollo Nellore Hospital Limited (ANHL), Sapien Bio Sciences Pvt Limited (SBPL), Apollo Rajshree Hospitals Pvt Limited (ARHL), Apollo Lavasa Health Corporation Limited (ALHCL), Assam Hospitals Limited (AHL), Apollo Hospitals International Limited (AHIL), Future

Parking Private Ltd (FPPL), Apollo Healthcare Technology Solutions Limited (AHTSL), Apollo Sugar Clinics Limited (ASCL), Apollo Specialty Hospitals Pvt Limited (ASHPL), 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)

AHHCL, a wholly owned subsidiary of the Company recorded a revenue of ₹0.01 million, and net profit of ₹0.01 million.

AB Medical Centres Limited (ABMCL)

ABMCL, a wholly owned subsidiary of the Company does not have any commercial operations as it has leased out its infrastructure viz., land and building to the company for running a hospital. For the year ended 31st March, 2017, ABMCL recorded an income of ₹6.76 million and a net profit of ₹4.80 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, 2017, SHEL recorded an income of ₹309.16 million and a net loss of ₹31.96 million.

Apollo Health and Lifestyle Limited (AHLL)

AHLL, is a 68.64% subsidiary of the Company engaged in the business of providing primary healthcare facilities through a network of owned/franchised clinics across India offering specialist consultations, diagnostics, preventive health checks, telemedicine facilities and a 24-hour pharmacy all under one roof. For the year ended 31st March, 2017, AHLL recorded an income of ₹3,899.13 million and a net loss of ₹1,418.04 million.

Western Hospitals Corporation Private Limited (WHCPL)

WHCPL, a wholly owned subsidiary of the Company, for the year ended 31st March 2017, recorded an income of ₹17.31 million and a net profit of ₹11.18 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 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, 2017, IHRCL recorded an income of ₹2,111.93 million and a net profit of ₹82.03 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 ₹190.98 million and a net loss of ₹104.93 million.

Apollo Nellore Hospital Limited (ANHL)

ANHL a 79.44% subsidiary of the Company has leased out its land at Nellore to the Company. ANHL recorded revenues of ₹7.80 million and a net profit of ₹5.90 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, 2017, SBPL recorded revenues of ₹10.55 million and a net loss of ₹3.22 million.

Apollo Rajshree Hospitals Pvt Ltd (ARHL)

ARHL, a 54.63% subsidiary of the company, runs a multi speciality hospital at Indore. For the year ended 31st March, 2017, ARHL recorded an income of ₹355.03 million and a net loss of ₹60.77 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, 2017, ALHCL recorded an income of ₹7.03 million and a net loss of ₹39.06 million.

Assam Hospitals Limited (AHL)

AHL, a 59.08% subsidiary of the company, runs a multi speciality hospital at Guwahati. For the year ended 31st March, 2017, AHL recorded an income of ₹1,109.78 million and a net profit of ₹51.34 million.

Apollo Hospitals International Limited (AHIL)

AHIL, a 50% subsidiary of the company, runs a multi speciality hospital at Ahmedabad. For the year ended 31st March, 2017, AHIL recorded an income of ₹1,729.39 million and a net loss of ₹12.34 million.

Future Parking Private Limited (FPPL)

FPPL, a subsidiary of the company, has been promoted for the development of Multi level Car parking at Walace Garden, Nungambakkam, Chennai. FPPL recorded and income of ₹41.95 Million and a net loss of ₹27.53 million.

Apollo Healthcare Technology Solutions Limited (AHTSL)

AHTSL a 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 southern hemisphere offering advanced oncology care. AHTSL is yet to commence operations.

Apollo Speciality Hospitals Pvt Limited (ASHPL)

ASHPL, a subsidiary Company of Apollo Health and Lifestyle Limited, is engaged in the business of running day surgery centres. For the year ended 31st March, 2017, ASHPL recorded an income of ₹1,812.52 million and a net loss of ₹1,138.63. 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, 2017, ASCL recorded an income of ₹173.77 million and a net loss of ₹107.55 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 2017, ADCL recorded a revenue of ₹335.12 million and a net loss of ₹75.90 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 2017, ADPL recorded a revenue of ₹55.12 million and a net loss of ₹0.42 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

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

Sexual Harassment

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company received 2 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 year, your company did not accept any deposits from the public.

The total outstanding deposits with the Company as on 31st March 2017 were ₹150.21 million (₹273.41 million as on 31st March 2016) which include deposits for an aggregate value of ₹16.12 million (₹18.87 million as on 31st March 2016) not claimed by the depositors.

Directors and other Key Managerial Personnel (KMPs)

Board Composition and Independent Directors

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

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

All Independent Directors have given 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.

The Company plans to induct new Independent Directors over the next couple of years to ensure that the process of transition on the Board with regard to Independent Directors is a smooth and gradual one .

Shri Habibullah Badsha, Shri Rafeeque Ahamed and Shri Rajkumar Menon, citing existing Professional Commitments, have resigned from the Board with effect from 14th August 2017. The Board placed on record its sincere appreciation for the valuable services rendered by these Individual Directors during their tenure.

Retirement by Rotation

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

New Directors

Based on the recommendation of the Nomination and Remuneration Committee, the Board has recommended to the members that Dr.T. Rajgopal, and Shri. BVR Mohan Reddy, be appointed as Independent Directors for a term of 5 (five) consecutive years, with effect from their repective dates of appointment viz., 30th May 2017 and 14th August 2017 respectively.

The Company has received declarations from Dr.T. Rajgopal and Shri. BVR Mohan Reddy confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations.

Key Managerial Personnel

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

Board Evaluation

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

Remuneration Policy

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

Meetings of the Board

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

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

Risk Management

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

Internal Financial Controls and their Adequacy

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

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

Significant and Material Orders passed by the Regulators or Courts.

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

Directors' Responsibility Statement

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

a. that in the preparation of the annual financial statements for the year ended March 31, 2017, 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, 2017 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, 2017 was ₹695.63 million. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As of March 31, 2017, the details of shareholding in the Company held by the Directors are set out in the Corporate Governance Report forming part of the Board's Report and none of the directors hold convertible instruments of the Company.

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 Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report, which forms part of this Report.

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

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

Employee Stock Options

No Employee Stock Options have been 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 2016-2017 is annexed herewith as "Annexure A".

Statutory Auditors

The Companies Act, 2013 ("the Act") was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The existing auditors, S. Viswanathan, LLP, Chartered Accountants (Firm Registration No. 004770S/S200025) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing thirty sixth Annual General Meeting.

Based on the recommendations of the Audit Committee, the Board has proposed the appointment of Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration Number 117366 W/W100018) as the statutory auditors of the Company in the place of S. Viswanathan LLP, Charterd Accountant for approval of the members. Deloitte Haskins & Sells, LLP will hold office for a period of five consecutive years from the conclusion of the Thirty Sixth Annual General Meeting of the Company till the conclusion of the forty First Annual General Meeting to be held in 2022 subject to ratification at every Annual General Meeting. The first year of audit will be concerning the financial statements for the year ending March 31, 2018.

The auditors have consented and confirmed their eligibility for appointment as statutory auditors of the Company.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the Directors on the recommendation of the Audit Committee, appointed M/s. Raman & Associates, Cost Accountants, Chennai (ICWA Registration No.000050) to audit the cost accounts of the Company for the financial year 2017-2018 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. 9 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 2016-2017. The Secretarial Audit Report for the financial year ended March 31, 2017 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, 2017.

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 : 14th August 2017

Dr. Prathap C Reddy
Executive Chairman

Annexure I

Dividend Distribution Policy

Background

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

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

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

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

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

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

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

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

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

Objective

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

Parameters/Factors considered by the Company while declaring dividend

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

A) **Financial Parameters / Internal Factors:**

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

(b) Cash Balance and Cash Flow

(c) Current and future capital requirements such as:-

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

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

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

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

B) **External Factors:**

(a) Macro-economic conditions

(b) Financing costs

(c) Government Regulations

(d) Taxation

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

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

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

(a) Adverse market conditions and business uncertainty
(b) Inadequacy of profits earned during the financial year
(c) Inadequacy of cash balance
(d) Substantial forthcoming capital requirements which are best funded through internal accruals
(e) Changing government regulations etc.

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

Utilisation of Retained Earnings

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

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

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

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

Multiple classes of shares

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

Policy Review

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

Website

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

For and on behalf of Board of Directors

Dr.Prathap C Reddy
Executive Chairman

Annexure - A to the Directors' Report

Report on Corporate Social Responsibility (CSR) activities for the financial year 2016 - 2017.

1	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.	Your Company has undertaken CSR activities during the year to create a meaningful and lasting impact on the communities in remote areas by helping them transcend barriers of socio-economic development. Your company wishes to extend comprehensive integrated healthcare services to the community. Your company is also committed to developing the skills of the youth through high quality education and research in healthcare services. Your company continues to focus on CSR activities under the following broad segments : 1. Rural Development 2. Healthcare 3. Education and Skill Development 4. Research in Healthcare The CSR Policy can be assessed on the company's website. Weblink:https://www.apollohospitals.com/apollo_pdf/csr-policy.pdf
2	Composition of the CSR Committee:	• Dr. Prathap C Reddy, Chairman • Smt. Preetha Reddy • Shri. N. Vaghul and • Shri. G. Venkatraman
3	Average net profit of the Company for the last three financial years:	₹4,364.41 million
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above):	₹87.29 million
5	Details of CSR spent for the financial year	2016 -2017
	Total Amount to be spent for the financial year	₹87.29 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.
4. Research in Healthcare.

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

Sl No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where Projects or Programs were undertaken	Amount of Outlay (Budget) project or program wise ₹ in million	Amount spent on the project or programs ₹ in million	Cumulative Expenditure upto the reporting period ₹ in million	Amount spent directly or through implementing agency*
1	Providing safe drinking water Extension of Sanitation facilities Setting up of Nutrition Centres Vocational Training Centres facilitating skill development training Mobile Medical Units – primary and preventive health care including diagnostics Promotion and revival of rural sports	Rural Development	Andhra Pradesh, Chittoor District, Aragonda	80.00	24.53	52.42	Implementing Agency: Total Health
2	Education and other related Initiatives	Promoting education	Andhra Pradesh, Chittoor District, Aragonda	30.00	10.00	26.02	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.	93.35	20.00	93.35	Direct

Sl No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where Projects or Programs were undertaken	Amount of Outlay (Budget) project or program wise ₹ in million	Amount spent on the project or programs ₹ in million	Cumulative Expenditure upto the reporting period ₹ in million	Amount spent directly or through implementing agency*
			3. Research Centre at Tambaram, Chennai. 4. Rural Community Centre, Ayanambakkam, Chennai. 5. Medical Camp at Sabarimala, Pamba, Pathanamthitta District, Kerala.				
4	Free Medical Treatment for children with heart diseases.	Promoting healthcare including preventive care	Tamil Nadu, Chennai	10.33	2.50	10.33	Implementing Agency: Save a Child's Heart Initiative, registered under the Indian Trust Act.
5	Free Medical Treatment for children with hearing impairment	Promoting healthcare including preventive care	Andhra Pradesh Hyderabad	4.00	1.50	4.00	Implementing Agency: Society to Aid the Hearing Impaired registered under the Indian Trust Act.
6.	Free Medical Treatment to the employees of World Wild Life Fund for Nature India; WWF is focusing on conservation of species through field level activities in 10 landscapes in India as well as through direct interventions aimed at conserving a particular species	Promoting healthcare including preventive care	Pan India	2.77	2.77	2.77	Implementing Agency: Apollo Hospitals Charitable Trust registered under the Indian Trust Act.
7.	Free Medicines to Geriatric Centers	Promoting healthcare including preventive care	Tamil Nadu, Chennai	17.69	14.99	17.69	Implementing Agency: Direct
8.	Free Medicines	Promoting healthcare including preventive care	Delhi	1.00	1.00	1.00	Implementing Agency: Billion Heart's Beating Foundation registered under the Trust Act.
9.	Research	Research	Tamil Nadu, Chennai	10.00	10.00	10.00	Implementing Agency: Apollo Hospitals Educational and Research Foundation
	Total			**249.14**	**87.29**	**217.58**	

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 : 14th August 2017

Annexure - B to the Directors' Report
Secretarial Audit Report

Secretarial Audit Report
for the financial year ended 31st March 2017

[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, 2017, 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, 2017 according to the provisions as applicable to the Company during the period of audit:

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

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

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

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

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

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

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

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

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

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

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

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

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

requiring compliance thereof by the Company during the Financial Year under review.

We further report that, on examination of the relevant documents and records, the Company has adequate systems to monitor and ensure the compliance (including the process of renewal/fresh/pending applications with Government Authorities), of the following laws specifically applicable to the Company

1	Atomic Energy Act, 1962
2	Birth, Death and Marriage Registrations Act, 1886
3	Blood Bank Regulations under Drugs and Cosmetics Act, 1940
4	Clinical Thermometers (Quality Control) Order, 2001
5	Dentists Act
6	Drugs and Cosmetics Act, 1940
7	Drugs and Cosmetics Rules, 1945

8	Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954
9	Drugs and Magical Remedies Rules, 1955
10	Epidemic Diseases Act, 1897
11	Ethical guidelines for Biomedical Research on Human Subjects
12	Excise Permit (For Storage of Spirit) under Central Excise Act, 1956
13	Infant Milk Substitute, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992
14	Infant Milk Substitute, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Rules, 1993
15	Legal Metrology Act, 2009
16	Legal Metrology Rules, 2011
17	Medical Termination of Pregnancy Act, 1971
18	Medical Termination of Pregnancy Regulations, 1976
19	Medical Termination of Pregnancy Rules, 1975
20	NACO Guidelines.
21	Mental Health Act, 1987
22	Narcotic Drugs and Psychotic Substances Rules, 1985
23	Narcotic Drugs and Psychotropic Substances Act, 1985
24	Pharmacy Act, 1948
25	Poisons Act, 1919
26	Poisons Rules (state specific)
27	Pre Conception and Prenatal Diagnostic Techniques Act, 1994
28	Pre Conception and Prenatal Diagnostic Techniques Rules, 1996
29	Prevention of Illicit Traffic in Narcotics Drugs Act, 1988
30	Prohibition of Smoking Act, 2008
31	Static and Mobile Pressure vessels (unfired) Rules, 1981
32	The Bio Medical Waste Management Rules, 2016
33	Transplantation of Human Organs Act, 1994, Transplantation of Human Organs and Tissues Rules, 2014
34	Clinical Establishments and Registration Act, 2010/ State Private Clinical Establishment Registration act

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

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were delivered and a system exists for seeking and obtaining further information and clarifications on the agenda items before the 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 Committee of the Board, as the case may be.

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

- During the year under review, the company has allotted 2000 Non Convertible Debentures of face value of ₹1 million each to HDFC Bank Limited, 2,500 Non Convertible Debenture of face value of ₹1 million each to Yes Bank Limited and 500 Non Convertible Debenture of face value of ₹1 million each to Birla Sun Life Insurance Company Limited.
- One multi-speciality hospital at Navi, Mumbai was inaugurated during the year under review.
- The Company had reduced its equity stake to 40% from 100% in Apollo Healthcare Technology Solutions Limited (AHTSL) on 23rd January 2017. However AHTSL shall continue to be a subsidiary of the Company due to the definition of controlling interest between the companies as per Ind AS standards.
- The following companies have become subsidiaries to AHEL during the year 2016-2017
  1. Apollo Hospital International Limited, Ahmedabad (controlling interest as per Ind AS)
  2. Future Parking Private Limited, Chennai (controlling interest as per Ind AS)

For LAKSHMMI SUBRAMANIAN & ASSOCIATES

Sd/-

Lakshmmi Subramanian

Senior Partner

FCS No. 3534

C.P.No. 1087

Place : Chennai

Date : 25th May, 2017

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

ANNEXURE

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

1. Maintenance of secretarial record 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 the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

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

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

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the 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, 2017

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 2016-2017.

- Phasing out of CFL lamps to LED lights.
- Procurement of electricity from alternative source - Wind Electric Generators (WEG).
- Optimization of fuel consumption in boiler operations.
- Introduction of timer based operation of Air handling Units to reduce power, consumption.
- Introducing of micro processing energy saver for AHU Motors.
- Energy optimization practices implemented in Transformer operation.
- VFD installation for AHU motor in a phased manner.
- All Lifts and OT AHUs are operated with VFD panels.
- Introduced timer control for AHU motors to reduce running hours.
- Phasing out of split air conditioner units with chilled water FCU to reduce the power consumption and capital cost.

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, your Company has introduced the latest technology in its hospitals.

1. **OCT system:** The diagnostic system is designed to couple state-of-the-art optical coherence tomography (OCT) and angiography co-registration with fractional flow reserve (FFR) technology into one portable system for hospitals with multiple catheterization labs. The OPTIS Mobile System is designed to help physicians make improved stenting decisions based on high-resolution and three dimensional OCT views of coronary anatomy while simultaneously mapping their exact location via an angiogram. The OPTIS Mobile System also integrates St. Jude Medical Pressure Wire FFR measurement technology, which offers physicians detailed coronary hemodynamic (circulatory) information during coronary interventions. Clinical data has shown the physiological measurements provided by St. Jude Medical FFR technology can improve outcomes and reduce health care costs over traditional diagnostic imaging tools.

2 **Neurosurgical microscope:** OPMI® PENTERO® 900 from ZEISS represents the next generation in visualization. Apochromatic optics, razor-sharp video images in full HD quality and innovative intraoperative fluorescence modules provide excellent visualization. Smooth device handling via touchscreen, handgrips, mouth switch or wireless foot control panel, superior functionality with the foldable tube, Auto Balance™ and AutoDrape® for fast set-up enhance the performance . The system comes with integrated interface for neuro navigation and neuro monitoring. The intraoperative fluorescence capabilities include – a) INFRARED 800 for visual assessment of blood flow and vessel patency during arteriovenous malformation (AVM), bypass and aneurysm surgery b) YELLOW™ 560 visualizes fluorescent dyes in the wavelength range from 540 to 690 nm for additional fields of application. It is the first fluorescence module from ZEISS highlighting fluorescein-stained structures while viewing non-stained tissue in color c) FLOW® 800 is a unique fluorescence application enabling visual analysis of vascular blood flow dynamics d) BLUE™ 400 supports intraoperative identification of high-grade gliomas.

3. **32 Slice CT scanner:** The latest model Somatom Scope 32 slice CT scanner from Siemens offers precise balance between clinical excellence and cost efficiency. This includes a high performance Ultra Fast Ceramic detector with Adaptive Signal Boost Technology for enhanced signal and better image quality even for large patients or implants. Sureview technology is used for high quality imaging independent of pitch values for all spiral scans. CARE technologies and Iterative Reconstruction in Image Space ensures the right radiation dose for all sizes of patients. The unique eCockpit suite enables more cost-efficient operation. The features eStart, eMode and eSleep extend the scanner's lifespan by preventing unnecessary wear and tear, and reduce overhead costs by minimizing energy consumption during the entire working day.

4. **Pediatric hemodialysis unit:** The new 5008 Fresenius hemodialysis machine is specifically developed and validated for treatment of paediatric patients. The following exclusive features are included in the machine – Online hemodiafiltration with maximum substitution volume, early detection of venous needle dislodgement, increased safety for active children with optional device to detect blood loss, special paediatric user setup with more sensitive threshold, blood flow range limited according to body weight, special paediatric cuff for comfortable automatic blood pressure measurement, body composition monitor and special electrodes for children, hemodynamic stability with blood volume monitor.

5. **Hyperthermic Intra peritonial Chemo Therapy:** Thermochem HT-2000 from Thermasolutions for intra peritoneal hyperthermia for adjuvant surgical therapy. The system continually circulates a heated sterile solution throughout the abdomen, accurately raising its temperature to a pre-determined target selected by the physician. High-efficiency heat exchanger ensures consistent regulation of temperature and rapid response to any necessary adjustments. After flowing through the heat exchanger, fluid is delivered to the peritoneal cavity via inflow catheters. HIPEC is done on patients in tertiary stage of cancer in the GI and Ovaries by Gastric or Onco surgeons. Successful HIPEC procedures result in increased life span with lesser complications and no repeat chemo's for the patient.

6. **Synergy Ultra High Definition 4K camera system:** This is the world's first 4K endoscopic camera system from Arthrex for multispecialty application in Arthroscopy, Laparoscopy, Gynaecology and Urology. The camera heads utilize the latest CMOS sensors and provide the highest image quality and optical resolution compared to competition. The system comes with integrated recording facility, i-PAD application and live streaming capabilities. The camera heads, couplers and accessories are autoclavable and come with 7 years warranty.

7. **Total Care Connect Bed:** Unlike standard beds, this bed system from Hill – Rom provides four important mobilisation therapies necessary to manage critically ill patients – Continuous lateral rotation therapy, Preliminary tilt table, Full chair position and Stand assist with chair egress. This Progressive Mobility Therapy is particularly useful for patients at risk of Ventilator Assisted Pneumonia. The safer rotation therapy results in several benefits like reduced hospital length of stay, reduced ventilator days, reduction in incidence of pneumonia and reduced hospital costs. Rotation therapy combined with percussion and vibration therapy increases sputum production. The full chair position enhances respiratory efficiency and improves patient psychology and physical conditioning. Using innovative design and materials, pressure ulcers are reduced and protects the skin from maceration, shear and friction especially in high acuity departments like Burns, Intensive Care, Neurology and Cardiology.

8. **OlympicBrainz Cerebral Function Monitor:** This device utilizes the latest technology to assess the neurological status of a new born baby's brain. The electrical activity is monitored continuously using this bedside monitor. This system can also be used to 1) monitor and record seizures 2) monitor the effectiveness of hypothermic treatment of term infants with hypoxic ischaemic encephalopathy and 3) monitor the presence of sleep wake cycling in preterm infants. The monitor provides vital data on an infant's brain health for early diagnosis and treatment.

9. **True Beam STX powered by Novalis Radiosurgery:**

True Beam STX powered by Novalis Radiosurgery Platform offers high precision cancer treatment as painless outpatient surgery.

The worldclass contemporary cancer care equipment, the new TrueBeam STX powered by Novalis Radiosurgery technology installed at Apollo Hospitals Navi Mumbai is purpose –designed to significantly enhance the speed and precision of treatment, thereby offering greater comfort to patients. Its versatility enables high precision radiosurgery / SBRT treatments for patients with difficult-to-treat cancers of the brain, spine, lung, liver, pancreas and prostate with maximum dosage. Its edge of speedy treatment also reduces the likelihood of patient or tumor movements, ensuring the highest level of treatment accuracy. Its Brian Lab Radiosurgery platform uses cutting-edge imaging technology—ExacTrac Online IGRT to capture images of tumor, even when the patient moves during natural breathing patterns. It uses these images to confirm that the radiation beams are always targeting the tumor, thereby reducing the complications and side effects. This radiosurgery platform can perform highly precise stereotactic radiosurgery, even for tumors smaller than 1cm.

Foreign Exchange Earnings & Outgo

Foreign Exchange Earnings	:	₹922.40 million (This is exclusive of rupee payments made by Non-Resident Indian and Foreign Nationals)
Foreign Exchange Outgo	:	₹963.42 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
for the financial year ended 31st March 2017

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

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

II Principal Business Activities of the Company

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

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

III Particulars of Holding, Subsidiary & Associate Companies

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	**Apollo Home Healthcare (India) Limited** Ali Towers, I Floor, No. 55 Greams Road, Chennai - 600 006	U85110TN1995PLC031663	Subsidiary	100.00	2(87)
2	**A.B. Medical Centers Limited** No. 159 EVR PeriyarSalai, Chennai - 600 010	U85320TN1974PLC006623	Subsidiary	100.00	2(87)
3	**Samudra Healthcare Enterprises Limited** No. 13-1-3 Suryaraopeta, Main Road, Kakinada - 533 001	U85110TG2003PLC040647	Subsidiary	100.00	2(87)
4	**Western Hospitals Corporation Private Limited** Ali Towers, Ground Floor, No.55 Greams Road, Chennai - 600 006	U85110TN2006PTC061323	Subsidiary	100.00	2(87)
5	**Total Health** Aragonda Village, Thavanampalle Mandal, Chittoor District, Andhra Pradesh	U85100TN2013NPL093963	Subsidiary	100.00	2(87)
6	**Apollo Hospital (UK) Limited** First Floor, Kirkland House, 11-15, Peterborough Road, Harrow, Middlesex, HA1 2AX, United Kingdom	NA	Subsidiary	100.00	2(87)
7	**Apollo Hospitals Singapore Pte Limited** 50, Raffles Place, Singapore Land Tower # 30, Singapore-048623	NA	Subsidiary	100.00	2(87)
8	**Imperial Hospital and Research Centre Limited** No. 154/11 Bannerghatta Road, Opp. IIM, Bengaluru 560 076	U85110KA1991PLC011781	Subsidiary	90.00	2(87)
9	**Apollo Home Healthcare Limited** No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai - 600 028, Tamil Nadu	U85100TN2014PLC095340	Subsidiary	80.87	2(87)
10	**Apollo Nellore Hospital Limited** No. 16/111/1133, Muthukur Road, Pinakini Nagar, Nellore - 524004	U85110TN1986PLC072193	Subsidiary	79.44	2(87)
11	**Sapien Biosciences Private Limited** 8-2-293/82/J-III/DH/900, 1st Floor, AIMSR Building, Apollo Health City, Jubilee Hills, Hyderabad - 500 033	U73100TG2012PTC080254	Subsidiary	70.00	2(87)
12	**Apollo Health and Lifestyle Limited (AHLL)** 1-10-60/62, AshokaRaghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016.	U85110TN2000PLC046089	Subsidiary	68.64	2(87)
13	**Assam Hospitals Limited** Lotus Tower, GS Road, Ganeshguri, Guwahati - 781 005, Assam	U85110AS1997PLC004987	Subsidiary	59.08	2(87)
14	**Apollo Rajshree Hospitals Private Limited** Dispensary Plot, Scheme No. 74C Sector D, Vijay Nagar , Indore, Madhya Pradesh - 452 010	U85110MP2008PTC020559	Subsidiary	54.63	2(87)
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)

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
16	**Apollo Hospitals International Limited** Plot No. 1A, GIDC Estate, Bhat Village, Gandhi Nagar, Gujarat - 382 428	U85110TN1997PLC039016	Subsidiary	50.00	2(87)
17	**Future Parking Private Limited** 3rd Floor, G Block, No. 55 Greams Road, Chennai - 600 006	U45206TN2009PTC072304	Subsidiary	49.00	2 (6)
18	**Apollo Healthcare Technology Solutions Limited** No. 19, Bishop Gardens, Raja Annamalaipuram, Chennai - 600 028, Tamil Nadu	U85100TN2012PLC086247	Subsidiary	40.00	2(87)
19	**Apollo Sugar Clinics Limited** 1-10-60/62, AshokaRaghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016.	U85110TG2012PLC081384	Step down Subsidiary; Subsidiary of AHLL	80.00	2(87)
20	**Apollo Speciality Hospitals Pvt Ltd** 1-10-60/62, Ashoka Raghupathi Chambers, 5th Floor, Begumpet, Hyderabad – 500 016.	U85100TG2009PTC099414	Step down Subsidiary; Subsidiary of AHLL	99.92	2(87)
21	**Alliance Dental Care Limited** No.68/1, Loyal Towers, 4th Floor, East Wing, MNO Complex, Greams Road, Chennai - 600 006	U85120TN2002PLC049414	Step down Subsidiary; Subsidiary of AHLL	70.00	2(87)
22	**Apollo Dialysis Pvt Limited** No.68/1, Loyal Towers, 4th Floor, East Wing, MNO Complex, Greams Road, Chennai - 600 006	U85100TN2014PTC095571	Step down Subsidiary; Subsidiary of AHLL	70.00	2(87)
23	**Apollo 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(87)
26	**Family Health Plan (TPA) Limited** Srinilaya Cyber Spazio, Ground Floor, Road No.2, Banjara Hills, Hyderabad - 500034	U85110TN1995PLC031121	Associate	49.00	2 (6)
27	**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)
28	**Indraprastha Medical Corporation Limited** Sarita Vihar, Delhi Mathura Road, New Delhi - 110 044	L24232DL1988PLC030958	Associate	22.03	2 (6)
29	**Apollo Munich Health Insurance Company Limited** iLABS Centre, 2nd & 3rd floor, Plot No.404-405, Udyog Vihar Phase-III, Gurgaon - 122106, Haryana	U66030AP2006PLC051760	Associate	10.00	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 2016)				No. of Shares held at the end of the year (As on 31st March 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual /HUF	20,555,635	-	20,555,635	14.77	20,555,635	-	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)	47,793,559	-	47,793,559	34.35	47,793,559	-	47,793,559	34.35	-
2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	47,793,559	-	47,793,559	34.35	47,793,559	-	47,793,559	34.35	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	143,343	-	143,343	0.11	3,779,557	-	3,779,557	2.72	2.61
b) Banks/FI	12,272	3,846	16,118	0.01	171,247	3,846	175,093	0.13	0.12
c) Central Govt / State Govt.	323,708	-	323,708	0.23	323,708	-	323,708	0.23	-
d) Venture Capital Fund	-	-	-	-	-	-	-	-	-
e) Insurance Companies	871,548	-	871,548	0.63	2,069,596	-	2,069,596	1.49	0.86
f) FIIs	62,960,810	-	62,960,810	45.25	65,209,910	-	65,209,910	46.87	1.62
g) Foreign Venture Capital Funds	-	-	-	-					-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April 2016)				No. of Shares held at the end of the year (As on 31st March 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Others	4,117	-	4,117	-	-	-	-	-	-
SUB TOTAL (B)(1)	64,315,798	3,846	64,319,644	46.23	71,554,018	3,846	71,557,864	51.44	5.21
2) Non Institutions									
a) Bodies corporates	729,170	59,500	788,670	0.57	812,444	59,500	871,944	0.62	0.05
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	4,069,396	2,062,266	6,131,662	4.41	4,433,459	1,950,154	6,383,613	4.59	0.18
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakh	955,668	96,650	1,052,318	0.76	1,028,206	96,650	1,124,856	0.80	0.04
c) Others	17,151,208	1,086,750	18,237,958	13.11	9,271,685	1,018,866	1,029,0551	7.40	(5.61)
SUB TOTAL (B)(2)	22,905,442	3,305,166	26,210,608	18.84	15,545,794	3,125,170	18,670,964	13.41	(5.43)
Total Public Shareholding (B) = (B) (1) + (B) (2)	87,221,240	3,309,012	90,530,252	65.07	87,099,812	3,129,016	90,228,828	64.85	(0.21)
Total (A) + (B)	135,014,799	3,309,012	138,323,811	99.42	134,893,371	3,129,016	138,022,387	99.21	(0.21)
C. Shares held by Custodian for GDRs & ADRs									
i) Promoter and Promoter Group	-	-	-	-					-
ii) Public	801,348	-	801,348	0.58	1,102,772	-	1,102,772	0.79	0.21
Total Public Shareholding (C)	801,348	-	801,348	0.58	1,102,772	-	1,102,772	0.79	0.21
Grand Total (A+B+C)	135,816,147	3,309 ,012	139,125,159	100	135,996,143	3,129,016	139,125,159	100	-

(ii) Shareholding of Promoters

Sl No.	Name	Shareholding at the beginning of the year (As on 1st April 2016)			Shareholding at the end of the year (As on 31st March 2017)			% 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	3,381,695	2.43	1.20	3,381,695	2.43	1.76	-
5	Smt. Shobana Kamineni	2,239,952	1.61	1.61	2,239,952	1.61	1.61	-
6	Smt. Sangita Reddy	2,432,508	1.75	1.75	2,432,508	1.75	1.75	-
7	Shri. Karthik Anand	330,600	0.24	-	330,600	0.24	-	-
8	Shri. Harshad Reddy	320,200	0.23	-	320,200	0.23	-	-
9	Smt. Sindoori Reddy	517,600	0.37	-	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. KondaAnindith Reddy	230,200	0.17	-	230,200	0.17	-	-
15	Shri. KondaVishwajit 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	8,957	0.01	-	8,957	0.01	-	-
18	Shri. P. Dwaraknath Reddy	18,000	0.01	-	18,000	0.01	-	-
19	Shri. Anil Kamineni	20	-	-	20	-	-	-
20	Shri. K Vishweshwar Reddy	1,577,350	1.13	0.53	1,577,350	1.13	1.13	-
21	PCR Investments Ltd	27,223,124	19.57	16.17	27,223,124	19.57	15.67	-
22	Obul Reddy Investments Ltd	11,200	0.01	-	11,200	0.01	-	-
23	Indian Hospitals Corporation Ltd	3,600	-	-	3,600	-	-	-
	Total	47,793,559	34.35	22.65	47,793,559	34.35	23.31	

(iii) Change in Promoters' Shareholding

Sl No.	Name	Shareholding at the beginning of the year (As on 1st April 2016)		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	3,381,595	2.43	3,381,595	2.43
	At the end of the year			3,381,595	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
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	8,957	-	8,957	-
	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 1st April 2016)		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
	03-Mar-17	(8,439,148)	(6.07)		
	At the end of the year			6,654,712	4.78
2	**Oppenheimer Developing Markets Fund**				
	At the beginning of the year	12,014,785	8.64	12,014,785	8.64
	08-Apr-16	(120,899)	(0.09)	11,893,886	8.55
	15-Apr-16	(246,634)	(0.18)	11,647,252	8.37
	22-Apr-16	(156,364)	(0.11)	11,490,888	8.26
	28-Oct-16	(35,475)	(0.03)	11,455,413	8.23
	03-Feb-17	302,595	0.22	11,758,008	8.45
	10-Feb-17	26,277	0.02	11,784,285	8.47
	At the end of the year			11,784,285	8.47
3	**Schroder International Selection Fund Asian Total Return**				
	At the beginning of the year	2,729,259	1.96	2,729,259	1.96
	At the end of the year			2,729,259	1.96
4	**Munchener Ruckver sicherung sgesells chaft Aktiengesells chaft In Munchen**				
	At the beginning of the year	2,397,380	1.72	2,397,380	1.72
	At the end of the year			2,397,380	1.72
5	**Fidelity Investment Trust - Fidelity Diversified International Fund**				
	At the beginning of the year	1,724,846	1.23	1,724,846	1.23
	13-May-16	(248,757)	(0.18)	1,476,089	1.05
	27-May-16	(69,234)	(0.05)	1,406,855	1.00
	03-Jun-16	(133,366)	(0.09)	1,273,489	0.91
	17-Jun-16	(90,808)	(0.06)	1,182,681	0.85
	24-Jun-16	(50,278)	(0.04)	1,132,403	0.81
	30-Jun-16	(105,044)	(0.08)	1,027,359	0.73
	01-Jul-16	(63,742)	(0.04)	963,617	0.69
	15-Jul-16	(14,570)	(0.01)	949,047	0.68
	22-Jul-16	(115,428)	(0.08)	833,619	0.60
	29-Jul-16	(134,794)	(0.10)	698,825	0.50
	05-Aug-16	(112,905)	(0.08)	585.920	0.42
	12-Aug-16	(14,367)	(0.01)	571,553	0.41
	26-Aug-16	(38,815)	(0.03)	532,738	0.38
	02-Sep-16	(164,472)	(0.11)	368,266	0.26
	09-Sep-16	(53,063)	(0.03)	315,203	0.23
	16-Sep-16	(44,869)	(0.03)	270,334	0.20
	30-Sep-16	(60,707)	(0.04)	209,627	0.16
	07-Oct-16	(153,630)	(0.12)	55,997	0.04
	14-Oct-16	(55,997)	(0.04)	-	-
	At the end of the year			-	-
6	**Abu Dhabi Investment Authority – LG INV**				
	At the beginning of the year	1,529,777	1.10	1,529,777	1.10
	22-Apr-16	(22,164)	(0.02)	1,507,613	1.08
	29-Apr-16	(69,548)	(0.05)	1,438,065	1.03
	06-May-16	(93,884)	(0.06)	1,344,181	0.97
	20-May-16	(52,718)	(0.04)	1,291,463	0.93
	27-May-16	(941)	-	1,290,522	0.93
	03-Jun-16	(98,539)	(0.07)	1,191,983	0.86
	10-Jun-16	(123,239)	(0.09)	1,068,744	0.77
	02-Sep-16	(53,391)	(0.04)	1,015,353	0.73
	02-Dec-16	(28,855)	(0.02)	986,498	0.71
	23-Dec-16	(90,825)	(0.06)	895,673	0.65
	30-Dec-16	(23,452)	(0.02)	872,221	0.63
	03-Mar-17	25,098	0.02	897,319	0.65
	10-Mar-17	42,902	0.03	940,221	0.68
	At the end of the year			940,221	0.68
7	**Mirae Asset Asia Great Consumer Equity Fund**				
	At the beginning of the year	1,414,209	1.02	1,414,209	1.02
	29-Jul-16	18,195	0.01	1,432,404	1.03
	05-Aug-16	43,000	0.03	1,475,404	1.06
	14-Oct-16	(15,000)	(0.01)	1,460,404	1.05
	23-Dec-16	(20,380)	(0.02)	1,440,024	1.03
	30-Dec-16	(29,874)	(0.02)	1,410,150	1.01
	06-Jan-17	(31,855)	(0.02)	1,378,295	0.99
	13-Jan-17	(36,604)	(0.03)	1,341,691	0.96
	20-Jan-17	(20,973)	(0.02)	1,320,718	0.94
	10-Feb-17	(37,045)	(0.02)	1,283,673	0.92

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 1st April 2016)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	24-Feb-17	(87,376)	(0.06)	1,196,297	0.86
	03-Mar-17	(21,459)	(0.02)	1,174,838	0.84
	10-Mar-17	(20,000)	(0.01)	1,154,838	0.83
	17-Mar-17	(32,100)	(0.02)	1,122,738	0.81
	24-Mar-17	(26,110)	(0.02)	1,096,628	0.79
	25-Mar-17	(20,000)	(0.02)	1,076,628	0.77
	At the end of the year			1,076,628	0.77
8	**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
9	**Copthall Mauritius Investment Limited**				
	At the beginning of the year	1,166,141	0.84	1,166,141	0.84
	08-Apr-16	(7,227)	(0.01)	1,158,914	0.83
	15-Apr-16	13,308	0.01	1,172,222	0.84
	22-Apr-16	23,932	0.02	1,196,154	0.86
	29-Apr-16	3,897	-	1,200,051	0.86
	06-May-16	49,638	0.04	1,249,689	0.90
	13-May-16	(156,900)	(0.11)	1,092,789	0.79
	03-Jun-16	8,496	0.01	1,101,285	0.78
	10-Jun-16	(102,480)	(0.06)	998,805	0.72
	24-Jun-16	7,789	0.01	1,006,594	0.71
	08-Jul-16	22,968	0.02	1,029,562	0.73
	15-Jul-16	12,950	0.01	1,042,512	0.74
	12-Aug-16	10,111	0.01	1,052,623	0.75
	19-Aug-16	34,569	0.03	1,087,192	0.78
	26-Aug-16	3,504	-	1,090,696	0.78
	02-Sep-16	(15,211)	(0.01)	1,075,485	0.77
	09-Sep-16	25,000	0.02	1,100,485	0.79
	16-Sep-16	(2,054)	-	1,098,431	0.79
	23-Sep-16	(87,105)	(0.06)	1,011,326	0.73
	30-Sep-16	7,674	0.01	1,019,000	0.72
	07-Oct-16	25,000	0.02	1,044,000	0.74
	04-Nov-16	(93,025)	(0.07)	950,975	0.67
	18-Nov-16	(12,435)	(0.01)	938,540	0.66
	25-Nov-16	(1,050)	-	937,490	0.66
	16-Dec-16	(34,700)	(0.02)	902,790	0.64
	23-Dec-16	(19,907)	(0.01)	882,883	0.63
	30-Dec-16	(30,382)	(0.02)	852,501	0.61
	06-Jan-17	11,190	0.01	863,691	0.62
	13-Jan-17	(4,619)	-	859,072	0.62
	20-Jan-17	(24,454)	(0.02)	834,618	0.60
	27-Jan-17	(125,103)	(0.09)	709,515	0.51
	03-Feb-17	(65,657)	(0.05)	643,858	0.46
	10-Feb-17	4,765	-	648,623	0.46
	24-Feb-17	36,300	0.03	684,923	0.49
	03-Mar-17	169,000	0.12	853,923	0.61
	17-Mar-17	400	-	854,323	0.61
	24-Mar-17	42,025	0.03	896,348	0.64
	31-Mar-17	6,932	0.01	903,280	0.65
	At the end of the year			903,280	0.65
10	**Vanguard International Explorer Fund**				
	At the beginning of the year	940,155	0.68	940,155	0.68
	02-Sep-16	(30.588)	(0.02)	909,567	0.66
	23-Dec-16	(112,047)	(0.08)	797,520	0.58
	30-Dec-16	(55,888)	(0.04)	741,632	0.54
	At the end of the year			741,632	0.54

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 1st April 2016)		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	3,381,595	2.43	3,381,595	2.43
	At the end of the year			3,381,595	2.43

Sl No.	Name	Shareholding at the beginning of the year (As on 1st April 2016)		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
4	**Smt. Shobana Kamineni**				
	At the beginning of the year	2,239,952	1.61	2,239,952	1.61
	At the end of the year			2,239,952	1.61
5	**Smt. Sangita Reddy**				
	At the beginning of the year	2,432,508	1.75	2,432,508	1.75
	At the end of the year			2,432,508	1.75
6	**Shri. Habibullah Badsha**				
	At the beginning of the year	10,806	0.01	10,806	0.01
	At the end of the year			10,806	0.01
7	**Shri. Rafeeque Ahamed**				
	At the beginning of the year	57,960	0.04	57,960	0.04
	At the end of the year			57,960	0.04
8	**Shri. N. Vaghul**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
9	**Shri. Deepak Vaidya**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
10	**Shri. Rajkumar Menon**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
11	**Shri. G. Venkatraman**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
12	**Shri. Sanjay Nayar**				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
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)

Particulars		Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year					
i)	Principal Amount	20,464	2,737	273	23,474
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	236	-	2	238
Total (i+ii+iii)		**20,700**	**2,737**	**276**	**23,713**
Change in Indebtedness during the financial year					
	Additions	8,878	2	-	8,880
	Reduction	(3,380)	(1,260)	(123)	(4,763)
	Net Change	5,498	(1,258)	(123)	4,117
Indebtedness at the end of the financial year					
i)	Principal Amount	25,962	1,478	150	27,590
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	10	-	2	12
Total (i+ii+iii)		**25,972**	**1,478**	**152**	**27,602**

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.	84.92	42.04	42.04	42.64	41.43	253.07
	(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	23.30	-	-	-	-	23.30
	others (specify)	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	**108.22**	**42.04**	**42.04**	**42.64**	**41.43**	**276.37**

Ceiling as per the Act ₹358.90 million (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)

B. Remuneration to other Directors

(₹ 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	**Independent Directors**									
	(a) Fee for attending board committee meetings	0.80	0.25	0.40	0.60	0.45	0.55	0.25	0.25	3.55
	(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)	2.05	1.50	1.65	1.85	1.70	1.80	1.50	1.50	13.55
2	**Other Non Executive Directors**									
	(a) Fee for attending board committee meetings	-	-	-	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	-
	Total (B) = (1+2)	**2.05**	**1.50**	**1.65**	**1.85**	**1.70**	**1.80**	**1.50**	**1.50**	**13.55**
	Total Managerial Remuneration									**289.92**

Overall Ceiling as per the Act. ₹394.79 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.	17.90	5.80	23.70
	(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	**17.90**	**5.80**	**23.70**

VII Penalties / Punishment / Compounding of Offences

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

Corporate Governance Report

1. The Company's philosophy on code of governance

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

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

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

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

Governance Structure

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

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

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

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

2. Board of Directors

The Company has an Executive Chairman. As per the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), in case of an Executive Chairman, at least half of the Board should comprise of independent directors. Independent Directors constitute 58 percent of the overall Board. The Board has a healthy blend of executive and non-executive directors, and consequently ensures the desired level of independence in functioning and decision-making. Moreover all the non-executive directors are eminent professionals, and bring the wealth of their professional expertise and experience to the management of the Company.

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

Director	DIN	Category	Designation	Relationship with other Directors	Share holding in the Company
Dr. Prathap C Reddy	00003654	Promoter	Executive Chairman	Father of Smt. Preetha Reddy, Smt. Suneeta Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni	5,445,464
Smt. Preetha Reddy	00001871	Promoter	Executive Vice Chairperson	Daughter of Dr. Prathap C Reddy, Sister of Smt. Suneeta Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni	2,193,915
Smt. Suneeta Reddy	00001873	Promoter	Managing Director	Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Sangita Reddy & Smt. Shobana Kamineni	3,381,695
Smt. Shobana Kamineni	00003836	Promoter	Executive Vice Chairperson	Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Suneeta Reddy & Smt. Sangita Reddy	2,239,952
Smt. Sangita Reddy	00006285	Promoter	Joint Managing Director	Daughter of Dr. Prathap C Reddy, Sister of Smt. Preetha Reddy, Smt. Suneeta Reddy & Smt. Shobana Kamineni	2,432,508
Shri. Rajkumar Menon	00002897	Independent	Director	-	-
Shri. Rafeeque Ahamed	00013749	Independent	Director	-	57,960
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.

Six board meetings were held during the financial year from 1st April 2016 to 31st March 2017. The dates on which the meetings were held are as follows:-

25th May 2016, 12th August 2016, 1st September 2016, 11th November 2016, 14th February 2017 and 17th March 2017.

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

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

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

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

As on 31st March, 2017, 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 valuable and fruitful in taking business decisions.

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

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

The familiarisation policy including details of familiarisation programmes attended by independent directors during the year ended March 31, 2017 is posted on the website of the Company at https://www.apollohospitals.com/apollo_pdf/board-familiarisation-policy.pdf.

(g) Independent Directors' Meeting

During the year under review, the Independent Directors met on February 14, 2017, inter alia, to discuss:

- Evaluation of the performance of Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of 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
Dr. T.Rajgopal** Member	Shri. Rafeeque Ahamed* Member	Shri. G. Venkatraman** Chairman	Shri. G. Venkatraman Member
	Shri. BVR Mohan Reddy ** 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	Smt. Suneeta Reddy Member
Shri. Vinayak Chatterjee Member	Smt. Suneeta Reddy Member	Shri. Rajkumar Menon* Member
Dr. Sathyabhama Member	Shri. Deepak Vaidya Member	Shri. Rafeeque Ahamed* Member
Dr. K. Hariprasad Member	Shri. Vinayak Chatterjee Member	Shri. G. Venkatraman** Member

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

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

1. Audit Committee

a) Composition of the Audit Committee

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

1. Shri. Deepak Vaidya, Chairman
2. Shri. G. Venkatraman
3. Shri. Rajkumar Menon*
4. Dr. T. Rajgopal**

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 2016 to 31st March 2017. The dates on which the meetings were held are as follows:-

24th May 2016, 31st August 2016, 10th November 2016, 13th February 2017 and 16th March 2017

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	4
3.	Shri. Rajkumar Menon*	Member	5	4
4.	Dr. T. Rajgopal**	Member	-	-

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

c) Powers of the Audit Committee

The powers of the Audit Committee include the following:

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

d) Functions of the Audit Committee

The role of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of the auditors 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, Chairman
2. Shri. Deepak Vaidya
3. Shri. G. Venkatraman
4. Shri. Rafeeque Ahamed*
5. Shri. BVR Mohan Reddy**

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

b) Meetings of the Nomination & Remuneration Committee

Two meetings were held on 25th May 2016 and 14th February 2017 during the financial year from 1st April 2016 to 31st March 2017.

Attendance details of the Members of the Committee

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

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

c) Scope of the Nomination & Remuneration Committee

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

1. The Committee shall formulate the criteria for determining the qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
2. The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
3. The Committee shall 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 2017.

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

c) Senior Management Employees

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

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

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

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

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

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

e) Performance Evaluation of the Board and the Directors

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

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

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

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

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

f) Remuneration of Directors

The details of the remuneration paid/accrued to the Directors for the year ended 31st March 2017 is given below:

(₹in million)

Name of the Director	Remuneration paid/payable for the year ended 31st March 2017				
	Sitting Fee	Remuneration		Commission	Total
		Fixed pay	Variable Pay		
Dr. Prathap C Reddy	-	64.15	20.77	23.30	108.22
Smt. Preetha Reddy	-	29.16	12.88	-	42.04
Smt. Suneeta Reddy	-	29.16	12.88	-	42.04
Smt. Shobana Kamineni	-	29.16	13.48	-	42.64
Smt. Sangita Reddy	-	29.16	12.27	-	41.43
Shri. Rajkumar Menon	0.80		-	1.25	2.05
Shri. Rafeeque Ahamed	0.25		-	1.25	1.50
Shri. Habibullah Badsha	0.40		-	1.25	1.65
Shri. Deepak Vaidya	0.60		-	1.25	1.85
Shri. N. Vaghul	0.45		-	1.25	1.70
Shri. G. Venkatraman	0.55		-	1.25	1.80
Shri. Sanjay Nayar	0.25		-	1.25	1.50
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 2017 @ ₹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 20th September 2017. 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
3. Smt. Suneeta Reddy
4. Shri. G. Venkatraman**

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

b) Meetings of the Stakeholders Relationship Committee

The Committee met four times during the year on 9th April 2016, 13th July 2016, 12th October 2016 and 11th January 2017.

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
4.	Shri. G. Venkatraman**	Chairman	-	-

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

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	120	120	-
2.	Revalidation and issue of duplicate dividend warrants	137	137	-
3.	Share transfers	86	86	-
4.	Split of Shares	3	3	-
5.	Stop Transfers	0	0	-
6.	Change of Bank Mandate	131	131	-
7.	Correction of Name	4	4	-
8.	Dematerialisation Confirmation	305	305	-
9.	Rematerialisation of shares	12	12	-
10.	Issue of duplicate share certificates	35	35	-
11.	Transmission of shares	43	43	-
12.	General enquiry	251	251	-

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, 2017 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.
  d. Research in Healthcare.

During the financial year the company contributed a total of ₹87.29 million to CSR activities and constituted a team to monitor its progress. The report on CSR activities is annexed as Annexure A to the Directors Report.

5. Risk Management Committee

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

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

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

- Oversight of risk management performed by the executive management;
- Reviewing the 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, 2017 and the details of Members' participation at the Meetings of the Committee are as under:

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

6. Investment Committee

Composition and Scope of the Investment Committee

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

1. Shri.N. Vaghul, Chairman
2. 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. Smt. Suneeta Reddy
3. Shri. Rajkumar Menon*
4. Shri. Rafeeque Ahamed*
5. Shri. G Venkatraman**

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

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

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

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

4. General Body Meetings

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
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.
2015-2016	12th August 2016	Kamaraj Arangam Chennai	10.15 A.M.	a. Revision in the borrowing limits of the company upto a sum of ₹35,000 million. b. Mortgaging the assets of the company in favour of Financial Institutions, Banks and other lenders for securing their loans up to a sum of ₹35,000 million. c. Offer / Invitation to subscribe to NCDs on a private placement basis.

Postal Ballots

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

5. Means of Communication

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

The audited annual results are announced within sixty days from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges. For the financial year ended 31st March 2017, the audited annual results were announced on 30th May 2017. The audited annual results are taken on record by the Board of Directors and are communicated to the Stock Exchanges where these results are communicated by way of a Press Release to various news agencies/analysts and are also published within 48 hours in two leading daily newspapers - one in English and one in Tamil. The audited financial results form a part of the Annual Report which is sent to the Shareholders prior to the Annual General Meeting.

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

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

Reminder to Investors : Reminders for unclaimed dividend/interest are sent to the 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. The details of transactions are disclosed in Notes forming part of the Accounts as required under Indian Accounting Standard (IND AS) 24 notified by Ministry of Corporate Affairs. All related party transactions are negotiated on an arms length basis.

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

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

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 Ministry of Corporate Affairs (MCA) on Feb 16th, 2015, notified that Indian Accounting Standards (IND AS) are applicable to certain classes of Companies from April 1, 2016 with the transition date of April 1,2015. IND AS has replaced the previous Indian GAAP prescribed under section 133 of the Companies Act, 2013 ("The Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. IND AS is applicable to the Company from April 1,2016. The reconciliations and descriptions of the effect of the transition from previous GAAP to IND AS have been set out in the notes to accounts in the standalone/consolidated 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 equity shares.

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 which 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. Sangita Reddy will retire and is eligible for re-appointment at the ensuing Annual General Meeting.

As per the Companies Act, 2013 the tenure of office of Dr. Prathap C Reddy as Executive Chairman, came to an end on 24th June 2017. A recommendation is being made to the members for approving the appointment of Dr. Prathap C Reddy as Executive Chairman for a further period of five years with effect from 25th June 2017.

Dr. T. Rajgopal was appointed as an additional Director of the Company with effect from 30th May 2017 and holds the office of Director upto the date of the ensuing Annual General Meeting.

Shri BVR Mohan Reddy was appointed as an Additional Director of the Company with effect from 14th August 2017 and holds the office of Director upto the date of the ensuing Annual General Meeting.

The detailed profile of the Directors are provided as part of the Notice of the Annual General Meeting.

2) **Investors' Grievances and Share Transfer**

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

For matters regarding shares transferred in physical form, share certificates, dividends, change of address etc., shareholders should send in their communications to Integrated Registry Management Services Private Limited our Registrar and Share Transfer Agent. Their address is given in the section on 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 offices of Chairman and Managing Director
5. **Reporting of the Internal Auditor**
   The Company has appointed Internal Auditors who report directly to the Audit Committee.

7. CEO/CFO Certification

The Managing Director and 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 its meeting held on 30th May 2017.

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	20th September 2017 at 10.15 a.m. The Music Academy, TTK Salai, Chennai
(ii)	Financial Year	1st April to 31st March
(iii)	Dividend Payment	on or before 4th October 2017
(iv)	Listing of	
	(1) Equity Shares	(i) **Bombay Stock Exchange Ltd (BSE)** PhirozeJheejheebhoy 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 2016-2017 and 2017-2018.
(v)	Address of Registered Office	No. 19 Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028.

(vi)	**a) Stock Exchange Security Code for**	
	(1) Equity Shares	
	(i) The Bombay Stock Exchange Limited, Mumbai	508869
	(ii) National Stock Exchange of India Limited, Mumbai	APOLLOHOSP
	(2) GDRs	
	(i) Luxembourg Stock Exchange	US0376082055
	(ii) Nasdaq – Portal Market	AHELYP05
	(3) Non Convertible Debentures	
	National Stock Exchange of India Limited, Mumbai	APOL20, APOL21, APOL28, APOL26, APOL22
	b) Corporate Identity Number (CIN) of the Company	L85110TN1979PLC008035
	c) Demat ISIN Numbers in NSDL & CDSL for Equity Shares	INE437A01024
	d) ISIN Numbers of GDRs	Reg. S GDRs - US0376082055 Rule 144a GDRs – US0376081065
	e) ISIN Numbers of Debentures	INE437A07062 INE437A07070 INE437A07104 INE437A07112& INE437A07120
	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

(vii) Monthly High and Low quotations along with the volume of shares traded in NSE & BSE during the year 2016-17

Month	National Stock Exchange (NSE)			The Bombay Stock Exchange (BSE)		
	High	Low	Volume	High	Low	Volume
	(₹)		Numbers	(₹)		Numbers
Apr-2016	1,401.45	1,295.00	4,006,995	1,400.00	1,296.30	201,029
May-2016	1,406.40	1,280.00	4,871,439	1,406.00	1,280.95	436,819
Jun-2016	1,418.00	1,267.85	4,304,078	1,420.00	1,270.10	309,845
Jul-2016	1,396.00	1,312.00	3,270,756	1,396.25	1,316.00	302,249
Aug-2016	1,443.00	1,328.10	3,650,483	1,442.75	1,330.00	219,579
Sep-2016	1,414.95	1,273.00	4,700,366	1,415.00	1,276.00	331,022
Oct-2016	1,393.40	1,311.65	2,695,035	1,396.45	1,314.00	158,324
Nov-2016	1,351.10	1,142.35	4,721,539	1,361.00	1,147.00	281,979
Dec-2016	1,252.00	1,111.60	3,237,559	1,258.00	1,110.75	225,912
Jan-2017	1,250.00	1,137.55	3,442,658	1,249.00	1,139.45	177,752
Feb-2017	1,343.95	1,189.70	3,958,570	1,344.00	1,190.00	228,491
Mar-2017	1,338.75	1,446.15	18,449,273	1,341.25	1,148.00	1,082,811

(viii) Apollo Price Vs Nifty



(ix) **Registrar & Share Transfer Agent:**

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

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

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

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

	2016-2017	2015-2016
	(face value of ₹5/-)	(face value of ₹5/-)
Shares Transferred	21,463	26,079
Total No. of Shares as on 31st March	139,125,159	139,125,159
% on Share Capital	0.02	0.02

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

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

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

3) Unclaimed Dividend

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

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

In terms of the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, an amount of ₹2.59 million of unclaimed dividend was transferred to the Investor Education and Protection Fund,during the year.

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

4) Distribution of Shareholdings as on 31st March 2017

No. of Equity Shares		Shares				Holders			
		Physical		Electronic		Physical		Electronic	
		Nos.	%	Nos.	%	Nos.	%	Nos.	%
1	500	811,144	0.58	2,182,072	1.57	5,344	12.33	34,693	79.97
501	1,000	349,616	0.25	793,615	0.57	463	1.07	1,041	2.40
1,001	2,000	362,114	0.26	737,041	0.53	213	0.49	476	1.10
2,001	3,000	272,858	0.20	395,815	0.28	102	0.24	156	0.36
3,001	4,000	286,242	0.21	360,946	0.26	80	0.18	102	0.24
4,001	5,000	65,054	0.05	227,408	0.16	14	0.03	50	0.12
5,001	10,000	540,059	0.38	1,145,384	0.83	68	0.16	159	0.37
10,001	above	441,929	0.32	130,153,862	93.55	17	0.04	400	0.91
Total		**3,129,016**	**2.25**	**135,996,143**	**97.75**	**6,301**	**14.53**	**37,077**	**85.47**
Grand Total				**139,125,159**					**43,378**

5) Categories of shareholders as on 31st March, 2017

Category code	Category of Shareholder	No. of Shareholders	Total number of shares	Percentage to total no. of shares
(A)	**Shareholding of Promoter and Promoter Group**			
1	Indian			
(a)	Individuals/ Hindu Undivided Family	20	20,555,635	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	44	3,779,557	2.72
(b)	Financial Institutions / Banks	13	175,093	0.13
(c)	Central Government/ State Government(s)	1	323,708	0.23

Category code	Category of Shareholder	No. of Shareholders	Total number of shares	Percentage to total no. of shares
(d)	Insurance Companies	9	2,069,596	1.48
(e)	Foreign Institutional Investors	455	65,209,910	46.87
	Sub-Total (B)(1)	522	71,557,864	51.43
B2	**Non-Institutions**			
(a)	Bodies Corporate	695	871,944	0.63
(b)	Individuals			
	i. Individual shareholders holding nominal share capital up to ₹1 lakh	39,850	6,383,613	4.59
	ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	11	1,124,856	0.81
(c)	Any Other (Specify)			
	Trusts	23	146,370	0.11
	Directors and their relatives	6	88,366	0.06
	Foreign Nationals	2	750	0.00
	Non Resident Indians	1,390	1,372,111	0.99
	Overseas Corporate Bodies	1	16,099	0.01
	Clearing Member	121	551,226	0.40
	Hindu Undivided Families	726	134,954	0.10
	Foreign Corporate Bodies	7	7,980,675	5.74
	Sub-Total (B)(2)	42,832	18,670,964	13.42
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	43,354	90,228,828	64.85
	TOTAL (A)+(B)	43,377	138,022,387	99.21
(C)	Global Depository Receipts (GDRs)			
(1)	**Promoter and Promoter Group**	Nil	Nil	Nil
(2)	**Public**	1	1,102,772	0.79
(C)	**Total Public Shareholding (C)= (C)(1)+(C)(2)**	1	1,102,772	0.79
	Grand Total (A)+(B)+(C)	**43,378**	**139,125,159**	**100.00**

6) Top Ten Shareholders(other than Promoters) as on 31st March 2017.

S. No.	Name	No. of Shares	%
1	Oppenheimer Developing Markets Fund	1,1784,285	8.47
2	Integrated (Mauritius) Healthcare Holdings Limited	6,654,712	4.78
3	Schroder International Selection Fund Asian Total Return	2,729,259	1.96
4	MunchenerRuckversicherungsgesellschaft Akliengesellschaft in Munchen	2,397,380	1.72
5	Schroder International Selection Fund Asian Opportunities	2,318,904	1.67
6	DB International (Asia) Limited	1,755,347	1.26
7	International Finance Corporation	1,290,149	0.93
8	Life Insurance Corporation of India	1,289,102	0.93
9	Vanguard Emerging Markets stock Index Fund, A series of Vanguard International Equity Index Fund	1,079,061	0.78
10	Mirae Asset Asia Great Consumer Equity Fund	1,076,628	0.77
	Total	32,374,827	23.27

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 2016-2017 are as under

Month	Reg. S			Rule 144 - A		
	High ($)	Low ($)	Closing ($)	High ($)	Low ($)	Closing ($)
Apr-2016	20.94	19.74	19.78	20.97	19.73	19.77
May-2016	20.35	19.47	20.35	20.83	19.47	20.42
Jun-2016	20.96	19.17	19.49	20.94	19.16	19.41
Jul-2016	20.75	19.75	20.33	20.64	19.80	20.35
Aug-2016	21.18	19.96	20.16	21.21	19.99	20.10
Sep-2016	21.11	19.10	19.73	21.13	19.17	19.85
Oct-2016	20.66	19.75	20.06	20.64	19.76	20.04
Nov-2016	20.05	16.85	17.46	19.90	16.94	17.49
Dec-2016	18.33	16.76	17.38	18.41	16.81	17.31
Jan-2017	18.24	16.85	18.13	18.29	16.85	18.23
Feb-2017	19.81	18.16	19.51	19.84	18.14	19.50
Mar-2017	19.84	17.74	17.94	19.79	17.74	17.92

Note : 1 GDR = 1 equity share.

(xi) 1) Dematerialization of Shares

As on 31st March 2017, 97.75% of the Company's paid up equity capital was held in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form as per a notification issued by the Securities and Exchange Board of India (SEBI).

2) Reconciliation of Share Capital Audit Report

As stipulated by the Securities and Exchange Board of India, a qualified Practising Company Secretary carries out an Audit to reconcile the total admitted capital with 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 2017 are given below :

Particulars	Nos.	Nos.
Total GDRs issued		**18,000,000**
Add : Equity Shares converted into GDRs during		
2011-2012	7,689,329	
2012-2013	10,949	
2013-2014	439,944	
2014-2015	400	
2015-2016	22,114	
2016-2017	384,562	8,547,298
Less : GDRs converted into underlying equity shares		
2005-2006	4,415,068	
2006-2007	2,346,712	
2007-2008	1,515,600	
2008-2009	347,020	
2009-2010	49,600	
2010-2011	6,263,200	
2011-2012	5,396,660	
2012-2013	4,597,869	
2013-2014	147,449	
2014-2015	22,354	
2015-2016	259,856	
2016-2017	83,138	25,444,526
Outstanding GDRs as on 31st March 2017		**1,102,772**

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 2017 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	1,589
Aggregate Number of the outstanding equity shares lying in the unclaimed suspense account	408,798
Number of shareholder who approached the Company for transfer of shares from the unclaimed suspense account during the financial year 2016-2017	19
Number of shares transferred from the unclaimed suspense account during the financial year 2016-2017	4,200
Aggregate Number of Shareholders relating to the shares lying in the unclaimed suspense account at the end of the financial year 2016-2017	1,570
Aggregate Number of the outstanding equity shares lying in the unclaimed suspense account at the end of the financial year 2016-2017	404,598

(xiv) Investors Correspondence

a. **For queries relating to shares**

Shri. Suresh Babu, Sr. Vice President
Integrated Registry Management Services Private Limited
"Kences Towers", II Floor,No.1 Ramakrishna Street,
North Usman Road, T. Nagar, Chennai – 600 017,
Tel. No.: 044 – 2814 0801, 2814 0803,
Fax No.: 044 – 2814 2479
E-mail : sureshbabu@integratedindia.in

b. **For queries relating to dividend**

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

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 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 : 0253-2510350/2510450
Navi Mumbai	Plot # 13, Sector 23, Parsik Hill Road, Off Uran Road, CBD Belapur, Navi Mumbai, 400 614, Tel : 022-3350 3350
Indore	Scheme No. 74C, Sector D, Vijay Nagar, Indore - 452 010 Madhya Pradhesh Tel. No. 0731 - 2445566
Bangalore	154/11 Bannerghatta Road, Opp. IIM, Bangalore – 560 076 Tel. No. 080-4030 4050
	#1533, 9th Main Road 3rd Block, Jayanagar, Bangalore – 560 011 Tel. No. 080-4020 2222
	New No. 1, old No. 28 Platform Road, Seshadripuram, Bangalore – 560 020 Tel. No. 080-4668 9999/8888

Lavasa	7th Dasve Circle, Darve Village Post, Mulshi Lalukka, Pune - 412 112 Tel No. 020 - 6677 1111, 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. 044-24672200/24988866
Apollo Personalised Health Check Centre	No. 20 Wallace Garden, 1st Street, Thousand Lights, Chennai - 600 006 Tel. No. 044-28291066
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 101Tel : 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 : 30th May 2017

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, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E 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 the review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

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

For S. VISWANATHAN LLP
Chartered Accountants
FRN 004770S/S200025

Chennai – 600 004
Dated: 14th August 2017

V.C. KRISHNAN
Partner
Membership No. 022167

Management Discussion and Analysis

Industry Structure & Developments

Healthcare Services in India

General Overview

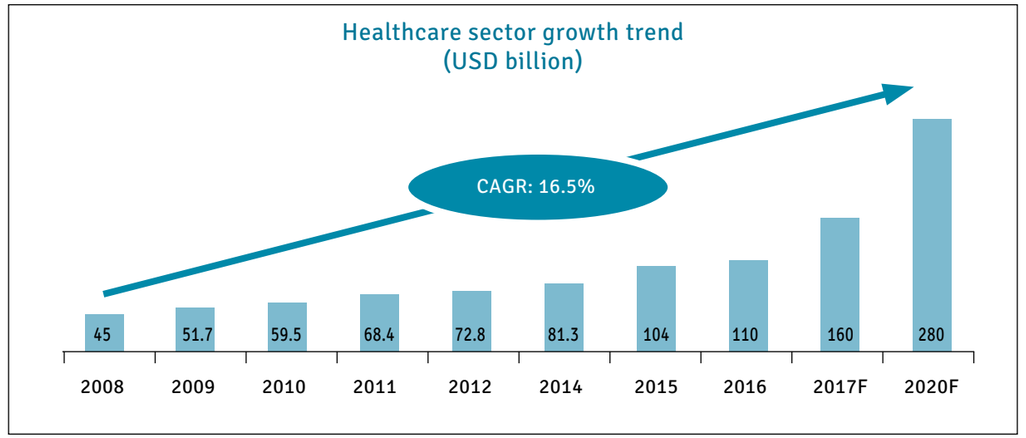
Like most developing countries, India inherited basic and limited healthcare infrastructure which was inadequate to meet the demands of a large and diverse population. Decades of under-investment in the healthcare sector, led to an immense deficiency in infrastructure. Health infrastructure deficiency coupled with a shortage of qualified healthcare providers has resulted in India lagging behind on most healthcare indicators when compared to the global and regional norms. Public healthcare facilities still do not cover the country as extensively as they should, have inadequate quality standards in several facilities, are understaffed and are not properly equipped in terms of basic materials and equipment.

Given historical under investment in healthcare in India, there has been a significant gap in the supply of healthcare services as compared to the demand. When combined with the strong fundamentals in the market for healthcare services; the large unmet opportunity has led to the emergence of private healthcare service providers as a driving force in the country's healthcare system.

While the Indian healthcare market incurs a negative bias when viewed through the lens of last-mile accessibility and internationally accepted health markers, it would however be essential to recognize the pockets of excellence and note the progress made, especially in the last two decades. Since liberalization, in 1991, the Indian healthcare sector has become one of the largest sectors in the country and has achieved several milestones. Rising income levels, ageing population, increased health awareness, improvement in treatment technologies, greater penetration of medical insurance and higher success rates have contributed immensely in making the healthcare sector as one of the fastest growing sectors in the country today. There are several world class facilities, highly skilled and globally recognized professionals, rapid advancements in technology and an impressive track record in innovation and value offerings. Indian healthcare has evolved significantly to the extent that it has been successful in creating a respectable perception for itself globally and today it successfully attracts patients from across the world which has given rise to a buoyant medical tourism market.

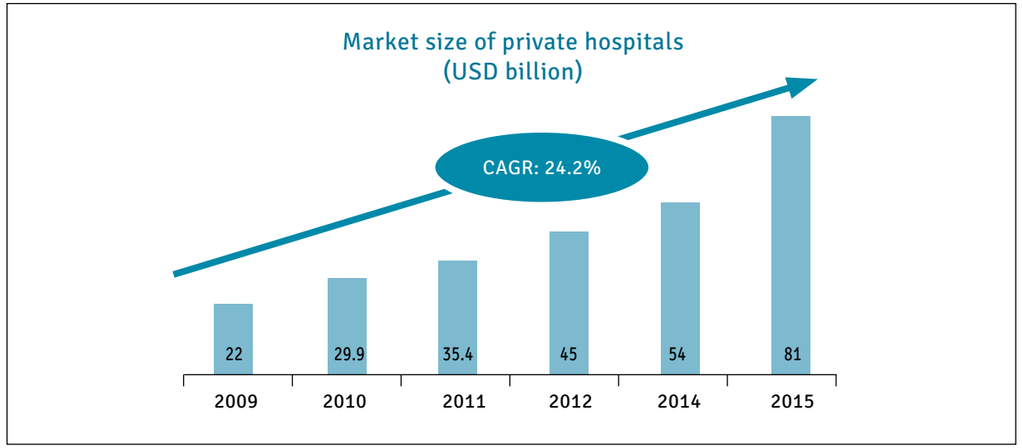
The private sector has done a commendable job in creating pockets of excellence. The healthcare sector in India has witnessed the emergence of multiple players which has led to industry diversification and deep specialization enhancing verticalization and reach of offerings. This has been supported by the Indian Government which is undertaking commendable work by introducing conducive policies for encouraging FDI aimed at developing India as a global healthcare hub. The combination of these factors coupled with promising growth prospects have helped the industry to attract private equity, venture capital and foreign players. The healthcare sector registered 88 funding deals amounting to USD 397.41 million as of September 2016.

The overall Indian healthcare industry revenue currently stands at an estimated size of USD 110 billion and is expected to grow substantially to reach a size of USD 280 billion by 2020, recording a 17 % CAGR growth since 2011. These statistics indicate that today the Indian Healthcare sector is undoubtedly one of the highest potential sectors and its scale and size brighten the prospects for further enhancing healthcare services penetration in the country. All of these developments are expected to result in sustained expansion and progress of the Indian healthcare industry as a whole.



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

Today, the private sector accounts for nearly 80 % of the country's total healthcare market. Clearly, the private sector has focused on higher value offerings as the private sector's share in hospitals alone is estimated at 74 % while its share of hospital beds is estimated at 40 %. At the end-of 2015, the size of the private hospital market in India was assessed at USD 81.0 billion and estimated to have a CAGR of 24.2 % during 2009-2015.Private players continue to invest significantly in this sector due to the historical under-investment, ample demand and prevalence of favourable dynamics which are expected to sustain the demand for healthcare.



Source: WHO Statistical Information System, Indian Chamber of Commerce, Yes Bank, Tech Sci Research

The Healthcare Service Delivery Landscape in India

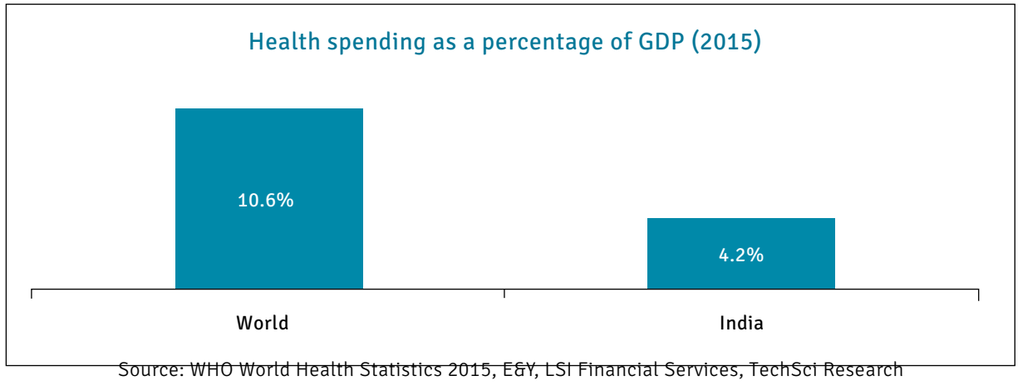
In spite of being the world's fastest growing large economy, India's world ranking in health outcomes remains quite low. In 2016, the total Indian healthcare market size stood at USD 110 billion. However, given India's vast population and the complex nature of healthcare delivery, there remain huge challenges in ensuring equitable and quality healthcare for the entire population. The country's underlying health system and outcomes compare unfavourably with even regional and peer nations. India continues to report a large incidence of communicable and water-borne disease and higher Child and Maternal mortality rates .

The Healthcare sector in India currently includes Hospitals, Pharmaceutical companies, Standalone Pharmacies, Diagnostic services, Medical equipment and supplies, Medical Insurance, Retail Healthcare, Medical tourism and Telemedicine services.

The Indian Healthcare service delivery has still not matured to a stage where a hospital is sought primarily for complex and later stage treatments. Even today, Hospitals remain the predominant outpost for the delivery of healthcare services in India. As the sector matures, it is expected that the penetration of other verticals in the healthcare ecosystem such as primary and secondary care formats will substantially increase and these will satisfactorily serve an appropriate proportion of the healthcare needs of the population.

The Healthcare sector is majorly divided into three categories: primary, secondary and tertiary. The primary sector which mainly operates at the grass-root level has minimal involvement of private players. A significant portion of secondary and tertiary healthcare needs are met through private health institutions which are spread out in metros, tier I and tier II cities.

Lack of availability of adequate centers, challenges in accessing proper quality of care and misinformation lead a large number of patients to seek healthcare services from informal avenues. The historical under-investment in healthcare, inadequate state of the public health infrastructure, and the continued high share of unorganized healthcare providers across all healthcare formats means that a large proportion of the country, estimated at ~65% of its rural population, continues to live without being able to access healthcare services of an acceptable standard.



Source: WHO World Health Statistics 2015, E&Y, LSI Financial Services, TechSci Research

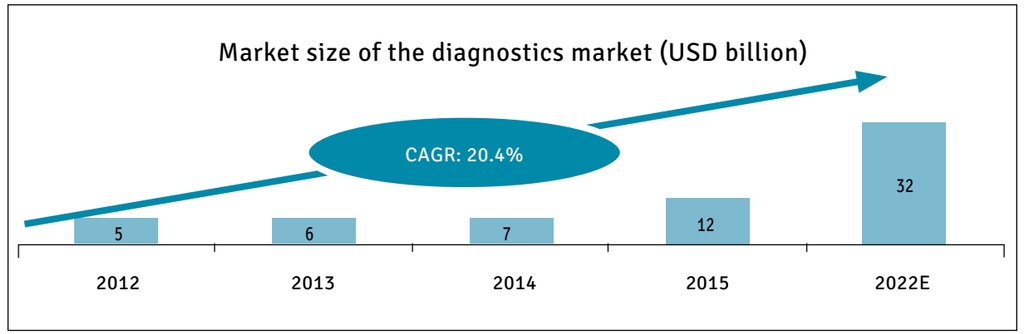
India's healthcare expenditure as a percentage of GDP in 2015 was relatively low at 4.2%, compared to the global average of 10.6%. In addition to this, the country's healthcare expenditure is disproportionately distributed between urban and rural areas which has resulted in sharp disparity in healthcare availability across the country.

Apart from substantially low infrastructural spend; the Indian healthcare sector also faces a shortage of workforce. As per the Medical Council of India, the doctor-to-patient ratio for India stands at 1:1,674. Independent research agencies estimate that an additional 1.54 million doctors and 2.4 million nurses will be required to meet the growing demand for healthcare.

Bed density in the country was 1 bed per 1,050 patients, well below that of other countries and below the global median of 2.9 beds/1,000 patients. It is again estimated that an additional 3 million beds would be needed to achieve the target of 3 beds per 1,000 people by 2025. These statistics indicate the huge healthcare infrastructure gap in the country and the overall tremendous growth potential for the Indian healthcare industry in the endeavour to match global healthcare related metrics .

The Indian health sector is growing at a brisk pace due to the strengthening coverage of services and increasing expenditure by public as well as private players. Since Independence, private healthcare providers have played an important role in improving access and healthcare quality in the country by continuously evolving in the way they operate. Private hospitals have created pockets of excellence across the country and are able to provide excellent quality of care. They are gearing up for the next wave which will see them take quality healthcare services beyond metros and tier I cities. Strong Government support coupled with the willingness of people to pay for health services will further contribute to the overall growth of the private sector.

The diagnostics market has steadily emerged as a hugely viable sub-segment. The Indian diagnostic market is split between imaging and pathology with 30 % and 70 % share respectively. The overall diagnostic industry is growing exponentially owing to its extended coverage, range of services and increasing expenditure by public and private players. Today, foreign hospital chains are increasingly outsourcing their pathology and laboratory tests due to the high costs differential in India. The diagnostics market is expected to witness a CAGR of 20.4% growing to a size of USD 32 billion by FY 2022 from a size of USD 5 billion in 2012.



In order to produce visible changes in the overall healthcare services delivery landscape in the country, it is important that elements like accessibility, quality standards, resource availability and equitable distribution are worked upon with the strong collaboration of the Government and the private sector.

Key Characteristics

This industry in India is broadly characterized by the following:

Increase in population and demographic trends:

India's rising population and demographic trends have been a key catalyst for sustained growth of the healthcare ecosystem. Population growth contributes to the absolute growth for health care services and increases market size. The overall changing demographics of our country has also contributed to greater healthcare spend. India, the second most populated country in the world is largely dominated by a young population. However, the country is also home to a very large number of elderly citizens whose number is set to rise, in absolute terms, from the current 98.9 million to about 168 million by 2026. The sheer number of elders in India exceeds the total population of several nations. The rise in the number of the elderly and rising life expectancy is increasing the demand for healthcare. India's healthcare service providers have immense potential to grow due to the country's sheer population size and due to its changing demographic trends.

Rising per capita Income and widening of income Inequalities:

India has enjoyed tremendous economic growth over the last 3 decades. It has consistently featured amongst the fastest growing economies and the benefit of this growth has percolated to its citizens through an increase in per capita income. The rise in per capita income has improved affordability of healthcare and enabled access to millions of Indians who have progressed to the middle class and affluent status. Due to increasing affordability there is now greater sophistication of demand as consumers are demanding and willing to pay for superior quality care. However, even as India continues to develop, the difference in earnings are giving rise to wider levels of inequality. Given its vast population, there are several million citizens at various stages of income distribution and each stage is forming a different market in terms of addressable value proposition.

Under-served:

The healthcare service delivery landscape lags behind with regards to accessibility and still has miles to go in order to improve its overall capacity and geographical reach in relation to the requirements of the nation. With 15% of the world's population, India has amongst the lowest per capita spend on healthcare. With only 1 bed per 1,050 population as compared to the global average of around 2.9 beds per 1,000 population, the current hospital infrastructure is inadequate. India's continuous rise in population has led to an additional demand for healthcare infrastructure. It is estimated that we would need to add approximately 1.7million beds by 2025 to meet the rising demand and address the current shortage of beds .

Changing nature of diseases:

A significant portion of the Indian population live in sub-optimal sanitation conditions, in a largely tropical climate and many have no access to safe drinking water. Thus, communicable diseases remain a constant threat. There are also deep gaps in some of the basic primary care services across the country. However, in the segment of the population with increasing incomes, the disease profiles are changing. Rising pollution levels, rich diets, sedentary lifestyles and rising stress levels are leading to an increase in the incidence of non-communicable diseases. Currently about 50% of spending on in-patients beds account for lifestyle diseases due to increasing urbanization and problems related to modern-day living in urban-settings. India is ill prepared for the tsunami of NCDs and the healthcare sector will need to gear up to tackle the requirements of such a large populace.

Health Infrastructure skewed towards urban areas:

The progress made by private healthcare service providers in the last few years has been largely concentrated in urban areas. Therefore, tier II and tier III cities have been left far behind by organized private infrastructure with most rural areas lacking even basic amenities. Rural infrastructure has largely been supported by public investments, though fairly inadequate.

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

Scaling up of Medical Tourism:

India is highly cost competitive compared to the developed countries and certain Asian countries and constitutes a very attractive destination for foreign patients which has given rise to the medical tourism industry. Statistics reveal that treatment of major surgeries in India costs approximately 20% of that in developed countries. Further, Indian healthcare has benefited from an improving track record, greater sophistication of offerings and the recognition of the skill set of its medical professionals.

Low treatment costs, presence of world-class hospitals and skilled medical professionals coupled with commendable initiatives by the Government towards supporting the medical tourism industry are all factors playing a significant role in strengthening India's position as a preferred destination for medical tourism.

The medical tourism market size in India is estimated to be around USD 3.9 billion as of 2016, recording a CAGR of 27 % during 2013-2016. This number is further expected to grow and reach a size of USD 8 billion by 2020.

Increased Investments in the Indian Healthcare space

Today, Indian healthcare funding is witnessing a dynamic growth of venture capital and private equity funds. Investor's interest in the healthcare space has heightened in the past 5 years, with transaction value increasing from USD 94 million in 2011 to USD 1,275 million in 2016, registering an increase of over 13.5 times. The preceding two years have witnessed successful IPOs of a handful of healthcare companies further strengthening the funding pipeline. These trends indicate the rising investor confidence in the Indian healthcare space. In addition to this, a number of international players have entered the Indian market, reiterating the perception of India as an attractive healthcare investment destination.

Standalone Pharmacies

The pharmacy retail market in India continues to be highly fragmented in nature due to the overwhelming presence of unorganized pharmacies. However, recent years have seen the organized segment scaling up their presence by setting up chains of retail pharmacy stores across India. These organized retail chains which are changing the face of the pharmacy business in India operate either as company owned or managed stores or as franchisee units.

The professionally run organized pharmacies are bringing a specialized focus on the quality of retail services and offering several novelties like loyalty schemes, discouraging spurious drugs, tele-consultation services, private labels and value added services such as basic diagnostics and offering health insurance plans. Consumers have appreciated and rapidly accepted offerings such as improved retail formats, better warehousing and supply chain infrastructure and digitizing of prescriptions. Together, both organized and unorganized pharmacy retailers are the dominant distribution channel for pharmaceutical companies and dominate domestic sales.

The Indian pharmacy retail market which is evolving at a brisk rate is well poised for a compelling opportunity because of the increased Government spending on the health care sector along with initiatives to increase health related awareness in the rural areas of the country. In addition to this, the changing lifestyle and disease profile of patients have been significantly changing the pharmacy retail market outlook in India.

The advent of online pharmacy retailers in the Indian market will further the penetration of organized pharmacy retail in the Indian market. According to market sources, it is expected that the online pharmacy model could account for 5 to 15 % of the total pharma sales in India, largely by attracting discerning customers and enhancing access to a part of the under-served population. As the Indian population is evolving , private players will soon have to cater to this growing need of their customers.

Health Insurance

As of end-FY16, less than 15 % of the Indian population was covered by any kind of health insurance. Industry experts point out that nearly 60% of all healthcare expenditure in India is 'out-of-pocket' or self-funded by customers. Therefore, India's health insurance sector remains highly under-penetrated and offers significant headroom for growth.

Health insurance is one of the most important forms of insurance a person must own to enjoy unlimited access to quality healthcare services, anywhere, anytime. The value that health insurance brings to people in maintaining their health and mitigating financial consequences of medical emergencies is evident as the Gross Written Premium (GWP) of health insurance is growing annually. During the period between April 2016 and March 2017, it increased nearly 24% with GWP of ₹ 307,650 million for 2016-17, compared with 22.4% growth in 2015-16 and 15.6% growth in 2014-15.

In the last three years, the health insurance sector — which constitutes over 24% of the general insurance industry — has been on a high-growth curve. The prime reasons for this increase are increased awareness and medical inflation growing at a higher rate than general inflation. Also, more people are realising the need for health insurance as many fall into a debt trap once impacted.

The growth rate of standalone insurers is much higher than that of private players. With the standalone insurers growing aggressively, their combined premium has almost touched the total health insurance premium booked by all 18 private insurers. For the FY 2016-17, the standalone insurers booked a premium of ₹55,940 million, as compared to the combined premium of 18 private insurers at ₹61,060 million. The public sector insurers retained their lead with ₹190,640 million in health insurance premium.

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

The Government of India has strengthened its focus on health insurance sector considerably and they are likely to drive further health insurance penetration in the country with initiatives like Rashtriya Swasthya Suraksha Yojna (RSBY) and Employee State Insurance Corporation (ESIC). RSBY or the National Health Protection scheme was introduced in the Union Budget 2016-2017 which allocated ₹15,000 million for the health insurance sector. Under this scheme, a cover of ₹1 lakh per family was announced by the Finance Ministry. Also, this scheme gave an additionally coverage of ₹ 30,000 for senior citizens. By 2020, Government-sponsored programs are expected to provide coverage to nearly 380 million. These are few of the many recent key initiatives taken by the Government which are helping to promote health insurance penetration amongst various income levels across the masses.

Going ahead, the main driver for the massive growth in the health insurance sector will be the anticipated rise in healthcare costs. Consumers will have to increasingly rely on insurance to pay for medical care. Educating the population at large of the benefits of health insurance and providing fiscal incentives while enhancing the value proposition will increase market penetration of health insurance. In addition, it is expected that the changing nature of diseases, enhanced lifespans, increasing demand for quality healthcare along with increased awareness will be the key factors leading to an exponential rise in the demand for health insurance in the coming years.

Retail Healthcare

Globally, healthcare is evolving towards a retail model and this change is majorly driven by innovation and consumer preferences. Retail Healthcare begins with a focus on preventive health and can extend to treatments of lower complexity. Globally, consumers prefer more seamless healthcare delivery to treat their minor illnesses within a more relaxed atmosphere when compared to a hospital setting.

The Retail Healthcare business primarily include Primary Care Clinics, specialized birthing centers, single specialty clinics, primary health centers and diagnostic chains, apart from dental, daycare and home healthcare formats. All of these verticals under the Retail Healthcare umbrella are emerging as a significant opportunity in the healthcare landscape and providing sizable untapped avenues which will further drive the penetration of Indian healthcare service providers across the landscape.

Globally, Retail healthcare has grown substantially over the last decade. The advent of better technology such as minimally invasive surgery has shortened recovery times and reduced the complexity of several surgeries. The concept of day-care and short stay surgeries has been rapidly accepted as patients can be discharged within 8 - 48 hours and allowed to recover in the comfort of their own homes. The retail healthcare industry in India is likely to increasingly contribute to furthering the penetration of the healthcare sector.

The success of this delivery format will largely depend upon providing utmost satisfactory service and cost-effectiveness to consumers. The consumers to be catered in this segment respond well when incorporating wellness into their daily lives and expect access to on-demand information, extended hours, convenient locations, walk-in appointments, affordable services, and, more than ever, transparent pricing.

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

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

SWOT Analysis

Strengths

Brand Value

The "Apollo" brand has emerged as the pre-eminent brand in the healthcare sector in India and in the South-Asian region. We are popularly known as the first corporate hospital network in India which has played a pivotal role in pioneering several developments in the healthcare space. The brand 'Apollo' has become synonymous with best-in-class health care services across multiple platforms. The overall positive brand image of the company has helped it garner several tangible and intangible benefits. We have been successful in attracting the best healthcare professionals and have created a position for ourselves as the service provider of choice for multiple categories of patients across age, geographic location, budgets and intensity of care required.

Scale

With over 10,000 beds, 2,556 pharmacies and 200 clinics, cradles & retail healthcare centers across the country, Apollo Hospitals is the largest and most diversified healthcare service provider in the country. As the only truly pan-India player in the domestic market, we have in place multiple touch points which enable customer access. This enables significant competitive advantages like an enhanced customer experience, economies of scale, cost efficiencies, wider reach, access to a larger patient base and exploitation of synergies. Scale has provided us with access to better talent, a richer track record and the ability to incubate new businesses.

Integrated business model with presence across the healthcare value chain

With our integrated offering, we aim to provide quality healthcare across every possible healthcare delivery format and thus play a pivotal role in improving the country's overall healthcare standards. Today, we aspire that a patient should not only consider our 'hospital' format but also access other Apollo delivery formats to fulfill their basic healthcare requirements as well. The objective is to ensure that patients receive the highest possible quality of care right at the inception so that progress or increasing complexity of the ailment can be arrested at the earliest possible opportunity. A Surgery or complex medical treatment should be the last option considered. Thus, the integrated offering allows us to participate in multiple stages of the patient care process resulting in better outcomes and an enhanced value proposition both for the patient as well as the service provider.

Technological expertise

At Apollo, we continue to make significant investments in introducing and upgrading our technology. We believe that quality of care and health outcomes are primary objectives for delivery of healthcare objectives and technology has proven to be instrumental in enhancing treatment techniques and protocols, reducing recovery times and elevating healthcare outcomes. Apollo Hospitals has been at the forefront in technology adoption in the Indian Healthcare industry and continues to introduce the latest treatment technologies in its hospitals in order to provide top quality healthcare services and elevate healthcare outcomes.

Professional management team with rich industry experience

Our management team comprises of senior professionals with abundant industry expertise, proven track record and knowhow. They have been instrumental in driving our strategy and growth.

Weaknesses

Intensive Regulatory requirements

Apollo Hospitals welcomes the implementation of stricter healthcare standards and accreditation requirements which strengthen the framework of the healthcare industry. However, in the current set up, the licensing and accreditation requirements for private healthcare providers are cumbersome and need to be revisited in order to enhance governance standards without burdening the provider. There are multiple onerous requirements, some of which are not relevant in the context of the industry today. There is a lack of co-ordination between various regulatory departments and healthcare service providers especially hospitals which need to undertake large capital expenditure on land and building, medical equipment and talent should not be viewed in the same vein as other businesses by regulators and funding agencies. Regulators are starting to recognize the need to consider healthcare service providers in a different light and the effort towards improving ease of doing business across the country is a step in the right direction.

Extensive resource requirement

We operate in a sector which is highly capital-intensive due to high costs of land and building, licenses & approvals, construction costs for specialized interiors and costs of regularly upgrading medical equipment. In addition to this, the upkeep of our healthcare properties requires considerable investment of capital and significant resources are expended on skilled manpower which includes doctors, nurses and para-medical staff comprising lab technicians, radiographers and therapists. All of this ensures that the basic cost of setting up and running a hospitals is high escalating break-even levels and stretching viability.

Limited availability of Skilled Professionals

Systemic shortcomings in medical education in India have resulted in sub-optimal numbers of qualified healthcare professionals which causes a shortage of skilled manpower including doctors, nurses and para-medical staff across the industry. Further, hyper competitiveness in urban areas have caused unsustainable rise in remuneration. Skilled professionals also enjoy attractive entrepreneurial opportunities and are in demand in overseas markets as well. Success in healthcare delivery is highly dependent upon the ability to attract and retain skilled professionals and the shortage of skilled resources can act as a constraint to growth.

Heterogeneous Markets

Healthcare is an extremely dynamic industry and there are different requirement even in markets which are reasonably proximate. Every market has a unique set of characteristics 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. Due to the complexities involved, significant management overview is required in sustaining clinical standards, balancing case mix, ensuring adequate volumes and regularly upgrading technology.

Opportunities

Increased incidence of lifestyle diseases

Poor nutrition, physical inactivity, long working hours, increase in stress levels, and increased use of tobacco and alcohol are some of the rising negative trends and habits due to increased urbanization and problems related to modern-day living in urban settings. This is compounded by rising pollution levels. This unhealthy lifestyle is giving birth to various lifestyle diseases and non-communicable diseases such as diabetes, heart disease and cancer are increasing at an alarming rate. India already has the largest population of patients with lifestyle diseases and will require sustained expansion of its healthcare infrastructure to meet the anticipated rise in such cases.

Medical Tourism

Today, India has successfully evolved into a leading destination for the international cost-conscious medical traveler. Apart from the inherent cost advantage, high clinical success rates, top quality medical professionals; rapid adoption of technology and an increasing number of globally accredited facilities have strengthened India's position as a preferred destination for medical tourism. India has also been successful in attracting medical tourists from developing countries which lack advanced medical facilities. Today, Indian medical tourism is enhancing the prospects of the Indian healthcare market substantially, benefiting its healthcare service providers in a big way.

Increased affordability

Continued growth in the Indian economy coupled with rising prosperity is projected to lead to sustained growth in per capita income. As a result, several million citizens are expected to get elevated to the middle class and affluent categories which will lead to enhanced affordability and improved access to healthcare. Increased penetration of medical insurance will also lead to improved affordability of higher quality care.

Ageing Population & higher life expectancy

While India is considered to be blessed with a favourable demographic quotient given the relatively young population, it also has a very large number of ageing citizens in absolute terms. India is expected to be home to around 168 million elders by 2026, which will undoubtedly accelerate the demand for healthcare services in the country. Further, as life expectancy increases several citizens are opting for surgeries even in cases which are non-threatening but enhance quality of life such as knee replacements and basic bariatric procedures.

Under-served and poorly served markets

There is a significant difference between the quality of healthcare services available in metro cities and large urban areas compared to some of the semi-urban and rural areas in the country. Patients in such areas have the ability and the willingness to pay for good quality healthcare services, however, due to lack of options they end up travelling to larger cities in search of better quality services. Healthcare service providers who are able to offer services of the desired quality in these areas will benefit from a ready marketplace for their services.

Changing formats and consumer preferences

Psychologically, hospitals tend to be a bit intimidating to the average citizen who responds better to a more relaxed atmosphere. Nowadays, patients prefer accessing single specialty centers and other healthcare delivery formats for most of their healthcare requirements. Most of these other healthcare delivery formats are economically viable as they require less capital investments, have faster breakeven and a better returns profile. Some of these new formats have demonstrated greater specialization and ability to create significant value when compared to larger tertiary care offerings.

Threats

Increasing Competition

The competitive intensity from unorganized as well as organized players continues to remain high. There is an increase in the number of entrepreneurs and business houses entering the healthcare business as compared to the past . This has resulted in a spike in setting up of greenfield facilities, joint ventures and acquisitions. There are even pockets of overcapacity in certain metros and this scenario could lead to competitors adopting desperate strategies which may hamper growth and profitability of our business.

Increasing cost of resources

The emergence of several domestic hospital chains combined with the entry of International players is leading to an increasing number of competitors chasing finite resources such as land, quality medical professionals and potential acquisition targets. It is expected that the demand growth will outpace improved supply of these resources. A failure to acquirere sources at fair and reasonable rates will impact the ability to suitably grow and expand our operations. Further, increases in operating costs can result in an undesirable impact on the Company's financial health.

Withdrawal of tax incentives

Since fiscal 2011, we have benefitted from the tax deduction given in respect of capital expenditure incurred on setting up new hospital projects. The resultant deferment of tax has helped to improve our immediate cash flows allowing us more resources to fund growth. With effect from the financial year ending March 31, 2018, this incentive has been reduced to 100% resulting in an increase in the effective tax rate

Company Overview

Apollo Hospitals Enterprise Limited (AHEL) the pioneer of corporate healthcare services delivery in India, was founded by Dr. Prathap C Reddy in 1979.We embarked on our journey to become a comprehensive healthcare services provider by launching our first facility, a 150-bed hospital at Chennai, in 1983. From that humble beginning three decades back, we have emerged as the pre-eminent private sector healthcare provider in India.

We are headquartered in Chennai and our diversified operations include multiple subsidiaries, joint ventures and associates. Today, our presence includes over 10,000 beds across 70 Hospitals, 2,556 Pharmacies, over 172 primary care & diagnostic clinics, over 148 telemedicine units across 13 countries, health insurance services, global projects consultancy, 15 academic institutions and a Research Foundation with a focus on global clinical trials, epidemiological studies, stem-cell and genetic research.

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

We are also expanding our healthcare footprint through other healthcare service formats such as primary care clinics, day surgery centres, birthing centers and dental clinics. These facilities are controlled and managed by under Apollo Health & Lifestyle Ltd, which is the retail healthcare vertical of the Apollo Hospitals Group.

For more than 33 years, the Apollo Hospitals Group has continuously excelled and maintained leadership in medical innovation, world-class clinical services and cutting-edge technology. Our hospitals are consistently ranked amongst the best hospitals globally for advanced medical services and research.

Healthcare Services

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

Hospitals

As of March 31, 2017 we had a capacity of 10,084 beds in 70 hospitals located in India and overseas. Of the 10,084 beds, 8,362 beds own in 43 hospitals, 259 beds in 9 cradles, 229 beds in 11 day care/short surgical stay centers and 1,234 beds are in 7 hospitals under our management through operations and management contract.

Particulars	31.03.2017	31.03.2016
Number of owned hospitals at the end of the period	63	61
Number of owned beds at the end of the period	8,850	8,120
Number of operating beds at the end of the period	6,997	6,724
In-patient discharges	403,483	373,851
Adjusted discharges	560,193	511,135
Average length of stay (days)	4.04	4.17
Average daily census	4,464	4,262
Bed occupancy rate (%)	64%	63%
Average revenue per occupied bed per day	31,529	29,867

Clinical Excellence

Clinical Excellence is the core premise around which our healthcare operations are structured. Our Group continues to deliver the highest standards of clinical outcomes across various specialties. We benchmark ourselves against institutions with the best clinical benchmarks in the world in their respective specialties. We have set internal standards for ourselves, with the intention to meet or exceed the performance of the best global institutions thereby elevating the standards of healthcare services delivered across the network.

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

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

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

Training and continuing Medical Education

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

During the financial year 2016-2017, we partnered with William Osler Health System, Ontario for Coordination of Care and Collaborative Research to improve health outcomes across the world. Through this research collaboration, scientists at the two organizations will begin by identifying areas of cooperation, collaboration and innovation, particularly around the range of diseases like Diabetes, Cardiovascular Diseases and Cancer, which are highly prevalent among the population in regions served by both Osler and Apollo Hospitals.

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

Accreditations

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

In developing countries like India, where private healthcare providers play a significant role in furthering the cause of healthcare , regulation is a vital instrument and function of Government policy. The Government has set up the National Accreditation Board for Hospitals & Healthcare Providers ("NABH") to establish and operate accreditation programs for healthcare organizations in India. It is a constituent board of the Quality Council of India. Seventeen of our hospitals including Apollo Specialty Hospitals in Ahmedabad, Bilaspur, Madurai, Mysore, Pune, Bhubaneswar, Secunderabad, Hyderguda, Kakinada, Noida, Bhilai, Trichy, Indore and Nashik have received accreditation from NABH.

Strategy

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

1. Strengthening our presence in key strategic markets

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

By increasing bed capacity at our existing hospitals and establishing new healthcare centers and new formats in multiple locations within existing clusters, we intend to continue to strengthen our presence and increase our market share. The cluster approach enables a more comprehensive market presence through multiple touchpoints and centers thereby enriching our offerings to patients.

During FY 2016-2017, we launched a 500 bedded multi-specialty tertiary hospital in Mumbai. With this launch, we are now present in all of the four Indian metropolitan cities, namely, Chennai, New Delhi, Kolkata and Mumbai. We believe that these key metropolitan cities will continue to have strong demand for high quality tertiary services including transplants, robotics and complex procedures under cardiac, oncology and orthopedic specialties.

Our plans to establish new healthcare facilities are at various stages of implementation and are expected to be completed over the next five years. We expect to increase the bed capacities by 715 beds upon completion of these projects. We are continuously considering factors such as location, demographics, revenue potential, and the cost of setting up new facilities while exploring new opportunities in existing as well as new markets.

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

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

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

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

3. Increasing patient touch points by way of multiple formats

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

4. Focus on a portfolio of high value clinical specialties

We believe that there are multiple factors that will lead to an increase in the demand for quality healthcare services. These include, changing demographics, increasing population, increase in the lifestyle related diseases like diabetes and heart disease, greater health awareness, increasing health insurance coverage and many more.

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

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

- Constantly investing in the latest medical technologies and equipments so as to offer high quality healthcare services to our patients.
- Focusing on the expansion of each Center of Excellence practice area to provide comprehensive sub-specialties and treatment services.
- Enhancing each Center of Excellence by incorporating more experienced and skilled surgeons & physicians.
- Amalgamation 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.
- Establishing well-defined clinical guidelines and protocols in order to levy a strong focus on the clinical outcomes.

5. Focus on life enhancing procedures and elective surgeries

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

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

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

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

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

Lastly, in order to remain competitive and to increase the capital efficiency, the Company continues to chalk out strategies to manage leaner operations. We are now more amenable to using long-term leases instead of outright purchase of land & building. A comprehensive strategy to enhance asset turnover is being implemented.

7. Improving operating efficiencies and profitability

We believe that the key component of our growth strategy will be to maximize our operating efficiency and profitability across our network. We intend to actively focus on the following key areas to improve our operating efficiencies and profitability:

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

We also intend to reduce our Average Length of Stay (ALOS). Improvements in medical technology and the advent of minimally invasive surgeries have reduced surgical trauma and resultantly shortened patient recovery time. We plan to reduce the ALOS at our hospitals by enhancing minimally invasive surgeries and day care surgeries which reduce patient recovery time. This will help us turn around beds faster allowing us to treat more patients from the existing capacity as well as result in increased patient turnover rates and increased revenues per occupied bed per day.

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

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

Expansion Plans

In line with our stated strategy of driving capacity creation, we are executing a multi-pronged expansion plan. In addition to a strong base of 10,000 beds across 70 hospitals as on March 31, 2017, we plan to add another 715 beds in the coming 5 years across 2 hospitals which will expand the overall network of hospitals to 72.

Apollo Hospitals plans to invest ₹12,000 million over the next couple of years for expansion. This investment would be made towards opening of new hospitals and expansion of already existing healthcare centers. Additionally, we are also planning to add oncology facilities at the group's already existing hospitals at places like Vizag and Bhubaneshwar.

We are also coming up with a Proton therapy treatment centre as part of a Combined Oncology Referral Centre at our Chennai facility which we expect will become fully operational over the next two years. It is important to note that currently, this treatment facility is only available in two countries in the Asia-Pacific region i.e in China and Japan and India will become the third country to have this facility for treatment of cancer patients.

Apollo Hospitals continues to look for favourable opportunities to expand its presence in the healthcare market. The Group is focused on operationalizing the new capacities added and grow and consolidate its leadership position in these markets.

Apollo Reach Hospitals

The Apollo "REACH" Hospitals initiative is aimed at setting up a network of secondary care facilities with around100 to 200 beds each in Tier II and Tier III cities in India. By making advanced technology and experienced medical professionals accessible to patients from these areas at their home locations, this initiative is eliminating the need for travel in search of healthcare.

Apollo "REACH" is our honest attempt to improve access to healthcare for larger segments of the population which has been largely ignored by a majority of the Indian healthcare private players. Our journey to fulfill this aim will simultaneously extend the Apollo Brand to more corners of the country.

The expansion of population in these Tier II & Tier III towns and cities and improved purchasing power indicates that these micro-markets have developed and there is latent demand for good quality healthcare services. 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. Setting-up these centers command a much lesser capital deployment due to lower manpower, land, operations costs encountered in Tier II and Tier III locations than in the metro centres . Therefore, a reduction in the capital deployment and the break-even point allows operational flexibility.

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

Medical Tourism

As Apollo Hospitals possesses state-of-the-art medical facilities and cutting-edge technologies,it is able to attract International patients in large numbers. Over the years, Apollo Hospitals has established a well-established track record in catering to International patients.

The Group undertakes several camps in overseas markets to build the doctor connect for patients. Further, patients from anywhere around the world, can now easily look up doctors and specialists and make an appointment for a personal consultation for their treatment in India. The Group will continue to undertake new initiatives towards boosting medical tourism to put India on the world map as far as healthcare services is concerned.

Today, Apollo Hospitals Chennai alone caters to around 150 international patients daily. We have been successful in attracting a large number of patients from neighbouring countries as well from the Middle East and Africa.

The Indian Government is facilitating the entry of International patients into the country by providing special medical visas and undertaking a number of initiatives to encourage Medical tourism in the country. In order to be a huge beneficiary of increasing Medical Tourism in India, we have stepped up our marketing efforts in International centers and are driving in-person consultations with senior specialists.

Having served patients from over 120 countries, we continue to offer a wide range of high standard 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. We strongly believe that Apollo Hospitals is extremely well positioned to address the needs of the growing Medical Tourism market in the country.

Standalone Pharmacies

Apollo has been strategically present in the Standalone pharmacy business for over 2 decades. Upon attaining critical mass, it has driven growth at an accelerated pace which resulted in a phenomenal performance in the last few years. This business considerably grew at a CAGR of 27% over the last four years. During the year we added 230 stores on a net basis to expand our standalone pharmacy network.

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

For each pharmacy, we tailor our product mix. We have a cluster analysis mechanism and each cluster is managed by an independent manager. Our systems are standardized for tracking the viability of each store in terms of its real estate costs, supply chain, cost-benefit ratios and various other operating metrics.

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

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

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

Accolades, Achievements & Partnerships

During the year, Apollo Hospitals, Chennai and Indraprastha Apollo Hospitals, New Delhi were awarded the top 2 positions in the All India Critical Care Hospital Survey 2017 by Times Health.The Apollo Hospitals Group was also conferred with the prestigious title of Business Superbrand. Apollo Hospitals, Bangalore won awards at The Healthcare Achievers and Leaders Awards, 2016 under the categories: Innovative Initiatives in Food Safety, Innovation in Quality of Service Delivery Award, Best Patient Safety Initiatives Award.

Apollo Hospitals Group also signed an agreement with Chinese infrastructure firm Hainan Ecological Smart City Group (HESCG) to jointly develop an integrated modern healthcare services facility and systems in Hainan province.

Our health insurance subsidiary, Apollo Munich entered into a bancassurance tie-up with Dena Bank to distribute customized Apollo Munich Health insurance and personal accident policies to Dena Bank's 20 million customers nationwide.

Projects & Consultancy

Apollo Global Projects and Consultancy services is among the leading healthcare consulting organisations of its kind in the country . We provide pre-commissioning consultancy services comprising of 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 the third party organizations globally for a fee.

Medical Insurance – Apollo Munich Health Insurance

Apollo entered the insurance market through a joint venture with Munich Health and Apollo Munich Health Insurance came into existence.

Apollo Munich insurance products are very famous amongst the market participants and are very highly rated by them. Apollo Munich grew its Gross Written Premium (GWP) from ₹11,078 million in FY 2015-16 to ₹13, 000 million in FY 2016-17, reflecting a growth of around 17% year-on-year. It is the fastest insurance company in India to reach a break-even point and made profits in the last three years. In the last financial year, its profit increased by 1674%. The company has achieved an impressive growth rate over last seven years, a CAGR of 41%.

We now have over 135 branches pan India and we are privileged with 10.3% share of the health insurance market amongst the private players and 21.5% amongst standalone health insurers. Apollo Munich enjoys one of the best claims ratios in the industry. We are known to serve our customers with high quality services and also to have a very strong customer loyalty base. Munich Health, the joint venture partner in Apollo Munich Health has a stake of 48.75% after the Government of India increased the FDI limit in the insurance sector to 49% in 2015. We are confident of ensuring sustainable and profitable growth in the years ahead.

Our health insurance subsidiary, Apollo Munich entered into bancassurance tie-up with Dena Bank to distribute customized Apollo Munich Health insurance and personal accident policies to the Dena Bank's 20 million customers nationwide.

Retail Healthcare – AHLL

Apollo Health & Lifestyle Limited (AHLL) is a subsidiary of the Company. Today, AHLL has become an important part of AHEL's portfolio and is evolving to become a significant entity of its own. As healthcare markets grow and evolve, we expect AHLL to play a defining role in the transformation of healthcare closer to every individual to make it more accessible in a friendly user-centric kind of environment. The company has grown significantly in size and scale over the past few years and we have served nearly 1.5 million patients in FY 17. AHLL is also playing a major role in taking the Apollo brand closer to a large number of patients.

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

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

During FY17, we decided to expand our growth strategy and inducted IFC and IFC Asset Management as investors into the AHLL journey, to fuel AHLL's next phase of growth. IFC which invested ₹4,500 million for a 29% stake in AHLL will help AHLL to fund its proposed expansion plans across all of its formats. This investment will thus help AHLL to cater to future growth prospects.

Apollo Clinics

As cities get larger and as travel times become higher, patients are demanding access to primary care closer to their home. This aspect continues to make Apollo Clinic a trusted neighborhood healthcare partner for family medicine and primary care.

For Apollo Clinics, we have devised a strategy to expand our network in clusters we are already present such as Chennai, Bangalore, Hyderabad, Delhi, Calcutta, Mumbai and Pune. We plan to expand in these clusters with a mix of owned clinics in the larger towns and franchised clinics in the smaller towns. Between owned and franchise clinics, we plan to add between 10 - 15 clinics each year, going forward. Also, we are also focusing during increase in footfalls as well as increase our share of wallet of consumers.

During FY17, we grew our network by 6 centers, out of which 2 were our owned clinics. The year witnessed a flattish footfalls growth but our revenue per customer witnessed growth. With Apollo Clinics business today surpassing the ₹1,000 million mark this has further affirmed our belief that the business is moving in the right direction and is well positioned to be the leaders in the primary care space.

Apollo Diagnostics

The diagnostics business is one of our newest business lines and we are excited to have entered this space where unorganized players run ~85% of this market. Our focus is to build a pathology lab business with a B2C model and achieve a top 3 position in all of the markets that we operate.

Apollo Diagnostics business started off in FY16 and was scaled up drastically during FY17, both in terms of number of centers, in terms of the number of samples and also the average bill value per customer. We continue to scale up this format of business and today we have a strong presence in the 4 states in the south and have already begun to make an entry into the eastern parts of India.

Apollo Sugar Clinics

Apollo Sugar Clinics were set up a few years ago to target the opportunity which we could see in the diabetes space. The large number of diabetic patients in India and an overall increase in awareness and treatment penetration made entry into this space increasingly attractive. In addition to these aspects, we found out that the services which were being offered for diabetes were not considered sufficient as a diabetic patient was treated in exactly the same way as any other illness.

Apollo Sugar provides a holistic 360 degree approach which combines treating the diabetic patients coupled with lifestyle changes. Apollo Sugar is an asset light model where most of our centers are either shop in shops and are situated in either large hospitals or in small hospitals. The one important metric that is driving this business are the number of patients who are walking into our centers and coming under our long term care programs. The last two years has witnessed a significant increase in the number of patients that we are able to put through the long term care programs leading to significant rise in the average revenue per patient.

Apollo Sugar as a brand has made rapid inroads and is now a prominent name in the field of diabetes care.

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. The concept is well accepted in urban markets and is indeed another stride towards the emergence of specialized hospitals.

Apollo Cradle has been able to differentiate itself by bringing the best clinical care to patients while adding to it all the luxury and experience components which women are looking for today. Today, the country presents a huge opportunity for the premium maternity / delivery market. Apollo Cradle has successfully grown the network in the last few years and will continue to plan to grow with a clear focus on the top 27 to 30 Indian cities.

Apollo Spectra Hospitals

In India, the concept of specialty care is new and at a relatively nascent stage. Looking at the countries like US and Australia, day surgeries or short stay surgeries are very significant as it is estimated that around 70% of all surgeries in those countries by volume are done in the day surgery centers. Though we are the early movers in the Indian market today, we are leading in a segment which is important going forward.

Apollo Spectra is our short stay or day-surgery format and we consider this business as being in a turnaround mode. As we move forward we see a significant trajectory and are very confident on how this business will move forward.

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.

Discussion on Consolidated Financial Performance and Results of Operations

The following table presents the summaries of results of operations for the years ended March 31, 2017 and 2016

(₹in million)

Particulars	31.03.2017		31.03.2016	
Operating Revenues	72,549		62,146	
Add: Other Income	225		450	
Total Income	72,774	100.00	62,596	100
Operative expenses	35,954	49.41	30,547	48.80
Salaries and benefits	11,965	16.44	10,235	16.35
Administration & other expenses	17,345	23.83	14,486	23.14
Financial expenses	2,573	3.53	1,800	2.87
Depreciation and amortization	3,140	4.31	2,638	4.21
Add: Share in associates	424	0.99	272	0.43

Particulars	31.03.2017		31.03.2016	
Profit before Income Tax – Exceptional & Extraordinary items	2,221	3.05	3,162	5.05
Exceptional items	-	-	159	0.25
Profit before tax	2,221	3.05	3,321	5.30
Provision for taxation	910	1.24	969	1.55
Profit after Tax (including minority interest)	1,311	1.80	2,352	3.76
Other Comprehensive Income	219	0.30	106	0.17
Total Comprehensive Income for the period	1,092	1.50	2,246	3.59
Less: Minority interest	(899)	(1.22)	(12)	(0.01)
Profit after minority interest	1,991	2.73	2,258	3.61

For the years ended March 31, 2017 and 2016

Revenues

The total operating revenue grew 17% from ₹62,146 million in FY16 to ₹72,549 million in FY17 with healthcare revenues growing by 12% from ₹38,892 million to ₹43,619 million as a result of 8% growth in volumes 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 24% revenue growth from ₹23,220 million to ₹28,745 million in FY17. The number of stores within the network of Standalone Pharmacies was 2,556 as at March 31, 2017 as compared to 2,326 stores as at March 31, 2016.

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

Year Ended March 31, 2017 (₹ in million)

Particulars	31.03.2017	31.03.2016	Increase (Decrease)	% Increase (Decrease)
Discharges	403,483	373,851	29,632	7.93
Revenues per patient (₹)	98,574	95,117	3,457	3.63
Average length of stay (days)	4.04	4.17		
Out-patients	3,574,840	3,323,159	251,681	7.57
Revenue per bed day (₹)	31,529	29,867	1,662	5.56

Expenses

Salaries and Benefits

Our salaries and benefits expense of ₹9,893 million during 2016 increased by 18% to ₹11,676 million in 2017. 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 SAP sand also the compensation increases for our employees during the year.

Year Ended March 31, 2017 (₹ in million)

Particulars	31.03.2017	% of Revenue	31.03.2016	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Salaries, wages and benefits (excluding managerial remuneration)	11,676	16.00	9,893	15.80	1,783	18.00
No. of employees	49,747		43,557	15.80		

Operative Expenses

During 2017, our material cost of ₹35,954 million increased 18%, as compared to ₹30,547 million in 2016. 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, 2017 (₹ in million)

Particulars	31.03.2017	% of Revenue	31.03.2016	% of Revenue	Increase (Decrease)	% Increase (Decrease)
Repairs and maintenance	1,757	2.42	1,476	2.35	282	19.11
Rents and leases	3,142	4.30	2,566	4.09	576	22.44
Outsourcing expenses	1,720	2.36	1,357	2.17	363	26.75
Marketing and advertising	1,966	2.70	1,569	2.50	397	25.30
Legal and professional fees	930	1.28	785	1.25	145	18.47
Rates & taxes	159	0.21	128	0.20	51	39.85
Provision for doubtful debts & Bad debts written off	269	0.36	388	0.62	(120)	(30.92)
Other administrative expenses	7,401	10.16	6,217	9.93	1,184	19.04
Total	**17,344**	**23.83**	**14,486**	**23.14**	**2,859**	**19.73**

Depreciation and Amortization

Our depreciation and amortization expense increased to ₹3,140 million during 2017, as compared to ₹2,638 million during 2016. The increase is largely due to capital improvement projects completed during the year and normal replacement costs of facilities and equipment. On new facilities we were eligible for higher depreciation under section 35AD of the Income-Tax Act, 1961.

Financial Expenses

Our financial expenses increased to ₹2,573 million during 2017, compared to ₹1,800 million during 2016. The increase is largely due to interest on funds deployed in commissioning of new hospital projects as well as for construction in progress at other facilities.

Provision for Income Taxes

The provision for taxes during the year ended March 31, 2017 is ₹910 million compared to ₹969 million in the previous year ended March 31, 2016.

Liquidity

Our primary sources of liquidity are cash flows generated from our operations as well as long-term borrowings. We believe that our internally generated cash flows, amounts invested in liquid funds and our approved and proposed debt will be adequate to service existing debt, finance internal growth and deploy funds for capital expenditure.

Capital Expenditure

In addition to the continued investments in new hospital facilities, there have also been investments made in new clinics, cradles and dental care centers. 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 facilities more appealing to potential patients.

Risks and Concerns

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

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

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

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

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

Internal Controls

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

Our robust internal control systems which are reviewed periodically provide reasonable assurance that all of our assets are safeguarded and protected. Our Internal control system is designed to manage the risk of failure to achieve business objectives.

The internal control system is designed to ensure that all transactions are evaluated, authorized, recorded and reported accurately. In addition to this, extensive budgetary control reviews and mechanisms are in place for timely reviews and comparison of actual performance with forecasts.

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

Human Resources

Our people form the nucleus of what we do at Apollo Hospitals and we acknowledge the contribution of all our employees in our journey towards touching a billion lives. As on March 31, 2017 the Apollo Group comprised a total employee strength of 49,747 (including our subsidiaries, joint ventures and associates). Together, these diverse employees bring their experience, culture and commitment to the work they do every day to improve the health of our patients. Every employee of the Apollo family has embraced our philosophy of "Tender Loving Care" and is a testimony of the commitment from our employees towards Apollo's vision to touch a billion lives.

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

We are committed to nurture and develop potential leaders who can continue to enhance our values and culture further. During the year, Apollo Hospitals introduced various development initiatives apart from an integrated framework and approach using structure, systems and skills focused on areas which will simplify ways of working.

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

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

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

Cautionary Statement

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

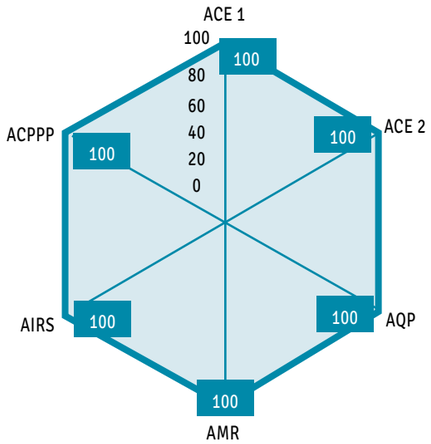
Clinical Governance

The Apollo Standards Of Clinical Care

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

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

TASCC Monthly Graphical Representation

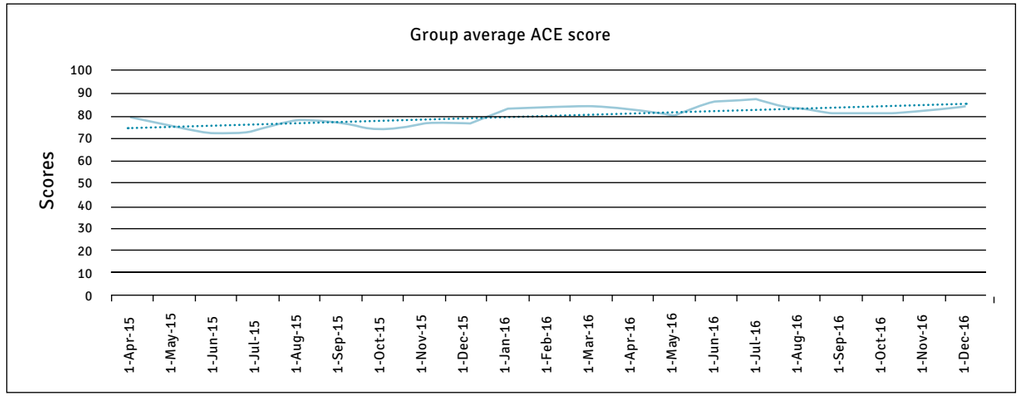


ACE 1

ACE 1 is a clinical balanced scorecard incorporating 25 clinical quality parameters involving complication rates, mortality rates, one year survival rates and average length of stay after major procedures like liver and renal transplant, CABG, TKR, THR, TURP, PTCA, endoscopy, covering all major specialities. Also included are hospital acquired infection rates, pain management and medication errors. Parameters have been bench marked against the published bench marks of the world's best hospitals. 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.

ACE 2

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



Apollo Quality Program

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

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

Mortality Review

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

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 overe mphasized. A team of auditors from various units of 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.

The eighth ACAT audit was organized from 14th November 2016 to 12th January 2017 across the Group Hospitals. ACAT team comprising of 16 auditors conducted the audit of ACE 1, ACE 2 parameters and TASCC components.

Checklists

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

The ICU checklist is used in all the ICUs for every patient. The checklist augments the daily, multi-diciplinary 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 is a platform to highlight the distinctive initiatives and unrelenting efforts, undertaken at each of our hospitals, for improving quality and safety for our patients. Nominations for Apollo Innovation and Quality Awards 2016 were invited from all locations in six categories. One hundred and thirty four nominations were received from 20 locations for the awards in 2016. The nominations are judged by an esteemed panel of independent jury members.

The 6th International Congress On Patient Safety

The 6th International Patient Safety Congress was held at ITC Grand Chola, Chennai on the 21st and 22nd October 2016. The forum was a congregation of thought leaders, patient safety experts, eminent speakers and panellists, from across the world, who enriched the audience with their experiences, knowledge and innovative practices on Patient Safety.

The two day programme had a total of 30 sessions including 18 breakout sessions. The event was attended by over 1,900 delegates from 20 countries and represented 170 healthcare organizations including private and government agencies. Over 170 prominent national and international speakers participated in the conference. Winners of the Asian Patient Safety Awards were given recognitions and awards were conferred for best paper and poster presentations.

The prominent knowledge partners who supported this edition of the conference included the Joint Commission International (JCI, USA), World Innovation Summit for Health (WISH, Qatar), APAC Forum (New Zealand), Association of Private Hospitals of Malaysia (APHM), Institute for Healthcare Improvement (IHI), WHO, National Accreditation Board for Hospitals (NABH) India, National Accreditation Board for Testing and Calibration Laboratories (NABL), Consortium of Accredited Healthcare Organisation (CAHO), Armed Forces of India, Indigo Airlines, Taj Hotels and many others.

Hon'ble Governor His Excellency Shri CH Vidyasagar Rao, Health Minister Dr C Vijayabaskar and Health Secretary Dr J Radhakrishnan, of the Government of Tamil Nadu graced the occasion with their presence during different sessions of the congress.

The congress concluded with the announcement of the 7th International Patient Safety Congress which would be held at Navi Mumbai on the 1st and 2nd of December 2017.

Awards

In the year 2016, Apollo Hospitals received 77 awards at various international and national fora.

Apollo Hospitals, in September 2016, won the Asian Hospital Management Healthcare Excellence Awards, held at Ho Chi Minh City, Vietnam, winning 13 awards in 11 categories and two Grand Awards. There were 322 entries from 92 hospitals in 15 countries, vying for HMA Awards in 2016.

The Best Hospital Survey 2016, conducted by THE WEEK in association with Nielsen, India, recognized Apollo Hospitals, Chennai as the second best Corporate Multispecialty Hospital in India and Indraprastha Apollo Hospitals, Delhi the sixth best.

The prestigious title of 'Business Superbrand' for the year 2016 was conferred upon Apollo Hospitals. Apollo Hospitals was the only hospital brand conferred with the title, underpinning the undisputed leadership of Apollo Hospitals in the industry. Over 33 Indian brands were covered in the latest issue of Business Superbrands.

Indraprastha Apollo Hospitals, Delhi won Express Healthcare Excellence Awards in two categories - Patient Care and Corporate Social Responsibility in Healthcare Senate 2016, the National Private Healthcare Business Summit, held from September 22nd -24th, 2016 at HICC, Hyderabad.

Apollo Hospitals Group, Hyderabad, Kolkata and The Q4E Programme, AHLL won the Frost and Sullivan Awards in 2016 in various categories.

All India Critical Care Hospital Ranking Survey 2016 by Times of India ranked Indraprastha Apollo Hospitals Delhi as the best hospital for the specialities Neurosciences, Renal Sciences, Oncology, Paediatrics, Gynaecology and Emergency and Trauma in India. Apollo Hospitals, Chennai was ranked as the second best hospital for Gynaecology in India. For Gastroenterology and Hepatology, Indraprastha Apollo Hospitals Delhi was ranked the second best hospital in India.

Apollo Hospitals, Chennai was recognised as the Best Multi-Speciality Hospital MEGAPOLIS and Apollo Speciality Cancer Hospital, Teynampet, Chennai, the Best Single Speciality Hospital Oncology by The ICICI Lombard and CNBC-TV18 India Healthcare Awards 2016.

Apollo Hospitals, Chennai won the Madras Management Association (MMA) Award for Managerial Excellence in Services Category.

Apollo Hospitals, Chennai was adjudged the winner for the Services Category, at the prestigious CII National Excellence Practice Competition 2016. Apollo Hospitals, Chennai won the award in the Services Category in CII SR Excellence Awards - Environment, Health and Safety (EHS) 2016 also.

Apollo Speciality Cancer Hospital, Teynampet won the award in the Services Category in The Kaizen Competition of CII Southern Region, organized every year to acclaim and encourage member companies which give importance to continuous improvements through Kaizens.

Apollo Speciality Cancer Hospital, Teynampet, Chennai won two Platinum awards and one Gold award in the competition organized by ABK – AOTS DOSOKAI for Tamil Nadu region.

Honeywell announced that Apollo Hospitals, Ahmedabad was one of India's smartest buildings, at the Network 18 and Honeywell Smart Building Awards for 2016, in October.

Apollo Hospitals, Bangalore bagged awards at The Healthcare Achievers and Leaders Awards, 2016 in the categories Innovation in Quality of Service Delivery, Best Patient Safety Initiative (2 Awards) and Most Innovative Initiatives in Food Safety. Apollo Hospitals Group won the award in the category Best Quality Initiative in Healthcare for the Project WOW. Apollo Diagnostics, AHLL won awards in the categories - Best Patient Safety Initiative Diagnostic Company and Emerging Diagnostic Service Company in India. The Q4E Programme of AHLL won an award in the category Best Quality Initiative in Healthcare.

Apollo Gleneagles Hospitals, Kolkata won the PRCI Chanakya Award for National Achievers award for Innovative Leadership.

Sixteen awards were bagged by Apollo Hospitals in CMO Asia Awards for Healthcare Excellence in 2016.

Medical Healthcare Innovation Awards were conferred on Apollo Hospitals, Hyderabad for Nursing Excellence; Apollo Gleneagles Hospitals, Kolkata for Hospital and Clinic Branding, Marketing and Public Relations and on AHLL, for Nursing, Ancillary and Paramedical.

Apollo Gleneagles Hospitals, Kolkata won 6 awards in the ABP News Healthcare Leadership Awards 2016 summit in the categories Innovation in Quality of Service Delivery, Best Marketer, Best Use of Six Sigma in Healthcare, Best Green Hospital, Best Eye Clinic of the Year and Best Community Awareness in Healthcare.

Apollo Gleneagles Hospitals, Kolkata won the award for Best Innovation and Research in Healthcare of the Year in International Healthcare Summit Awards 2016. Apollo Hospitals, Hyderabad was conferred the AHPI 2016 Award for Nursing Excellence.

Apollo Hospitals Group won the award for Best Multi Speciality Hospital Chain by Gill India Group's Annual Today's Traveller Awards.

Apollo Tele Health Services won the India Health and Wellness Award for the category - Health Delivery Brand of the Year. "Total Health" won the Indian ISV Award for Best CSR Solution of the Year. "Total Health" also won the Indywood Excellence Award 2016 for CSR practices.

Apollo Tele Health Services won the Rural Marketing Association of India (RMAI) Flame Awards Asia in the category Innovation in Rural Reach.

Accreditation

Joint Commission International (JCI) Accredited Apollo Hospitals

The following eight Apollo Hospitals are JCI Accredited:

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

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

The following 17 Apollo Hospitals are NABH Accredited:

Sl.No.	Hospitals	Locations
1	Apollo Hospitals	Ahmedabad
2	Apollo Hospitals	Bilaspur
3	Apollo Speciality Hospitals	Madurai
4	Apollo BGS Hospitals	Mysore
5	Apollo Jehangir Hospital	Pune
6	Apollo Hospitals	Bhubaneswar
7	Apollo Hospitals	Secunderabad
8	Apollo Hospital	Hyderguda
9	Apollo Specialty Hospitals	Vanagaram
10	Apollo Hospitals	Kakinada
11	Apollo Hospitals	Noida
12	Apollo Specialty Cancer Hospital	Teynampet
13	Apollo Hospitals	Bhilai
14	Apollo Hospitals	Trichy
15	Apollo Hospitals	Indore
16	Apollo Hospitals	Nashik
17	Apollo Hospitals	Perungudi

Diplomate In National Board/Fellowship In National Board Program At Apollo Hospitals

DNB/FNB programs for 39 specialities are being conducted. There are 407 DNB/FNB seats and 746 trainees are pursuing the DNB/FNB programs in 10 Apollo Hospital locations.

Broad Speciality DNB
Primary and Secondary
1. Anaesthesiology
2. Emergency Medicine
3. ENT
4. Family Medicine
5. General Medicine
6. General Surgery
7. Nuclear Medicine
8. Obstetrics and Gynaecology
9. Orthopaedics
10. Paediatrics
11. Pathology
12. Radio diagnosis
13. Radiotherapy
14. Respiratory Diseases
15. Transfusion Medicine

Super Specialty DNB
1. Cardiac Anaesthesia
2. Cardio Thoracic Surgery
3. Cardiology
4. Endocrinology

Super Specialty DNB	
5.	Gastroenterology
6.	Medical Oncology
7.	Nephrology
8.	Neuro Surgery
9.	Neurology
10.	Paediatric Cardiology
11.	Paediatric Surgery
12.	Plastic Surgery
13.	Rheumatology
14.	Surgical Gastroenterology
15.	Surgical Oncology
16.	Urology (Genito Urinary Surgery)

FNB	
1.	Critical Care Medicine
2.	Infectious Diseases
3.	Interventional Cardiology
4.	Minimally Access Surgery
5.	Paediatric Gastroenterology
6.	Paediatric Haemato Oncology
7.	Paediatric Intensive care
8.	Neuro Anaesthesia (approval awaited)

Adjunct Titles of Professorships and Associate Professorships of AHERF

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

RECOGNITION OF PUBLISHED PAPERS

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

263 papers were received for recognition from Apollo Group consultants during the year 2016 out of these, 232 papers were taken cognizance of, with a cash award along with citation from the Chairman during 2016.

Independent Auditors' Report

To the Members of Apollo Hospitals Enterprise Limited, Chennai

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Apollo Hospitals Enterprise Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial Statements")

Management's Responsibility for the Standalone Ind AS 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 IND AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone IND AS 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 thereunder.We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the

Company's preparation of the standalone IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone IND AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone IND AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone IND AS 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 including the IND AS,

a) of the state of affairs (financial position) of the Company as at 31st March, 2017,

b) its profit (financial performance including other comprehensive income), for the year ended 31st March 2017.

c) its cash flows and the changes in equity 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 "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the 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 purposes of our audit.

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

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income),the Cash Flow Statement and the statement of changes in equity dealt with by this report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone IND AS Financial Statements comply with the Indian Accounting Standards (Ind As) specified under section 133 of the Act, read with rule 7 of the comapnies (Accounts) Rules, 2014

   e) On the basis of written representations received from the Directors as at 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as at 31st March 2017 from being appointed as a director in terms of Sec.164(2) of the Act.

   f) With respect to 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 Standalone Ind AS Financial Statements - Refer Note 38 to the Standalone Ind AS Financial Statements.

      (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company; and

      (iv) The company had provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the management – Refer Note 43 to the Standalone Ind AS financial Statements.

For **S Viswanathan LLP**
Chartered Accountants
FRN: 004770S/S200025

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date : 30th May 2017

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 31 March, 2017.

i. 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:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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 Note 5 in notes to accounts.

ii. Stock of medicines, stores, spares, consumables, chemicals and lab materials have been physically verified at reasonable intervals by the management. According to the information and explanations given to us no material discrepancies were noticed.

iii. According to the information and explanations 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), 3(b) and 3(c) are not applicable.

iv. The Company has not provided any loan or investments or guarantees or Securities which fall under the purview of section 185 and section 186 of the Act.

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 Act and Companies (Acceptance of Deposits) amended Rules, 2015 with regard to deposits accepted from 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 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 has been regular in depositing with the appropriate authorities, undisputed statutory dues including Provident Fund, Employees' state insurance, Income-tax, Customs duty, Service Tax. 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, 2017 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, custom 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 as on 31.03.2017)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom Duty	99.70	1996, 1997	Assistant Collector of Customs (Chennai, Hyderabad)
Service Tax	Service Tax	32.45	2007-12, 2012-13, 2013-14	Appeal with CESTAT, New Delhi
Value Added Tax Act, 2004	Value Added Tax	24.93	2008-09 & 2012-13	Deputy Commissioner of Commercial Tax (Enforcement), Chennai
Income tax Act, 1961	Income Tax	136.76	AY: 2000-01	Honorable Supreme Court,

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, governments or 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 or further public offer (including debt instruments) and Term Loans during the year. Accordingly, the provisions of clause 3 (ix) of the order is not applicable.

x. According to the information and explanations given to us no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course our audit.

xi. The Managerial remuneration paid by the Company is as per section 197read with Schedule V of the Act.

xii. The Company is not a Nidhi Company and hence clause3 (xii) is not applicable.

xiii. According to the information and explanations given to us, the transactions with related parties are in compliance with section 177 and section 188 of the Act, where applicable and the details have been disclosed in the Standalone Ind AS financial statements as required under the relevant Indian Accounting Standard.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year under review. Accordingly clause 3 (xiv) is not applicable.

xv. According to the information and explanations, the Company has not entered into non-cash transactions with the Directors or persons connected with him. Accordingly, clause 3 (xv) is not applicable.

xvi. The Company is not engaged in non-banking financial services therefore clause 3 (xvi) is not applicable

For **S Viswanathan LLP**
Chartered Accountants
FRN: 004770S/S200025

V C Krishnan
Partner
Membership No: 022167

Place: Chennai
Date : 30th May 2017

Annexure - "B" to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Section 143(3) 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 March31, 2017 in conjunction with our audit of the standalone Ind AS 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 Standalone IND AS 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 March 31, 2017, 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 : 30th May 2017

Balance Sheet

As at 31st March 2017

(₹ in million)

Particulars	Note	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	5	35,507.63	29,511.41	25,207.42
(b) Capital work-in-progress	5.1	3,275.09	5,362.41	4,693.01
(c) Other Intangible Assets	5.2	1,159.15	1,095.93	136.86
(d) Financial Assets				
(i) Investments	6	9,817.45	7,954.45	5,870.77
(ii) Loans and Adances	7	89.93	645.75	870.15
(iii) Other Financial Assets	8	2,670.92	2,506.15	2,616.67
(e) Tax Asset	9	4,345.23	3,277.32	2,360.87
(f) Other Non-Current Assets	10	950.67	926.23	644.03
Total Non - Current Assets		**57,816.07**	**51,279.65**	**42,399.78**
Current assets				
(a) Inventories	11	4,425.04	3,814.21	3,038.20
(b) Financial Assets				
(i) Other Investments	6	928.45	817.31	1,236.22
(ii) Trade Receivables	12	6,613.02	5,460.81	4,947.39
(iii) Cash and Cash Equivalents	13.1	2,676.58	2,349.61	2,285.22
(iv) Bank Balances other than (iii) above	13.2	51.49	207.96	207.05
(v) Other Financial Assets	8	2,668.38	2,936.25	3,924.85
(c) Other Current Assets	10	569.81	1,510.92	794.26
Total Current Assets		**17,932.77**	**17,097.07**	**16,433.19**
Total Assets		**75,748.84**	**68,376.72**	**58,832.97**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	14	695.63	695.63	695.63
(b) Other equity	15	35,094.51	32,459.74	31,185.66
Total Equity		**35,790.14**	**33,155.37**	**31,881.29**
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	26,485.09	20,033.38	15,301.83
(ii) Other Financial Liabilities	17	82.59	47.11	88.83
(b) Deferred Tax Liabilities (Net)	18	5,990.81	5,251.57	4,497.64
Total Non - Current Liabilities		**32,558.49**	**25,332.06**	**19,888.30**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	203.02	1,530.14	557.81
(ii) Trade payables	19	3,501.26	4,012.80	3,201.00
(iii) Other Financial Liabilities	17	1,020.63	2,205.83	1,860.82
(b) Provisions	20	646.60	591.65	340.61
(c) Other Current Liabilities	21	2,028.70	1,548.87	1,103.14
Total Current Liabilities		**7,400.21**	**9,889.29**	**7,063.38**
Total Liabilities		**39,958.70**	**35,221.35**	**26,951.68**
Total Equity and Liabilities		**75,748.84**	**68,376.72**	**58,832.97**
See accompanying notes to the financial statements	1 - 44			

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 : 30th May 2017

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

Statement of Profit and Loss

for the year ended 31st March, 2017

₹ in million except for Earnings Per Share information

	Particulars	Note	Year ended 31-Mar-17	Year ended 31-Mar-16
I	Revenue from Operations	22	64,417.70	55,883.22
II	Other Income	23	258.86	327.18
III	**Total Income**		**64,676.56**	**56,210.40**
IV	Expenses			
	Cost of materials consumed		11,789.59	10,984.88
	Purchases of Stock-in-trade		22,285.24	18,442.10
	Changes in Inventory of Stock-in-Trade		(469.91)	(776.06)
	Employee Benefit Expense	24	9,417.79	8,357.29
	Finance Costs	25	2,003.88	1,335.79
	Depreciation and Amortisation Expense	26	2,405.86	2,005.00
	Other Expenses	27	13,654.92	11,433.64
	Total Expenses		**61,087.37**	**51,782.64**
V	**Profit/(loss) before exceptional items and tax**		**3,589.19**	**4,427.76**
VI	Exceptional Items		-	256.78
VII	**Profit/(loss) before tax**		**3,589.19**	**4,170.98**
VIII	Tax Expense			
	(1) Current tax	28	756.58	979.21
	(2) Deferred tax	28	(18.85)	(147.72)
	Total Tax Expense		737.73	831.49
IX	**Profit/(loss) for the period**		**2,851.46**	**3,339.49**
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to statement of profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)		(216.69)	(97.86)
	Total comprehensive income for the year		**2,634.77**	**3,241.63**
	Earnings per equity share	30		
	Basic (in ₹)		20.50	24.00
	Diluted (in ₹)		20.50	24.00
	See accompanying Notes to the Financial Statements	1-44		

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For and on behalf of the Board of Directors

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Statement of changes in Equity for the year ended 31st March, 2017

a. Equity share capital

(₹ in million)

Balance as at April 1, 2015	**695.63**
Changes in equity share capital during the year, 2015-16	-
Balance as at March 31, 2016	**695.63**
Changes in equity share capital during the year, 2016-17	-
Balance as at March 31, 2017	**695.63**

b. Other Equity

(₹ In millions)

PARTICULARS	SECURITIES PREMIUM RESERVE	GENERAL RESERVE	CAPITAL RESERVES	OTHER RESERVE #	RETAINED EARNINGS	TOTAL
(a) Balance as at April 1, 2015	**17,138.52**	**9,256.85**	**18.26**	**664.41**	**4,107.62**	**31,185.66**
(b) Profit for the year	-	-	-	-	3,339.49	3,339.49
(c) Other comprehensive income for the year, net of income tax	-	-	-	-	(97.86)	(97.86)
(d) Total comprehensive income for the year (b) + (c)	**-**	**-**	**-**	**-**	**3,241.63**	**3,241.63**
(e) Payment of dividends	-	-	-	-	(1,967.55)	(1,967.55)
(f) Transfer to Reserves	-	2,000.00	-	-	(2,000.00)	-
(g) Balance as at March 31, 2016 (a)+ (d) + (e) + (f)	**17,138.52**	**11,256.85**	**18.26**	**664.41**	**3,381.70**	**32,459.74**
(h) Profit for the year	-	-	-	-	2,851.46	2,851.46
(i) Other comprehensive income for the year, net of income tax	-	-	-	-	(216.69)	(216.69)
(j) Total comprehensive income for the year (h) + (i)	**-**	**-**	**-**	**-**	**2,634.77**	**2,634.77**
(k) Balance as at March 31, 2017 (g) + (j)	**17,138.52**	**11,256.85**	**18.26**	**664.41**	**6,016.47**	**35,094.51**

Other Reserves includes Debenture Redemption Reserve, Capital Redemption Reserve and Reserves arising on transition from Previous GAAP to IND AS

As per our Report annexed

For **S. Viswanathan LLP**
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For and on behalf of the Board of Directors

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Executive Chairman

Preetha Reddy
Executive Vice Chairperson

Suneeta Reddy
Managing Director

Notes to the financial statements for the year ended 31st March, 2017

1 Corporate Information

Apollo Hospitals Enterprise Limited ('the Company') is a public Company incorporated in India. The address of its registered office and principal place of business are disclosed in the introduction to the annual report. The main business of the Company is to enhance the quality of life of patients by providing comprehensive, high-quality hospital services on a cost-effective basis. The principal activities of the Company include operation of multi disciplinary private hospitals, clinics, and pharmacies.

Application of new and revised Ind ASs

The company has applied all the Ind AS standards notified by the Ministry of Corporate Affairs (MCA) to the extent applicable to the Company.

2 Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind AS standards notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the company prepared its financial statements in accordance with the requirements of the previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. In accordance with Ind AS 101 "First time Adoption of Indian Accounting Standards" the Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS with regard to shareholders equity as at April 1, 2015, March 31, 2016 and of the comprehensive net income for the year ended March 31, 2016. Refer Note 44 for the details of first time adoption exemption availed by the Company.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price

is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

On acquisition, the Company assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Company purposes.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS standard.

2.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.5 Revenue Recognition

2.5.1 Rendering of services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, theatre, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the estimated amounts due from patients and/or medical funding entities. Unbilled revenue Is recorded for the service where the patients are not discharged and invoice is not raised for the service.

The service revenues are presented net of related doctor fees and diagnostic charges in cases where the company is not the primary obligor and does not have the pricing latitude.

Other Services

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

(ii) One time franchise fees/licence fees is recognised over the period of the agreement.

(iii) Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

2.5.2 Sale of Goods

Pharmacy Sales are recognised when the risk and reward of ownership is passed to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates and loyalty points granted upon purchase and are stated net of returns and discounts wherever applicable.

2.5.3 Loyalty Points

Sales of goods that result in award credits for customers, under the Company's loyalty points schemes are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value – the amount for which the award credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the award credits are redeemed and the Company's obligations have been fulfilled.

2.5.4 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5.5 Rental income

The Company's policy for recognition of revenue from operating leases is described below.

2.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.6.1 The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.6.2 The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.7 Foreign currencies

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

2.8 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of Profit and Loss in the period in which they are incurred.

2.9 Employee benefits

2.9.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual

reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss. Past service cost is recognised in profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company's presents the first two components of defined benefit costs in the statement of Profit and Loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.9.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2.10 Taxation

Income tax expense comprises current tax and the net change in the deferred tax asset or liability during the year.

2.10.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision.

2.10.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.10.3 Current and Deferred Tax for the year

Current and Deferred Tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.11 Property, Plant and Equipment

Land and buildings mainly comprise of hospitals and offices. Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Fixtures, and medical equipments are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Buildings (Freehold)	60 years
Buildings (Leasehold)	Lease term and 30 years (Non Cancelleable with renewable clause)
Medical Equipment	13 Years
Surgical Instruments	3 Years
Furnitures and Fixtures	10 Years
Vehicles	8 Years
Electrical Installation and Generators	10 Years
Office Equipment	5 Years
Computers	3 Years
Servers	6 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the company has elected to adopt fair value of the buildings, plant and equipment and furnitures recognised as of April 1, 2015 as the deemed cost as of the transition date. The carrying value of the other assets as per previous GAAP is considered as the deemed cost. Accordingly, certain pre-operative costs have been charged off upon transition.

2.12 Intangible Assets

2.12.1 Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.12.2 Intangible Assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.12.3 Derecognition of Intangible Assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.12.4 Useful lives of Intangible Assets

Estimated useful lives of the Intangible Assets are as follows:

Software	4 years
Non Compete Fees	3 years
Trademarks	3 years

2.13 Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.14 Impairment of Tangible and Intangible Assets other than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

Borrowing Cost

Borrowing Cost that are directly attributable to the construction, acquisition or production of a qualifying asset are capitalised as part of the cost of the asset. Other borrowing cost are recognised as an expense in the period in which it incurs.

2.15 Inventories

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.

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.

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.

Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction.

2.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.17 Earnings Per Share

Basic Earnings Per Share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive secuirities in any of the years presented.

2.18 Other Provisions

Other provisions which are not covered by insurance and other costs for legal claims are recognised based on legal opinions and management judgment.

2.19 Financial Instruments

Financial Assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Profit and Loss.

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having orignial maturities of three months or less from the date of purchase, to be cash equivalents. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial Assets at amortised cost

Financials Assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets given rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through Statement of Profit and Loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquistion of financial assets and liabilities at fair value are immediately recognised in the Statement of profit and loss.

Financial Liabilities

Financial Liabilities are measured at amortised cost using th effective interest method

Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities, Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

2.19.1 Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as Financial Assets at fair value through profit or loss. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.19.2 Impairment of Financial Assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

2.19.3 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

2.19.4 Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.20 Foreign Exchange Gains and Losses

The fair value of financial assets and financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

2.21 Financial Guarantee Contracts

A Financial Guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

2.22 Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.23 The Company uses the management approach for reporting information about segments in annual financial statements. The management approach is based on the way the Chief Operating decision maker organizes segment within a Company for making operating decisions and assessing performance. Reportable segments are based on services, geography, legal structure, management structure and any other manner in which management disaggregates a Company. Based on the management approach model the Company has determined that its business model is comprised of Healthcare Services, Pharmacy and others.

3 First-time adoption – mandatory exceptions, optional exemptions

3.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

3.1.1 Derecognition of Financial Assets and Financial Liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

3.1.2 Classification of Debt Instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

3.1.3 Impairment of Financial Assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial

instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

3.1.4 Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

3.1.5 Deemed cost for Property, Plant and Equipment, Investment Property, and Intangible Assets

For transition to Ind AS, the Company has elected to adopt fair value of the Buildings,Medical equipment and Furnitures recognised as of April 1, 2015 as the deemed cost as of the transition date. For the other assets, it has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Accordingly, certain pre-operative costs and other ineligible items have been charged off upon transition.

3.1.6 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 determining whether an arrangement contains a lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements in conformity with recognition and measurement principles of Ind AS requires the Management of the Company to make estimates and assumptions that affect the reported balances of Assets and Liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expenses for the periods presented.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying Accounting Policies

The company renders the service as a principal, the gross amounts collected from customer shall be recorded as revenue. The amounts payable to the facilitators in return for the services received shall be recorded as expenses

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

4.2.2 Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The business acquisitions made by the company are also accounted at fair values.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

4.2.3 Employee Benefits

Defined Benefit Plans

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases.

4.2.4 Litigations

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation arising at the reporting period.

4.2.5 Revenue Recognition

Revenue from fees charged for inpatient and outpatient hospital/clincial services rendered to insured and corporate patients are subject to approvals from the insurance companies and corporates. Accordingly, the Company estimates the amounts likely to be disallowed by such companies based on past trends. Estimations based on past trends are also required in determining the value of consideration from customers to be allocated to award credits for customers.

4.2.6 Useful lives of Property Plant and Equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in depreciation expense in future periods.

4.2.7 Loyalty Points

Estimations based on past trends of redemption of customer loyalty points is made to determine the value of revenue to be deferred.

4.2.8 Expected Credit Loss

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix considering the nature of receivables and the risk characteristics. The provision matrix takes into accounts historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates as given in the provision matrix.

4.3 Controls Assessment

Apollo Hospitals International Limited

The Company owns 50% equity stake in Apollo Hospitals International Limited (AHIL). The Company has control over AHIL and has exposure to variable returns which are the licence fee, share of market cost and also has an unsecured loan in the form of preference shares. The Company has exisiting rights that give the current ability to direct relevant activities through Board of Directors. Since the company has control over AHIL, it has considered it as a subsidiary.

Future Parking Private Limited

The Company owns 49% equity stake in Future Parking Private Limited (FPPL). The company has control over FPPL and has exposure to variable returns The company has exisiting rights that give the current ability to direct relevant activities through Board of Directors. Since the company has control over FPPL, it has considered it as a subsidiary.

Apollo Healthcare Technology Solutions Limited

The Company owns 40% equity stake in Apollo Health Care Technology Solutions Limited (AHTSL). The company has control over AHTSL and has exposure to variable returns. The company has exisiting rights that give the current ability to direct relevant activities through Board of Directors. Since the company has control over AHTSL, it has considered it as a subsidiary.

5 Property Plant and Equipment

(₹ in million)

Particulars	Gross Block				Accumulated Depreciation			Net Block	
	Balance as at 01-Apr-16	Additions	Deletions	Balance as at 31-Mar-17	Balance as at 01-Apr-16	Depreciation charge for the year	On disposals	Balance as at 31-Mar-17	Balance as at 31-Mar-16
Tangible Assets									
Land	3,001.58	-	1.98	2,999.60	-	-	-	-	3,001.58
Buildings	10,980.95	3,885.88	-	14,866.83	174.04	197.20	-	371.24	10,806.91
Lasehold Improvements	3,054.08	144.03	-	3,198.11	539.58	70.02	-	609.60	2,514.50
Plant and Equipment									
Medical Equipment & Surgical Instruments	8,563.84	1,834.84	5.59	10,393.09	525.76	1,084.32	1.43	1,608.65	8,784.44	8,038.08
Air Conditioning Plant & Air Conditioners	1,511.63	1,332.74	2.18	2,842.19	500.65	165.38	0.72	665.31	2,176.88	1,010.98
Furniture and Fixtures	2,432.76	484.38	0.71	2,916.43	286.71	358.73	-	645.44	2,270.99	2,146.05
Vehicles	530.05	139.36	2.98	666.43	249.35	59.03	2.22	306.16	360.27	280.70
Office equipment	1,191.40	275.89	0.44	1,466.85	764.52	185.70	0.04	950.18	516.67	426.88
Others									
Electrical Installations & Generators	1,689.61	173.91	0.38	1,863.14	583.50	171.54	0.05	754.99	1,108.15	1,106.11
Fire fighting Equipment	111.49	23.56	-	135.05	21.43	7.45	-	28.88	106.17	90.06
Boilers	2.98	-	-	2.98	1.83	0.17	-	2.00	0.98	1.15
Kitchen Equipment	73.17	13.33	-	86.50	21.59	5.04	-	26.63	59.87	51.58
Refrigerators	54.92	6.78	-	61.70	18.09	4.10	-	22.19	39.51	36.83
Total	**33,198.46**	**8,314.70**	**14.26**	**41,498.90**	**3,687.05**	**2,308.68**	**4.46**	**5,991.27**	**35,507.63**	**29,511.41**

5.1 Capital Work in Progress

Capial Work in Progress of ₹3,275.09 Million (₹5,362.41 Million as at 31 March 2016) comprises amount spent on assets under construction. The amount of interest included in capital work in progress is ₹989.92 Million (₹1, 148.13 Million). During the year ₹574.51 of interest is capitalised (₹985.67 as at 31 March 2016)

5.2 - Other Intangible Assets

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation			Net Block	
	Balance as at 01-Apr-16	Additions	Deletions	Balance as at 31-Mar-17	Balance as at 01-Apr-16	Depreciation charge for the year	On disposals	Balance as at 31-Mar-17	Balance as at 31-Mar-16
Intangible Assets									
Computer Software	332.70	155.54	-	488.24	239.44	67.54	-	306.98	181.26	93.26
Trade Mark	58.40	-	-	58.40	17.21	19.45	-	36.66	21.74	41.19
Non Compete Fee	21.10	-	-	21.10	6.22	7.03	-	13.25	7.85	14.88
Goodwill	950.15	1.70	-	951.85	3.55	-	-	3.55	948.30	946.60
Total	**1,362.35**	**157.24**	**-**	**1,519.59**	**266.42**	**94.02**	**-**	**360.44**	**1,159.15**	**1,095.93**

5 Property, Plant and Equipment

(₹ in million)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01-Apr-15	Additions	Deletions	Balance as at 31-Mar-16	Balance as at 01-Apr-15	Depreciation charge for the year	On disposals	Balance as at 31-Mar-16	Balance as at 31-Mar-16	Balance as at 01-Apr-15
Tangible Assets										
Land	2,565.01	436.57	-	3,001.58	-	-	-	-	3,001.58	2,565.01
Buildings	8,416.10	2,565.01	0.16	10,980.95	40.08	133.96	-	174.04	10,806.91	8,376.02
Lasehold Improvements	3,359.94	670.29	976.15	3,054.08	389.59	149.99	-	539.58	2,514.50	2,970.35
Plant and Equipment										
Medical Equipment & Surgical Instruments	6,805.10	1,778.29	19.55	8,563.84	-	532.51	6.75	525.76	8,038.08	6,805.10
Air Conditioning Plant & Air Conditioners	1,039.93	487.11	15.41	1,511.63	87.66	420.68	7.69	500.65	1,010.98	952.27
Furniture and Fixtures	1,708.89	770.91	47.04	2,432.76	138.94	167.72	19.95	286.71	2,146.05	1,569.95
Vehicles	475.63	69.02	14.60	530.05	197.18	61.54	9.37	249.35	280.70	278.45
Office equipment	984.38	210.90	3.88	1,191.40	592.43	175.11	3.02	764.52	426.88	391.95
Others										
Electrical Installations & Generators	1,477.88	217.83	6.10	1,689.61	333.38	253.62	3.50	583.50	1,106.11	1,144.50
Fire fighting Equipment	103.29	8.20	-	111.49	19.80	1.63	-	21.43	90.06	83.49
Boilers	2.98	-	-	2.98	1.83	-	-	1.83	1.15	1.15
Kitchen Equipment	59.29	13.88	-	73.17	20.58	1.01	-	21.59	51.58	38.71
Refrigerators	46.03	9.59	0.70	54.92	15.56	2.83	0.30	18.09	36.83	30.47
Total	**27,044.45**	**7,237.60**	**1,083.59**	**33,198.46**	**1,837.03**	**1,900.60**	**50.58**	**3,687.05**	**29,511.41**	**25,207.42**

5.1 Capita-Work-in-Progress

Capial-Work-in-Progress of ₹5,362.41 million (₹4,693.01 million as at 31 March 2015) comprises amount spent on assets under construction. The amount of interest included in capital work in progress is ₹1,148.13 million (₹667.24 million). During the year ₹985.67 million of interest is capitalised. The weighted average capitalisation rate for the current year is 9.17%

5.2 Other Intangible Assets

(₹ in million)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01-Apr-15	Additions/ (Disposals)	Deletions	Balance as at 31-Mar-16	Balance as at 01-Apr-15	Amortization for the year	Deletions	Balance as at 31-Mar-16	Balance as at 31-Mar-16	Balance as at 01-Apr-15
Intangible Assets										
Computer Software	295.73	36.97	-	332.70	161.62	77.82	-	239.44	93.26	134.11
Trade Mark	-	58.40	-	58.40	-	17.21	-	17.21	41.19	-
Non Compete Fee	-	21.10	-	21.10	-	6.22	-	6.22	14.88	-
Goodwill	6.30	1023.35	79.50	950.15	3.55	-	-	3.55	946.60	2.75
Total	**302.03**	**1,189.82**	**79.50**	**1,362.35**	**165.17**	**101.25**	**-**	**266.42**	**1,095.93**	**136.86**

6 Investments

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
A (i) Investment carried at Cost						
Investment in Equity instruments	8,403.59	67.94	6,704.77	67.94	5,819.98	67.94
(ii) Investment carried at Fair Value through Profit and Loss						
(a) Mutual Funds	-	860.51	-	738.94	-	1,158.43
(b) Other Investments	1,320.17	-	1,327.18	-	156.87	-
Total (A)	**9,723.76**	**928.45**	**8,031.95**	**806.88**	**5,976.85**	**1,226.37**
(B) Investments carried at amortised cost						
(a) Investments in debentures or bonds	97.00	-	25.00	10.43	-	9.85
(b) Investments in Government or Trust securities	0.04	-	0.17	-	0.17	-
(c) Guarantee Provided	0.39	-	0.39	-	-	-
Total (B)	**97.43**	**-**	**25.56**	**10.43**	**0.17**	**9.85**
Grand Total (A + B)	**9,821.19**	**928.45**	**8,057.51**	**817.31**	**5,977.02**	**1,236.22**
Less : Provision for dimunition in the value of Investments	112.30	-	112.30	-	112.30	-
Add : Advance for Investment	108.56	-	9.24	-	6.05	-
Total	**9,817.45**	**928.45**	**7,954.45**	**817.31**	**5,870.77**	**1,236.22**

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Aggregate amount of quoted Investments (i)	393.72	860.51	406.73	749.37	405.22	1,168.28
Market Value for Quoted Investments	1,071.12	860.51	1,056.89	749.37	1,134.06	1,168.28
Aggregate amount of unquoted Investments (ii)	9,427.47	67.94	7,650.78	67.94	5,571.80	67.94
Total (i) + (ii)	**9,821.19**	**928.45**	**8,057.51**	**817.31**	**5,977.02**	**1,236.22**
Less : Provision for dimunition in the value of Investments	112.30	-	112.30	-	112.30	-
Add : Advance for Investments	108.56	-	9.24	-	6.05	-
Total	**9,817.45**	**928.45**	**7,954.45**	**817.31**	**5,870.77**	**1,236.22**

6.1 Non Current Investments

Name of the Body Corporate	Subsidiary/ Assoiate/JV/ Controlled entity/Others	Face Value (₹)	No. of Shares/ Units as at 31-Mar-17	No. of Shares/ Units as at 31-Mar-16	No. of Shares/ Units as at 01-Apr-15	Quoted/ Unquoted	Fully paid/ Partly paid	Amount as at 31-Mar-17 (₹ in million)	Amount as at 31-Mar-16 (₹ in million)	Amount as at at 01-Apr-15 (₹ in million)
Investment carried at Cost										
Investment in Equity instruments										
Apollo Home Healthcare (I) Limited	Subsidiary	10	29,823,012	29,823,012	29,823,012	Unquoted	Fully Paid	297.40	297.40	297.40
Apollo Home Healthcare limited	Subsidiary	10	7,187,500	7,187,500	-	Unquoted	Fully Paid	100.00	100.00	-
AB Medical Centres Limited	Subsidiary	1,000	16,800	16,800	16,800	Unquoted	Fully Paid	21.80	21.80	21.80
Samudra Health Care Enterprises Limited	Subsidiary	10	12,500,000	12,500,000	12,500,000	Unquoted	Fully Paid	250.60	250.60	250.60
Imperial Hospitals & Research Centre Limited	Subsidiary	10	26,950,496	26,950,496	26,950,496	Unquoted	Fully Paid	1,272.62	1,272.62	1,272.62
Apollo Hospitals (UK) Limited	Subsidiary	1£	5,000	5,000	5,000	Unquoted	Fully Paid	0.39	0.39	0.39
Apollo Health & Lifestyle Limited	Subsidiary	10	75,239,798	63,278,029	41,969,726	Unquoted	Fully Paid	3,039.83	1,444.04	1,272.82
Apollo Nellore Hospital Limited	Subsidiary	10	1,109,842	1,109,842	1,109,842	Unquoted	Fully Paid	53.96	53.96	53.96
Alliance Medicorp (India) Limited	Subsidiary	10	-	-	6,783,000	Unquoted	Fully Paid	-	-	67.83
Alliance Dental Care Limited	Subsidiary	100	-	-	10,364,763	Unquoted	Fully Paid	-	-	103.65
Sapien Biosciences Pvt Ltd	Subsidiary	10	10,000	10,000	10,000	Unquoted	Fully Paid	0.10	0.10	0.10
Apollo Hospitals International Limited	Subsidiary	10	22,840,266	22,840,266	17,840,629	Unquoted	Fully Paid	405.42	405.42	355.42
Apollo Gleneagles Hospitals Limited	Joint Venture	10	54,675,697	54,675,697	54,675,697	Unquoted	Fully Paid	393.13	393.13	393.13
Apollo Gleneagles PET CT Private Limited	Joint Venture	10	8,500,000	8,500,000	8,500,000	Unquoted	Fully Paid	85.00	85.00	85.0
Western Hospital Corporation Limited	Subsidiary	10	18,000,000	18,000,000	18,000,000	Unquoted	Fully Paid	153.66	153.66	153.66
Apollo Lavasa Health Corporation Limited	Subsidiary	10	652,393	652,393	479,701	Unquoted	Fully Paid	312.20	312.20	150.00
Indraprastha Medical Corporation Limited	Associate	10	20,190,740	20,190,740	20,190,740	Quoted	Fully Paid	393.72	393.72	393.72
Stemcyte India Therapautics Pvt Limited	Associate	1	240,196	240,196	240,196	Unquoted	Fully Paid	80.00	80.00	80.00
Apollo Rajshree Hospital Pvt Limited	Subsidiary	10	10,754,375	11,274,901	11,351,574	Unquoted	Fully Paid	327.36	343.85	346.45
Kurnool hospitals Enterprise Limited	Others	10	157,500	157,500	157,500	Unquoted	Fully Paid	1.73	1.73	1.73
ApoKos Rehab Pvt Ltd	Joint Venture	10	8,475,000	5,750,000	5,750,000	Unquoted	Fully Paid	84.75	57.50	57.50

Name of the Body Corporate	Subsidiary/ Assoiate/JV/ Controlled entity/Others	Face Value (₹)	No. of Shares/ Units as at 31-Mar-17	No. of Shares/ Units as at 31-Mar-16	No. of Shares/ Units as at 01-Apr-15	Quoted/ Unquoted	Fully paid/ Partly paid	Amount as at 31-Mar-17 (₹ in million)	Amount as at 31-Mar-16 (₹ in million)	Amount as at at 01-Apr-15 (₹ in million)
Assam Hospitals Limited	Subsidiary	10	4,980,433	4,299,233	-	Unquoted	Fully Paid	663.14	572.44	-
Apollo Health Care Technology Solutions Ltd	Subsidiary	10	20,000	50,000	-	Unquoted	Fully Paid	0.20	0.50	-
Apollo Munich Health Insurance Company Limited	Associate	10	35,709,000	35,709,000	35,709,000	Unquoted	Fully Paid	357.09	357.09	357.09
Family Health Plan (TPA) Limited	Associate	10	1,960,000	490,000	490,000	Unquoted	Fully Paid	4.90	4.90	4.90
Furture Parking Pvt Limited	Subsidiary	10	2,401,000	2,401,000	2,401,000	Unquoted	Fully Paid	24.01	24.01	24.01
Search Light Health Private Limted (formerly Health Super Hiway Pvt Limited (₹2,000)	Others	10	200	200	200	Unquoted	Fully Paid	0.002	0.002	0.002
AMG Healthcare Destination Pvt Ltd	Others	10	1,232,500	1,232,500	1,232,500	Unquoted	Fully Paid	12.33	12.33	12.33
Clover Energy Pvt Ltd	Others	10	1,622,250	1,659,250	1,659,250	Unquoted	Fully Paid	16.22	16.59	16.59
Leap Green Energy Pvt Ltd	Others	10	97,600	97,600	-	Unquoted	Fully Paid	1.43	1.43	-
Indo Wind Power Pvt Ltd	Others	10	10,650	10,650	35,500	Unquoted	Fully Paid	0.15	0.15	0.51
Tirunelveli Vayu Energy Generation Pvt Ltd	Others	1,000	36	36	36	Unquoted	Fully Paid	13.61	13.61	13.61
Cureus .Inc (Stanford - US)	Others		935,000	935,000	935,000	Unquoted	Fully Paid	27.42	27.43	27.43
Total Health	Subsidiary	10	500,000	500,000	500,000	Unquoted	Fully Paid	5.00	5.00	5.00
IRIS Ecopower Venture Pvt Ltd	Others	10	110,500	70,000	70,000	Unquoted	Fully Paid	1.11	0.70	0.70
Apollo Dialysis Pvt Ltd	Others	10	-	-	5,100	Unquoted	Fully Paid	-	-	0.05
Apollo Hospitals Singapore Pte Ltd	Subsidiary	1$	30,001	30,001	-	Unquoted	Fully Paid	1.47	1.47	-
VMA Wind Energy India Pvt Ltd	Others	10	130,000	-	-	Unquoted	Fully Paid	1.30	-	-
Array Land Developers Pvt Ltd	Others	10	50,000	-	-	Unquoted	Fully Paid	0.50	-	-
Morgan Securities & Credit Pvt Limited	Others	10	5,000	-	-	Unquoted	Fully Paid	0.05	-	-
Total								**8,403.59**	**6,704.77**	**5,819.98**

Name of the Body corporate	Subsidiary/ Assoiate/ JV/ Controlled entity/ Others	Face Value	No. of Shares/Units as at 31-Mar-17	No. of Shares/Units as at 31-Mar-16	No. of Shares/ Units as at 01-Apr-15	Quoted/ Unquoted	Fully paid/ Partly paid	Amount as at 31-Mar-17 (₹ in million)	Amount as at 31-Mar-16 (₹ in million)	Amount as at 01-Apr-15 (₹ in million)
Investment carried at Fair Value through Profit and Loss										
Other Investments										
Redeemable Preference Shares										
Apollo Hospitals International Limited	Subsidiary	100	1,104,000	1,104,000	110,4000	Unquoted	Fully Paid	110.40	110.40	110.40
Sapien Biosciences Pvt Ltd	Subsidiary	10	2,600,000	2,000,000	2,000,000	Unquoted	Fully Paid	26.00	20.00	20.00
Apollo Health Care Technology Solution Ltd	Subsidiary	100	9,575,000	9,575,000	-	Unquoted	Fully Paid	957.50	957.50	-
Search Light Health Private Limted (Formerly Health Super Hiway Pvt Limited)	Others	54.10	406,514	406,514	406,514	Unquoted	Fully Paid	16.27	16.27	14.97
Future Parking Pvt Limited	Subsidiary	100	2,100,000	2,100,000	-	Unquoted	Fully Paid	210.00	210.00	-
Non Convertible Debentures										
ECL Finance Limited	Others	1,000	-	10,000	10,000	Quoted	Fully Paid	-	13.01	11.50
Total								**1,320.17**	**1,327.18**	**156.87**

Name of the Body corporate	Subsidiary/ Assoiate/ JV/ Controlled entity/ Others	Face Value	No. of Shares/Units as at 31-Mar-17	No. of Shares/ Units as at 31-Mar-16	No. of Shares/ Units as at 01-Apr-15	Quoted/ Unquoted	Fully paid/ Partly paid	Amount as at 31-Mar-17 (₹ in million)	Amount as at 31-Mar-16 (₹ in million)	Amount as at 01-Apr-15 (₹ in million)
Investments carried at amortised cost										
Investments in debentures are bonds										
Apollo Home Healthcare Limited	Subsidiary	10	97,000,000	2,500,000	-	Unquoted	Fully Paid	97.00	25.00	-
Investments in Government or Trust Securities										
National Savings Certificates - Unquoted	Others					Unquoted	Fully Paid	0.04	0.17	0.17
Guarantee										
Future Parking Private Limited	Others					Unquoted	Fully Paid	0.39	0.39	-

6.2 Details of Current Investments

Name of the Body corporate	Subsidiary/ Assoiate/JV/ Controlled entity/ Others	Face Value	No. of Shares/ Units as at 31-Mar-17	No. of Shares/ Units as at 31-Mar-16	No. of Shares/ Units as at 01-Apr-15	Quoted/ Unquoted	Fully paid/ Partly paid	Amount as at 31-Mar-17 (₹ in million)	Amount as at 31-Mar-16 (₹ in million)	Amount as at 01-Apr-15 (₹ in million)
Investment carried at cost										
Investments in Equity Instruments										
British American Hospitals Enterprises Limited	**Others**	**100MUR**	**464,333**	**464,333**	**464,333**	**Unquoted**	**Fully Paid**	**67.94**	**67.94**	**67.94**
Investments in Debentures										
IFCI Venture Capital funds Limited	**Others**	**1,000,000**	**-**	**10**	**10**	**Quoted**	**Fully paid**	**-**	**10.43**	**9.85**
Investment carried at fair value through profit and loss										
(a) Investments in Mutual Funds										
Canara Robeco Short Term Fund - Reg - Growth	Others	10	745,789	745,789	745,789	Quoted	Fully paid	13.87	12.75	11.86
DHFL Pramerica Short Maturity Fund - Growth	Others	10	4,785,788	4,785,788	4,785,788	Quoted	Fully paid	144.40	130.18	120.50
ICICI Prudential STP - Growth	Others	10	3,515,853	3,515,853	3,515,853	Quoted	Fully paid	121.49	108.83	100.66
Reliance Short Term Fund - Growth	Others	10	11,585,312	11,585,312	11,585,312	Quoted	Fully paid	361.55	327.61	303.61
Canara Robeco Medium Term Opportunities Fund - Reg - Growth	Others	10	217,974	217,974		Quoted	Fully paid	2.92	2.65	
Canara Robeco Savings Plus Fund - Reg - Growth	Others	10	1,400,477	1,400,477	1,400,477	Quoted	Fully paid	36.16	33.04	30.49
HDFC Debt Fund for Cancer Cure 2014 - Reg - 100% Dividend Donation	Others	10	2,000,000	2,000,000	2,000,000	Quoted	Fully paid	20.31	20.71	20.41
HDFC Liquid Fund - Daily Dividend	Others	10	-	-	2,321,183	Quoted	Fully paid	-	-	23.67
Reliance Liquid Fund - TP - Ret - Daily Dividend	Others	1,000	-	-	338,742	Quoted	Fully paid	-	-	517.85
SBI Magnum Insta Cash - Dir - Daily Dividend	Others	10	-	-	17,546	Quoted	Fully paid	-	-	29.38
DHFL Pramerica Ultra Short term Fund	Others	10	10,350,372	5,000,000		Unquoted	Fully paid	105.03	53.18	.
DHFL Pramerica Banking & PSU Debit Fund (Dailiy dividend reinvestment)	Others	10	223,466	3,000,000	-	Unquoted	Fully paid	2.33	30.00	.
SBI Ultra Short Term Debt Fund - Regular Plan Weekly dividend	Others	10	2,050,377	2,000,000	-	Unquoted	Fully paid	21.94	20.00	.
SBI Treasury Advantage Fund-Regular Plan	Others	1,000	29,853	-	-	Quoted	Fully paid	30.52	-	.
Total								**860.51**	**738.94**	**1,158.43**
Grand Total								**928.45**	**817.31**	**1,236.22**

7 Loans and Advances

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-April-17	
	Non Current	Current	Non Current	Current	Non Current	Current
Unsecured, considered good	89.93	-	645.75	-	870.15	-
Total	**89.93**	**-**	**645.75**	**-**	**870.15**	**-**

8 Other Financial Assets

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-April-17	
	Non Current	Current	Non Current	Current	Non Current	Current
Rent Receivables	-	9.71	-	8.55	-	2.75
Other Advances	447.99	2,105.24	379.15	2,483.36	432.63	3,669.49
Interest receivable	-	410.14	-	316.77	60.27	139.75
Security Deposits	1,822.80	-	1,549.70	-	1,256.48	-
Franchise Fee Receivable	-	23.92	-	16.35	-	13.82
Loans and advances to employees	-	118.87	-	110.72	-	98.54
Fair Value of Derivative	396.09	-	573.26	-	863.25	
Finance lease receivables (Refer Note 8.1)	4.04	0.50	4.04	0.50	4.04	0.50
Total	**2,670.92**	**2,668.38**	**2,506.15**	**2,936.25**	**2,616.67**	**3,924.85**

8.1 Leasing arrangements

The Company entered into finance lease arrangements with Apollo Hospitals Educational and Research Foundation for its Building in Hyderabad. All leases are denominated in Indian Rupees. The term of finance leases entered into is 99 years.

8.2 Amounts receivable under finance leases

Amount in ₹

Particulars	Minimum lease payments			Present value of minimum lease payments		
	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Not later than one year	544,764	544,764	544,764	8	7	6
Later than one year and not later than five years	2,179,056	2,179,056	2,179,056	45	40	35
Later than five years	48,166,217	48,710,981	49,255,745	4,539,582	4,539,595	4,539,607
Less: unearned finance income	46,350,402	46,895,159	47,439,916	-	-	-
Present value of minimum lease payments receivable	4,539,635	4,539,642	4,539,649	4,539,635	4,539,642	4,539,649
Total	**4,539,635**	**4,539,642**	**4,539,649**	**4,539,635**	**4,539,642**	**4,539,649**

The interest rate inherent in the leases is considered as the average incremental borrowing rate which is approximately 12% per annum (as at March 31, 2016: 12% per annum; as at April 1, 2015: 12% per annum).

9 Tax Asset

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Tax Assets			
Advance Tax	3,129.41	3,154.91	2,745.58
Tax refund receivable	4,506.51	3,675.07	2,828.77
Others	3,654.05	2,897.46	1,995.46
Total Tax Asset (i)	11,289.97	9,727.44	7,569.81
Tax Liabilities			
Income tax payable (ii)	6,944.74	6,450.12	5,208.94
Total (i) - (ii)	**4,345.23**	**3,277.32**	**2,360.87**

10 Other Assets

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Capital Advances	950.67	203.57	926.23	-	644.03	-
Advance to suppliers	-	-	-	1,130.41	-	431.06
Prepaid Expenses	-	366.24	-	380.51	-	363.20
Total	**950.67**	**569.81**	**926.23**	**1,510.92**	**644.03**	**794.26**

11 Inventories

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Inventories (lower of cost or net realisable value)			
Medicines	4,049.15	3,485.74	2,725.25
Stores and Spares	181.10	155.65	175.34
Lab materials	2.97	6.38	7.32
Other Consumables	191.82	166.44	130.29
Total	**4,425.04**	**3,814.21**	**3,038.20**

The mode of valuation of inventories has been stated in note 2.15.

12 Trade Receivables

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Unsecured, considered good	-	6,613.02	-	5,460.81		4,947.39
Doubtful	-	514.31	-	690.28	-	548.06
Allowance for doubtful debts (expected credit loss allowance)	-	(514.31)	-	(690.28)	-	(548.06)
Total	**-**	**6,613.02**	**-**	**5,460.81**	**-**	**4,947.39**

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

12.1 Trade Receivables

Majority of the Company's transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from Insurance Companies, Corporate customers and Government Undertakings. The entity's exposure to credit risk in relation to trade receivables is low.

The average credit period on sales of services is 30-60 days from the date of the invoice.

The Company has computed the expected credit loss allowance for receivables excluding Group Companies and amount receivable from Tanzania Government. A direct confirmation is obtained from Tanzania Government confirming the Receivable amount outstanding. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

12.2 Ageing

Ageing	Expected Credit loss (%)
Within the credit period	
Less than 6 months past due	-
6 months to 12 months past due	12.50
1 to 2 years days past due	30.00
2 to 3 years years days past due	50.00
>3 years days past due	100.00

Movement in the expected credit loss allowance

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at beginning of the year	690.28	548.06
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(175.97)	142.22
Balance at end of the year	**514.31**	**690.28**

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

13 Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
13.1 Balances with Banks			
In Current Accounts	1,814.49	2,091.89	1,878.57
In Deposit Accounts	751.84	113.70	316.70
Cash on hand	110.25	144.02	112.38
Cash and cash equivalents as per balance sheet	**2,676.58**	**2,349.61**	**2,307.65**
Bank overdrafts	-	-	(22.43)
Total	**2,676.58**	**2,349.61**	**2,285.22**
13.2 Other Bank Balance			
Unpaid Dividend Accounts	31.98	49.33	28.41
Margin money Deposits	17.42	0.10	24.28
Guarantees	2.09	158.53	154.36
Total	**51.49**	**207.96**	**207.05**
Cash and cash equivalents as per cash flow statement	**2,728.07**	**2,557.57**	**2,492.27**

14 Equity Share Capital

(₹ In million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Equity share capital			
Authorised Share capital			
200,000,000(March 31, 2016 : 200,000,000; April 1, 2015 : 200,000,000) Equity Shares of ₹ 5/- each	1,000	1,000	1,000
1,000,000(March 31, 2016 : 1,000,000; April 1, 2015 : 1,000,000) Preference Shares of ₹ 100/- each	100	100	100
Issued			
139,658,177(March 31, 2016 : 139,658,177; April 1, 2015 : 139,658,177) Equity shares of ₹5/- each	698.29	698.29	698.29
Subscribed and Paid up capital			
139,125,159 (March 31, 2016: 139,125,159; April 1, 2015: 139,125,159) fully paid equity shares of ₹5 each	695.63	695.63	695.63
Balance at the end of the year	**695.63**	**695.63**	**695.63**

14.1 Fully Paid Equity Shares

Particulars	Number of shares	Share capital (₹ in million)
Balance at April 1, 2015	139,125,159	695.63
Movement	-	-
Balance at March 31, 2016	139,125,159	695.63
Balance at March 31, 2017	**139,125,159**	**695.63**

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.

14.2 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares						
PCR Investments Limited	27,223,124	19.57	27,223,124	19.57	27,223,124	19.57
Oppenheimer Developing Markets Fund	11,784,285	8.47	12,014,785	8.64	12,086,295	8.69
Integrated (Mauritius) Healthcare Holdings Limited	6,654,712	4.78	15,093,860	10.85	15,093,860	10.85

The company had issued 9,000,000 Global Depository Receipts of ₹10 (now 18,000,000 Global Depository Receipts of ₹5) each with two-way fungibility during the year 2005-06. Total GDRs converted into underlying equity shares for the year ended on 31st March 2017 is 83,138 (2015-16: 259,856) of ₹5 each and total Equity shares converted back to GDR for the year ended 31st March 2017 is 384,562 (2015-16: 22,114) of ₹5 each. Total GDRs converted into equity shares upto 31st March 2017 is 25,444,526 (2015-16: 25,361,388) of ₹5 each.

15 Other Equity

(₹ in million)

Particulars	Note	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
General Reserve	15.1	11,256.85	11,256.85	9,256.85
Securities Premium Reserve	15.2	17,138.52	17,138.52	17,138.52
Capital Reserves	15.3	18.26	18.26	18.26
Retained Earnings	15.4	6,016.47	3,381.70	4,107.62
Capital Redemption Reserve	15.5	60.02	60.02	60.02
Debenture Redemption Reserve	15.6	1,297.50	1,297.50	1,297.50
Ind AS Transition Reserve	44	(693.11)	(693.11)	(693.11)
Balance at the end of the year		**35,094.51**	**32,459.74**	**31,185.66**

15.1 General Reserve

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at the beginning of the year	11,256.85	9,256.85
Transfer from Profit and Loss	-	2,000.00
Balance at the end of the year	**11,256.85**	**11,256.85**

15.2 Securities Premium Reserve

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at the beginning of the year	17,138.52	17,138.52
Balance at the end of the year	**17,138.52**	**17,138.52**

15.3 Capital Reserves

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at beginning of year	18.26	18.26
Balance at the end of the year	**18.26**	**18.26**

15.4 Retained Earnings

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at the beginning of the year	3,381.70	4,107.62
Profit for the year	2,851.46	3,339.49
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(216.69)	(97.86)
Payment of dividends on equity shares	-	(1,967.55)
Transfer to Reserves	-	(2,000.00)
Balance at the end of the year	**6,016.47**	**3,381.70**

On 31 March 2016 an interim dividend of ₹6 per share was paid to holders of fully paid equity shares (total dividend ₹1003.79 including Dividend Distribution Tax). For the year 2014-15, the Board of Directors proposed a dividend of ₹5.75 per share which was paid in the year 2015-16 (total dividend ₹963.76 including Dividend Distribution Tax).

15.5 Capital Redemption Reserve

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at the beginning of the year	60.02	60.02
Balance at the end of the year	**60.02**	**60.02**

15.6 Debenture Redemption Reserve

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at the beginning of the year	1,297.50	1,297.50
Balance at the end of the year	**1,297.50**	**1,297.50**

16 Borrowings

(₹ in million)

Particulars	As at 31-Mar- 17		As at 31-Mar- 16		As at 01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Unsecured - at amortised cost						
(a) Term loans						
from banks	1,328.20	-	1,326.66	-	1,249.08	-
(b) Deposits	81.08	53.02	138.37	120.13	220.18	104.17
(c) Loans from Subsidiaries	-	150.00	-	160.01	-	-
(d) Loans repayable on demand from banks	-	-	-	1,250.00	-	-
Secured - at amortised cost						
(a) Bonds / Debentures	8,000.00	-	3,940.00	-	5,190.00	-
(b) Term loans						
from banks	16,731.59	-	14,206.96	-	8,005.76	453.64
(c) Bills Payable	344.22	-	421.39	-	636.81	-
Total	**26,485.09**	**203.02**	**20,033.38**	**1,530.14**	**15,301.83**	**557.81**

(₹ in million)

16.1 Summary of Borrowing arrangements

(₹ in million)

Particluars	31-Mar-17	31-Mar-16	01-Apr-15	Terms of repayment	Rate of Interest 31 Mar 17	Rate of Interest 31 Mar 16
10.30% Non Convertible Debentures	1,000	1,000	1,000	The Company issued 500 Nos. 10.30% Non-Convertible Debentures of ₹1 million each on 28th December 2010 with the date of redemption on 28t December 2020 and 500 Nos. 10.30% Non-Convertible Debentures of ₹1 million each on 22nd March 2011 with the date of redemption on 22nd March 2021 to Life Insurance Corporation of India. The said debentures can be re-purchased / re-issued in the secondary market or otherwise at any prior time to the specified dates of redemption	10.30%	10.30%
10.15% Non Convertible Debentures	-	940	940	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.Date of Redemption for remaining is 22nd March 2017. It was redeemed as per agreed terms on the said date during the current financial year 2016-17.	-	10.15%
9.80% Non Convertible Debentures	-	-	1,250	The Company issued 1,250 Nos. 9.80% Non-Convertible Redeemable Debentures of ₹ 1 million each on 11th July 2012 to Banks and Institutions 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 2015-16 the Company has repaid the entire debentures of 1,250 Nos on 10th July 2015 .	-	-

Particluars	31-Mar-17	31-Mar-16	01-Apr-15	Terms of repayment	Rate of Interest 31 Mar 17	Rate of Interest 31 Mar 16
10.20% Non Convertible Debentures	2,000	2,000	2,000	The company issued 2,000 nos of 10.20% Non Convertible Redeemable Debentures of ₹1 million each on 22nd Aug 2014 to Banks and Institutions, with an option to re-purchase/re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of 22nd August 2028.	10.20%	10.20%
8.70% Non Convertible Debentures	3,000	-	-	The company issued 3,000 nos. of 8.70% Non Convertible Debentures of ₹ 1 million each on 7th October 2016 to Banks and Institutions, with 2 call options to re-purchase/ re-issue some or all of its debentures in the secondary market or otherwise at any time prior to the specified date of redemption of 7th October 2026.	8.70%	-
7.80% Non Convertible Debentures	2,000	-	-	The company issued 2,000 nos. of 7.80% Non Convertible Debentures of ₹ 1 million each on 7th March 2017 to Banks and Institutions, and the specified date of redemption is 7th March 2022.	7.80%	-
The Debentures stated above are secured by way of pari passu first charge on the fixed assets of the Company, existing and future along with Bank and Institutions; such pari passu first charge ensuring at least a cover of 1.25 times the value of outstanding principal amount of the loan						
HSBC- Cash Credit	339	-	-	The company is availed ₹1,000 million overdraft facility by HSBC out of which the company is eligible to borrow upto 75% of the said limit at any given point of time	8.70%	-
HDFC Bank Limited	48	325	585	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 2013. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times the value of the outstanding principle amount of the loan. The company repaid ₹277 million during the financial year 2016-17	8.50%	9.55%
	3,500	2,000	-	During the year 2015-16 the Company applied additional Rupee Term Loan of ₹3,500 million from HDFC Bank Limited, out of which ₹2,000 million has been availed on 9th March 2016 and the balance availed on different dates in the current financial year. 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. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	8.50%	9.55%
Axis Bank Limited	3,000	2,700	1,000	During the year 2016-17 the company received ₹300 milion from the Axis Bank with the total quantum availed agrregating to ₹3,000 million ,against the sanctioned amount of ₹3,000 million, which is repayable in 40 quarterly instalments (with a moratorium period of 4 years from the date of 1st disbursement) commencing from 15th December, 2018. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times the value of the outstandiing prinicpal amount of the loan	8.50%	9.75%
Bank of India	2,500	3,000	1,160	During the year 2015-16 the Company availed an additional loan amount of ₹ 1,840 million from the Bank of India, with the total amount availed aggregating to ₹ 3,000 million. This loan is repayable in 40 quarterly instalments (with a moratorium period of 4years from the date of 1st disbursement) commencing from 30th September 2018. During the year 2016-17,₹ 500 million was repaid to the Bank. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company along with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	8.40%	9.75%
HSBC Limited	1,975	1,000	1,000	The Company has availed Rupee Term Loan of ₹2,000 million from HSBC Limited, out of which ₹1,000 million is repayable in 16 semi-annual instalments commencing from 2nd March 2017 and the balance ₹1,000 million is repayable in 16 semi-annual instalments commencing from 13th November 2018. The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan. The company repaid ₹25 million during the current financial year 2016-17.	8.05%	9.40%
HSBC (Bills Payable)	344.22	421.39	636.81	The company has availed a buyer's line of credit of US$ 10 million from HSBC for the import of medical equipment. The loan is secured by first pari passu ranking charge on entire existing and future movable fixed asset of the company with minimum cover of 1.25 times the value of the outstanding principal amount of the loan.	6 months libor +0.80 and libor +0.55	Variable

Particluars	31-Mar-17	31-Mar-16	01-Apr-15	Terms of repayment	Rate of Interest 31 Mar 17	Rate of Interest 31 Mar 16
International Finance Corporation (External Commercial Borrowings	935.61	1,472.10	2,736.92	The company has availed the 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 15th September 2016 and 14th March 2017.	9.20%	9.20%
HSBC (External Commercial Borrowings)	901.08	1,109.86	1,273.84	The company has drawn a loan of US$ 25 million from HSBC 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. The loan is repayable in 22 quarterly instalments commencing from April 2014. During the year 2016-17 four instalments of US$ 1.0 million each were repaid	9.50%	9.50%
IDFC Bank Limited	582.84	500	250	The amount is repayable in 44 quarterly instalments commencing from 15th October 2016. 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. The company has repaid ₹17.16 million during the current financial year 2016-17.	8.35%	9.75%
IDFC Infra Structure Debt Fund Limited	1,000	1,000	-	During the year 2015-16 the Company availed loan of ₹1,000 million from IDFC Infrastructure Debt Fund Limited, which is repayable in 3 annual instalments of 20% at the end of December 2029 (14th year), 40% at the end of December 2030 (15th year) and balance 40% at the end of December 2031 (16th year) from the date of first disbursement . The loan is secured by first pari passu charge on all present and future movable and immovable fixed assets of the company ensuring atleast a cover of 1.25 times the value of the outstanding principal amount of the loan.	9.60%	9.60%
ICICI Bank Limited	1,450	1,100	-	During the year 2016-17 the Company has availed Rupee Term Loan of ₹ 350 million in addition to the existing ₹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.	9.25% for ₹1,100 millon and 9.20% for balance amount	9.50%
State Bank of India	500	-	-	The company has availed ₹3,000 million term loan from State Bank of India out of which the company has availed ₹500 million during the year 2016-17 and the same is repayable from 30th June 2019.	8.05%	-
Fixed Deposits	134.10	258.48	324.35	The total fixed deposit outstanding as on 31 Mar 17 will mature by 31 Mar 2019	9% - 10.94%	9% -10.94%
Bank of Tokyo – Mitsubishi UFJ (External Commercial Borrowings)	1,328.20	1,326.66	1,249.08	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 the bank 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.	9.20%	9.20%
HDFC Bank Limited	-	1,250	-	The company had borrowed short term loan of ₹1,250 million on 14th September 2015 from HDFC bank limited to repay the ECB of USD 21 Million of International Finance Corporation and the same was fully repaid during the year 2016-17.	-	9.35%

17 Other financial liabilities

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
a) Interest accrued	-	10.23	-	235.49	-	130.57
b) Unpaid dividends (Refer note 17 (ii))	-	31.98	-	49.33	-	28.41
c) Rent deposits	23.56	73.84	26.33	8.17	1.49	25.80
d) Other deposits		-	2.56			14.91
e) Unpaid matured deposits and interest accrued thereon	-	17.92	-	17.03	-	16.57
f) Current maturities of long-term debt	-	886.66	-	1,895.81	-	1,644.56
g) Financial guarantee contracts (Refer Note 17 (i))	0.36	-	0.36	-	0.36	-
h) Fair Value of Derivative	58.67	-	17.86		86.98	
Total	**82.59**	**1,020.63**	**47.11**	**2,205.83**	**88.83**	**1,860.82**

Notes

(i) the financial guarantee contracts represent the guarantees given by the company on behalf of its Subsidiary Company. The Company charges an arms' length price for such guarantees. The Guarantee is given to ICICI Bank Limited on behalf of Future Parking Private Limited against the bank guarantee issued to Chennai Corporation for 15 years amounting to ₹35 million. The fair value of the Guarantee was taken 1% of the Guarantee amount provided.

(ii) During the year 2015-16 , the amount transferred to Investors Education and Protection Fund of the Central Government as per the provisions of Section 124 (5) and 124 (6) of the Companies Act, 2013 is ₹2.59 million (₹ 2.40 million).

18 Deferred Tax Balances

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mat-16	As at 01-Apr-15
Deferred Tax Assets	(1,136.84)	(1,067.05)	(330.51)
Deferred Tax Liabilities	7,127.65	6,318.62	4,828.15
Total	**5,990.81**	**5,251.57**	**4,497.64**

Movement of Deferred Tax 2016-2017 (₹ in million)

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to Profit and Loss	Acquisitions/ Disposals	Closing Balance
Property, Plant and Equipment	5,392.47	2,251.51	-	-	-	-	7,643.98
FVTPL financial assets	(188.97)	150.63	-	-	-	1.51	(36.83)
Deferred Revenue	48.07	(48.07)	-	-	-	-	-
Provisions	-	(1,616.34)	-	-	-	-	(1,616.34)
Total	**5,251.57**	**737.73**	**-**	**-**	**-**	**1.51**	**5,990.81**

Movement of Deferred Tax 2015-2016 (₹ in million)

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to Profit and Loss	Acquisitions/ Disposals	Closing Balance
Property, plant and equipment	4,577.34	815.49	-	-	-	(0.36)	5,392.47
FVTPL financial assets	(128.86)	(60.11)	-	-	-	-	(188.97)
Deferred revenue	49.16	(1.09)	-	-	-	-	48.07
Total	**4,497.64**	**754.29**	**-**	**-**	**-**	**(0.36)**	**5,251.57**

19 Trade Payables

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Trade payables	3,501.26	4,012.80	3,201.00
Total	**3,501.26**	**4,012.80**	**3,201.00**

The average credit period on purchases of goods ranges from immediate payments to credit period of 45 days based on the nature of the expenditures. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The amount due to Micro, Small and Medium Enterprises for the financial year ended 31st March 2017 ₹116.12 million (₹ 254.70 million). No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at 31st March 2017.

20 Provisions

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Provision for Bonus	-	341.64	-	425.10	-	198.89
Provision for Gratuity and Leave Encashment	-	304.96	-	166.55	-	141.72
Total	**-**	**646.60**	**-**	**591.65**	**-**	**340.61**

21 Other Current Liabilities

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar- 16	As at 01-Apr- 15
(a) Deferred revenue arising from customer loyalty programme (note 21 (i))	137.11	114.25	97.06
(b) Retention money on capital contracts	0.18	0.18	0.27
(c) Patient Deposits	281.83	105.45	238.54
(d) Sundry Creditors Others	570.49	417.04	153.72
(e) Statutory Liabilities	172.63	119.36	146.72
(f) Outstanding expenses	866.46	792.59	466.83
Total	**2,028.70**	**1,548.87**	**1,103.14**

(i) The deferred revenue arises in respect of the Company's Loyalty Points Scheme recognised in accordance with Appendix B to Ind AS 18 Customer Loyalty Programmes.

22 Revenue from Operations

The following is an analysis of the Company's revenue for the year from continuing operations

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
(a) Revenue from rendering of healthcare services	35,672.20	32,663.52
(b) Revenue from sale at pharmacies	28,745.50	23,219.70
Total	**64,417.70**	**55,883.22**

23 Other Income

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar- 16
a) Interest income		
Income on Lease Deposit	19.19	15.91
Interest income on Finance Lease	0.54	0.54
Interest Income Others	139.38	175.93
Total (a)	**159.11**	**192.38**
b) Dividend Income		
Dividends from equity investments	44.11	45.28
c) Other non-operating income (net of expenses directly attributable to such income)		
Provision for investment write back	-	112.30
Net gain on foreign currency transactions and translation	(31.44)	(75.08)
Guarantee Income	0.03	-
Total (c)	**(31.41)**	**37.22**
d) Other gains and losses		
Gain on disposal of Property, Plant and Equipment	2.19	-
Gain on sale of investments	18.63	-
Gain on fair valuation of investment in Debentures	1.51	2.09
Gain on fair valuation of equity investments	1.30	1.29
Gain on fair valuation of Mutual Funds	63.42	48.92
Total (d)	**87.05**	**52.30**
Total (a+b+c+d)	**258.86**	**327.18**

24 Employee Benefits Expense

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar- 16
Salaries and wages	7,936.97	6,987.50
Contribution to provident and other funds	496.49	409.57
Employee State Insurance	136.24	126.52
Bonus	334.38	400.57
Staff Education & Training	4.65	7.40
Staff welfare expenses	509.06	425.73
Total	**9,417.79**	**8,357.29**

25 Finance Costs

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar- 16
Interest on debentures and loans	1,769.04	1,187.56
Bank Charges	234.84	148.23
Total	**2,003.88**	**1,335.79**

26 Depreciation and Amortisation Expense

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar- 16
Depreciation of property, plant and equipment	2,311.84	1,903.75
Amortisation of intangible assets	94.02	101.25
Total depreciation and amortisation	**2,405.86**	**2,005.00**

27 Other Expenses

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar- 16
Retainer Fees to Doctors	2,227.22	1,696.65
Power and fuel	898.92	850.41
House Keeping Expenses	160.89	180.98
Water Charges	82.96	108.64
Rent	2,370.80	1,950.90
Repairs to Buildings	104.72	147.37
Repairs to Machinery	579.12	504.37
Repairs to Vehicles	42.34	37.43
Office Maintenance & Others	616.37	482.81
Insurance	93.74	85.66
Rates and Taxes, excluding taxes on income	116.53	92.77
Printing & Stationery	358.44	269.31
Postage	37.73	27.21
Director Sitting Fees	3.55	2.95
Advertisement, Publicity & Marketing	1,543.27	1,248.74
Pharmacy Loyalty Discount	794.47	651.50

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar- 16
Travelling & Conveyance	482.01	408.35
Subscriptions	8.94	13.14
Security Charges	144.67	160.15
Legal & Professional Fees	514.85	422.69
Continuing Medical Education & Hospitality Expenses	65.45	55.84
Hiring Charges	92.33	73.32
Seminar Expenses	34.92	3.52
Telephone Expenses	195.63	159.21
Books & Periodicals	9.87	9.37
Donations	22.23	11.43
Bad Debts Written off	146.64	200.18
Provision for Bad Debts	41.22	102.96
Royalty paid	-	1.05
Outsourcing Expenses	1,563.96	1,220.62
Loss on Sale of Assets	45.90	33.86
Loss on sale of Investments	0.04	-
Net (gain)/loss on foreign currency transactions and translation	4.77	27.08
Miscellaneous expenses	154.73	100.25
Total (a)	**13,559.23**	**11,340.72**
Payments to auditors		
For audit	5.03	4.53
For taxation matters	0.98	0.97
For other services	1.32	0.58
For reimbursement of expenses	0.65	0.40
Total (b)	**7.98**	**6.48**
Expenditure incurred for Corporate Social Responsibility (c)	**87.29**	**86.44**
(CSR amount required to be spent as per section 135 of the Companies Act, 2013, read with schedule 7 thereof by the company during the year is ₹87.29 million (2015-16: ₹86.44 million).		
Total (a) + (b) + (c)	**13,654.92**	**11,433.64**

28 Income taxes relating to continuing operations

a) **The income tax expense for the year can be reconciled to the accounting profit as follows:**

(₹ in million)

	Year ended 31-Mar-17	Year ended 31-Mar- 16
Profit before tax	3,589.19	4,170.98
Enacted tax rates in India	34.608%	34.608%
Income tax expense calculated	1,242	1,443
Effect of income that is exempt from taxation	(3,722)	(2,162)
Effect of expenses that are not deductible in determining taxable profit	**864**	**796**
Tax as per Income Tax provision	(1,616)	78
The tax as per normal provision of the Income tax Act,1961 is lower than Minimum Alternat Tax (MAT) there fore current tax is provided as per MAT provision		
a) Book profit as per MAT provision	3,545.36	4,588.61
Tax as per MAT provision for the year	756.58	979.21
b) Deferred tax		
In respect of the current year	737.73	754.29
MAT credit entitlement	(756.58)	(902.01)
Total	**(18.85)**	**(147.72)**

29 Segment Information

The Directors of the Company are directly involved in the operations of the Company. Accordingly, the Board of Directors has been identified as the Chief Operating Decision Maker (CODM). Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the model of healthcare services delivered. The Directors of the Company have chosen to organise the Company around differences in products and services. Accordingly, hospitals and pharmacies have been identified as the operating segments. No operating segments have been aggregated in arriving at the reportable segments of the Company.

The Company operates mainly in India, and the drugs sold in the pharmacies, are regulated under the Drugs Cosmetics Act, which applies uniformly all over the Country.

The following are the accounting policies adopted 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 Financial Statements as per Ind AS 108

29.1 Segment Revenues and Results

The following is an analysis of the Company’s revenue and results from continuing operations by reportable segment.

(₹ in million)

Particulars	Segment Revenue		Segment Profit	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Healthcare	35,677.30	32,667.51	4,357.60	4,876.30
Retail Pharmacy	28,745.50	23,219.71	976.60	560.09
Others	258.86	327.18	258.87	327.16
Total	**64,681.66**	**56,214.40**	**5,593.07**	**5,763.55**
Less: Inter Segment Revenue	5.10	4.00	-	-
Total	**64,676.56**	**56,210.40**	**5,593.07**	**5,763.55**
Finance costs	-	-	2,003.88	1,335.79
Other un-allocable expenditure (exceptional Item)	-	-	-	256.78
Profit before tax (continuing operations)	-	-	3,589.19	4,170.98

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, other income, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

29.2 Segment Assets and Liabilities

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Segment Assets			
Healthcare	61,510.14	56,072.22	48,072.87
Retail Pharmacy	7,691.30	6,936.20	5,776.75
Others	2,202.20	2,091.00	2,623.48
Total Segment Assets	**71,403.64**	**65,099.42**	**56,472.10**
Unallocated	4,345.20	3,277.30	2,359.87
Total assets	**75,748.84**	**68,376.72**	**58,833.97**
Segment Liabilities			
Healthcare	6,147.40	7,473.70	4,291.98
Retail Pharmacy	1,132.30	932.60	657.85
Total Segment Liabilities	**7,279.70**	**8,406.30**	**4,949.84**
Unallocated	32,678.90	26,815.00	22,001.84

29.3 Other segment information

(₹ in million)

Particulars	Depreciation and Amortisation		Addition to Non Current Assets	
	Year Ended 31-Mar-17	Year Ended 31-Mar-16	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Healthcare	2,311.84	1,903.75	7,998.46	6,550.39
Retail Pharmacy	94.02	101.25	473.50	1,501.55
Total	**2,405.86**	**2,005.00**	**8,471.96**	**8,051.94**

29.4 Revenue from major products and services

No single customer represents 10% or more of the company's total revenue during the year ended March 31, 2017 and March 31, 2016.

29.5 The Company is geographically diversified within India.

30 Earnings Per Share

(Amount in₹)

Particulars	31-Mar-17	31-Mar-16
Basic Earnings Per Share		
From continuing operations	20.50	24.00
Total Basic Earnings Per Share	**20.50**	**24.00**
Diluted Earnings Per Share		
From continuing operations	20.50	24.00
Total Diluted Earnings Per Share	**20.50**	**24.00**

30.1 Basic Earnings Per Share

The Earnings and weighted average number of Equity Shares used in the calculation of Basic Earnings Per Share are as follows.

Particulars	31-Mar-17	31-Mar-16
Profit for the year attributable to owners of the Company (₹ in million)	2,851.46	3,339.49
Earnings used in the calculation of Basic Earnings Per Share from continuing operations (₹ in million)	2,851.46	3,339.49
Weighted Average Number of Equity Shares for the purpose of Basic Earnings Per Share (Nos.)	139,125,159	139,125,159

30.2 Diluted Earnings Per Share

The Earnings used in the calculation of diluted earnings per share are as follows.

Particulars	31-Mar-17	31-Mar-16
Earnings used in the calculation of diluted earnings per share from continuing operations (₹ in million)	**2,851.46**	**3,339.49**

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	31-Mar-17	31-Mar-16
Weighted Average Number of Equity Shares used in the calculation of diluted earnings per share (Nos.)	**139,125,159**	**139,125,159**

31 Defined contribution plans

The Company makes contributions towards provident fund and employees state insurance as a defined contribution retirement benefit fund for qualifying employees. The provident fund is operated by the regional provident fund commissioner. The Employees state insurance is operated by the Employees State Insurance Corporation. Under these schemes, the Company is required to contribute a specific percentage of the payroll cost as per the statute. The Company has no further obligations in this regard.

The total expenses recognised in the statement of profit or loss of ₹632.73 million (for the year ended March 31, 2016: ₹536.09 million) represents contributions payable to these plans by the Company at rates specified in the rules of the plans.

Defined benefit plans

31.1 Gratuity

The company contributes all ascertained liabilities towards gratuity to the Fund. The plan assets have been primarily invested in insurer managed funds. The company provides for gratuity, a defined benefit retiring plan covering eligible employees. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death incapacitation or termination of employment based on the respective employees salary and tenure of the employment with the company.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017 by Ms. Seethakumari, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at		
	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate(s)	6.50%	8%	8%
Expected rate(s) of salary increase	6%	6%	6%
Average longevity at retirement age for current beneficiaries of the plan (years)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.

(₹ in million)

Particulars	31-Mar-17	31-Mar-16
A) Service cost:		
Current service cost	**43.50**	**47.07**
Past service cost and (gain)/loss from settlements	**-**	**-**
Net interest expense	**1.04**	**0.08**
Components of defined benefit costs recognised in profit or loss (A)	44.54	47.15
B) Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amounts included in net interest expense)	(17.98)	(10.05)
Actuarial (gains) / losses arising from changes in demographic assumptions	(35.21)	-
Actuarial (gains) / losses arising from changes in financial assumptions	27.37	-
Actuarial (gains) / losses arising from experience adjustments	129.37	76.42
Components of defined benefit costs recognised in other comprehensive income (B)	103.55	66.37
Total (A)+(B)	**148.09**	**113.52**

The current service cost and the net interest expense for the year are included in the 'Employee Benefits Expense' line item in the statement of profit and loss.

The remeasurernent of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in million)

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Present value of funded defined benefit obligation (A)	693.87	525.62	410.02
Fair value of plan assets (B)	(545.77)	(442.10)	(336.93)
Funded status (A)+(B)	**148.10**	**83.52**	**73.09**
Net liability arising from defined benefit obligation	**148.10**	**83.52**	**73.09**

Movements in the present value of the defined benefit obligation are as follows:

(₹ in million)

Particulars	31-Mar-17	31-Mar-16
Opening defined benefit obligation	525.62	410.02
Current service cost	43.50	47.07
Interest cost	40.56	31.24
Remeasurement (gains)/losses	121.53	76.42
Benefits paid	(37.34)	(39.13)
Closing defined benefit obligation	**693.87**	**525.62**

Movements in the fair value of the plan assets are as follows.

(₹ in million)

Particulars	31-Mar-17	31-Mar-16
Opening fair value of plan assets	442.10	336.93
Interest income	39.51	31.16
Return on plan assets (excluding amounts included in net interest expense)	17.98	10.05
Contributions from the employer	83.52	103.09
Benefits paid	(37.34)	(39.13)
Closing fair value of plan assets	**545.77**	**442.10**

The fair value of the plan assets for the India and overseas plan at the end of the reporting period for each category, are as follows:

(₹ in million)

Particulars	Fair value of plan assets as at		
	31-Mar-17	31-Mar-16	01-Apr-15
Insurer managed funds	545.77	442.10	336.93
Total	**545.77**	**442.10**	**336.93**

Each year, Asset and Liability matching study is performed in which the consequences of strategic investments policiies are analysed in terms of risk and returns profiles. Investments and Contributions policies are integrated within this study.

The actual return on plan assets including interest income was ₹57.49 million (for the year ended March 31, 2016: ₹41.21 million).

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in million)

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Discount rate	+100 basis points	+100 basis points	(708.42)	(511.41)	-	-
	-100 basis points	-100 basis points	-	-	738.03	541.33
Salary growth rate	+ 100 basis points	+ 100 basis points	734.36	538.64	-	-
	- 100 basis points	- 100 basis points	-	-	(711.70)	(513.68)
Attrition rate	+ 100 basis points	+ 100 basis points	(721.70)	(525.99)	-	-
	- 100 basis points	- 100 basis points	-	-	724.06	525.71

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The defined benefit obligation shall mature in next 3 years.

The Company expects to make a contribution of ₹148.09 million (as at March 31, 2016: ₹113.52 million) to the defined benefit plans during the next financial year.

31.2 Leave Encashment Benefits

The Company pays leave encashment benefits to employees as an when claimed subject to the policies of the Company. The Company provides leave benefits through annual contributions to the fund managed by HDFC Life

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at		
	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate(s)	6.50%	8%	8%
Expected rate(s) of salary increase	6%	6%	6%
Average longevity at retirement age for current beneficiaries of the plan (years)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.

(₹ in million)

Particulars	31-Mar-17	31-Mar-16
Service cost:		
Current service cost	43.74	23.26
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	(0.01)	(1.72)
Components of defined benefit costs recognised in profit or loss (A)	**43.73**	**21.54**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	52.63	-
Actuarial (gains) / losses arising from changes in financial assumptions	(26.87)	-
Actuarial (gains) / losses arising from experience adjustments	93.41	99.77
Others	(6.03)	(68.28)
Components of defined benefit costs recognised in other comprehensive income (B)	**113.14**	**31.49**
Total (A)+(B)	**156.87**	**53.03**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in million)

Particulars	31- Mar- 17	31-Mar- 16	01- Apr-15
Present value of funded defined benefit obligation	371.63	239.76	178.47
Fair value of plan assets	(214.76)	(216.74)	(110.17)
Funded status	156.87	23.02	68.3
Net liability arising from defined benefit obligation	156.87	23.02	68.3

Movements in the present value of the defined benefit obligation are as follows.

(₹ in million)

Particulars	31- Mar- 17	31-Mar- 16
Opening defined benefit obligation	239.76	178.47
Current service cost	43.74	23.26
Interest cost	17.25	11.35
Benefits paid	(48.29)	(73.09)
Others	119.17	99.77
Closing defined benefit obligation	371.63	239.76

Movements in the fair value of the plan assets are as follows.

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening fair value of plan assets	110.17	216.74
Interest income	13.08	17.26
Contributions from the employer	98.30	23.02
Benefits paid	(73.09)	(48.29)
Return on Plan assets	68.28	6.03
Closing fair value of plan assets	216.74	214.76

The fair value of the plan assets for the India at the end of the reporting period for each category, are as follows

(₹ in million)

Particulars	Fair value of plan assets as at		
	31-Mar-17	31-Mar-16	01- Apr-15
Insurer managed funds	216.74	214.76	110.17
Total	**216.74**	**214.76**	**110.17**

Each year Asset Liability matching study is performed in which the consequences of strategic investments policies are analysed in terms of risk and returns profiles. Investments and Contributions policies are integrated within this study.

The actual return on plan assets including interest income was ₹81.36 million (for the year ended March 31, 2016: ₹23.29 million).

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	31st March, 2017	31st March, 2016	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Discount rate	+100 basis points	+100 basis points	(364.39)	(232.09)		
	-100 basis points	-100 basis points			379.21	248.02
Salary growth rate	+ 100 basis points	+ 100 basis points	377.40	246.80		
	- 100 basis points	- 100 basis points			(366.02)	(233.10)
Attrition rate	+ 100 basis points	+ 100 basis points	(371.74)	(239.77)		
	- 100 basis points	- 100 basis points			371.50	239.75

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Company expects to make a contribution of ₹156.87 million (as at March 31, 2016: ₹53.03 million) to the defined benefit plans during the next financial year.

32 Financial instruments

32.1 Capital management

The Company manages its capital with the objective to maximize the return to stakeholders through the optimisation of the debt and equity mix.

The Company's risk management committee reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Company intends to limit gearing ratio to an outer limit of 100% of net debt to total equity determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2017 of 70% was below the target range,

Gearing ratio

The gearing ratio at the end of the reporting period was as follows.

(₹ in million)

Particulars	31- Mar- 17	31-Mar- 16	01- Apr-15
Debt	**27,592.69**	**23,476.36**	**17,520.77**
Cash and bank balances	2,676.58	2,349.61	2,285.22
Net Debt	24,916.11	21,126.75	15,235.55
Total Equity	35,790.14	33,155.37	31,881.29
Gearing ratio	**70%**	**64%**	**48%**

32.2 Categories of financial instruments

(₹ in million)

Particulars	31- Mar- 17	31-Mar- 16	01- Apr-15
Financial Assets			
Measured at fair value through profit or loss (FVTPL)			
(a) Investments	1,320.17	1,327.18	156.87
(b) Mutual Fund investments	860.51	738.94	1,158.43
Measured at amortised cost			
(a) Cash and bank balances	2,728.07	2,557.57	2,492.27
(b) Trade Receivables	6,613.02	5,460.81	4,947.39
(c) Loans and Advances	89.93	645.75	870.15
(d) Other Financial Assets	5,339.30	5,442.40	6,541.52
(e) Investments	97.43	35.99	10.02

(₹ in million)

Particulars	31- Mar- 17	31-Mar- 16	01- Apr-15
Financial liabilities			
Measured at amortised cost			
(a) Trade Payables	3,501.26	4,012.80	3,201.00
(b) Loans	26,688.11	21,563.52	15,859.64
(c) Other Financial Liabilities	1,103.22	2,252.94	1,949.65

32.3 Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non -derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

32.4 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 32.5 below) and interest rates (see note 32.6 below). The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including currency cum interest rate swaps.

32.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising appropriate derivative contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(₹ in million)

Particulars	Liabilities as at		
	31- Mar- 17	31-Mar- 16	01- Apr-15
Foreign Currency Borrowings (Amount in USD)	64.82	78.48	106.78

Foreign currency sensitivity analysis

Of the above, borrowings of USD 57.43 million as at March 31, 2017, USD 65.72 million as at March 31, 2016 and USD 94 million as at April 1, 2015 is completely hedged against foreign currency fluctuation using forward contracts and Interest rate swaps. The Company is mainly exposed to US Dollars currency fluctuation risk.

The following table details the Company's sensitivity to a 10% increase and decrease in the ₹ against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	Impact of USD					
	2016-2017		2015-2016		As at 01-Apr-15	
	+10%	(10%)	+10%	(10%)	+10%	(10%)
Potential Impact on Profit and Loss for the year (₹ in million)	(47.90)	47.90	(84.64)	84.64	(79.86)	79.86

(i) This is mainly attributable to the exposure to outstanding USD payable at the end of the reporting period. The Company has entered into derivative Contracts for its External Commercial Borrowings for interest and currency risk exposure to manage and mitigate its exposure to foreign exchange rates. The Counterparty is generally a bank. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

32.6 Interest rate risk management

The Company is exposed to interest rate risk because the Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and forward interest rate contracts.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2017 would decrease/increase by ₹72.83 million (for the year ended March 31, 2016: decrease/ increase by ₹67.17 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts for borrowings in foreign currency. Such contracts enable the Company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt.The average interest rate is based on the outstanding balances at the end of the reporting period.

32.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Majority of the Company's transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from Insurance Companies, Corporate customers and Government Undertakings. The Insurance Companies are required to maintain minimum reserve levels and the Corporate Customers are enterprises with high credit ratings. Accordingly, the Company's exposure to credit risk in relation to trade receivables is considered low. Before accepting any new credit customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed annually. The outstanding with the debtors is reviewed periodically.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could be liable to pay if the guarantee is exercised on. As at March 31, 2017, an amount of ₹0.39 million (as at March 31, 2016: ₹0.39 million) has been recognised in the balance sheet as financial liabilities (see note 6). These financial guarantees have been issued to banks under the financing facilities agreements entered into with Future Parking Private Limited

33 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 33.2 below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

33.1 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are based on floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in million)

Particulars	Weighted average effective interest rate (%)	Less than 1 month	1-3 months	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2017						
Non-interest bearing	-	487.14	710.48	2,419.68	23.56	-
Variable interest rate instruments	8.47%	8.58	117.77	639.65	2,916.92	12,032.98
Fixed interest rate instruments	9.05%	-	0.98	18.18	3,160.98	4,988.00
Financial guarantee contracts	-	-	-	0.02	0.09	0.21
Total	**-**	**495.72**	**829.23**	**3,077.53**	**6,101.55**	**17,021.19**
March 31, 2016						
Non-interest bearing	-	570.99	802.56	2,932.22	28.89	-
Variable interest rate instruments	9.58%	-	1,076.36	1,186.07	2,024.05	9,324.99
Fixed interest rate instruments	9.96%	-	500.00	1,989.49	1,682.88	1,333.34
Financial guarantee contracts	-	-	-	0.02	0.09	0.21
Total		**570.99**	**2,378.92**	**6,107.80**	**3,735.91**	**10,658.54**
April 1, 2015						
Non-interest bearing	-	444.54	640.20	2,301.04	1.49	-
Variable interest rate instruments	9.99%	-	108.64	940.61	1,614.78	2,927.03
Fixed interest rate instruments	9.83%	-	1,250.00	807.97	2,266.65	1,733.33
Financial guarantee contracts	-	-	-	0.02	0.09	0.23
Total		**444.54**	**1,998.84**	**4,049.64**	**3,883.01**	**4,660.59**

The carrying amounts of the above are as follows:

(₹ In million)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Non-interest bearing	3,640.86	4,334.67	3,387.27
Variable interest rate instruments	15,715.90	13,611.47	5,591.06
Fixed interest rate instruments	8,168.14	5,505.71	6,057.95
Financial guarantee contracts	0.32	0.32	0.35
Total	**27,525.22**	**23,452.17**	**15,036.63**

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non -derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ in million)

Particulars	Weighted average effective interest rate(%)	Less than 1 month	1-3 months	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2017						
Non-interest bearing	-	4,789.89	2,187.42	5,960.10	447.99	1,822.80
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	12%	0.05	0.09	0.36	2.18	1.86
Total		**4,789.94**	**2,187.51**	**5,960.46**	**450.17**	**1,824.66**
March 31, 2016						
Non-interest bearing	-	4,749.30	1,588.83	5,433.32	379.15	1,549.70
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	12%	0.05	0.09	0.36	2.18	1.86
Total		**4,749.35**	**1,588.92**	**5,433.68**	**381.33**	**1,551.56**
April 1, 2015						
Non-interest bearing	-	3,768.79	1,723.38	5,871.85	492.90	1,256.48
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	12%	0.05	0.09	0.36	2.18	1.86
Total		**3,768.84**	**1,723.47**	**5,872.21**	**495.08**	**1,258.34**

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis.

(₹ in million)

Particulars	Less than 1 month	1-3 months	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2017					
Net settled:					
Currency cum interest rate swaps	81.30	81.30	594.35	2,951.69	-
Total	**81.30**	**81.30**	**594.35**	**2,951.69**	**-**
March 31, 2016					
Net settled:					
Currency cum interest rate swaps	62.23	61.93	390.58	3,576.50	267.91
Total	**62.23**	**61.93**	**390.58**	**3,576.50**	**267.91**
April 1, 2015					
Net settled currency cum interest swaps	46.10	138.29	1,360.87	3,193.10	1,133.41
Total	**46.10**	**138.29**	**1,360.87**	**3,193.10**	**1,133.41**

33.2 Financing facilities

The Company has access to financing facilities as described below, of which ₹5,067.20 million were unused at the end of the reporting period (as at March 31, 2016: ₹6,289.54 million; as at April 1, 2015: ₹6,705.50 million). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(₹ in million)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Secured bank loan facilities			
- amount used	27.592.68	23,476.33	17,520.78
- amount unused	5,067.20	6,289.54	6,705.50
Total	**32,659.88**	**29,765.87**	**24,226.28**

34 Fair Value of Financial Assets and Financial Liabilities

All financial assets and financial liabilities have been fair valued using Level 3 hierarchy except cash and bank balance which is fair valued using Level 1 hierarchy.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

35 Business combinations

35.1 Details of Acquisition

Particulars	Principal Activity	Proportion of Voting Equity Interest acquired (%)
During 2016-2017		
Pharmacy business of Hetero	Pharmacy	100 %

35.2 Consideration transferred

(₹ in million)

Particulars	Pharmacy business of Hetero
Cash	1,345.00

35.3 Assets acquired and liabilities recognised at the date of acquisition

(₹ In million)

Particulars	During 2015-2016 Hetero Pharmacy
Current assets	53.60
Inventories	140.50
Plant and equipment	148.40
Current liabilities	(20.50)
Net Assets	**322.00**

Hetero Pharmacy

The fair value of the above acquired assets and liabilities were determined by a registered valuer. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value:

- discount rate of 13.8%;
- long-term sustainable growth rates of 6%

35.4 Goodwill arising on acquisition (₹ In million)

Particulars	During 2015-2016 Hetero Pharmacy
Consideration transferred	1,345.00
Less: fair value of identifiable net assets acquired	322.00
Goodwill and Intangibles arising on acquisition	**1,023.00**
Amount attributable to Intangibles and Goodwill:-	
Trade Mark	58.40
Non Compete Fee	21.10
Goodwill	**943.50**

Goodwill arose in the acquisition of Hetero Pharmacy because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Hetereo Pharmacy. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

36 Operating lease arrangements

36.1 The Company as lessee

Leasing arrangement

Operating leases relates to leases of land with lease terms of between 25-50 years for Hospitals and 1-3 years for Pharmacy. The Company does not have an option to purchase the leased land at the expiry of the lease periods.

Payments recognised as an expense

(₹ In million)

Particulars	31-Mar-17	31-Mar-16
Minimum lease payments	2,371.00	1,951.00
Total	**2,371.00**	**1,951.00**

Non-cancellable operating lease commitments

(₹ in million)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Not later than 1 year	272.40	258.61	243.13
Later than 1 year and not later than 5 years	1,546.33	1,506.75	1,052.25
Later than 5 years	8,855.43	9,219.19	6,933.13
Total	**10,674.16**	**10,984.55**	**8,228.51**

37 Commitments

(₹ in million)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Commitments to contribute funds for the acquisition of property, plant and equipment	8,548.65	13,460.00	10,450.00

38 Contingent liabilities

(₹ in million)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
a) Claims against the Company not acknowledged as debt	**1,512.90**	**1,154.00**	**592.27**
(b) Guarantees excluding financial guarantees			
Bank Guarantees	1,454.36	128.59	262.27
Corprate Guarantee/Letters of Comfort	2,956.80	2,871.00	1,505.00
(c) Other money for which the company is contingently liable			
Customs Duty	99.70	99.70	99.70
Service Tax	32.45	29.63	18.99
Value Added Tax	24.93	24.88	2.27
Income Tax	136.76	328.54	395.26
EPCG	974.80	650.50	437.60
Total	**7,192.70**	**5,286.84**	**3,313.36**

39 Events after the reporting period

The Board of Directors have recommended dividend of ₹6 per fully paid up equity share of ₹5 each, aggregating ₹1,004.69 million, including ₹169.94 million Dividend Distribution Tax for the financial year 2016-17, which is based on the share capital as on 31st March 2017. The actual dividend amount will be dependant on the relevant share capital outstanding as on the record date/ book closure.

40 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 30, 2017.

41 Related Party Disclosures

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

SL.No	Name of related Parties	Nature of relationship
1	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 International Limited	
17	Future Parking Private Limited	
18	Apollo Hospitals Singapore Private Limited	
19	Alliance Dental Care Limited	Step down Subsidiary Companies
20	Akeso Healthcare Private Limted	
21	Apollo Dialysis Private Limited	
22	Apollo Sugar Clinics Limited	
23	Apollo Specialty Hospitals Pvt Ltd	
24	Apollo CVHF Limited	
25	Apollo Cosmetic Surgical Center Private Limited	
26	Apollo Gleneagles Hospital Limited	Join Ventures
27	Apollo Gleneagles PET-CT Private Limited	
28	Apokos Rehab Private Limited	
29	Family Health Plan (TPA) Limited	Associates
30	Indraprastha Medical Corporation Limiteid	
31	Apollo Munich Health Insurance Company Limited	
32	Stemcyte India Therapautics Private Limited	
33	Smt. Suneeta Reddy	Key Management Personnel
34	Shri. Krishnan Akhileswaran	
35	Shri. S M Krishnan	
36	Shri. Habibullah Badsha	Directors
37	Shri. Sanjay Nayar	
38	Shri. Vinayak Chatterjee	
39	Shri. Rafeeque Ahamed	
40	Shri. N Vaghul	
41	Shri. Deepak Vaidya	
42	Shri. Rajkumar Menon	
43	Shri. G Venkatraman	
44	Dr. Prathap C Reddy	Directors and Relatives of Key Managerial Personnel (Relative of Smt. Suneeta Reddy)
45	Smt. Preetha Reddy	
46	Smt. Sangita Reddy	
47	Smt. Shobana Kamineni	
48	Apollo Tele Health Services Pvt Ltd	Enterprises over which key managerial personnel and their relatives are able to exercise significant influence / control / joint control
49	Apollo Mumbai Hospital Limited	
50	Apollo Sindoori Hotels Limited	
51	Kurnool Hospital Enterprises Limited	
52	Lifetime Wellness Rx International Limited	
53	Apollo Hospitals Educational Trust	
54	Medihauxe International Private Limited	
55	Palepu Pharma Private Limited	
56	Vardhman Pharma Distributors Private Limited	
57	Focus Medisales Private Limited	
58	Srinivasa Medisales Private Limited	
59	Meher Distributors Private Limited	
60	Lucky Pharmaceuticals Private Limited	
61	Neelkanth Drugs Private Limited	
62	Dhruvi Pharma Private Limited	
63	Medvarsity Online Limited	
64	AMG Healthcate Destination Private Limited	
65	Faber Sindoori Management Services Private Limited	
66	Apollo Hospitals Educational and Research Foundation	
67	Keimed Private Limited	
68	P. Obul Reddy & Sons	

Related Party Transactions

(₹ in million)

S.No	Name of the Related Parties	Nature of Transaction	31- Mar- 17	31-Mar- 16	01- Apr-15
1	Apollo Home Health Care(I) Limited	Investment in Equity	297.40	297.40	297.40
		Reimbursement of expense during the year	0.02	1.90	-
		Receivable as at year end	7.69	7.45	(3.47)
		Unsecured loan outstanding	11.76	11.76	11.67
2	AB Medical Centers Limited	Investment in Equity	21.80	21.80	21.80
		Payables as at year end	33.21	28.45	23.25
		Rent expense incurrred during the year	6.63	6.79	-
3	Samudra Health Care Enterprises Ltd	Investment in Equity	250.60	250.60	250.60
		Receivables as at year end	129.74	67.37	74.06
		Revenue from operations during the year	63.12	72.80	-
		Reimbursement of expense during the year	67.12	70.12	-
		Commission on turnover(exp)	1.73	1.88	-
4	Apollo Hospital (UK) Limited	Investment in Equity	0.39	0.39	0.39
		Reimbursement of expenses during the year	0.58	0.64	-
		Receivables as at year end	4.21	3.63	2.99
5	Apollo Health and Lifestyle Limited	Investment in Equity	3,039.84	1,444.04	1,272.52
		Revenue from operations during the year	17.86	42.77	-
		Sale of investments	-	171.53	-
		Receivable as at year end	311.72	253.21	81.32
		Loan given	-	645.80	829.00
		Interest Income for the year	85.12	146.42	-
6	Apollo Home Health Care Limited	Investment in Equity	100.00	100.00	-
		Investment in debt	-	25.00	-
		Revenue from operations during the year	3.66	2.71	-
		Nursing services availed during the year (expenditure)	5.36	50.14	-
		Reimbursement of expense during the year	6.42	4.14	-
		Receivable as at year end	13.44	6.21	-
7	Apollo Health Care Technology Solutions Ltd.	Investment in Equity	0.20	0.50	-
		Investment in preferance shares	957.50	957.50	-
8	Assam Hospitals Limited	Receivables as at year end	4.36	-	-
		Revenue from operations during the year	11.17	-	-
		Reimbursement of expense during the year	0.87	-	-
		Investment in Equity	663.15	572.44	-
9	Imperial Hospital & Research Centre Ltd.	Investment in equity	1,272.62	1,272.62	1,272.62
		Rent and advertisement expense	-	15.23	-
		Reimbursement of expense during the year	21.24	3.84	-
		Investigation expense incurred during the year	21.72	105.20	-
		Interest Income for the year	-	0.97	-
		Revenue from operations during the year	16.92	14.70	-
		Receivable as at year end	320.39	374.02	407.41
10	Apollo Nellore Hospitals Limited	Investment in Equity	53.96	53.96	53.96
		Rent expense incurred during the year	7.81	8.01	-
		Payable as at year end	16.94	10.94	4.83
11	Alliance Medicorp (India) Limited	Investment in Equity	-	-	67.83
		Payable as at year end	(0.04)	-	0.37
12	Alliance Dental Care Limited	Investment in Equity	-	-	103.65
		Receivables as at year end	(1.56)	0.60	2.56
		Corporates Guarantees executed	-	-	475.00
13	Apollo Rajshree Hospitals Private Limited	Investment in Equity	327.36	343.85	346.45
		Receivables as at year end	61.38	33.40	21.17
		Revenue from operations during the year	77.37	-	-
		Reimbursement of expense during the year	1.47	0.63	-
14	Apollo Sugar Clinics Limited	Revenue from operations during the year	4.96	-	-
		Reimbursement of expense during the year	15.91	-	-
		Payable as at year end	3.13	1.54	1.23

S.No	Name of the Related Parties	Nature of Transaction	31- Mar- 17	31-Mar- 16	01- Apr-15
15	Apollo Hospitals International Limited	Investment in Equity	405.42	405.42	355.42
		Investment in Preference Shares	110.40	110.40	110.40
		Receivable as at year end	61.29	45.35	52.95
		Revenue from operations during the year	0.78	1.04	-
		Reimbursement of expense during the year	47.92	0.15	-
16	Total Health	Investment in equity	5.00	5.00	5.00
		Revenue from operations during the year	0.13	-	-
		Contributions for CSR during the year	24.53	8.34	-
17	Apollo Gleneagles Hospitals Limited	Investment in Equity	393.12	393.12	393.12
		Advertisement expense	-	182.61	-
		Revenue from operations during the year	210.21	1,181.92	-
		Reimbursement of expense during the year	103.65	77.76	-
		Receivable as at year end	523.03	443.43	419.27
18	Apollo Gleneagles PET-CT Private Limited	Investment in Equity	85.00	85.00	85.00
		Payables as at year end	(6.08)	0.22	6.53
		Revenue from operations during the year	3.26	4.22	-
		Deposits refundable as at year end	18.81	20.54	20.84
		Reimbursement of expense during the year	0.03	8.74	-
19	Western Hospitals Corporation Pvt Ltd	Investment in equity	153.66	153.66	153.66
		Interest paid during the year	15.91	6.49	-
		Loan Received	155.49	160.00	0.91
		Payable as the year end	10.42	3.78	-
20	Apollo Munich Health Insurance Company Limited	Investment in Equity	357.09	357.09	357.09
		Revenue from operations	69.69	114.21	-
		Group mediclaim expense incurred	64.77	7.20	-
		Receivable as at year end	4.98	0.89	-
21	Apollo Lavasa Health Corporation Limited	Investment in equity	312.21	312.20	150.00
		Revenue from operations	-	0.02	-
		Receivable as at year end	4.35	4.35	4.56
22	Family Health Plan (TPA) Limited	Investment in Equity	4.90	4.90	4.90
		Revenue from operations during the year	417.70	255.26	-
		Receivables as at year end	151.17	38.77	29.98
23	Indraprastha Medical Corporation Limited	Investment in Equity	393.72	393.72	393.72
		Receivables as at year end	451.73	401.65	400.39
		Dividend received	36.35	36.34	-
		Reimbursement of expense during the year	77.17	-	-
		Revenue from operations during the year	157.44	240.02	-
24	Stemcyte India Therapautics Private Limited	Investment in Equity	80.00	80.00	80.00
25	Dr. Prathap C Reddy	Remuneration Paid	108.22	136.19	-
26	Smt. Preetha Reddy	Remuneration Paid	42.04	48.20	-
27	Smt. Suneeta Reddy	Remuneration Paid	42.04	48.20	-
28	Smt. Sangita Reddy	Remuneration Paid	41.43	46.99	-
29	Smt. Shobana Kamineni	Remuneration Paid	42.64	49.66	-
30	Apollo Sindoori Hotels Limited	Food and Beverage expense Incurred during the year	727.01	494.94	-
		Reimbursement of expense during the year	1.63	-	-
		Revenue from operations during the year	0.58	-	-
		Payables as at year end	16.18	(35.22)	23.50
31	Faber Sindoori Management Services Private Limited	Outsourcing expense of house keeping incurred during the year	660.70	567.98	-
		Reimbursement of expense during the year	1.42	-	-
		Payables as at year end	92.00	28.82	98.60
32	Lifetime Wellness Rx International Limited	Outsourcing expense incurred during the year	7.85	-	-
		Revenue from operations during the year	11.75	14.87	-
		Receivable as at year end	17.63	13.68	6.58
33	P Obul Reddy & Sons	Receivable as at year end	1.50	12.62	15.83
		Purchase of furniture	23.03	52.06	-
34	Keimed Private Limited	Payables at the year end	103.17	92.53	61.57
		Purchases during the year	3,816.01	5,146.98	-
35	Medvarsity Online Limited	Transactions during the year	-	2.51	-
		Reimbursement of expense during the year	7.89	-	-
		Revenue from operations during the year	1.11	2.10	-
		Receivable as at year end	1.02	3.30	2.60

S.No	Name of the Related Parties	Nature of Transaction	31- Mar- 17	31-Mar- 16	01- Apr-15
36	Apollo Mumbai Hospital Limited	Receivables as at year end	-	-	2.69
37	Kurnool Hospitals Enterprise Limited	Investment in Equity	1.73	1.73	1.73
		Revenue from operations during the year	2.95	3.84	-
		Receivables as at year end	8.56	5.90	-
38	AMG Health Care Destination Private Limited	Investment in Equity	12.33	12.33	12.33
39	Future Parking Private Limited	Investment in Equity	24.01	24.01	24.01
		Investment in Preference Shares	210.00	210.00	-
		Receivables as at year end	163.72	162.23	-
		Lease deposit	94.06	79.47	-
		Rent expense incurrred during the year	29.84	-	-
		Reimbursement of expense during the year	23.92	163.86	-
40	Apollo Hospital Educational Trust	Rent expense incurrred during the year	33.13	23.15	-
		Reimbursement of expense during the year	14.57	6.98	-
		Revenue from operations during the year	2.79	-	-
		Receivables as at year end	224.80	288.25	337.85
41	Apollo Hospitals Educational & Research Foundation	Reimbursement of expense during the year	24.13	12.30	-
		Receivables as at year end	157.60	155.17	149.93
42	Sapien Biosciences Private Ltd	Investment in equity	0.10	0.10	0.40
		Investment in Preference Shares	26.00	20.00	20.00
		Loan given	-	9.00	-
		Interest Received	-	0.74	-
		Receivable as at year end	1.61	0.58	-
43	Palepu Pharma Private Ltd	Payables as at year end	12.96	90.29	48.78
		Store purchases during the year	1.93	-	-
		Medicine purchases during the year	3,950.23	3,329.95	-
44	Medihauxe International Private Limited	Payables as at year end	46.44	20.26	-
		Store purchases during the year	0.09	-	-
		Medicine purchases during the year	465.68	430.91	-

S.No	Name of the Related Parties	Nature of Transaction	31- Mar- 17	31-Mar- 16	01- Apr-15
45	Vardhman Pharma Distributors Private Limited	Payables as at year end	19.62	36.81	27.74
		Medicine purchases during the year	508.59	731.03	-
46	Focus Medisales Private Limited	Payables as at year end	27.99	21.90	15.41
		Medicine purchases during the year	521.76	460.49	-
47	Srinivasa Medisales Private Limited	Payables as at year end	92.02	27.76	21.26
		Medicine purchases during the year	1,052.79	588.15	-
48	Meher Distributors Private Limited	Payables as at year end	19.41	15.44	11.77
		Medicine purchases during the year	456.33	402.22	-
49	Lucky Pharmaceuticals Private Limited	Payables as at year end	36.86	44.17	41.35
		Medicine purchases during the year	1,035.88	931.61	-
50	Neelkanth Drugs Private Ltd	Payables as at year end	90.33	74.32	47.18
		Medicine purchases during the year	1,417.74	1,110.79	-
51	Dhruvi Pharma Private Ltd	Payables as at year end	29.84	16.48	18.90
		Medicine purchases during the year	450.72	330.47	-
52	Apokos Rehab Private Limited	Investment in equity	84.75	57.50	57.50
		Revenue from operations during the year	1.36	0.12	-
		Reimbursement of expense during the year	3.55	0.02	-
		Receivable as at year end	0.74	0.64	-
53	Apollo Hospitals Singapore Pte Ltd	Receivables as at year end	0.08	-	-
		Investment in equity	1.46	1.46	-
54	Shri Habibullah Badsha	Remuneration paid	1.65	1.50	
55	Shri Sanjay Nayar	Remuneration paid	1.50	1.40	
56	Shri Vinayak Chatterjee	Remuneration paid	1.50	1.50	
57	Shri Rafeeque Ahamed	Remuneration paid	1.50	1.45	
58	Shri N.Vaghul	Remuneration paid	1.70	1.55	
59	Shri Deepak Vaidya	Remuneration paid	1.85	1.80	
60	Shri Rajkumar Menon	Remuneration paid	2.05	1.95	
61	Shri G. Venkataraman	Remuneration paid	1.80	1.80	
62	Apollo Dialysis Pvt Ltd	Investment in Equity	-	-	0.05
		Receivables as at year end	3.21	(0.45)	-

S.No	Name of the Related Parties	Nature of Transaction	31- Mar- 17	31-Mar- 16	01- Apr-15
63	Apollo Speciality Hospitals Private Limited	Revenue from operations during the year	3.63	0.63	
		Payables as at year end	29.55	-	0.01
64	Apollo Tele Health Services Private Ltd	Reimbursement of expense during the year	6.45	4.86	
		Consultancy fee to doctors	6.40	6.57	
		Receivables as at year end	6.81	(0.15)	0.54

42 Foreign Currency Transactions

42.1 Expenditure in Foreign Currency

(₹ in million)

Particulars	31- Mar-17	31-Mar-16
a. CIF Value of Imports		
Machinery and Equipment	809.14	984.89
Stores and Spares	9.62	63.78
Other Consumables	56.62	9.84
b. Expenditure		
Travelling Expenses	74.89	82.20
Professional Charges	12.06	8.94
Royalty	1.09	-
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
Non-Residents shareholders to whom remittance was made (Nos.)	-	174
Shares held by non-resident share-holders on which dividend was paid.	-	0.74

42.2 Earnings in Foreign Currency

(₹ in million)

	31- Mar-17	31-Mar-16
Hospital Fees	900.12	955.25
Project Consultancy Services	18.05	17.34
Pharmacy Sales	4.22	1.31

43 Disclosure on Specified Bank Notes

(Amount in ₹)

Particulars	SBN- Old ₹500 and ₹1,000 notes	Other denomination notes-other Curriencies
Closing Balance cash in hand as on 8.11.2016	185,230,500	13,609,231
Add : Permitted Receipts	2,291,166,321	1,753,833,411
Less : Permitted Payments	2,654,000	236,034,069
Less : Amount deposited in Banks	2,473,742,821	1,380,559,841
Closing cash in hand as on 30.12.2016	-	150,848,733

44 First-time Ind AS adoption reconciliations

44.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015

(₹ in million)

Particulars	As at 31-Mar-16			As at 01-Apr-15		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current assets						
Property, Plant and Equipment	28,241.08	1,270.33	29,511.41	24,138.59	1,068.83	25,207.42
Capital work-in-progress	5,790.99	(428.58)	5,362.41	5,121.59	(428.57)	4,693.02
Goodwill	981.93	(35.33)	946.60	2.75	-	2.75
Other Intangible assets	93.24	56.09	149.33	134.11	-	134.11
Financial Assets						
(i) Investments	8,424.49	(470.04)	7,954.45	5,988.59	(49.89)	5,938.70
(ii) Loans	645.75	-	645.75	870.15	-	870.15
(iii) Other financial assets	2,174.80	331.35	2,506.15	1,975.58	641.09	2,616.67
Income tax Assets	3,277.32	-	3,277.32	2,360.87	-	2,360.87
Other non-current assets	926.23	-	926.23	644.03	-	644.03
Total Non - Current Assets	**50,555.82**	**723.84**	**51,279.65**	**41,236.26**	**1,231.46**	**42,467.72**
Current assets		-			-	
Inventories	4,221.53	(407.32)	3,814.21	3,325.04	(286.84)	3,038.20
Financial assets		-			-	
(i) Investments	673.21	144.10	817.31	1,141.62	26.66	1,168.28
(ii) Trade receivables	6,151.09	(690.28)	5,460.81	5,495.46	(548.07)	4,947.39
(iii) Cash and cash equivalents	2,349.61	-	2,349.61	2,285.22	-	2,285.22
(iv) Bank balances other than (iii) above	207.96	-	207.96	207.05	-	207.05

Particulars	As at 31-Mar-16			As at 01-Apr-15		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(v) Other financial assets	2,935.79	0.45	2,936.24	3,924.43	0.42	3,924.85
Other current assets	1,289.23	221.69	1,510.92	584.51	209.75	794.26
Assets classified as held for sale		-			-	
Total current assets	**17,828.43**	**(731.35)**	**17,097.07**	**16,963.33**	**(598.08)**	**16,365.25**
Total Assets	**68,384.25**	**(7.51)**	**68,376.72**	**58,199.59**	**633.38**	**58,832.97**
Equity						
Equity Share capital	695.63	-	695.63	695.63	-	695.63
Other equity	33,605.68	(1,145.94)	32,459.74	30,915.08	270.58	31,185.66
Total Equity (Shareholders funds under previous GAAP)	34,301.31	(1,145.94)	33,155.37	31,610.71	270.58	31,881.29
Non-current liabilities		-			-	
Financial Liabilities		-			-	
(i) Borrowings	19,489.50	543.88	20,033.38	14,608.02	693.81	15,301.83
(ii) Other financial liabilities	28.89	18.22	47.11	1.47	87.36	88.83
Deferred tax liabilities (Net)	4,769.13	482.44	5,251.57	4,019.46	478.18	4,497.64
Total Non - Current Liabilities	24,287.52	1,044.54	25,332.06	18,628.95	1,259.35	19,888.30
Current Liabilities						
Financial Liabilities						
(i) Borrowings	1,530.14	-	1,530.14	557.81	-	557.81
(ii) Trade payables	4,012.80	-	4,012.80	3,201.00	-	3,201.00
(iii) Other financial liabilities	2,231.10	(25.27)	2,205.83	1,890.30	(29.48)	1,860.82
Provisions	531.73	59.92	591.65	1,304.37	(963.76)	340.61
Current Tax Liabilities (Net)	-	-	-	-		-
Other current liabilities	1,489.69	59.18	1,548.87	1,006.45	96.69	1,103.14
Total Current Liabilities	9,795.46	93.83	9,889.29	7,959.93	(896.55)	7,063.38
Total Liabilities	**68,384.29**	**(7.56)**	**68,376.72**	**58,199.59**	**633.37**	**58,832.97**

44.2 Reconciliation of Total Other Equity as at March 31, 2016 and April 1, 2015

(₹ in million)

Particulars	Note	31-Mar-16	1-Apr-15
Total equity (shareholders' funds) under previous GAAP		**33,605.68**	**30,915.08**
Fair Value of Financial Asset & Liabilities	a)	124.15	18.20
Fair Value of Property, Plant & Equipment	b)	297.91	196.16
Treatment of Proposed Dividend	c)	-	963.76
Treatment of Lease Deposit	d)	(10.78)	(10.78)
Treatment of Composite Lease	e)	(284.56)	(284.56)
Treatment of Customer Loyalty Points	f)	(64.07)	(64.07)
Expected Credit Loss provision on receivables	g)	(690.26)	(548.13)
Treatment of gains recognised under Common Control Trasaction	h)	(467.72)	-
Others	i)	(45.98)	-
Deferred Tax Impact	j)	(4.63)	-
Total adjustment to equity		(1,145.94)	270.58
Total Equity under Ind AS		**32,459.74**	**31,185.66**

44.3 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2016.

(₹ in million)

Particulars	31-Mar-16		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations	54,090.71	1,792.51	55,883.22
Other Income	688.93	(361.75)	327.18
Total Income	**54,779.64**	**1,430.76**	**56,210.40**
Expenses			
Cost of materials consumed	11,110.34	(125.46)	10,984.88
Purchases of Stock-in-trade	18,442.17	(0.07)	18,442.10
Changes in stock of finished goods, work-in-progress and stock-in-trade	(776.06)	-	(776.06)
Employee benefit expense	8,455.15	(97.86)	8,357.29
Finance costs	1,335.79	-	1,335.79
Depreciation and amortisation expense	1,981.29	23.71	2,005.00
Other expenses	9,452.93	1,980.71	11,433.64
Total Expenses	**50,001.61**	**1,781.02**	**51,782.64**
Exceptional Items	256.78	-	256.78
Profit/(loss) before tax	**4,521.25**	**(350.27)**	**4,170.98**
Tax expense			
Current tax	77.20	902.01	979.21
Deferred tax	749.66	(897.38)	(147.72)
Profit for the period from continuing operations	**3,694.39**	**(354.90)**	**3,339.49**
Other Comprehensive Income			

Particulars	31-Mar-16		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liabilities / (asset)	-	(97.86)	(97.86)
Total comprehensive income for the period	-	(97.86)	(97.86)
Total comprehensive income for the period	**3,694.39**	**(452.76)**	**3,241.63**

44.4 Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

(₹ in million)

Particulars	Note	31-Mar-16
Profit as per previous GAAP		3,694.39
Adjustments:		
Fair Value of Financial Asset & Liabilities	a)	106.04
Treatment of gains recognised under Common Control Transaction	h)	(467.72)
Actuarial loss on defined benefit obligation recognised through OCI	k)	97.86
Depreciation and amortisation expense	b)	101.75
Expected Credit Loss provision on receivables	g)	(142.23)
Others	i)	(45.97)
Deferred Tax Impact	j)	(4.63)
Total effect of transition to Ind AS		(354.90)
Profit for the year as per Ind AS		3,339.49
Other comprehensive for the year (net of tax)		(97.86)
Total comprehensive income under Ind AS		3,241.63

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

a) Under previous GAAP, Financials Assets or Financial Liabilities were measured at cost. On the date of transition to Ind AS, these financial assets or Financial Liabilities have been measured at their fair value, resulting in an net increase in the carrying amount. Financial Assets includes Investments which were carried at cost under previous GAAP. As per Ind AS, these investments are carried at Fair Value through the Statement of Profit and Loss or at amortised cost.

b) Under previous GAAP, the Fixed Assets were measured at cost. As per Ind AS, the company fair valued its Buildings, Medical Equipment and Furnitures resulting in increase in the carrying value of the Property Plant and Equipment.

c) Under previous GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as liability. Under Ind AS, such dividends are recognised as Liability when approved by the members in a general meeting.

d) Under previous GAAP lease deposits were carried at transaction value. Whereas under Ind AS deposits lease deposits are discounted for the non-cancellable period in a lease exceeding one year at an incremental borrowing rate.

e) As part of the Ind AS assessment, building leased to Apollo Hospitals Education Research Foundation being a part of composite lease is treated as finance lease under Ind AS , whereas under previous GAAP, it was treated as an operating Lease.

f) Under Previous GAAP, on redemption of loyalty points by the customer, expense were recognised . Ind AS requires that based on award credits or loyalty points that are expected to be redeemed by customers against future goods/services, revenue be deferred based on a trend of redemption of such point.

g) Ind AS prescribes the use of a provision matrix for expected credit loss (ECL based on past trend). Following an assessment of past settlement trends, the company has determined a fixed % of the receivables to be provided.

h) The sale of equity stake in Alliance Dental Care Limited and Alliance Medical Corp (I) Limited to Apollo Health and Lifestyle Limited is a Common Control Transactions. Since Apollo Health and Lifestyle Limited is a group company, the gain on sale of share is eliminated because of it being a common control transactions.

i) This includes the Interest income on Lease deposit, Rent on lease deposits, Deferred Income on Loyalty points and Rental income on finance lease. This adjustment is made as per previously explained Ind AS Adjustments.

j) This includes the Deferred Tax Adjustments recognised for above GAAP Adjustments.

k) Ind AS prescribes that the Actuarial gain or loss on Gratuity and leave encashment should be recognised in Other Comprehensive Income as remeasurements of the defined benefit liabilities / (assets) under items that will not be reclassified to statement of Profit and Loss.

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 : 30th May 2017

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

Cash Flow Statement
for the year ended 31st March 2017

(₹ in million)

		31-Mar-17		31-Mar-16	
A	**Cash Flow from operating activities**				
	Net profit before tax and extraordinary items		**3,589.19**		**4,170.98**
	Adjustment for:				
	Depreciation & Amortization	2,405.86		2,005.00	
	Loss on sale of Investment	(18.63)		-	
	Loss on sale of asset	45.90		33.86	
	Interest paid	2,003.88		1,335.79	
	Foreign Exchange gain / loss	4.77		27.08	
	Interest received	(159.11)		(192.38)	
	Dividend received	(44.11)		(45.28)	
	Provision for bad debts	41.22		146.78	
	Consumption of surgical instruments	-		(125.46)	
	Bad debts written off	146.64	4,426.42	200.18	3,385.57
	Operating profit before working capital changes		8,015.61		7,556.55
	Adjustment for:				
	Trade or other receivables	(1,340.06)		(838.64)	
	Inventories	(610.83)		(896.49)	
	Trade payables	(511.53)		811.79	
	Others	1,754.62	(707.80)	982.67	59.33
	Cash generated from operations		**7,307.81**		**7,615.88**
	Foreign Exchange gain / loss		(4.77)		(27.07)
	Taxes paid		(1,067.90)		(1,326.44)
	Cash flow before extraordinary items		6,235.14		6,262.37
	Net cash from operating activities		6,235.14		6,262.37
B	**Cash flow from Investing activities**				
	Purchase of fixed assets		(6,423.92)		(7,725.33)
	Purchase of investments		(1,974.15)		(2,819.39)
	Sale of investments		18.63		1,207.33
	Interest received		159.11		192.38
	Dividend received		44.11		45.28
	Net cash used in Investing activities		(8,176.22)		(9,099.73)
C	**Cash flow from financing activities**				
	Proceeds from long term borrowings		6,099.25		7,180.84
	Proceeds from short term borrowings		339.05		1,410.00
	Repayment of finance/lease liabilities		(2,322.84)		(2,737.05)
	Interest paid		(2,003.88)		(1,335.79)
	Dividend paid		-		(1,615.35)
	Net cash from financing activities		**2,111.58**		**2,902.65**

(₹ in million)

	31-Mar-17		31-Mar-16
Net increase in cash and cash equivalents (A+B+C)		170.50	65.29
Opening Cash and cash equivalents		2,557.57	2,492.28
Closing Cash and cash equivalents		2,728.07	2,557.57
Component of Cash and cash equivqlents			
Cash on Hand		110.25	144.02
Balance with Banks:-			
1) Available with the company for day to day operations		2,585.85	2,364.22
2) Amount available in unclaimed dividend and unclaimed deposit payment accounts.		31.98	49.33

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 : 30th May 2017

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 Financial Performance at a Glance (Standalone)

(₹ in million)

Financial Highlights for the year ended	Ind AS		I GAAP							
	31st Mar 2017	31st Mar 2016	31st Mar 2015	31st Mar 2014	31st Mar 2013	31st Mar 2012	31st Mar 2011	31st Mar 2010	31st Mar 2009	31st Mar 2008
Balance Sheet										
Sources										
Share Capital	695.63	695.63	695.63	695.63	695.63	672.33	623.55	617.85	602.35	586.85
Preferential issue of equity share warrants	-	-	-	-	-	387.05	685.07	-	-	-
Reserves and Surplus	35,094.51	32,459.74	30,915.08	28,951.61	26,580.34	22,463.28	16,413.02	14,799.93	13,106.20	11,793.51
Networth	35,790.14	33155.37	31,610.71	29,647.24	27,275.97	23,522.66	17,721.64	15,417.78	13,708.55	12,380.36
Loans (including long term liabilities and provisions)	26,567.68	20,080.49	14,609.49	10,079.98	8,825.42	6,921.47	7,689.40	6,899.86	4,494.82	3,056.35
Deferred Tax Liability	5,990.81	5,251.57	4,019.46	3,288.58	2,394.11	1,700.85	1,071.06	751.45	626.56	589.7
Applications										
Gross Block (incl. Goowill & CWIP)	46,293.58	39,923.22	37,139.45	31,438.71	26,427.74	21,196.95	17,968.91	15,289.23	11,779.31	8,300.10
Accumulated Depreciation	6,351.71	3,953.47	7,742.41	6,742.13	5,785.31	4,827.51	3,987.44	3,314.74	2,779.92	2,348.32
Net Block	39,941.87	35,969.75	29,397.04	24,696.58	20,642.43	16,369.44	13,984.47	11,974.49	8,999.39	5,951.78
Investments	10,745.90	8,771.76	7,130.21	6,900.27	8,960.35	7,641.18	6,241.12	4,897.88	6,292.80	7,060.10
Long Term Loans and Advances	8,056.75	7,352.45	5,850.63	4,876.08	3,227.58	5,103.33	4,521.44	1,859.70	1,426.06	1,077.59
Current Assets, Loans & Advances										
Inventory	4,425.04	3,814.21	3,325.04	2,649.74	2,053.88	1,827.09	1,505.21	1,343.43	1,088.42	790.89
Debtors	6,613.02	5,460.81	5,495.45	4,684.51	4,266.09	3,537.70	2,696.43	2,055.34	1,607.35	1,261.59
Cash & Bank Balances	2,728.07	2,557.57	2,492.28	2,088.98	2,554.66	1,869.55	1,414.40	2,855.58	646.16	1,045.57
Loans & Advances	3,238.19	4,447.17	4,508.94	2,669.73	1,838.90	1,234.94	1,193.53	1,260.19	797.36	664.53
(A)	17,004.32	16,279.76	15,821.71	12,092.96	10,713.53	8,469.28	6,809.37	7,514.54	4,139.29	3,762.58
Current Liabilities & Provisions										
Creditors	3,501.26	4,012.80	3,201.00	2,487.23	1,763.42	1,709.36	1,794.01	1,781.07	750.05	725.74
Other Liabilities	3,252.35	5,284.84	3,454.56	1,746.51	2,130.62	2,955.67	2,593.45	839.95	776.96	677.2
Provisions	646.60	591.65	1,304.37	1,316.35	1,154.35	773.22	684.04	556.50	500.60	422.70
(B)	7,279.78	8,406.26	7,959.93	5,550.09	5,048.39	5,438.25	5,071.50	3,177.52	2,027.61	1,825.64
Net Current Assets (A - B)	9,724.54	7,873.50	7,861.78	6,542.87	5,665.14	3,031.03	1,738.07	4,337.02	2,111.68	1,936.94
Miscellaneous Expenditure	-	-		-	-	-	-	0.12	0.45	3.07
Key Indicators										
O P M %	12.37	13.82	15.60	16.38	17.46	17.41	16.93	16.90	16.38	17.54
N P M %	4.41	5.94	7.47	8.51	9.23	8.17	7.72	8.18	7.98	8.85

TEN years Financial Performance at a Glance (Standalone)

(₹ in million)

Financial Highlights for the year ended	Ind AS		I GAAP							
	31st Mar 2017	31st Mar 2016	31st Mar 2015	31st Mar 2014	31st Mar 2013	31st Mar 2012	31st Mar 2011	31st Mar 2010	31st Mar 2009	31st Mar 2008
Collection Growth %	15.06	21.19	19.41	15.98	18.42	20.36	26.61	25.56	28.72	27.85
OP Growth (%)	2.97	7.40	13.67	8.85	18.76	24.6	30.16	29.72	20.27	14.15
Earnings Per Share (₹) (Basic)	20.50	24.00	24.91	23.77	22.43	17.72	14.66	12.31	19.8	18.61
Capital Employed	64,123.90	56,693.10	48,421.10	40,442.90	36,954.47	29,693.24	25,131.74	22,317.52	18,202.93	15,433.65
Book value per Share	257.25	238.31	227.24	220	196	172.05	136.61	249.54	226.3	208.48
ROI (PBIT/AV.CE) %	9.30	10.50	12.39	13.1	14.42	14.63	13.83	12.83	11.33	13.52
RONW %	7.97	10.07	11.32	11.62	12.17	11.2	10.97	10.43	9.09	10.22
Employee Cost to Collections %	14.56	14.87	15.54	15.71	15.66	15.15	15.18	15.40	14.93	14.65
Debt/Equity Ratio	0.77	0.71	0.52	0.35	0.35	0.29	0.43	0.44	0.33	0.25

Profit & Loss Account	Ind AS #				I GAAP													
	31st Mar 2017	%	31st Mar 2016	%	31st Mar 2015	%	31st Mar 2014	%	31st Mar 2013	%	31st Mar 2012	%	31st Mar 2011	%	31st Mar 2010	%	31st Mar 2009	%	31st Mar 2008	%
Income	64,676.56		56,210.40		46,380.62		38,840.00		33,488.18		28,279.20		23,495.65		18,587.45		14,803.50		11,500.66	
Operative Expenses	33,604.92	51.96	28,650.92	50.97	24,239.55	52.26	20,018.93	51.54	17,198.23	51.36	14,554.76	61.95	12,275.73	52.25	9,944.64	53.5	8,096.51	54.69	6,207.33	53.97
Salaries and Wages	9,417.79	14.56	8,357.29	14.87	7,209.58	15.54	6,102.23	15.71	5,243.99	15.66	4,285.07	18.24	3,572.00	15.2	2,863.80	15.41	2,210.51	14.93	1,684.82	14.65
Administrative Expenses	13,654.92	21.11	11,433.64	20.34	7,698.03	16.6	6,356.58	16.37	5,200.16	15.53	4,516.91	19.22	3,697.38	15.74	2,633.37	14.17	2,065.74	13.95	1,582.37	13.76
Operating Profit	7,998.93	12.37	7,768.55	13.82	7,233.46	15.6	6,363.14	16.38	5,845.80	17.46	4,922.46	20.95	3,950.54	16.81	3,145.63	16.92	2,424.94	16.38	2,017.41	17.54
Financial Expenses	2,003.88	3.10	1,335.79	2.38	832.88	1.8	870.68	2.24	726.25	2.17	636.03	2.71	551.45	2.35	377.47	2.03	223.16	1.51	198.98	1.73
Depreciation	2,405.86	3.72	2,005.00	3.57	1,580.41	3.41	1,290.78	3.32	1,085.20	3.24	911.28	3.88	705.85	3	543.06	2.92	439.2	2.97	367.46	3.19
Exceptional /																				
Extraordinary Items	-		256.78	0.46	146.88	0.32	-	-	45.45	-	-	-	-	-	-	-	40.19	0.27	-	-
PBT	3,589.19	5.55	4,170.98	7.42	4,673.29	10.08	4,201.68	10.82	4,079.80	12.18	3,375.15	14.36	2,693.24	11.46	2,221.65	11.95	1,722.39	11.63	1,450.98	12.62
Tax - Current	756.58	1.17	979.21	1.74	476.46	1.03	0		295.45	0.88	435.46	1.85	556.45	2.37	577.12	3.1	479.79	3.24	381.12	3.31
Previous			-		-		-	-		-	-	-	-	-	-	-	-	-	13.27	0.12
Deferred	-18.85	-0.03	-147.72	-0.26	730.88	1.58	894.48	2.3	693.26	2.07	629.79	2.68	319.61	1.36	124.89	0.67	36.86	0.25	19.06	0.17
Fringe Benefit Tax			-		-		-										25.04	0.17	20.07	0.17
PAT	2,851.46	4.41	3,339.49	5.94	3,465.95	7.47	3,307.20	8.51	3,091.09	9.23	2,309.90	9.83	1,817.18	7.73	1,519.63	8.18	1,180.69	7.97	1,017.45	8.85
Dividend			1,967.55		799.97		799.97		765.19		537.87		467.67		432.49		401.6		352.11	

Form AOC-1

Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures

(₹ in Million)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Sl. No	Name of the subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (Excluding Capital & Reserves	Investments	Turn over	Profit before taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of share holding
1	2	3	4	5	6	7	8	9	10	11	12	13	
1	Apollo Home Health Care (I) Limited	INR	298.23	50.53	348.96	0.20	309.91	0.01	(3.33)	(3.34)	0.01	-	100.00
2	AB Medical Centers Limited	INR	16.80	41.22	59.21	1.19	-	6.76	6.32	1.52	4.80	-	100.00
3	Apollo Health and Lifestyle Limited	INR	1,096.13	1,832.75	6,494.80	3,565.92	5.08	3,899.13	(1,422.75)	(4.71)	(1,418.04)	-	68.64
4	Samudra Healthcare Enterprise Limited	INR	125.00	35.27	358.57	198.30	-	309.16	(32.38)	0.41	(31.96)	-	100.00
5	Western Hospitals Corporation Pvt Limited	INR	180.00	4.11	189.70	5.59	-	17.31	16.71	5.53	11.18	-	100.00
6	Total Health	INR	5.00	34.80	44.09	4.29	-	30.01	11.19	-	11.19	-	100.00
7	Apollo Healthcare Technology Solutions Limited	INR	0.50	(8.43)	1,050.09	1,058.02	-	-	(0.60)		(0.60)	-	40.00
8	Apollo Hospital (UK) Limited	INR	0.35	(4.63)	(4.63)	-	-	-	(0.59)	-	(0.59)	-	100.00
		GBP	0.01	(0.07)	(0.07)	-	-	-	(0.01)	-	(0.01)	-	
9	Apollo Hospitals Singapore Pte Limited	INR	1.39	(1.50)	0.19	0.30	-	-	(0.49)	-	(0.49)	-	100.00
		SGD	0.03	(0.02)	0.00	-	-	-	-	-	-	-	
10	Imperial Hospital & Research Centre Limited	INR	299.45	270.05	2,327.27	1,757.77	0.50	2,111.93	174.66	92.63	82.03	-	90.00
11	Apollo Nellore Hospital Limited	INR	13.97	(2.42)	20.23	8.68	-	7.80	7.71	1.81	5.90	-	79.44
12	Apollo Rajshree Hospitals Pvt Limited	INR	196.87	(124.30)	480.82	408.25	-	355.03	(56.99)	3.78	(60.77)	-	54.63
13	Sapien Bio-Sciences Pvt Limited	INR	26.14	(33.20)	7.61	14.67	-	10.55	(3.25)	(0.03)	(3.22)	-	70.00
14	Apollo Lavasa Health Corporation Limited	INR	12.79	545.42	775.94	217.73	-	7.03	(39.06)		(39.06)	-	51.00
15	Apollo Home Health Care Limited	INR	88.88	(200.47)	37.66	149.25		190.98	(104.83)	0.10	(104.93)	-	80.87
16	Assam Hospitals Limited	INR	84.29	802.25	1,080.83	194.29	130.08	1,109.78	76.82	25.48	51.34	-	59.08
17	Future Parking Pvt Limited	INR	49.00	(42.61)	383.31	376.91	0.65	41.95	(26.64)	0.89	(27.53)	-	49.00
18	Apollo Hospitals International Limited	INR	856.03	(74.72)	1,939.27	1,157.96	-	1,729.39	36.25	48.64	(12.34)	-	50.00
19	Alliance Dental Care Limited **	INR	37.82	112.43	409.59	259.34	-	335.22	(75.71)	0.20	(75.90)	-	70.00
20	Apollo Dialysis Private Limited **	INR	37.04	(3.04)	60.15	26.15	-	55.12	(4.85)	(4.42)	-	-	70.00
21	Apollo Sugar Clinics Limited **	INR	36.68	394.15	497.09	66.26	197.30	173.77	(107.55)	-	(107.55)	-	80.00
22	Apollo Speciatily Hospital Pvt Limited **	INR	2.52	2,387.64	4,236.59	1,846.43	-	1,812.52	(1,138.63)	-	(1,138.63)	-	99.92

** 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 rates: GBP - ₹80.87, SGD - ₹46.39

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - Apollo Hospital (UK) Limited and Apollo Hospitals Singapore PTE Limited
2. Names of subsidiaries which have been liquidated or sold during the year - NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl.No.	Name of Associates/ Joint Ventures	Latest Audited Balance Sheet Date	No. of Shares of associate or joint venture held by the company as at the year end	Amount of Investment in Associates /Joint Venture (₹ in million) (Cost)	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	31.03.2017	1,960,000	19.60	49.00	Ref Note.1	-	332.07	170.16	83.38	
2	Indraprastha Medical Corporation Limited	31.03.2017	20,190,740	393.72	22.03	Ref Note.1	-	508.51	269.39	59.35	-
3	Stemcyte Therapautics India Pvt Limited	31.03.2017	240,196	80.00	24.50	Ref Note.1	-	(5.35)	(10.81)	(2.65)	-
4	Apollo Munich Health Insurance Company Limited	31.03.2017	35,709,000	357.09	10.00	Ref Note.1	-	429.00	1,362.93	136.29	-
	Joint Ventures										
5	Apollo Gleneagles Hospitals Limited	31.03.2017	54,675,697	393.13	50.00	Ref Note.1	-	1,167.24	322.78	161.39	-
6	Apollo Gleneagles PET-CT Pvt Limited	31.03.2017	8,500,000	85.00	50.00	Ref Note.1	-	51.13	(12.50)	(6.25)	-
7	Apkos Rehab Pvt. Limited	31.03.2017	8,475,000	84.75	50.00	Ref Note.1	-	68.04	(15.25)	(7.62)	-

Note:

1 There is a significant influence due to control over the board and % of shareholding.

2 The above statement also indicates performance and financial position of each JV/Associate.

3 Names of Associates or Joint Ventures which are yet to commence operations - Nil.

4 Names of Associates or Joint Ventures which have been liquidated or sold during the year - Nil.

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 : 30th May 2017

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 Auditors' Report

to the Members of Apollo Hospitals Enterprise Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of Apollo Hospitals Enterprise Limited (herein after referred to as "the Holding Company") and its subsidiaries (the Holding company and its Subsidiaries together referred to as "The Group") its associates and its jointly controlled entities, comprising the Consolidated Balance Sheet as at 31st March, 2017, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "The consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and consolidated change in equity of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the relevant rules issued there under.

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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 thereunder. We conducted our audit on comparative financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the Consolidated Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained by us and by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, referred to in the Other Matters paragraph below the aforesaid consolidated Ind AS 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 including Ind AS, of the Consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March,2017 and their consolidated profit and their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Emphasis of Matter

1. Attention is drawn to Note 43 to the consolidated financial statements. Our opinion is not modified in respect of these matters.

Other Matters

1. Financial statements of three subsidiaries as per Note 3.3 included in the Consolidated Financial results, reflect total assets of ₹1,911 million as on 31st March, 2017, as well as the total revenue of ₹1,396 million as at 31st March, 2017, and group's share of net profit of ₹136 million in respect of one associate, note 3.3 as at 31st March, 2017 have been audited by us.

2. We did not audit the financial statements/consolidated financial statements of 15 subsidiaries as per Note 3.3, included in the consolidated financial results, whose consolidated financial statements reflect total assets of ₹13,688 million as at 31st March, 2017 as well as the total revenue of ₹5,157 million as at 31st March, 2017 and Group's share of net profit of ₹148 million in respect of 3 joint ventures as per Note.3.3 and ₹143 million, in respect of 2 Associates as per Note.3.3 respectively whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities aforesaid, is based on the reports of the other auditors.

3. We did not audit the financial statements of one associate whose financial statements reflect the Group's share of loss of ₹3 million for the year ended 31st March, 2017 as considered in the consolidated financial statements. This financial statement is unaudited and has 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 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 opinion on the consolidated financial statements and our report on other legal and regulatory requirements below is not modified in respect of the above matters with respect to, 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, associates and jointly controlled entities in 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

1. As required by section 143(3) of the Companies Act, 2013, 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 Ind AS financial statements.

b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books and the report of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Cash Flow Statement and Consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified, read with Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors of the holding company as at 31st March 2017 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 entities incorporated in India, none of the directors of the Group companies is disqualified as at 31st March 2017 from being appointed as a director in terms of Sec.164(2) of the Act.

f) With respect to the adequacy of internal financial controls over financial reporting and the operating effectiveness of such controls refer to our report in annexure A which is based on the auditor's reports of the subsidiaries, associate companies and jointly controlled entities incorporated in India.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion, based on the corresponding report of the auditors of such company incorporated in India (among which one associate 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 Ind AS 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 40 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 during the year ended 31st March 2017.

(iv) The Holding Company has provided requisite disclosures in its consolidated Ind AS financial statements as to Holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O.3407(E) dated 8th November 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the holding company and the respective Group entities, as produced to us and based on the consideration of the reports of other auditors, refer to in the other matters paragraph above. Refer Note. 47 to the consolidated Ind AS financial statements.

For **S Viswanathan LLP**
Chartered Accountants
FRN: 004770S/S200025

V C Krishnan
Partner
Membership No: 022167

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

Place: Chennai
Date : 30th May 2017

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")

In conjunction with our audit of the consolidated financial statements of the company ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities as at 31st March,2017, we have audited the internal financial controls over financial reporting of the holding company, its subsidiary companies and jointly controlled entities 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 controls 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 of the Holding Company, its subsidiaries and jointly controlled entitiesbased 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 Consolidated Ind AS 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 Group's, and jointly controlled entities, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls 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 Consolidated Ind AS 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 Consolidated Ind AS 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 controls 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 Holding Company, its subsidiary companies and jointly controlled entities 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 31st March, 2017, 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 Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness on the internal financial controls over financial reporting so far as it relates to the subsidiaries, associates and joint ventures which are incorporated in India is based on the corresponding report of the auditors of such companies incorporated in India among which one associate is based on the management certified accounts.

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 : 30th May 2017

Consolidated Balance Sheet

as at March 31, 2017

All amounts are in ₹ in million

Particulars	Note	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	5	42,758.30	36,448.87	30,711.18
(b) Capital Work-in-Progress	6	3,467.34	5,615.58	4,668.53
(c) Goodwill on Consolidation		2,267.07	2,075.93	1,751.58
(d) Other Intangible Assets	5.1	1,475.11	1,449.37	502.60
(e) Financial Assets				
(i) Investments	7	3,020.04	2,706.51	2,983.58
(ii) Other Financial Assets	8	2,635.59	2,208.89	1,981.21
(f) Net Tax Assets	9	1,339.82	897.10	762.79
(g) Other Non-Current Assets	10	2,339.12	2,450.03	1,619.53
Total Non - Current Assets		**59,302.39**	**53,852.28**	**45,048.93**
Current assets				
(a) Inventories	11	4,668.67	4,061.33	3,230.31
(b) Financial Assets				
(i) Other Investments	7	1,126.39	817.32	1,525.53
(ii) Trade Receivables	12	7,482.42	6,093.66	5,223.75
(iii) Cash and Cash Equivalents	13	5,186.56	3,370.51	3,115.21
(iv) Bank Balances other than (iii) above	13	77.53	417.43	262.84
(v) Other Financial Assets	8	2,430.92	2,861.40	3,873.84
(c) Other Current Assets	10	890.55	2,124.08	860.07
Total Current Assets		**21,863.04**	**19,745.73**	**18,023.61**
Total Assets		**81,165.43**	**73,598.01**	**63,072.54**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Capital	14	695.63	695.63	695.63
(b) Share application money pending allotment		34.50	0.99	11.38
(c) Other Equity	15	**35,983.43**	**32,614.71**	**32,129.07**
Equity attributable to owners of the Company		**36,713.56**	**33,311.33**	**32,836.08**
Non-Controlling Interest	16	2,164.25	779.30	680.55
Total Equity		**38,877.81**	**34,090.63**	**33,516.63**
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	29,954.95	24,497.82	18,576.90
(ii) Other Financial Liabilities	18	212.02	303.85	127.18
(b) Provisions	19	53.51	32.72	42.84
(c) Deferred Tax Liabilities (Net)	20	2,268.61	2,174.67	2,218.02
Total Non - Current Liabilities		**32,489.09**	**27,009.06**	**20,964.58**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	532.24	1,829.34	732.34
(ii) Trade Payables	21	5,004.71	5,501.86	3,951.28
(iii) Other Financial Liabilities	18	1,116.99	2,473.27	2,029.11
(b) Provisions	19	749.00	705.54	380.87
(c) Other Current Liabilities	22	2,395.59	1,988.31	1,497.37
Total Current Liabilities		9,798.53	12,498.32	8,591.33
Total Liabilities		42,287.62	39,507.38	29,555.91
Total Equity and Liabilities		**81,165.43**	**73,598.01**	**63,072.54**
See accompanying notes to the financial statements	1-48			

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 : 30th May 2017

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 Statement of Profit and Loss

for the year ended 31st March 2017

All amounts are in ₹ in million except for Earnings Per Share information

	Particulars	Note	Year ended 31-Mar-17	Year ended 31-Mar-16
I	**Revenue from Operations**	23	72,549.06	62,146.54
II	**Other Income**	24	224.93	450.28
III	**Total Income**		**72,773.99**	**62,596.82**
IV	**Expenses**			
	Cost of materials consumed		13,627.40	12,564.64
	Purchases of Stock-in-trade		22,800.04	18,788.65
	Changes in Inventory of Stock-in-Trade		(473.40)	(805.87)
	Employee benefit expense	25	11,964.98	10,235.55
	Finance costs	26	2,573.50	1,800.24
	Depreciation and Amortisation Expense	27	3,140.39	2,638.34
	Other Expenses	28	17,344.20	14,485.78
	Total Expenses		**70,977.11**	**59,707.33**
V	**Share of profit / (loss) of associates/Joint Ventures***		423.89	272.39
VI	**Exceptional Items**		-	159.36
VII	**Profit/(Loss) before tax**		2,220.77	3,321.24
VIII	**Tax expense**			
	(1) Current tax	29	835.79	1,020.43
	(2) Deferred tax	20	838.12	853.10
	Less : MAT Credit Entitlement		(764.30)	(904.57)
	Net Deferred Tax Expenses		73.82	(51.47)
	Total Tax expenses		909.61	968.96
IX	**Profit/(loss) for the period**		1,311.16	2,352.28
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (assets)		(219.03)	(105.65)
XI	**Total other Comprehensive Income for the period**		(219.03)	(105.65)
XII	**Total Comprehensive Income for the period**		1,092.13	2,246.63
	* The share of profit from Associate inculdes Other Comprehensive Income of ₹49.32 million for FY 2016-17 (₹36.29 million FY 2015-16)			
	Profit for the year attributable to			
	Owners of the Company		2,209.91	2,363.80
	Non controlling interests		(898.75)	(11.52)
	Total Profit/(loss) for the period		**1,311.16**	**2,352.28**
	Other comprehensive income for the year attributable to			
	Owners of the Company		(219.03)	(105.65)
	Non controlling interests		-	-
	Other Comprehensive Income		**(219.03)**	**(105.65)**
	Total comprehensive income for the year attributable to			
	Owners of the Company		1,990.88	2,258.15
	Non controlling interests		(898.75)	(11.52)
	Total comprehensive income for the year		**1,092.13**	**2,246.63**
	Earnings per equity share			
	Basic (in ₹)	31.1	15.88	16.99
	Diluted (in ₹)	31.2	15.88	16.99

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 : 30th May 2017

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 Changes

Statement of Changes in Equity for the year ended March 31, 2017

a. Equity share capital (₹ in million)

Balance at April 1, 2015	**695.63**
Changes in equity share capital during the year	-
Balance at March 31, 2016	**695.63**
Changes in equity share capital during the year	-
Balance at March 31, 2017	**695.63**

b. Other Equity

(₹ in million)

PARTICULARS	General Reserves	Retained Earnings	Capital reserve	Securities Premium	Share Options Outstanding Account	Other Comprehen-sive Income	Reserve for equity instruments through other comprehensive income	Other Reserve	Total
Balance at April 1, 2015	**9,252.32**	**3,474.95**	**(661.16)**	**19,319.68**	**1.26**	**-**	**-**	**742.02**	**32,129.07**
Profit for the year	-	2,258.15	-	-	-	-	-	-	2,258.15
On acquisition/ increase/ reduction in holding of subsidiaries	(91.17)	-	38.28	292.85	-	-	-	-	239.96
Issue of shares under Shares Outstanding Scheme	-	-	-	-	7.07	-	-	-	7.07
Other Additions	-	-	-	-	-	-	(5.47)	-	(5.47)
Proposed Dividend (including Dividend Distribution Tax)	-	(2,014.07)	-	-	-	-	-	-	(2,014.07)
Transfer to/from Profit and Loss	2,000.00	(2,000.00)	-	-	-	-	-	-	-
Balance at March 31, 2016	**11,161.15**	**1,719.03**	**(622.88)**	**19,612.53**	**8.33**	**-**	**(5.47)**	**742.02**	**32,614.71**
Profit for the year	-	1,990.88	-	-	-	-	-	-	1,990.88
On acquisition/ increase/ reduction in holding of subsidiaries	(0.76)	-	616.21	814.29	-	-	-	-	1,429.74
Issue of shares under Shares Outstanding Scheme	-	-	-	-	4.42				4.42
Other Additions	-	-	-	-	-	(16.48)	3.72	0.19	(12.57)
Proposed Dividend (including Dividend Distribution Tax)	-	(43.75)	-	-	-	-	-	-	(43.75)
Balance at March 31, 2017	**11,160.39**	**3,666.16**	**(6.67)**	**20,426.82**	**12.75**	**(16.48)**	**(1.75)**	**742.21**	**35,983.43**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2017

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

1 General Information

Apollo Hospitals Enterprise Limited ('the Company') is a public Company incorporated in India. The address of its registered office and principal place of business is disclosed in the introduction to the annual report. The main business of the Group is to enhance the quality of life of patients by providing comprehensive, high -quality hospital services on a cost-effective basis. The principal activities of the Company include operation of multidisciplinary private hospitals, clinics, diagnostic centres and pharmacies.

2 Application of new and revised Ind AS standards

The company has applied all the Ind AS standards notified by the Ministry of Corporate Affairs to the extent applicable to the Company.

3 Significant accounting policies

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Ind AS standards notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Group prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 48 for the details of first-time adoption exemptions availed by the Group.

3.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the

measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

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.

The principal accounting policies are set out below.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The following subsidiaries were consolidated as at 31 March 2017

Name of the Subsidiary	Country of Incorporation	% of holding		
		as on 31-Mar-17	as on 31-Mar-16	as on 31-Mar-15
Apollo Home Health Care (India) Limited.	India	100.00%	100.00%	100.00%
Apollo Home Healthcare Limited	India	80.87%	80.87%	Nil
AB Medical Centres Limited.	India	100.00%	100.00%	100.00%
Apollo Health and Lifestyle Limited.	India	68.64%	99.29%	100.00%
Samudra Healthcare Enterprise Limited.	India	100.00%	100.00%	100.00%
Imperial Hospital & Research Centre Limited	India	90.00%	90.00%	90.00%
Apollo Hospital (UK) Limited	United Kingdom	100.00%	100.00%	100.00%
Apollo Nellore Hospitals Limited	India	79.44%	79.44%	79.44%
Apollo Rajshree Hospitals Private Limited	India	54.63%	57.27%	57.66%

Name of the Subsidiary	Country of Incorporation	% of holding		
		as on 31-Mar-17	as on 31-Mar-16	as on 31-Mar-15
Apollo Lavasa Health Corporation Limited	India	51.00%	51.00%	-
Western Hospitals Corporation Private Limited	India	100.00%	100.00%	100.00%
Apollo Hospitals Singapore Pte Ltd, Singapore	Singapore	100.00%	-	-
Sapien Biosciences Private Limited	India	70.00%	70.00%	70.00%
Total Health	India	100.00%	100.00%	-
Apollo Health Care Technology Solution Ltd	India	40.00%	100.00%	-
Apollo Assam Hospitals Limited	India	59.08%	51.00%	-
Apollo Hospitals Intenational Ltd	India	50.00%	-	-
Future Parking Private Limited	India	49.00%		
Step down subsidiaries of AHLL				
Apollo Dialysis Private Limited	India	70.00%	70.00%	-
Alliance Dental Care Limited	India	70.00%	70.00%	-
Apollo Sugar Clinics Limited	India	80.00%	80.00%	80.00%
Apollo Speciality Hospitals Private Limited	India	99.92%	48.60%	100.00%

3.4 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.5 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3.7 below.

3.7 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

Investments in associates

Particulars	Place of Incorporation	% of holding 31-Mar-17	31-Mar-16	1-Apr-15
Indraprastha Medical Corporation Limited	India	22.03%	22.03%	22.03%
Stemcyte India Therapautics Private Limited	India	24.50%	24.50%	24.50%
Apollo Munich Health Insurance Company Limited	India	10%	10%	10%
Family Health Plan Limited	India	49%	49%	49%
Investments in Joint Ventures				
Apollo Gleneagles Hospitals Limited	India	50.00%	50.00%	50.00%
Apollo Gleneagles Hospitals PET CT Private Limited	India	50.00%	50.00%	50.00%
ApoKos Rehab Private Limited	India	50.00%	50.00%	50.00 %

3.8 Revenue recognition

3.8.1 Rendering of services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, theatre, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the estimated amounts due from patients and/or medical funding entities. Unbilled revenue Is recorded for the service where the patients are not discharged and invoice is not raised for the service.

The service revenues are presented net of related doctor fees and diagnostic charges in cases where the company is not the primary obligor and does not have the pricing latitude.

Other Services

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

(ii) Income from Clinical Trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

(iii One time franchise fees/licence fees is recognised over the period of hte agreement.

(iv) Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

(v) Income from Treasury Operations is recognised on receipt or accrual basis whichever is earlier.

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

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

3.8.2 Sale of Goods

Pharmacy Sales are recognised when the risk and reward of ownership is passed to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates and loyalty points granted upon purchase and are stated net of returns and discounts wherever applicable

3.8.3 Loyalty Points

Sales of goods that result in award credits for customers, under the Group's Loyalty Points Schemes are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value – the amount for which the award credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

3.8.4 Apollo Health and Lifestyle Limited

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

The Company has recognized revenue as follows.

One Time License Fees:

- With reference to Clinics the One Time License fee is recognized on signing the MOU.
- With Reference to Cradle the One Time License fee is recognized based on percentage of Completion method.

Operating License Fee:

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

Owned clinics operational income:

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

Corporate services Fee:

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

Other Incomes:

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

Interest:

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

3.8.5 Sapien Bioscience Private Limited

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

3.8.6 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.

3.8.7 Apollo Munich Health Insurance Company Limited

a. **Premium:**

Premium (net of service tax) is recognized as income over the contract period or period of risk, whichever is appropriate. Any subsequent revision or cancellation of premium is accounted for in the year in which they occur.

b. **Commission on Reinsurance Premium:**

Commission on reinsurance ceded is recognized as income in the year of cession of reinsurance premium. Profit commission under reinsurance treaties, wherever applicable, is recognized in the year of determination of the profits and as intimated by the reinsurer.

c. **Premium Deficiency:**

Premium deficiency is recognized whenever the ultimate amount of expected claims, related expenses and maintenance costs exceeds related sum of premium carried forward to the subsequent accounting period as reserve for unexpired risk.

d. **Reserve for Unexpired Risk:**

Reserve for unexpired risk represents that part of the net premium (premium net of reinsurance ceded) attributable to the succeeding accounting period subject to a minimum amount of reserves as required by Section 64V (1) (ii) (b) of Insurance Act, 1938.

e. **Interest / Dividend Income:**

Interest income is recognized on accrual basis. Dividend is recognized when the right to receive the dividend is established.

f. **Accretion / Amortization of Discounts/ Premium**

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

3.8.8 Family Health Plan (TPA) Limited

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

3.8.9 **Indraprastha Medical Corporation Limited**

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

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

3.8.10 **Apollo Hospitals International Limited:**

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

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.

3.8.11 **Apollo Assam Hospitals Limited:**

Government Grant

The Company adopts the income approach with respect to the Government grant received by it. This means that the Government grants are recognised on a systematic and Rationale 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

3.8.12 **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 fee 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 of the sale of public banking unit 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.

3.8.13 **Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.8.14 **Rental income**

The Group's policy for recognition of revenue from operating leases is described in note 3.9 below.

3.9 **Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.9.1 **The Group as lessor**

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general

inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.9.2 The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.10 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3.11 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as non current liabilities unless the Group has to settle the liability within 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.12 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.13 Employee benefits

3.13.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company's presents the firs t two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Comapny's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.13.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.14 Share-based payment arrangements

3.14.1 Share-based payment transactions of the Company

One of the subsidiary of the company has issued equity-settled share-based payments to employees and others providing similar services. These are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counter party renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

3.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision

3.15.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3.15.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.16 Property, Plant and Equipment

Land and buildings mainly comprise of hospitals and offices. Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Fixtures, and medical equipments are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. The group companies charged depreciation based on estimated useful lives of the assets in accordance of Schedule II of the Companies Act, 2013.

Buildings (Freehold)	60 years
Buildings (Leasehold)	Lease term and 30 years (Non Cancelleable with renewable clause)
Plant and Machineries	15 Years
Medical Equipment	13 Years
Surgical Instruments	3 Years
Furnitures and Fixtures	10 Years
Vehicles	8 Years
Electrical Installation and Generators	10 Years
Office Equipments	5 Years
Computers	3 Years
Servers	6 Years

Imperial Hospital and Research Center Ltd:

Depreciation on assets acquired under Finance Lease is provided over the primary period for lease of seven years or over useful lives of the fixed assets which ever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the holding company has elected to adopt fair value of the buildings, plant and equipment and furnitures recognised as of April 1, 2015 as the deemed cost as of the transition date. The carrying value of the other assets as per previous GAAP is considered as the deemed cost Accordingly, certain pre-operative costs have been charged off upon transition.

3.17 Intangible assets

3.17.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.17.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Estimated useful lives of the intangible assets are as follows:

Software	4 years
Non Compete Fees	3 years
Trademarks	3 years

3.17.3 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

3.17.4 Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.18 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

Borrowing Cost:

Borrowing Cost that are directly attributable to the construction, acquisition or production of a qualifying asset are capitalised as part of the Cost of the asset. Other borrowing cost are recognised as an expense in the period in which it incurs.

3.19 Inventories

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. Stock of provisions, stores (including lab materials and other consumables), stationaries 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.

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.

Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction.

3.19.1 Apollo Gleneagles Hospitals Limited

The Inventory of laboratory and other medical consumables are stated at cost on FIFO method.

3.19.2 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.

3.19.3 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.

3.19.4 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.

3.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.20.1 Other Provisions

Other provisions (including third-party payments for malpractice claims) which are not covered by insurance and other costs for legal claims are recognised based on legal opinions and management judgment.

3.21 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments which are readily convertible ino known amounts of cash that are subject to an insignificant risk of change in value and having orignial maturities of three months or less from the date of purchase, to be cash equivalents. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawal and usuage.

Financial assets at amortised cost

Financials assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets given rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through Statement of Profit and Loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquistion of financial assets and liabilities at fair value are immediately recognised in the statement of profit and loss.

Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein, are recognized directty in Other Comprehensive Incom.

Financial Liabilities

Financial Liabilities are measured at amortised cost using the effective interest method.

Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities, Equity instruments recognised by the Compay are recognised at the proceeds received net off direct issue cost.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss

Foreign exchange gains and losses

The fair value of financial assets and financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Segment reporting

The Company uses the "management approach" for reporting information about segments in annual financial statements. The management approach is based on the way the chief operating decision-maker organizes segments within a company for making operating decisions and assessing performance. Reportable segments are based on services, geography, legal structure, management structure and any other manner in which management disaggregates a company. Based on the "management approach" model, the Company has determined that its business is comprised of Healthcare service, Pharmacy and Clinics as major operating segment which comprise of Healthcare service, and its operated in India.

3.22 First-time adoption – mandatory exceptions, optional exemptions

3.22.1 Overall principle

The Group has prepared the opening consolidated balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

3.22.2 Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

3.22.3 Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The Group has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

3.22.4 Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

3.22.5 Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

3.22.6 Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

3.22.7 Deemed cost for property, plant and equipment, investment property, and intangible assets

For transition to Ind AS, the Company has elected to adopt fair value of the Buildings, Medical equipment and Furnitures recognised as of April 1, 2015 as the deemed cost as of the transition date. For the other assets, it has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Accordingly, certain pre-operative costs and other ineligible items have been charged off upon transition.

3.22.8 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

3.22.9 Accounting for Joint venture Companies

Apollo Gleneagles Hospitals Limited (AGHL) and ApoKos Rehab Private Limited (ARPH), Apollo Gleagles PET-CT Private Limited, Apollo Munich Health Insurance Company Limited (AMHIL) were accounted for using the proportionate consolidation method under previous GAAP whereas it needs to be accounted using the equity method under Ind AS. Therefore, as required by Ind AS 101.

This investment amount of the above four companies is been deemed to be the cost of investment at initial recognition;

The Group has tested the investments for impairment as of the transition date;

After initial recognition at the transition date, the Group has accounted for these investments using the equity method in accordance with Ind AS 28.

3.22.10 Long-term foreign currency monetary items

Under previous GAAP, paragraph 46/46A of AS 11 The Effects of Changes in Foreign Exchange Rates, provided an alternative accounting treatment to companies with respect to exchange differences arising on restatement of long term foreign currency monetary items. Exchange differences on account of depreciable assets could be added/deducted from the cost of the depreciable asset, which would then be depreciated over the balance life of the asset. In other cases, the exchange difference could be accumulated in a foreign currency monetary item translation difference account, and amortised over the balance period of such long term asset/ liability. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. The exemption under Ind AS 101 will not be available for long-term foreign currency monetary items recognised after this date. Acordingly the Company has elected to apply this optional exemption on transition.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements in conformity with recognition and measurement principles of Ind AS requires the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expenses for the periods presented.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying accounting policies

The company renders the service as a principal, the gross amounts collected from customer shall be recorded as revenue as revenue. The amounts payable to the facilitators in return for the services received shall be recorded as expenses.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

4.2.2 Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The business acquisitions made by the company are also accounted at fair values.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the findings to the board of directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

4.2.3 Employee Benefits

Defined benefit plans

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases.

4.2.4 Litigations

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation arising at the reporting period

4.2.5 Revenue Recognition

Revenue from fees charged for inpatient and outpatient hospital/clinical services rendered to insured and corporate patients are subject to approvals for the insurance companies and corporates. Accordingly, the Company estimates the amounts likely to be disallowed by such companies based on past trends. Estimations based on past trends are also required in determining the value of consideration from customers to be allocated to award credits for customers.

4.2.6 Useful lives of property plant and equipment

The Company reviews the useful life of property plant and equipment at the end of each reporting period. This reassessment may result in depreciation expense in future periods.

4.2.7 Loyalty Points

Estimations based on past trends of redemption of customer loyalty points is made to determine the value of revenue to be deferred

4.2.8 Expected Credit Losses

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix considering the nature of receivables and the risk charecteristics. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Also Refer Note 8.

4.3 Control Assessment

4.3.1 Cotrol over Apollo Hospitals International Limited (AHIL)

The Company owns 50% of equity share capital in Apollo Hospitals International Limited Share Capital. The company has power over the investee and has exposure to variable returns which are the licence fee, share of market cost and also has an unsecure loan in the form of preference shares. The company has existing rights that give the current ability to direct relevant activities through Board of Directors. Since the company has control over AHIL, it has considered it as a subsidiary

AHIL was accounted for using the proportionate consolidation method under previous GAAP whereas it needs to be accounted as a subsidiary under Ind AS. Therefore, as required by Ind AS 101, the Group has:-

On the transition date, recognised the carrying amount of the assets and liabilities of AHIL (subject to adjustments on transition to Ind AS)

The Non-Controlling interest in AHIL has been recognised in accordance with Ind AS 110

The Group has tested the investments for impairment as of the transition date;

After initial recognition at the transition date, the Group has consolidated the business of AHIL in accordance with Ind AS 110.

4.3.2 Control over Future Parking Private Limited (FPPL)

The Company owns 49% of equity share capital in Future Parking Private Limited's Share Capital. The company has power over the investee and has exposure to variable returns The company has existing rights that give the current ability to direct relevant activities through Board of Directors. Since the company has control over FPPL, it has considered it as a subsidiary

FPPL was accounted for using the proportionate consolidation method under previous GAAP whereas it needs to be accounted as a subsidiary under Ind AS. Therefore, as required by Ind AS 101, the Group has:-

- On the transition date, recognised the carrying amount of the assets and liabilities of AHIL (subject to adjustments on transition to Ind AS)
- The Non-Controlling interest in FPPL has been recognised in accordance with Ind AS 110
- The Group has tested the investments for impairment as of the transition date;
- After initial recognition at the transition date, the Group has consolidated the business of FPPL in accordance with Ind AS 110

4.3.3 Apollo Healthcare Technology Solutions Limited (AHTSL)

The Company owns 40% of equity share capital in Apollo Healthcare Technology Solutions Limited's Share Capital. The company has power over the investee and has exposure to variable returns The company has exisiting rights that give the current ability to direct relevant activities through Board of Directors. Since the company has control over AHTSL, it has considered it as a subsidiary

4.3.4 Control over Apollo Amrish Oncology Services Private Limited

Under previous GAAP, an entity controls another entity when it has ownership, directly or indirectly, of more than one-half of the voting power of the other entity or control over the composition of board of directors so as to obtain economic benefit from its activities. In the case of Apollo Amrish Oncology services private Limited, since the Apollo Hospitals International Limited holds more than 50% equity shares of Apollo Amrish Oncology services private Limited, it was considered as a subsidiary under the previous GAAP by AHIL. Based on a control assessment carried out under Ind AS 110 Consolidated Financial Statements, Apollo Amrish Oncology services private limited is considered to be an assocaite of the Company under Ind AS

4.3.5 Control over Apollo Speciality Hospital (ASH)

ASH is a subsidiary of the Group even though the Group has 49% ownership interest and voting rights in ASH for a part period in FY 16 and FY 17. ASH is a Company registered under Companies Act, 1956 and KKR and IHCL hold 17% and 33% respectively in ASH. The directors of the Company assessed whether or not the Group has control over ASH based on whether the Group has the practical ability to direct the relevant activities of ASH unilaterally. In making their judgement, the directors considered that KKR's holds a put option on IHCL and the Group has a right to acquire KKR's shares. The directors have also considered all activities relating to revenue, opex & capex decisions of ASH and the Group's ability to direct such activities. After assessment, the directors concluded that the Group has control over ASH. However the company ahs 99.92% holding with effect from 28th December 2016

5 Property, Plant and Equipment

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2016	Additions	Deletions	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation charge for the year	On disposals	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at April 1, 2016
Tangible Assets										
Land	3,346.88	-	1.98	3,344.90	-	-	-	-	3,344.90	3,346.88
Buildings	12,846.62	3,900.98	-	16,747.60	400.35	237.47	-	637.82	16,109.78	12,446.27
Lasehold Improvements	4,916.45	474.60	29.31	5,361.74	685.60	190.64	9.13	867.11	4,494.63	4,230.85
Plant and Equipment										
Medical Equipment & Surgical Instruments	10,990.58	2,329.60	223.05	13,097.13	1,560.39	1,398.13	194.09	2,764.43	10,332.70	9,430.19
Air Conditioning Plant & Air Conditioners	3,014.75	1,377.10	4.60	4,387.25	820.28	224.36	1.67	1,042.97	3,344.28	2,194.47
Furniture and Fixtures	2,843.42	542.56	2.81	3,383.17	432.85	406.67	0.81	838.71	2,544.46	2,410.57
Vehicles	573.91	145.72	4.53	715.10	269.77	64.68	3.84	330.61	384.49	304.14
Office equipment	1,587.70	383.52	27.56	1,943.66	925.65	273.53	19.72	1,179.46	764.20	662.05
Others										
Electrical Installations & Generators	1,790.04	190.18	4.71	1,975.51	602.26	187.17	1.32	788.11	1,187.40	1,187.78
Fire fighting Equipment	111.50	23.56	-	135.06	21.43	7.45	-	28.88	106.18	90.07
Boilers	2.98	-	-	2.98	1.83	0.17	-	2.00	0.98	1.15
Kitchen Equipment	73.17	13.33	-	86.50	21.59	5.04	-	26.63	59.87	51.58
Refrigerators	54.93	6.78	-	61.71	18.10	4.10	-	22.20	39.51	36.83
Equipment under Finance lease	67.16	-	-	67.16	11.12	11.12	-	22.24	44.92	56.04
Total	**42,220.09**	**9,387.93**	**298.55**	**51,309.47**	**5,771.22**	**3,010.53**	**230.58**	**8,551.17**	**42,758.30**	**36,448.87**

5.1 Intangible Assets

(₹ in million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2016	Additions/ (Disposals)	Deletions	Balance as at March 31, 2017	Balance as at April 1, 2016	Amortization for the year	Adjustment due to revaluations	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at April 1, 2016
Intangible Assets										
Computer Software	350.78	214.44	0.06	565.16	272.62	78.03	1.86	348.79	216.37	78.16
Trade Mark	58.40	-	-	58.40	17.21	19.45	-	36.66	21.74	41.19
Non Compete Fee	**115.37**	**-**	**-**	**115.37**	**48.55**	**25.31**	**-**	**73.86**	**41.51**	**66.82**
Other intangibles	33.32	-	-	33.32	4.11	4.11	-	8.22	25.10	29.21
Goodwill	1,237.54	1.70	-	1,239.24	3.55	-	(65.30)	68.85	1,170.39	1,233.99
Total	**1,795.41**	**216.14**	**0.06**	**2,011.49**	**346.04**	**126.90**	**(63.44)**	**536.38**	**1,475.11**	**1,449.37**

6 Capital Work in Progress

Capital work in Progress of ₹3,467.34 million (₹5,615.58 millionas as at 31 st March 2016) comprises amount spent on assets under construction. The amount of interest included in Capital Work in Progress is ₹. 989.92 million (₹1148.13 million as at 31st March, 2016) During the year ₹574.51million of interest in capitalised (₹985.67 million as at 31st March 2016)

5 Property, Plant and Equipment

(₹ in million)

Fixed Assets	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at April 1, 2015	Additions	Deletions	Acquired through Business combinations	Balance as at March 31, 2016	Balance as at April 1, 2015	Depreciation charge for the year	On disposals	Acquired through business	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at April 1, 2015
Tangible Assets												
Land	2,878.48	435.62	-	32.78	3,346.88	-	-	-	-	-	3,346.88	2,878.48
Buildings	9,974.01	2,717.57	1.96	157.00	12,846.62	194.07	169.77	0.23	36.74	400.35	12,446.27	9,779.94
Lasehold Improvements	4,056.61	1,221.11	1,089.80	728.54	4,916.46	390.61	281.19	19.86	33.66	685.60	4,230.86	3,666.00
Plant and Equipment												
Medical Equipment & Surgical Instruments	9,084.11	1,665.94	139.07	379.60	10,990.58	549.77	783.15	27.83	255.30	1,560.39	9,430.19	8,534.34
Air Conditioning Plant & Air Conditioners	2,080.27	835.55	99.59	198.52	3,014.75	337.39	458.42	15.11	39.58	820.28	2,194.47	1,742.88
Furniture and Fixtures	2,044.01	827.15	72.49	44.75	2,843.42	228.21	204.25	23.95	24.34	432.85	2,410.57	1,815.80
Vehicles	507.50	76.38	21.39	11.42	573.91	209.76	67.18	13.61	6.44	269.77	304.14	297.74
Office equipment	1,210.17	354.25	31.42	54.69	1,587.69	662.28	257.33	9.78	15.82	925.65	662.04	547.89
Others												
Electrical Installations & Generators	1,570.76	242.08	25.31	2.51	1,790.04	343.63	265.35	7.69	0.96	602.25	1,187.79	1,227.13
Fire fighting Equipment	103.29	8.20	-	-	111.49	19.80	1.63	-	-	21.43	90.06	83.49
Boilers	2.98	-	-	-	2.98	1.83	-	-	-	1.83	1.15	1.15
Kitchen Equipment	59.29	13.88	-	-	73.17	20.58	1.01	-	-	21.59	51.58	38.71
Refrigerators	46.03	9.59	0.70	-	54.92	15.56	2.83	0.30	-	18.09	36.83	30.47
Equipments under Finance lease	67.16	-	-	-	67.16	-	11.12	-	-	11.12	56.04	67.16
Total	**33,684.67**	**8,407.32**	**1,481.73**	**1,609.81**	**42,220.07**	**2,973.49**	**2,503.23**	**118.36**	**412.84**	**5,771.20**	**36,448.87**	**30,711.18**

5.1 Intangible Assets

(₹ in million)

Fixed Assets	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at April 1, 2015	Additions	Deletions	Acquired through Business combinations	Balance as at March 31, 2016	Balance as at April 1, 2015	Depreciation charge for the year	On disposals	Acquired through business	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at April 1, 2015
Intangible Assets												
Computer Software	313.68	57.15	44.40	24.35	350.78	178.81	86.58	1.07	8.30	272.62	78.16	134.87
Trade Mark	-	58.40	-	-	58.40	-	17.21	-	-	17.21	41.19	-
Non Compete Fee	44.27	21.10	-	50.00	115.37	-	23.88	-	24.67	48.55	66.82	44.27
Other Intangible	33.32	-	-	-	33.32	-	4.11	-	-	4.11	29.21	33.32
Goodwill	293.69	1,023.35	79.50	-	1,237.54	3.55	-	-	-	3.55	1,233.99	290.14
Total	**684.96**	**1,160.00**	**123.90**	**74.35**	**1,795.41**	**182.36**	**131.78**	**1.07**	**32.97**	**346.04**	**1,449.37**	**502.60**

6 Capital Work in Progress

Capital work in Progress of ₹5,615.58 million (₹4,668.53 million as at 1 April 15 comprises amount spent on assets under construction. The amount of interest included in Capital Work in Progress is ₹1,148.13 million during the year ₹985.67 million of interest in capitalised.

7 Investments

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Investment carried at Cost						
(a) Investment in Equity instruments	2,863.82	67.94	2,469.43	67.94	3,028.32	67.94
Investment carried at Fair Value through Profit and Loss						
(a) Mutual Funds	160.79	1,058.45	305.73	738.95	25.53	1,447.74
(b) Other Investments	21.34	-	20.83	-	24.30	-
Total (A)	**3,045.94**	**1,126.39**	**2,795.99**	**806.89**	**3,078.15**	**1,515.68**
Investments carried at amortised cost						
(a) Investments in debentures or bonds	-	-	13.01	10.43	11.50	9.85
(b) Investments in Government or Trust securities	0.04	-	0.18	-	0.18	-
(c) Guarantee Provided	0.39	-	0.39	-	-	-
Total (B)	**0.43**	**-**	**13.58**	**10.43**	**11.68**	**9.85**
Less : Provision for dimunition in the value of Investments	(112.30)	-	(112.30)	-	(112.30)	-
Advance Investment	8.26	-	9.24	-	6.05	-
Grand Total (A + B)	**2,942.33**	**1,126.39**	**2,706.51**	**817.32**	**2,983.58**	**1,525.53**
Investment Property (C)	77.70	-	-	-	-	-
Grand Total (A + B+ C)	**3,020.04**	**1,126.39**	**2,706.51**	**817.32**	**2,983.58**	**1,525.53**

Details of Non-Current Investments

(₹ in million)

Name of the Body Corporate	Associate/ Joint Ventures/ Others	Face Value	No. of Shares / Units as at 31-Mar-17	No. of Shares / Units as at 31-Mar-16	No. of Shares / Units as at 1-Apr-15	Quoted / Unquoted	Amount as at 31-Mar-17	Amount as at 31-Mar-16	Amount as at 1-Apr-15
(i) Investment in Equity Instruments									
Indraprastha Medical Corporation Limited	Associate	10	20,190,740	20,190,740	20,190,740	Quoted	640.99	625.40	615.82
Stemcyte India Therapautics Pvt Ltd	Associate	1	240,196	240,196	240,196	Unquoted	74.40	77.05	82.27
Kurnool Hospitals Enterprises Limited	Others	10	157,500	157,500	157,500	Unquoted	1.73	1.73	1.73
Apollo Gleneagles Hospitals Ltd	Joint Venture	10	54,675,697	54,675,697	54,675,697	Unquoted	1,212.60	1,051.22	1,282.93
Apollo Gleneagles PET-CT Pvt Ltd	Joint Venture	10	8,500,000	8,500,000	8,500,000	Unquoted	51.02	57.27	64.37
ApoKos Rehab Pvt Ltd	Joint Venture	10	5,750,000	5,750,000	5,750,000	Unquoted	69.51	50.60	54.45
Apollo Munich Health Insurance Company Ltd	Associate	10	35,709,000	35,709,000	35,709,000	Unquoted	419.17	282.88	260.01
Family Health Plan Ltd	Associate	10	490,000	490,000	490,000	Unquoted	317.37	248.71	175.07
Apollo Lavasa Health Corporation Ltd	Joint venture	10	-	-	479,701	Unquoted	-	-	235.74
Health Super Hiway Private Ltd	Others	10	201,200	200	200	Unquoted	.	0.002	0.002
The Karur Vysya Bank	Others	10	12,811	12,811	12,811	Quoted	1.44	1.12	1.39
Cholamandalam DBS Finance Ltd	Others	10	1,000	1,000	1,000	Quoted	0.96	0.71	0.59
Alliance Detal Care Ltd	Others	10	-	-	2,541,771	Unquoted	-	-	177.75
Sunrise Medicare Private Ltd	Others		78	78	78	Unquoted	.	0.002	0.002
Apollo Dialysis Pvt Ltd	Others	10	-	-	5,100	Unquoted	-	0.00	0.05
AMG Health Care Destination Pvt Ltd	Others	10	1,232,500	1,232,500	1,232,500	Unquoted	12.33	12.33	12.33
Clover Energy Pvt Ltd	Others	10	1,622,250	1,659,250	1,659,250	Unquoted	16.22	16.59	16.59
Indo Wind Power Pvt Ltd	Others	10	10,650	10,650	35,500	Unquoted	0.15	0.15	0.50
Tirunelveli Vayu Energy Generation Pvt Ltd	Others	1,000	36	36	36	Unquoted	13.61	13.61	13.61
Total Health	Others	10	-	-	500,000	Unquoted	-	-	5.00
Cureus Inc (Stanford - US)	Others	10	935,000	935,000	935,000	Unquoted	27.43	27.43	27.43
Iris Ecopower Venture Pvt Ltd	Others	10	110,500	70,000	70,000	Unquoted	1.11	0.70	0.70
Leap Green Energy Pvt Ltd	Others	10	97,600	97,600	-	Unquoted	1.43	1.43	-
Matrix Agro Pvt Ltd	Others	10	50,000	50,000	-	unquoted	0.50	0.50	-
Trade Investment with ICB					-	Unquoted	0.001	0.001	-
VMA Wind Energy India Pvt Ltd	Others	10	1,30,000	-	-	unquoted	1.30	-	-

Details of Non-Current Investments

(₹ in million)

Name of the Body Corporate	Associate/ Joint Ventures/ Others	Face Value	No. of Shares / Units as at 31-Mar-17	No. of Shares / Units as at 31-Mar-16	No. of Shares / Units as at 1-Apr-15	Quoted / Unquoted	Amount as at 31-Mar-17	Amount as at 31-Mar-16	Amount as at 1-Apr-15
Array Land Developers Pvt Ltd	Others	10	50,000	-	-	unquoted	0.50	-	-
Morgan Securites & Credits Private Limited	Others	10	5,000	-	-	unquoted	0.05	-	-
Total							**2,863.82**	**2,469.43**	**3,028.32**
(ii) Investments in Preference Shares									
Health Super Hiway Pvt Ltd	Others	54.1	406,514	406,514	406,514	Unquoted	21.34	20.83	24.30
(iii) Investments in Debentures or Bonds									
ECL Finance NCD	Others	1,000	-	10,000	10,000	Quoted	-	13.01	11.5
(iv) Investments in Government or Trust securities	**Others**	**-**	**-**	**-**	**-**				
National Savings Certificate	Others	-	-	-	-	Unquoted	0.04	0.18	0.18
(v) Financial Guarantee Investment	**Others**	**-**	**-**	**-**	**-**		**0.39**	**0.39**	**-**
(vi) Investment Property									
Future Parking Private Limited	Others	-					77.70	-	-
(vii) Mutual Funds									
UTI Floating Rate Fund	Mutual Funds	-					3.90	3.59	-
DHFL Pramerica Insta Cash Plus Fund	Mutual Funds	-					32.17	-	-
IDFC All Seasons Bond Fund	Mutual Funds	-					20.59	-	-
Kotak Floater Short Term Fund	Mutual Funds	-					32.00	-	-
Kotak Bond Short Term Fund	Mutual Funds	-					20.77	-	-
Reliance Short Term Fund	Mutual Funds	-					20.65	-	-
Reliance Income Fund - 30231	Mutual Funds	-					1.61	1.45	1.38
Kotak Flexi - 1386366	Mutual Funds	-					29.10	32.09	24.15
Relaince Income Fund	Mutual Funds	-					-	52.78	-
Reliance Short Term Fund	Mutual Funds	-					-	54.27	-
Birla Sun Life	Mutual Funds	-					-	54.14	-
HDFC High Interest Fund	Mutual Funds	-					-	53.05	-
ICICI Prudential	Mutual Funds	-					-	54.36	-
Total							**160.79**	**305.73**	**25.53**
Grand Total (i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii)							**3,124.07**	**2,809.56**	**3,089.82**

Details of Current Investments

(₹ in million)

Name of the Body Corporate	Others	Face value	No.of Shares/ Units as at 31-Mar-17	No. of Shares / Units as at 31-Mar-16	No. of Shares / Units as at 1-Apr-15	Quoted / Unquoted	Amount as at 31-Mar-17	Amount as at 31-Mar-16	Amount as at 1-Apr-15
(i) Investments in Equity Instruments									
British American Hospitals Enterprises Limited	Others	100MUR	4,64,333	4,64,333	4,64,333	Unquoted	67.94	67.94	67.94
(ii) Investments in Debentures									
IFCI Venture Capital Funds Limited	Others	10,00,000	-	10	10	Quoted	-	10.43	9.85
(iii) Investments in Mutual Funds	**Others**								
Canara Robeco Short Term Fund - Reg - Growth	Others	10	745,789	745,789	745,789	Quoted	13.70	12.75	11.86
DHFL Pramerica Short Maturity Fund - Growth	Others	10	4,785,788	4,785,788	4,785,788	Quoted	142.59	130.18	120.50
ICICI Prudential STP - Growth	Others	10	3,515,853	3,515,853	3,515,853	Quoted	119.97	108.83	100.66
Reliance Short Term Fund - Growth	Others	10	11,585,312	11,585,312	11,585,312	Quoted	367.80	327.61	303.61
Canara Robeco Medium Term Opportunities Fund - Reg - Growth	Others	10	217,974	217,974	-	Quoted	2.88	2.65	-
Canara Robeco Savings Plus Fund - Reg - Growth	Others	10	1,400,477	1,400,477	1,400,477	Quoted	35.70	33.04	30.49
HDFC Debt Fund for Cancer Cure 2014 - Reg - 100% Dividend Donation	Others	10	2,000,000	2,000,000	2,000,000	Quoted	20.05	20.71	20.41
HDFC Liquid Fund - Daily Dividend	Others	10	-	-	2,321,183	Quoted	-	-	23.67
Reliance Liquid Fund - TP - Ret - Dly Dividend	Others	1,000	-	-	338,742	Quoted	-	-	517.85
SBI Magnum Insta Cash - Dir - Daily Dividend	Others	10	-	-	17,546	Quoted	-	-	29.39
Reliance Income Fund Retail Plan Growth Plan-Growth Fund	Others	10	163,132	-	1,100,333	Quoted	8.68	-	50.12
Reliance Short Term Fund	Others	10	327,708	-	1,919,032	Quoted	10.10	-	50.31
Birla Sun Life Floating Rate Fund Short Term Plan	Others	10	2,055,541	-	2,055,541	Quoted	59.68	-	50.24
HDFC High Interest Fund	Others	10	1,040,446	-	1,040,446	Quoted	58.92	-	50.17
ICICI Prudential	Others	10	1,756,142	-	1,756,142	Quoted	59.92	-	50.28
DHFL Pramerica Ultra Short Term Fund	Others	10	10,350,372	5,000,000		Unquoted	104.36	53.16	-
DHFL Pramerica Banking & PSU Debt Fund (Dailiy Dividend Re-Investment)	Others	10	223,466	3,000,000	-	Unquoted	2.30	30.02	-
SBI Ultra Short Term Debt Fund - Regular Plan Weekly Dividend	Others	10	2,050,377	2,000,000	-	Unquoted	21.67	20.00	-
SBI Treasury Advantage Fund-Regular Plan	Others	1,000	29,853	-	-	Quoted	30.13	-	-
Kotak Mutual Funds	Others	10	-	-	38,137	Quoted	-	-	38.18
Total							**1,058.45**	**738.95**	**1447.74**
Grand Total(i)+(ii)+(iii)							**1,126.39**	**817.32**	**1,525.53**

7.1 Investments in associates

7.1.1 Break-up of investments in associates (carrying amount determined using the equity method of accounting)

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Investments in Equity Instruments						
Quoted Investments (all fully paid)						
Indraprastha Medical Corporation Limited	20,190,740	640.99	20,190,740	625.40	20,190,740	615.82
Total Aggregate Quoted Investments (A)	**20,190,740**	**640.99**	**2,019,0740**	**625.40**	**20,190,740**	**615.82**
Unquoted Investments (all fully paid)						
Investments in Equity Instruments						
Stemcyte India Therapautics Private Limited	240,196	74.40	240,196	77.05	240,196	82.27
Apollo Munich Health Insurance Company Limited	35,709,000	419.17	35,709,000	282.88	35,709,000	260.01
Family Health Plan Limited	490,000	317.37	490,000	248.71	490,000	175.07
Total Aggregate Unquoted Investments (B)	**36,439,196**	**810.94**	**36,439,196**	**608.64**	**36,439,196**	**517.35**
Total Investments Carrying Value (A) + (B)		**1,451.93**		**1,234.03**		**1,133.18**

7.1.2 Details of material associates

Details of each of the Group's material associates at the end of the reporting period are as follows:

Name of associate	Principal Activity	Proportion of ownership interest / voting rights held by the Group		
		As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Indraprastha Medical Corporation Limited	Health Care services	22.03%	22.03%	22.03%
Stemcyte India Therapautics Private Limited	Health Care services	24.50%	24.50%	24.50%
Apollo Munich Health Insurance Company Limited	Health Insurance	10.23%	10%	10%
Family Health Plan Limited	Third Party Assurance	49%	49%	49%

7.1.3 Summarised financial information in respect of each of the Group's associates is set out below.

The summarised financial information below represents amounts shown in the associates financial statements prepared in accordance with Ind AS standards adjusted by the Group for equity accounting purposes.

Indraprastha Medical Corporation Limited (₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Non-current assets	3,005.04	3,083.12	3,111.05
Current assets	1,911.08	1,521.85	1,286.04
Non-current liabilities	418.74	462.32	547.74
Current liabilities	2,189.10	1,905.15	1,655.32

Indraprastha Medical Corporation Limited (₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue	7,673.09	7,575.67
Profit or loss from continuing operations (after tax)	262.45	244.33
Other comprehensive income for the year	6.94	(2.86)
Total comprehensive income for the year	269.39	241.46
Proportion of the Group's ownership interest in Total Comprehensive Income	59.35	53.19

Family Health Plan Insurance TPA Limited (₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Non-current assets	605.14	435.18	287.47
Current assets	346.20	261.04	233.12
Non-current liabilities	134.76	107.28	72.33
Current liabilities	138.89	81.40	82.86

Family Health Plan Insurance TPA Limited (₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue	958.44	813.68
Profit or loss from continuing operations (after tax)	80.21	66.82
Other comprehensive income for the year	89.95	75.31
Total comprehensive income for the year	170.16	142.13
Proportion of the Group's ownership interest in Total Comprehensive Income	83.38	69.64

Stemcyte India Therapautics Private Limited (₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Non-current assets	112.87	110.02	100.87
Current assets	81.51	74.05	64.84
Non-current liabilities	176.83	159.21	124.04
Current liabilities	39.42	35.93	31.41

Stemcyte India Therapautics Private Limited (₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue	13,038,907	12,505,641
Profit or loss from continuing operations (after tax)	(10.75)	(21.40)
Other comprehensive income for the year	(0.07)	0.08
Total comprehensive income for the year	(10.81)	(21.32)
Proportion of the Group's ownership interest in Total Comprehensive Income	(2.65)	(5.22)

Apollo Munich Health Insurance & Company Ltd (₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Total Assets	13,763.79	12,249.06	8,937.20
Total Liabilities	9,570.23	9,428.92	6,393.11

Apollo Munich Health Insurance & Company Ltd (₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue	16,797.15	8,193.7
Profit or loss from continuing operations (after tax)	1,312.15	76.00
Other comprehensive income for the year	50.78	-
Total comprehensive income for the year	1,362.93	76.00
Proportion of the Group's ownership interest in Total Comprehensive Income	136.29	7.60

7.2 Investments in Joint Controlled Entities

7.2.1 Break-up of investments in Joint controlled entities (carrying amount determined using the equity method of accounting)

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Investments in Equity Instruments						
Unquoted Investments (all fully paid)						
Apollo Gleneagles Hospitals Limited	54,675,697	1,212.60	54,675,697	1,051.22	54,675,697	1,282.93
Apollo Gleneagles Hospitals PET CT Private Limited	8,500,000	51.02	8,500,000	57.27	8,500,000	64.37
ApoKos Rehab Pvt Ltd	8,475,000	69.51	5,750,000	50.60	5,750,000	54.45
Total Aggregate Unquoted Investments	**71,650,697**	**1,333.13**	**68,925,697**	**1,159.09**	**68,925,697**	**1,401.76**

Name of associate	Principal Activity	Proportion of ownership interest / voting rights held by the Group		
		As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Apollo Gleneagles Hospitals Limited	Health Care and services	50.00%	50.00%	50.00%
Apollo Gleneagles Hospitals PET CT Private Limited	Health Insurance	50.00%	50.00%	50.00%
ApoKos Rehab Pvt Ltd	Health Insurance	50.00%	50.00%	50.00%

The above Joint Controlled Entities are accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's Joint Controlled Entities are set out below. The summarised financial information below represents amounts shown in the Joint Controlled Entities financial statements prepared in accordance with Ind AS standards adjusted by the Group for equity accounting purposes.

Apollo Gleneagles Hospital Limited (₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Non-Current Assets	3,721.96	3,239.94	3,084.42
Current Assets	1,105.07	1,048.77	874.61
Non-Current Liabilities	702.96	614.08	585.38
Current Liabilities	1,789.60	1,662.93	1,675.43

Apollo Gleneagles Hospital Limited (₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue	6,473.64	5,825.14
Profit or loss from continuing operations (after tax)	325.47	319.21
Other comprehensive income for the year	(2.69)	0.20
Total comprehensive income for the year	322.78	319.40
Proportion of the Group's ownership interest in Total Comprehensive Income	161.39	159.70

Apollo Gleneagles PET-CT Private Limited (₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Non-current assets	75.36	99.57	124.58
Current assets	49.15	28.95	32.75
Non-current liabilities	7.62	6.79	10.31
Current liabilities	14.65	7.04	18.27

Apollo Gleneagles PET-CT Private Limited (₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue	99.14	93.90
Profit or loss from continuing operations (after tax)	(12.33)	(13.70)
Other comprehensive income for the year	(0.11)	(0.35)
Total comprehensive income for the year	(12.50)	(14.20)
Proportion of the Group's ownership interest in Total Comprehensive Income	(6.25)	(7.10)

ApoKos Rehab Private Limited (₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Non-Current Assets	104.94	106.71	28.19
Current Assets	41.45	5.48	86.49
Non-Current Liabilities	0.82	-	-
Current liabilities	9.48	14.28	5.77

ApoKos Rehab Private Limited

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue	28.88	4.42
Profit or loss from continuing operations (after tax)	(15.25)	(10.84)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(15.25)	(10.84)
Dividends received from the associate during the year		
Proportion of the Group's ownership interest in Total Comprehensive Income	(7.62)	(5.42)

8 Other Financial Assets

(₹ in million)

Particulars	31-Mar-17		31-Mar-16		01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Security deposits	2,181.66	-	1,888.11	-	1,538.81	-
(b) Advances	453.93	2,221.33	320.78	2,672.48	442.40	3,679.24
(c) Loans and Advances to employees	-	123.96	-	114.70	-	101.83
(d) Deferred Revenue	-	-	-	-	-	-
(e) Rent Receivable	-	9.71	-	8.55	-	2.75
(f) Franchise Fees Receivable	-	23.92	-	16.35	-	13.82
(g) Operating Lease receivable	-	2.98		2.36		1.77
(h) Finance Lease Receivable	-	4.54	-	4.54	-	4.54
(i) Interest Receivable	-	44.48	-	42.42	-	69.89
Total	**2,635.59**	**2,430.92**	**2,208.89**	**2,861.40**	**1,981.21**	**3,873.84**

8.1 Leasing arrangements

The Company entered into finance lease arrangements with AHERF for its Building in Hyderabad. All leases are denominated in Indian Rupees. The average term of finance leases entered into is 99 years.

8.2 Amounts receivable under finance leases

(Amount In ₹)

Particulars	Minimum lease payments			Present value of minimum lease payments		
	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Not later than one year	544,764.00	544,764.00	544,764.00	8.24	7.31	6.49
Later than one year and not later than five years	2,179,056.00	2,179,056.00	2,179,056.00	44.83	39.78	35.30
Later than five years	48,166,217.00	48,710,981.00	49,255,745.00	4,539,581.96	4,539,595.24	4,539,607.03
Less: unearned finance income	46,350,401.98	46,895,158.66	47,439,916.17	-	-	-
Present value of minimum lease payments receivable	4,539,635.02	4,539,642.34	4,539,648.83	4,539,635.02	4,539,642.34	4,539,648.83
Total	**4,539,635.02**	**4,539,642.34**	**4,539,648.83**	**4,539,635.02**	**4,539,642.34**	**4,539,648.83**

The interest rate inherent in the leases is considered as the average incremental borrowing rate which is approximately 12% per annum (as at March 31, 2016: 12% per annum; as at April 1, 2015: 12% per annum).

9 Net Tax Assets

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Advance Tax(Net of Provision for tax)	1,339.82	897.10	762.79

10 Other Assets

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Capital Advances	1,991.11	-	1,875.38	-	749.80	-
Advances to Suppliers	10.98	375.01	1.39	1,585.34	6.48	454.43
Prepaid Expenses		515.54		538.74		405.64
Fair Value of Derivatives	337.03	-	573.26	-	863.25	-
Total	**2,339.12**	**890.55**	**2,450.03**	**2,124.08**	**1,619.53**	**860.07**

11 Inventories

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Inventories (lower of cost and net realisable value)			
Medicines	4,107.30	3,559.47	2,774.31
Stores and Spares	191.08	166.19	181.28
Lab materials	151.07	132.09	105.35
Other Consumables	219.22	203.58	169.37
Total	**4,668.67**	**4,061.33**	**3,230.31**

The mode of valuation of inventories has been stated in note 3.19

12 Trade Receivables

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Trade receivables						
Unsecured, considered good	-	7,482.42	-	6,093.66	-	5,223.75
Doubtful	-	716.60	-	784.44	-	731.44
Allowance for doubtful debts (expected credit loss allowance)	**-**	**(716.60)**	**-**	**(784.44)**	**-**	**(731.44)**
Total	-	7,482.42	-	6,093.66	-	5,223.75

i. 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.

ii. 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.

12.1 Trade receivables

Majority of the group's transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from Insurance Companies, Corporate customers and Government Undertakings. Accordingly, the Group's exposure to credit risk in relation to trade receivables is low.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit loss (%)
Within the credit period	0.00%
Less than 6 months past due	6.8% - 8.6%
6 months to 12 months past due	7.6% - 16.2%
1 to 2 years days past due	30% - 59.6%
2 to 3 years years days past due	50% - 86.4%
>3 years days past due	100.00%

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Movement in the expected credit loss allowance		
Balance at beginning of the year	784.44	731.44
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	67.84	53.00
Balance at end of the year	716.60	784.44

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

13. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheet as follows:

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Balances with Banks			
In Current Accounts	3,260.76	3,038.39	2,275.24
In Deposit Accounts	1,678.98	154.48	721.75
Earmarked Balance	16.28	13.13	9.34
Cash on hand	230.54	164.51	131.31
Bank over draft	-	-	(22.43)
Total (A)	**5,186.56**	**3,370.51**	**3,115.21**
Other Bank Balance			
Unpaid Dividend Accounts	32.38	49.33	28.41
Margin money Deposits	43.06	209.57	74.44
Guarantees	2.09	158.53	159.99
Total (B)	**77.53**	**417.43**	**262.84**
Cash and cash equivalents as per consolidated statement of cash flows (A) + (B)	**5,264.09**	**3,787.94**	**3,378.05**

14 Equity Share Capital

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Equity share capital			
Authorised Share capital :			
200,000,000(2015-16 : 200,000,000) Equity Shares of ₹ 5/- each	1000	1000	1000
1,000,000(2015-16 : 1,000,000) Preference Shares of ₹ 100/- each	100	100	100
Issued			
139,658,177 (2015-16: 139,658,177) Equity shares of ₹5/- each	698.29	698.29	698.29
Subscribed and Paid up capital comprises:			
139,125,159 fully paid equity shares of ₹5 each (as at March 31, 2016: 139,125,159; as at April 1, 2015: 139,125,159)	695.63	695.63	695.63
Total	**695.63**	**695.63**	**695.63**

14.1 Fully paid equity shares

Particulars	Number of shares	Share capital (₹ in million)
Balance at April 1, 2015	**139,125,159**	**695.63**
Movement	-	-
Balance at March 31, 2016	139,125,159	695.63
Balance at March 31, 2017	**139,125,159**	**695.63**

14.2 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares						
PCR Investments Limited	27,223,124	19.57	27,223,124	19.57	27,223,124	19.57
Oppenheimer Developing Markets Fund	11,784,285	8.47	12,014,785	8.64	12,086,295	8.69
Integrated (Mauritius) Healthcare Holdings Limited	6,654,712	4.78	15,093,860	10.85	15,093,860	10.85

The company had issued 9,000,000 Global Depository Receipts of ₹10 (now 18,000,000 Global Depository Receipts of ₹5) each with two-way fungibility during the year 2005-06. Total GDRs converted into underlying equity shares for the year ended on 31st March 2017 is 83,138 (2015-16: 259,856) of ₹5 each and total Equity shares converted back to GDR for the year ended 31st March 2017 is 384,562 (2015-16: 22,114) of ₹5 each. Total GDRs converted into equity shares upto 31st March 2017 is 25,444,526 (2015-16: 25,361,388) of ₹5 each.

15 Other Equity

(₹ in million)

Particulars	Note	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
General Reserves	15.1	11,160.39	11,161.15	9,252.32
Capital reserve	15.2	(6.67)	(622.88)	(661.16)
Debenture redemption reserve	15.3	1,297.50	1,297.50	1,297.50
Securities Premium	15.4	20,426.82	19,612.53	19,319.68
Capital redemption reserve	**15.5**	**60.02**	**60.02**	**60.02**
Revaluation Reserve	15.6	77.61	77.61	77.61
Retained earnings	15.7	3,666.16	1,719.03	3,474.95
Share Options Outstanding Account	15.8	12.75	8.33	1.26
Reserve for equity instruments through other comprehensive income	15.9	(1.75)	(5.47)	-
Other Comprehensive Income	15.10	(16.48)	-	-
Ind AS Transition Reserve		(693.11)	(693.11)	(693.11)
Guarantee		0.19	-	-
Total		**35,983.43**	**32,614.71**	**32,129.07**

15.1 General Reserve

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Balance at beginning of the year	11,161.15	9,252.32
Transfer from Profit and Loss	-	2,000.00
On acquisition/ increase/ reduction in holding of subsidiaries	(0.76)	(91.17)
Balance at the end of the year	11,160.39	11,161.15

15.2 Capital Reserve

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Balance at beginning of the year	(622.88)	(661.16)
On acquisition/ increase/ reduction in holding of subsidiaries	616.21	38.28
Balance at the end of the year	(6.67)	(622.88)

15.3 Debenture Redemption Reserve

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Balance at beginning of the year	1,297.50	1,297.50
Movement	-	-
Balance at the end of the year	1,297.50	1,297.50

15.4 Securities Premium

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Balance at beginning of the year	19,612.53	19,319.68
On acquisition/ increase/ reduction in holding of subsidiaries	814.29	292.85
Balance at the end of the year	20,426.82	19,612.53

15.5 Capital redemption reserve

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Balance at beginning of the year	60.02	60.02
Movement	-	-
Balance at the end of the year	60.02	60.02

15.6 Revaluation Reserve

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Balance at beginning of the year	77.61	77.61
Movement	-	-
Balance at the end of the year	77.61	77.61

15.7 Retained earnings

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Balance at beginning of the year	1,719.03	3,474.95
Profit attributable to owners of the Company	1,990.88	2,258.15
Transfer to General Reserve	-	(2,000.00)
Proposed Dividend	(36.35)	(2,006.82)
Dividend Distribution Tax	(7.40)	(7.25)
Balance at the end of the year	3,666.16	1,719.03

15.8 Share Options Outstanding Account

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Balance at beginning of the year	8.33	1.26
Movement	4.42	7.07
Balance at the end of the year	12.75	8.33

15.9 Reserve for equity instruments through other comprehensive income

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Balance at beginning of the year	(5.47)	-
Additions	3.72	(5.47)
Balance at the end of the year	(1.75)	(5.47)

15.10 Other Comprehensive Income

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Remeasurements of post-employment benefit obligation, net of tax		
Balance at beginning of the year	-	-
Additions	(16.48)	-
Balance at the end of the year	(16.48)	-

16 Non-controlling interests

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16
Balance at beginning of the year	779.30	680.55
Movement during the year	1,384.95	98.75
Balance at end of the year	2,164.25	779.30

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of the Subsidiaries	Proportion of ownership interests and voting rights held by non - controlling interests		Profit (loss) allocated to non- controlling interests Amount in ₹ Million		Accumulated non - controlling interests Amount in ₹ Million	
	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-17	As at 31-Mar-16
Imperial Hospital and Research Centre Ltd	10.0%	10.0%	8.13	6.73	56.95	48.81
Apollo Health & Lifestyle Ltd	31.4%	0.0%	(839.28)	-	1,025.44	(432.32)
Apollo Rajshree Hospital Pvt Ltd	45.4%	45.4%	(27.74)	(35.63)	32.93	56.62
Apollo Lavasa Health Corporation Ltd	49.0%	49.0%	(19.10)	(19.26)	273.52	292.66
Sapien Biosciences Pvt Ltd	30.0%	30.0%	(0.97)	(3.11)	(9.92)	(8.95)
Apollo Home Health Care Ltd	19.1%	19.1%	(20.07)	(21.74)	(21.35)	(1.27)
Assam Hospitals Ltd	40.9%	40.9%	20.70	0.49	362.78	409.62
Apollo Hospitals International Ltd	50.0%	50.0%	(6.37)	71.22	440.65	397.03
Future Parking Pvt Ltd	51.0%	51.0%	(14.05)	(10.22)	3.25	17.10
Total			**(898.75)**	**(11.52)**	**2,164.25**	**779.30**

17 Borrowings

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Unsecured - at amortised cost						
(a) Term loans						
from banks	1,330.56	398.34	1,328.66	-	1,453.08	-
(b) Deposits	81.08	36.66	138.37	99.79	209.41	-
(c) Loans repayable on demand						
-from Banks	-	-	-	1,250.00		
Secured - at amortised cost						
(a) Bonds / debentures	8,000.00	-	3,940.00	-	5,190.00	-
(b) Deposits	-	97.24		186.07	-	147.59
(c) Term loans						
from banks	20,543.31	-	19,090.79	293.48	11,724.41	584.75
Total	**29,954.95**	**532.24**	**24,497.82**	**1,829.34**	**18,576.90**	**732.34**

18 Other financial liabilities

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Interest accrued but not due on borrowings	-	13.86	-	296.74	-	136.18
(b) Interest accrued and due on borrowings		94.74	-	101.67	-	30.03
(c) Rent Deposits	31.06	-	126.65	-	74.70	-
(d) Deferred Rent	69.47	-	70.79	-	17.46	-
(e) Other Deposits	79.25	-	15.74	-	0.91	-
(f) Unpaid dividends	-	31.98	-	49.79	-	28.42
(g) Unpaid matured deposits and interest accrued thereon	-	17.92	-	17.03	-	16.57
(h) Current maturities of long-term debt	-	958.49	-	2,008.04	-	1,730.91
(i) Redeemable cumulative preference shares	31.88	-	35.65	-	33.75	-
(j) Fair Valuation of Derivatives	-	-	-	-	-	87.00
(k) Financial guarantee contracts	0.36	-	55.02	-	0.36	-
Total	**212.02**	**1,116.99**	**303.85**	**2,473.27**	**127.18**	**2,029.11**

19 Provisions

(₹ in million)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 01-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Bonus	-	363.02	-	444.70	-	205.55
Provision for Gratuity and Leave Encashment	53.51	385.98	32.72	260.84	42.84	175.32
Total	**53.51**	**749.00**	**32.72**	**705.54**	**42.84**	**380.87**

20 Deferred tax Liabilities (Net)

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Deferred Tax Assets	**1,276.96**	**254.04**	**349.78**
Deferred Tax Liabilities	7,199.62	5,326.17	4,563.25
Net Deferred Tax(Refer Note 20.1 and Note 20.2)	5,922.66	5,072.13	4,213.47
Less MAT Entitlement	**3,654.05**	**2,897.46**	**1,995.45**
Total	**2,268.61**	**2,174.67**	**2,218.02**

20.1 Deferred tax 2016-2017

(₹ in million)

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Recognised directly in equity	Acquisitions/ Disposals	Closing Balance
Property, plant and equipment	5,835.32	2,243.41	-	0.18	10.55	8,089.46
FVTPL financial assets	(188.97)	150.63	-	-	-	(38.34)
Deferred revenue	48.07	(48.07)	-	-	-	(0.00)
Provisions	(2.85)	(1,616.34)	-	-	-	(1,619.19)
Defined Benefit Obligation	14.71	(9.41)	1.68	-	-	6.98
Finance leases	6.37	3.85	-	-	-	10.22
Provision for doubtful debts	(63.57)	5.76	-	-	-	(57.81)
Other financial liabilities	0.91	3.43	-	-	-	4.34
Tax disallowance	(5.01)	(10.65)	-	-	-	(15.66)
Financial Assets	(0.13)	-	-	-	-	(0.13)
Others - Unabsorbed Loss including IT Depreciation	(583.94)	113.59	-	-	-	(470.35)
Others	11.22	1.92	-	-	-	13.14
Total	**5,072.13**	**838.12**	**1.68**	**0.18**	**10.55**	**5,922.66**

20.2 Deferred tax 2015-2016

(₹ in million)

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Recognised directly in equity	Acquisitions/ Disposals	Closing Balance
Property, plant and equipment	5,014.21	815.15	-	-	5.96	5,835.32
FVTPL financial assets	(128.86)	(60.11)	-	-	-	(188.97)
Deferred revenue	49.16	(1.09)	-	-	-	48.07
Provisions	(3.52)	0.67	-	-	-	(2.85)
Defined Benefit Obligation	(6.40)	20.83	0.63	(0.35)	-	14.71
Finance leases	2.52	3.85	-	-	-	6.37
Provision for doubtful debts	(34.08)	(29.49)	-	-	-	(63.57)
Other financial liabilities	2.03	(1.12)	-	-	-	0.91
Tax disallowance	(7.25)	2.92	(0.68)	-	-	(5.01)
Financial Assets	(0.11)	(0.02)	-	-	-	(0.13)
Others - Unabsorbed Loss including IT Depreciation	(684.78)	100.84	-	-	-	(583.94)
Others	10.55	0.67	-	-	-	11.22
Total	**4,213.47**	**853.10**	**(0.05)**	**(0.35)**	**5.96**	**5,072.13**

21 Trade Payable

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Trade payable	5,004.71	5,501.86	3,951.28
Total	**5,004.71**	**5,501.86**	**3,951.28**

22 Other current liabilities

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
(a) Deferred revenue arising from customer loyalty programme	137.11	114.25	151.99
(b) Deferred revenue arising from Revenue from Sale of Long Term Packages	20.23	11.06	-
(c) Sundry Creditors Others	526.23	363.99	84.52
(d) Retention Money on Capital Contracts	9.09	9.95	15.88
(e) Inpatient Deposits	330.94	173.11	289.66
(f) Statutory Liabilityes	252.87	230.85	201.70
(g) Outstanding Expenses	1,119.12	1,085.10	753.62
Total	**2,395.59**	**1,988.31**	**1,497.37**

23 Revenue from Operations

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
(a) Revenue from rendering of healthcare services	31,619.40	27,864.76
(b) Revenue from sales at pharmacies	40,929.66	34,281.78
Total	**72,549.06**	**62,146.54**

24 Other Income

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
a)Interest income		
Interest income others	121.85	79.98
Income on lease deposits	19.19	15.91
Interest income on finance lease	0.54	0.54
Total	**141.58**	**96.43**
b) Dividend Income		
Dividends from equity investments	(28.57)	0.01
c) Other non-operating income		
Net gain on foreign currency transactions and translation	(31.43)	(75.08)
Provision for diminution in value of investment written back	-	112.30
Guarentee Income	0.03	-
Total	**(31.40)**	**37.22**
d) Other gains and losses		
Gain on disposal of Property Plant and Equipment	5.08	-
Gain on disposal of Investments	54.99	-
Net gain/(loss) arising on financial liabilities	10.05	244.63
Gain on fair valuation of investment in Debentures	1.51	2.09
Gain on fair valuation of equity investments	1.29	1.29
Gain on Fair valuation of Mutual Funds	70.40	68.61
	143.32	316.62
Total (a+b+c+d)	**224.93**	**450.28**

25 Employee benefits expense

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Salaries and wages	10,132.64	8,620.91
Contribution to provident and other funds	659.28	530.31
Employee State Insurance	136.38	127.69
Bonus	370.89	437.54
Staff Education & Training	16.31	9.09
Staff welfare expenses	649.48	510.01
Total	**11,964.98**	**10,235.55**

26 Finance costs

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Interest on debentures and loans	2,284.33	1,621.86
Bank Charges	280.94	178.38
Guarantee Charges	0.03	-
Interest Expense arising on financial liabilities	8.20	-
Total	**2,573.50**	**1,800.24**

27 Depreciation and amortisation expense

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Depreciation of property, plant and equipment	3013.49	2506.56
Amortisation of intangible assets	126.90	131.78
Total depreciation and amortisation	3140.39	2638.34

28 Other expenses

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Power and fuel	1,188.46	1,103.93
Retainer Fees to Doctors	2,588.52	2,033.13
House Keeping Expenses	474.37	387.49
Water Charges	104.48	124.09
Rent	3,142.43	2,566.23
Repairs to Buildings	154.48	190.10
Repairs to Machinery	789.02	669.56
Repairs to Vehicles	48.80	42.53
Office Maintenance & Others	764.99	573.93
Insurance	117.74	104.28
Rates and Taxes, excluding taxes on income	159.45	127.81
Printing & Stationery	411.55	311.64
Postage & Telegram	48.96	35.70
Director Sitting Fees	4.66	3.84
Advertisement, Publicity & Marketing	1,965.68	1,568.90
Pharmacy Loyalty Discount	794.47	651.50
Travelling & Conveyance	602.38	540.59
Subscriptions	9.00	13.14
Security Charges	220.85	215.59
Legal & Professional Fees	930.23	785.47
Continuing Medical Education & Hospitality Expenses	68.23	57.62
Hiring Charges	111.40	92.47
Seminar Expenses	41.01	7.62
Telephone Expenses	249.13	208.26
Books & Periodicals	11.71	11.03
Donations	91.67	91.45
Bad Debts Written off	170.66	238.98
Provision for Bad Debts	98.24	148.83
Royalty paid	-	1.05
Outsourcing Expenses	1,719.71	1,356.62
Miscellaneous expenses	201.13	158.54
Loss on disposal of Property Plant and Equipment	52.21	36.77
Loss on sale Investment	0.05	0.01
Net (gain)/loss on foreign currency transactions and translations	8.53	27.08
Total	**17,344.20**	**14,485.78**

28.1 Payments to auditors

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
a) For audit	9.48	9.21
b) For taxation matters	2.00	1.57
c) For other services	1.51	1.82
d) For reimbursement of expenses	1.13	0.63
Total	**14.12**	**13.23**

29 Income tax recognised in profit or loss

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Current tax		
In respect of the current year	835.79	1,020.43
	835.79	1,020.43
Deferred tax		
In respect of the current year (Refer Note 20)	838.12	853.10
MAT Credit entitlement	(764.30)	(904.57)
Total	**73.82**	**(51.47)**
Total income tax expense recognised in the current year relating to continuing operations	**909.61**	**968.96**

30 Segment information

The Directors of the company are directly involved in the operations of the Company. Accordingly, the Board of Directors has been identified as the Chief Operating Decision Maker (CODM). Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the model of healthcare services delivered. The directors of the Company have chosen to organise the Company around differences in products and services. Accordingly, hospitals and pharmacies have been identified as the operating segments. No operating segments have been aggregated in arriving at the reportable segments of the Company.

The Clinics segment includes a number of speciality clinics/diagnostic/surgery centre formats in various cities within India, each of which is separately reviewed by the CODM. For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

- these operating segments have similar long-term gross profit margins;
- the nature of the products and production processes are similar; and
- the methods used to distribute the products to the customers are the same.

30.1 Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

(₹ in million)

Particulars	Segment Revenue		Segment Profit	
	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-17	As at 31-Mar-16
Health care	41,177.82	36,998.12	5,225.89	5,416.80
Retail Pharmacy	28,745.45	23,219.70	976.60	560.10
Clinics	446.04	521.64	(1841.76)	(1,449.63)
Others	2,441.02	1,893.70	296.03	524.85
Total	72,810.33	62,633.16	4,656.76	5,052.12
Less: Inter Segment Revenue	36.34	36.34	-	-
Total	**72,773.99**	**62,596.82**	**4,656.76**	**5,052.12**
Share of profit of associates and Joint Ventures			423.89	272.39
Finance costs			(2,573.50)	(1,800.25)
Tax expenses			(909.61)	(968.96)
Exceptional Items			-	159.36
Unallocated Income			(286.37)	(362.39)
Other Comprehensive Income			(219.03)	(105.65)
Minority Interest			(898.75)	(11.52)
Profit before tax attributable to the owners			**1,990.88**	**2,258.15**

30.2 Segment assets and liabilities

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Segment Assets			
Health care	59,464.98	55,312.98	46,423.64
Retail Pharmacy	7,691.30	6,936.21	5,776.75
Others	4,265.58	3,579.99	4,463.66
Clinics	6,136.68	4,795.80	3,894.12
Total Segment Assets	**77,558.54**	**70,624.97**	**60,558.17**
Unallocated Corporate Assets	1,339.82	897.10	762.79
Goodwill	2,267.07	2,075.93	1,751.58
Total Assets	**81,165.43**	**73,598.01**	**63,072.54**
Segment liabilities			
Health care	5,963.45	6,523.80	4,652.86
Retail Pharmacy	1,132.30	932.60	657.85
Others	33.27	18.50	5.01
Clinics	1,444.32	1,522.63	982.03
Total Segment liabilities	**8,573.34**	**8,997.52**	**6,297.74**
Unallocated Corporate Liabilities	**33,714.27**	**30,509.85**	**23,258.17**

30.3 Other segment information

(₹ in million)

Particulars	Depreciation and Amortisation		Addition to Non Current Assets	
	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-17	As at 31-Mar-16
Health care	2,515.35	2,044.78	8,510.22	8,522.78
Retail Pharmacy	256.32	243.35	473.50	1501.55
Others	3.87	2.36	2.03	12.07
Clinics	364.85	347.85	618.32	1,215.08
Total	**3,140.39**	**2,638.34**	**9,604.07**	**11,251.48**

31 Earnings Per Share

(Amount in ₹)

Particulars	31-Mar-17	31-Mar-16
Basic earnings per share		
From continuing operations	15.88	16.99
Total basic earnings per share	15.88	16.99
Diluted earnings per share		
From continuing operations	15.88	16.99
Total diluted earnings per share	**15.88**	**16.99**

31.1 Basic earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

(₹ in million)

Particulars	31-Mar-17	31-Mar-16
Profit for the year attributable to owners of the Company	2,209.91	2,363.80
Weighted average number of equity shares for the purposes of basic earnings per share	139,125,159	139,125,159

31.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.

(₹ in million)

Particulars	31-Mar-17	31-Mar-16
Earnings used in the calculation of basic earnings per share	2,209.91	2,363.80
Weighted average number of equity shares used in the calculation of diluted earnings per share	139,125,159	139,125,159

32 Obligations under finance leases

32.1 Leasing arrangements

The company (Imperial Hospitals) has obtained PET CT medical equipment under finance lease arrangement. The lease term is 7 years. The company has an option to purchase the equipment for a nominal amount at the end of the lease term. The company's obligations under finance leases are secured by the lessors' title to the leased assets.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 11% to 12% per annum (as at March 31, 2016: 11% to 12% per annum; as at April 1, 2015: 11% to 12% per annum).

32.2 Finance lease liabilities

(₹ in million)

Name of the Subsidiaries	Minimum Lease Payments			Present Value of Minimum Lease Payments		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Not later than one year	19.87	18.62	16.96	14.07	11.29	8.47
Later than one year and not later than five years	46.79	66.66	85.28	40.59	54.66	65.95
	66.66	**85.28**	**102.24**	**54.66**	**65.95**	**74.42**
Less: future finance charges	12.00	19.33	27.82	-	-	-
Present value of minimum lease payments	**54.66**	**65.95**	**74.42**	**54.66**	**65.95**	**74.42**

33 Employee benefit plans

33.1 Defined contribution plans

The Company makes contributions towards Provident Fund and Employees State Insurance as a defined contribution retirement benefit fund for qualifying employees. The Provident Fund is operated by the Regional Provident Fund Commissioner. The Employee State Insurance is operated by the Employee State Insurance Corporation. Under these schemes, the Company is required to contribute a specific percentage of the payroll cost as per the statute. The Company has no further obligation in this regard.

33.2 Defined benefit plans

The company contributes all ascertained liabilities towards gratuity to the fund. The plan assets have been primarily invested in insurer managed funds. The company provides for gratuity , a defined benefit retiring plan covering eligible employees. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment based on the respective employees salary and tenure of the employment with the company.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at		
	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate	6.46%-8.00%	7.25%-8.00%	7.5%-8.00%
Expected rate of salary increase	5.0%-8.00%	5.0%-9.00%	5.0%-7.00%
Average longevity at retirement age for current beneficiaries of the plan	Indian Assured Lives Mortality (2006-08) Ultimate-28.22		
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)	Indian Assured Lives Mortality (2006-08) Ultimate-28.22		

Amounts recognised in consolidated statement of profit and loss in respect of these defined benefit plans are as follows.

(₹ in million)

Particulars	31-Mar-17	31-Mar-16
Service cost:		
Current service cost	64.02	64.10
Past service cost and (gain)/loss from settlements	0.34	(2.71)
Net interest expense	3.82	2.35
Components of defined benefit costs recognised in profit or loss	68.18	63.74
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)		
Actuarial (gains) / losses arising from changes in demographic assumptions	(17.92)	(10.33)
Actuarial (gains) / losses arising from changes in financial assumptions	(35.21)	-
Actuarial (gains) / losses arising from experience adjustments	28.97	0.94
Others	128.31	78.73
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs	-	-
	104.15	**69.21**
Total	**172.33**	**132.95**

The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in million)

Particulars	Valuation as at		
	31-Mar-17	31-Mar-16	01-Apr-15
Present value of funded defined benefit obligation	713.08	541.86	443.58
Fair value of plan assets	(551.20)	(447.57)	(357.30)
Funded status	161.88	94.28	86.28
Net liability arising from defined benefit obligation	**161.88**	**94.28**	**86.28**

Movements in the present value of the defined benefit obligation are as follows.

(₹ in million)

Particulars	31-Mar-17	31-Mar-16
Opening defined benefit obligation	605.10	474.61
Current service cost	63.18	62.70
Interest cost	46.58	37.37
Remeasurement (gains)/losses:	121.06	75.25
Benefits paid	(45.29)	(44.82)
Closing defined benefit obligation	**790.63**	**605.11**

Movements in the fair value of the plan assets are as follows.

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening fair value of plan assets	485.28	372.66
Interest income	41.10	32.44
Return on plan assets (excluding amounts included in net interest expense)	24.61	16.95
Contributions from the employer	90.88	106.07
Benefits paid	(42.41)	(44.24)
Closing fair value of plan assets	**599.47**	**483.88**

The fair value of the plan assets for the India at the end of the reporting period for each category, are as follows

(₹ in million)

Particulars	Valuation as at Fair value of plan assets as at		
	31-Mar-17	31-Mar-16	01-Apr-15
Insurer managed funds	594.95	481.95	336.98

Each year an Asset and Liability matching study is performed in which the consequences of strategic investments policies are analysed in terms of risk and returns profiles. Investments and Contributions policies are integrated within this study.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in million)

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Discount rate	+100 basis points	+100 basis points	(724.98)	(523.56)	-	-
	-100 basis points	-100 basis points	-	-	766.17	558.56
Salary growth rate	+ 100 basis points	+ 100 basis points	762.69	560.46	-	-
Pension growth rate	- 100 basis points	- 100 basis points	-	-	(728.34)	(525.88)
Life expectancy	+ 100 basis points	+ 100 basis points	(740.01)	(539.70)	-	-
Claim rates	- 100 basis points	- 100 basis points	-	-	743.63	540.28

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

33.3 Leave Encashment

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at		
	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate(s)	6.46%-8.00%	7.25%-8.00%	8.00%
Expected rate(s) of salary increase	5.00%-6.00%	5.00%-6.00%	5.00%-6.00%
Average longevity at retirement age for current beneficiaries of the plan (years)*	Indian Assured Lives Mortality (2006-08) Ultimate-28.22		
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)*	Indian Assured Lives Mortality (2006-08) Ultimate-28.22		

Amounts recognised in consolidated statement of profit and loss in respect of these defined benefit plans are as follows.

(₹ in million)

Particulars	31-Mar-17	31-Mar-16
Service cost:		
Current service cost	58.51	36.55
Net interest expense	2.06	(1.28)
Components of defined benefit costs recognised in profit or loss	**60.57**	**35.27**
Remeasurement on the net defined benefit liability		
Actuarial (gains) / losses arising from changes in demographic assumptions	53.42	0.11
Actuarial (gains) / losses arising from changes in financial assumptions	(26.87)	-
Actuarial (gains) / losses arising from experience adjustments	93.41	99.77
Others	(3.99)	(68.28)
Components of defined benefit costs recognised in other comprehensive income	115.97	31.60
Total	**176.54**	**66.87**

The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in million)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Present value of funded defined benefit obligation	401.47	256.91	178.47
Fair value of plan assets	(214.76)	(216.74)	(110.17)
Funded status	186.71	40.17	68.30
Net liability arising from defined benefit obligation	**186.71**	**40.17**	**68.30**

Movements in the present value of the defined benefit obligation are as follows.

(₹ in million)

Particulars	31-Mar-17	31-Mar-16
Opening defined benefit obligation	258.23	185.32
Current service cost	48.24	26.44
Interest cost	18.49	11.80
Remeasurement (gains)/losses:	(54.36)	(76.63)
Benefits paid	130.86	110.00
Closing defined benefit obligation	**401.47**	**256.92**

Movements in the fair value of the plan assets are as follows.

(₹ in million)

Particulars	31-Mar-17	31-Mar-16
Opening fair value of plan assets	110.17	216.74
Interest income	13.08	17.26
Return on plan assets (excluding amounts included in net interest expense)	101.33	25.59
Contributions from the employer	(76.12)	(50.86)
Benefits paid	68.28	6.03
Closing fair value of plan assets	**216.74**	**214.76**

The fair value of the plan assets for the India and overseas plan at the end of the reporting period for each category, are as follows

(₹ in million)

Particulars	Fair value of plan assets as at		
	31-Mar-17	31-Mar-16	01-Apr-15
Present value of funded defined benefit obligation			
Insurer Managed Funds	216.74	214.76	110.17

Each year an Asset and Liability matching study is performed in which the consequences of strategic investments policies are analysed in terms of risk and returns profiles. Investments and Contributions policies are integrated within this study.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in million)

Particulars	Change in assumption		Increase in assumption		Decrease in assumption	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Discount rate	+100 basis points	+100 basis points	(388.84)	(246.77)	-	-
	-100 basis points	-100 basis points	-	-	404.56	263.22
Salary growth rate	+ 100 basis points	+ 100 basis points	402.63	261.93	-	-
Pension growth rate	- 100 basis points	- 100 basis points	-	-	(390.58)	(247.84)
Life expectancy	+ 100 basis points	+ 100 basis points	(396.61)	(254.69)	-	-
Claim rates	- 100 basis points	- 100 basis points	-	-	396.41	254.70

34 Financial instruments

34.1 Capital management

The Company manages its capital with the objective to maximize the return to stakeholders through the optimisation of the debt and equity mix.

The Company's risk management committee reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Company intende to limit gearing ratio to an outer limit of 100% of net debt to total equity determined as the proportion of net debt to total equity. The gearing ratio at March 31, 2017 of 70% was below the target range,

Gearing ratio

(₹ in million)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
The gearing ratio at end of the reporting period was as follows.			
Debt	30,487.18	25,030.06	26,327.16
Cash and bank balances	5,264.09	3,787.94	3,378.05
Net Debt	25,223.09	21,242.12	22,949.11
Total Equity	36,713.56	33,311.33	32,836.08
Gearing ratio	**68.70**	**63.77**	**69.89**

34.2 Categories of financial instruments

(₹ in million)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Financial assets			
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured:			
(i) Equity investments	21.34	20.83	24.30
(ii) Mutual Fund investments	1,219.24	1,044.68	1,473.27
Measured at amortised cost			
(a) Cash and bank balances	5,264.09	3,787.94	3,378.05
(b) Trade Receivables	7,482.42	6,093.66	5,223.75
(c) Other Financial Assets	5,066.51	5,070.29	5,855.05
(d) Investments	0.43	24.01	21.53
Financial liabilities			
Measured at amortised cost			
(a) Trade Payables	5,004.71	5,501.86	3,951.28
(b) Loans	30,487.18	26,327.16	19,309.23
(c) Other Financial Liabilities	1,329.01	2,777.12	2,156.29

34.3 Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non -derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

34.4 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, uisng currency cum interest swaps

34.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising appropriate derivative contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(₹ in million)

Particulars	Liabilities as at			Assets as at		
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16	01-Apr-15
Foreign Currency Borrowings (Amount in USD)	64.82	78.48	106.78	45.83	48.30	28.64
Trade Receivables (Amount in USD)	-	-	-	0.73	0.73	0.44
Import Payables (Amount in USD)	-	-	0.62	-	-	-

Foreign currency sensitivity analysis

Of the above, the borrowings of USD 57.43 million as at March 31, 2017, USD 65.72 million as at March 31, 2016 and USD 94 million as at March 31, 2015 is completely hedged against foreign currency fluctuation using forward contracts and Interest rate swaps

The following table details the Group's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupees strengthens 10% against the relevant currency. For a 10% weakening of the Rupees against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(₹ in million)

Particulars	2016-2017		2015-2016		As at April 1 ,2015	
	+10%	-10%	+10%	-10%	+10%	-10%
Potential Impact on profit or loss for the year (Amount in USD)	244.64	(244.64)	240.57	(240.57)	101.70	(101.70)

34.6 Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of currency cum interest rate swaps.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's:

- profit for the year ended March 31, 2017 would decrease/increase by ₹89.53 million (for the year ended March 31, 2016: decrease/ increase by ₹91.88 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts for borrowings in foreign currency. Such contracts enable the Company to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The average interest rate is based on the outstanding balances at the end of the reporting period.

34.7 Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Majority of the Company's transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from Insurance Companies, Corporate customers and Government Undertakings. The Insurance Companies are required to maintain minimum reserve levels and the Corporate Customers are enterprises with high credit ratings. Accordingly, the Company's exposure to credit risk in relation to trade receivables is considered low. Before accepting any new credit customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed annually. The outstanding with the debtors is reviewed periodically.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is exercised. As at March 31, 2017, an amount of ₹0.39 million (as at March 31, 2016: ₹0.39 million) has been recognised in the balance sheet as financial liabilities. These financial guarantees have been issued to banks under the financing facilities agreements entered into with Future Parking Private Limited.

35 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

35.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are based on floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ in million)

Particulars	Weighted average effective interest rate(%)	Less than 1 month	1-3 months	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2017						
Non-interest bearing	-	595.55	830.79	2,547.91	117.05	-
Variable interest rate instruments	8.47%	25.37	145.30	889.37	4,404.94	12,872.36
Fixed interest rate instruments	9.05%	0.05	1.09	18.68	3,161.43	7,502.00
Financial guarantee contracts	-	-	-	0.02	0.09	0.21
Total	**-**	**620.97**	**977.18**	**3,455.98**	**7,683.51**	**20,374.57**
March 31, 2016						
Non-interest bearing	-	619.28	886.31	3,068.29	107.68	239.80
Variable interest rate instruments	9.58%	151.48	1,144.27	1,647.22	7,195.46	852.16
Fixed interest rate instruments	9.96%	0.90	501.82	2,728.80	1,738.66	-

Particulars	Weighted average effective interest rate(%)	Less than 1 month	1-3 months	3 months to 1 year	1 Year to 5 years	> 5 years
Financial guarantee contracts	-	-	-	0.02	0.09	-
Total	**-**	**771.66**	**2,532.40**	**7,444.33**	**9,041.89**	**1,091.96**
April 1, 2015						
Non-interest bearing	-	491.84	696.62	2,453.60	119.39	251.43
Variable interest rate instruments	9.99%	9.62	135.81	1,092.39	1,401.28	562.87
Fixed interest rate instruments	9.83%	0.06	1,250.11	808.47	3,001.83	-
Financial guarantee contracts	-	-	-	0.02	0.09	-
Total	**-**	**501.52**	**2,082.54**	**4,354.48**	**4,522.59**	**814.30**

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will he earned on those assets. The inclusion of information on non -derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ in million)

Particulars	Weighted average effective interest rate(%)	Less than 1 month	1-3 months	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2017						
Non-interest bearing	-	4,789.89	2,187.42	5,960.10	1,447.99	3,337.80
Fixed interest rate instruments	12%	26.67	21.09	37.13	2.65	1.86
Total		**4,816.56**	**2,208.51**	**5,997.23**	**1,450.64**	**3,339.66**
March 31, 2016						
Non-interest bearing	-	4,749.30	1,588.83	5,433.32	1,607.15	1,549.70
Fixed interest rate instruments	12%	0.05	0.09	11.99	9.60	1.86
Total		4,749.35	1,588.92	5,445.31	1,616.75	1,551.56
April 1, 2015						
Non-interest bearing	-	3,768.79	1,723.38	5,871.85	1,807.90	1,256.48
Fixed interest rate instruments	12%	4.60	0.09	13.10	8.27	1.91
Total		**3,773.39**	**1,723.47**	**5,884.95**	**1,816.17**	**1,258.39**

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis.

(₹ in million)

Particulars	Less than 1 month	1-3 months	3 months to 1 year	1 Year to 5 years	> 5 years
March 31, 2017					
Net settled:					
Currency cum interest rate swaps	81.30	81.30	594.35	2,951.69	-
Total	**81.30**	**81.30**	**594.35**	**2,951.69**	**-**
March 31, 2016					
Net settled:					
Currency cum interest rate swaps	62.23	61.93	390.58	3,576.50	267.91
Total	**62.23**	**61.93**	**390.58**	**3,576.50**	**267.91**
April 1, 2015					
Net settled:					
Currency cum interest rate swaps	46.10	138.29	1,360.87	3,193.10	1,133.41
Total	**46.10**	**138.29**	**1,360.87**	**3,193.10**	**1,133.41**

₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
Bank loan facilities			
- amount used	30,487.17	26,327.16	19,309.23
- amount unused	5,067.20	6,289.54	6,705.50
Total	**35,554.37**	**32,616.70**	**26,014.73**

36 Fair Value of Assets and Liabilities

All financial assets and financial liabilities have been fair valued using Level 3 hierarchy except cash and bank balance which is fair valued using Level 1 hierarchy.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

37 Share-based payments

Share-based payments

Employee share option plan of the Company

The Board of Directors meeting held on 21st May 2012 approved and adopted the Employee Stock Option Plan – 2012 of the Company. Accordingly the Board of Directors granted Employee Stock Options (ESOPs) to the employees of the Company at an issue price of ₹ 30 per share. The vesting period involved is 4 years with the following vesting dates; being 31.05.2013; 31.05.2014; 31.05.2015; and 31.05.2016. Out of the ESOPs so granted the following table reflects the ESOPs granted, vested and exercised as on date:

(Amount in ₹)

Name of the Employee	ESOPs Granted	ESOPs Vested	ESOPs exercised	Exercise Price	Amount Paid
Mr. Sudhir M Diggikar	97,349	97,349	97,349	30	29,20,470
Mr. C.V. Ram	97,349	97,349	48,674	30	14,60,220
Total	**1,94,698**	**1,94,698**	**1,46,023**		**43,80,690**

Further Mr. Neeraj Garg, CEO of the Company has been granted Employee Stock Options of 3,30,000 (75% on time & 25% on performance) as per terms and conditions of his appointment letter dated 1st June 2013. The following are the vesting dates for the same. 01.06.2014; 01.06.2015; 01.06.2016; 01.06.2017 @ 82,500 ESOPs on each vesting date. Out of the ESOPs so granted the following table reflects the ESOPs granted, vested and exercised as on date:

(Amount in ₹)

Name of the Employee	ESOPs Granted	ESOPs Vested	ESOPs exercised	Exercise Price	Amount Paid
Mr. Neeraj Garg	3,30,000	2,47,500	2,47,500	30	74,25,000

Further as per the appointment letter he was entitled for a top up of 25% of grant based on performance after 4 years, which was later preponed by 1 year. Accordingly he was entitled for an additional ESOPs of 82,500 which he exercised. Thus the following table reflects the TOP-UP ESOPs granted, vested and exercised as on date:

(Amount in ₹)

Name of the Employee	Top-up ESOPs Granted	ESOPs Vested	ESOPs exercised	Exercise Price	Amount Paid
Mr. Neeraj Garg	82,500	82,500	82,500	30	24,75,000

Apollo Specialty Hospitals Limited (ASH)

The company by virtue of a service and subscription agreement entered into with the doctors for continuance of services with Apollo Specialty Hospitals (ASH) in line with the scheme implemented by the erstwhile company (i.e. Nova) has agreed to issue Fully Convertible Debentures (FCD) for a value calculated in accordance with performance based formulae at the time of acquisition.

These FCD are issued in respect of the future services rendered by the doctors' and hence is in the nature of share based payment. These FCD issued would be convertible upon the expiry of service requirement and other conditions as stipulated by the respective agreements.

The following share based payment arrangements were in existence during the current and prior years:

FCD Issued to	Date of Issue	Vesting Date	Value of FCD (₹)	No. of Options issuable	Exercise Price	Fair value on date of Grant (₹)
Dr. Rohit Pandya	1-Jan-15	31-Dec-20	27,50,000	107	-	25,764
Pandya Hospital and Research	1-Jan-15	31-Dec-20	25,00,000	97	-	25,764
Dr. Renuka Pandya	1-Jan-15	31-Dec-20	27,50,000	107	-	25,764
Excel Hospital Pvt Ltd	1-Jan-15	31-Dec-20	1,06,00,000	411	-	25,764
Dr Vinay Sabrawal	1-Jan-15	31-Dec-20	62,50,000	243	-	25,764
Dr Malvika Sabrawal	1-Jan-15	31-Dec-20	62,50,000	243	-	25,764
Dr Mahesh Reddy	7-Jan-15	30-Jun-19	1,00,00,000	388	-	25,764
Total			**4,11,00,000**	**1,595**		

38. Business Combinations

Particulars	Principal Activity	Proportion of Voting Equity Interest acquired (%)	Assam Hospitals Limited	Proportion of Voting Equity Interest acquired (%)	Apollo Lavasa Health Corporation limited	Proportion of Voting Equity Interest acquired (%)
During 2016-2017	Pharmarcy	100%	Health Care and Services	51%	Health Care and Services	51%

Consideration transferred **(₹ in million)**

Particulars	Hetero Pharmacy	Assam	Lavasa
Cash	1,345.00	663.14	312.20

Assets acquired and liabilities recognised at the date of acquisition **(₹ in million)**

Particulars	Hetero Pharmacy	Assam	Lavasa
Net Assets	322.00	179.01	324.73

The fair value of the above acquired assets and liabilities were determined by a registered valuer.

Goodwill arising on acquisition **(₹ in million)**

Particulars	Hetero Pharmarcy	Assam	Lavasa
Consideration transferred	1,345.00	663.14	312.20
Less: fair value of identifiable net assets acquired	322.00	(179.01)	(324.73)
Goodwill / (Capital Reserve)	1,023.00	484.13	(12.53)
Amount attributable to Intangibles and Goodwill:-			
Trade Mark	58.40	-	-
Non Compete Fee	21.10	-	-
Goodwill / (Capital Reserve)	943.50	484.13	(12.53)

Goodwill arose in the acquisition of Hetero Pharmacy because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Hetero Pharmacy These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

39 Operating lease arrangements

39.1 The Group as lessee

Leasing arranangement

Operating leases relate to leases of land with lease terms of between 5-10 yrs . All operating lease contracts over 5 years contain clauses for 5-yearly market rental review .The Group does not have an option to purchase the leased land at the expiry of the lease periods.

Payments recognised as an expense

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Minimum lease payments	3,142.43	2,566.23

Non-cancellable operating lease commitments

(₹ in million)

Particulars	31-Mar-17	31-Mar-16	01-Apr-15
Not later than 1 year	299.37	290.78	251.88
Later than 1 year and not later than 5 years	1,640.37	1,616.64	1,068.49
Later than 5 years	8,974.74	9,383.12	6,933.13
Total	**10,914.47**	**11,290.54**	**8,253.50**

40 (i) Contingent liabilities

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
a) Claims against the Group not acknowledged as debt	1,911.50	1,426.58	803.48
b) Guarantees	-	-	-
Bank Guarantees	1,517.38	223.78	312.11
Corporate Guarantees	3,031.80	2,908.50	1,505.00
Total	4,549.18	3,132.28	1,817.11
c) Other money for which the company is contingently liable			
Customs Duty	100.04	103.10	99.70
Income Tax	150.10	341.88	396.69
Letter of Credits	40.83	2.43	-
EPCG	985.23	661.45	427.70
Service Tax	96.43	86.09	62.53
Value Added Tax	24.93	24.88	2.27
Other Matters	10.63	9.69	-
Total	**6,416.19**	**4,371.62**	**2,973.79**

1) **Family Health Plan**

i) 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 Appeal against the above Order with The Hon'ble Customs, Excise and Service Tax Appellate Tribunal (South Zonal Bench) – Bangalore and got the Appeal admitted and also got the Stay Order from the Hon'ble Court for pre-deposit of penalty. The matter is sub-judice, awaiting final hearing.

In continuation the above, during the current year 2015-16, The Hon'ble Customs, Excise and Service Tax Appellate Tribunal (South Zonal Bench) – Bangalore has given favour to the assessee and it is held that no penalty is liable to be imposed, question of enhancing the penalty or revising the penalty would not arise. Therefore appeal filed by the Revenue cannot be sustained and has to be rejected. In the result, appeal filed by the appellant/assessee is allowed with consequential relief, if any and appeal filed by the Revenue is rejected.- Vide Ref No: ST/479/2008-DB, ST/487/2008-DB, Final Order No: 21265-21266/2015 dated 25/05/2015.

However, the Commissioner of Central Excise, Customs and Service Tax, Hyderabad-II, Commissionerate has filed 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.

ii) 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 ₹8.13 Crores 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 ₹57.00 million, against the demand of ₹81.30 million and stay the collection of the balance demand.

2) **Indraprastha Medical Corporation Limited**

Under the terms of the agreement between the Government of NCT of Delhi and the company, the Hospital project of the company has been put up on the land belonging to Government of NCT of Delhi. The Government of NCT of Delhi is committed to meet the expenditure to the extent of ₹154.78 million out of IMCL Building fund account (funds earmarked for the period) together with the interest thereon for construction of definite

and designated buildings while the balance amount of the cost of the building will be borne by the Company. As at 31st March, 2017, the aforesaid fund, together with interest thereon amounting to ₹192.35 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.

On a Public Interest Litigation (PIL) regarding free treatment in the hospital the Hon'ble Delhi High Court vide its order dated 22nd September, 2009 has held that free treatment provided by the hospital as per the terms of lease deed with Government of National Capital Territory of Delhi shall be inclusive of medicines and consumables. In response to the said order the company filed a Special Leave Petition in the Hon'ble Supreme Court for appropriate directions with a prayer to stay the judgment of the Hon'ble Delhi high court. The Hon'ble Supreme Court of India has admitted the Special Leave Petition and passed an interim order on 30.11.2009. In pursuance of the interim order, the Hospital is charging for medicines & medical consumables from patients referred by the Govt. of Delhi for free treatment in the Hospital. As the matter is sub judice, the financial impact in the matter can be quantified only upon a decision by the Hon'ble Supreme Court of India.

41 Commitments

(₹ in million)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 01-Apr-15
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	8,827.54	13,534.42	10,521.83

42. Foreign Currency

42(i) Foreign Currency Expenditure

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
a. CIF Value of Imports		
Machinery and Equipment	946.17	1,054.65
Stores and Spares	9.62	63.78
Other Consumables	57.01	11.10
b. Expenditure		
Travelling Expenses	82.30	84.78
Professional Charges	18.75	11.66
Royalty	1.09	0.00
Advertisement	1.65	1.14
Business Promotion	4.06	5.50
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
Non-Residents shareholders to whom remittance was made	-	174.00
Shares held by non-resident share-holders on which dividend was paid.	-	0.74

42(ii) Foreign Currency Earnings

(₹ in million)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Hospital Fees	1,109.83	1,113.31
Project Consultancy Services	18.05	17.34
Pharmacy Sales	4.22	1.31

43 Information on Fixed Assets

Imperial Hospitals and Research Centre

The land has been originally alloted by State Government of Karnataka and they have issued an order cancelling the allotment of land and directed to handover the building also along with land. FIXED ASSETS – LAND AND BUILDINGS – WDV AS ON 31.03.2017 – ₹989.84 million.

The company operates its hospital from a land that was originally alloted by State Government of Karnataka subject to compliance of certains terms and conditions. During the year 2014-15 the company has received an order from the Special Deputy Commissioner alleging non-compliance of certain conditions associated with the allotment of the land. Further the said authority has also demanded to surrender the land and building constructed back to the government of Karnataka.

The Company has sought legal opinions with legal experts and is of the view that

(a) there is no violation on the part of the Company of any terms and conditions of the allotment

(b) There is no threat to the marketable title of the property held by the Company

Further, the Company has made written representations to the concerned authorities, highlighting these facts and requesting for withdrawal of the said order. The representation is under review and the company is confident that there will be no threat to 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 no is threat to the continuity of the operations of the company or its revenue earning capabilities..

44 Related Party Disclosure

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 Enterprises Limited	
7	Western Hospitals Corporation (P) Limited	
8	Apollo Hospitals (UK) Limited	

SL.No	Name of related Parties	Nature of relationship
9	Sapien Biosciences Private Limited	Subsidiary Companies
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 International Limited	
17	Future Parking Private Limited	
18	Apollo Hospitals Singapore Pte Limited	
19	Alliance Dental Care Limited	Step down Subsidiary Companies
20	Akeso Healthcare Private Limted	
21	Apollo Dialysis Private Limited	
22	Apollo Sugar Clinics Limited	
23	Apollo Specialty Hospitals Pvt Ltd	
24	Apollo CVHF Limited	
25	Apollo Cosmetic Surgical Center Private Limited	
26	Apollo Gleneagles Hospital Limited	Join Ventures
27	Apollo Gleneagles PET-CT Private Limited	
28	Apokos Rehab Private Limited	
29	Family Health Plan (TPA) Limited	Associates
30	Indraprastha Medical Corporation Limiteid	
31	Apollo Munich Health Insurance Company Limited	
32	Stemcyte India Therapautics Private Limited	
33	Smt. Suneeta Reddy	Key Management Personnel
34	Shri. Krishnan Akhileswaran	
35	Shri. S M Krishnan	
36	Shri. Habibullah Badsha	Directors
37	Shri. Sanjay Nayar	
38	Shri. Vinayak Chatterjee	
39	Shri. Rafeeque Ahamed	
40	Shri. N Vaghul	
41	Shri. Deepak Vaidya	
42	Shri. Rajkumar Menon	
43	Shri. G Venkatraman	
44	Dr. Prathap C Reddy	Directors and Relatives of Key Managerial Personnel (Relative of Smt. Suneeta Reddy)
45	Smt. Preetha Reddy	
46	Smt. Sangita Reddy	
47	Smt. Shobana Kamineni	

SL.No	Name of related Parties	Nature of relationship
48	Apollo Tele Health Services Pvt Ltd	Enterprises over which key managerial personnel and their relatives are able to exercise significant influence / control / joint control
49	Apollo Mumbai Hospital Limited	
50	Apollo Sindoori Hotels Limited	
51	Kurnool Hospital Enterprises Limited	
52	Lifetime Wellness Rx International Limited	
53	Apollo Hospitals Educational Trust	
54	Medihauxe International Private Limited	
55	Palepu Pharma Private Limited	
56	Vardhman Pharma Distributors Private Limited	
57	Focus Medisales Private Limited	
58	Srinivasa Medisales Private Limited	
59	Meher Distributors Private Limited	
60	Lucky Pharmaceuticals Private Limited	
61	Neelkanth Drugs Private Limited	
62	Dhruvi Pharma Private Limited	
63	Medvarsity Online Limited	
64	AMG Healthcate Destination Private Limited	
65	Faber Sindoori Management Services Private Limited	
66	Apollo Hospitals Educational and Research Foundation	
67	Keimed Private Limited	
69	P. Obul Reddy & Sons	
70	Dishnet Wireless Limited	
71	Apollo Telemedicine Networking Foundation	
72	Sahayadri City Management	Other related parties of Apollo Lavasa Health Corporation Limited
73	My City Technology Limited	
74	Lavasa Hotel Ltd	
75	Whistling Trust Facilities Services Limited	
76	Reasonable Housing Limited	
77	Lavasa Corporation Limited	Significant Influence in Apollo Lavasa Health Corporation Limited
78	Green Channel Travel Services (Div of IRM Limited)	Significant Influence of Apollo Hospitals International Limited
79	IRM Trust	
80	IRM Enterprises Pvt Ltd	
81	Cadila Pharmaceuticals Limited	Significant Influence in Apollo Hospitals International Limited
82	Apollo-Amrish Oncology Services Pvt Ltd	Joint Venture of Apollo Hospitals International Limited
83	Rajshree Catering Services	Significant Influence of Apollo Rajshree Hospital Private Ltd
84	Matrix Agro Private Limited	Significant Influence of Imperial Hospital and Research Center Ltd
85	Apollo Family Benevolent Fund Trust	
86	Gleneagles Development Pte Ltd (GDPL)	Joint veture of Apollo Gleneagles Hospital Limited
87	Gleneagles Management Services Pte Ltd	Subsidiary of Gleneagles Development Pte Ltd (GDPL)

SL.No	Name of related Parties	Nature of relationship
88	Trivitron Healthcare Private Limited	Associate Companies of Apollo Health and Lifestyle Ltd
89	Healthnet Global Limited	
90	Indian Hospitex Pvt Ltd	
91	RJN Spectra Hospitals Pvt Ltd	
92	Search Light Health Private limited	
93	Stemcyte Inc, USA	Parent of Stemcyte India Therapautics Private Limited
94	Associated Electrical Agencies	Enterprise over which key managerial personnel of Apollo Munich Health Insurance Company Limited are able to exercise significant influence
95	Apollo Health Resources Limited	
96	PPN Power Generating Company Private Limited	
97	APEX Agencies	
98	Munchener Ruckversicherung Gesellschaft	

44.1 Related Party Transactions

(₹ in million)

Name of related parties	Nature of Transaction	31-Mar-17	31-Mar-16	01-Apr-15
Dr.Prathap C Reddy	Remuneration paid	108.22	136.19	-
Smt. Preetha Reddy	Remuneration paid	42.04	48.20	-
Smt. Suneeta Reddy	Remuneration paid	42.04	48.20	-
Smt. Sangita Reddy	Remuneration paid	41.43	46.99	-
Smt. Shobana Kamineni	Remuneration paid	42.64	49.66	-
Apollo Sindoori Hotels Limited	Food and Beverage expense	815.59	611.66	-
	Reimbursement of expense	4.08	0.79	-
	Rent paid	3.19	3.42	-
	Accomodation charges	-	4.24	-
	Revenue from operations	0.58	-	-
	Payables as at year end	26.42	(10.84)	(30.07)
Dishnet Wireless Limited	Purchase of services	2.49	8.39	-
Faber Sindoori Management Services Private Limited	Housekeeping expense incurred	820.38	723.95	-
	Receivables as at year end	-	-	0.10
	Premium Income	2.68	2.17	-
	Claim payments	0.34	0.31	-
	Reimbursement of expense	8.37		-
	Payables as at year end	129.59	54.95	-
Lifetime Wellness Rx International Limited	Outsourcing expense incurred during the year	10.42	-	-
	Advertisement charges paid	0.88	0.71	-
	Counselling charges paid	0.56	0.93	-
	Revenue from operations during the year	11.75	16.37	-
	Receivables as at year end	17.40	13.21	6.82
P. Obul Reddy & Sons	Receivable as at year end	1.50	12.62	15.83
	Premium Income	0.12	-	-
	Capital expenditure incurred during the year	23.03	52.06	-
Keimed Pvt Limited	Purchases during the year	3,816.01	5,146.98	-
	Premium Income	0.70	0.68	-
	Claim payment		0.04	-
	Payables as at year end	103.17	92.53	61.57
Medvarsity Online Limited	Receivable as at year end	1.23	3.30	2.60
	Tranasaction during the year		2.51	-
	Revenue from operations during the year	3.06	3.48	-
	Reimbursement of expense during the year	7.89	-	-
Kurnool Hospitals Enterprise Limited	Investment in Equity	1.74	1.73	1.73
	Revenue from operations during the year	2.95	3.84	-
	Receivables as at year end	8.56	5.90	-
AMG Health Care Destination Private Limited	Investment in Equity	12.33	12.33	12.33
Apollo Hospitals Educational Trust	Rent expense incurrred during the year	33.13	23.15	-
	Reimbursement of expense during the year	14.57	6.98	-
	Revenue from operations during the year	2.79	-	-
	Receivables as at year end	224.80	288.25	337.85
Apollo Hospitals Educational and Research Foundation	Reimbursement of expense during the year	24.13	12.30	-
	Receivables as at year end	157.60	155.17	149.93
Meher Distributors Private Limited	Payable as at year end	19.41	15.44	11.77
	purchases	456.33	402.22	-
Lucky Pharmaceuticals Private Limited	Payable as at year end	36.86	44.17	41.35
	purchases	1,035.88	931.61	-
Neelkanth Drugs Private Limited	Payable as at year end	90.33	74.32	47.18
	purchases	1,417.74	1,110.79	-
Dhruvi Pharma Private Limited	Payable as at year end	29.84	16.48	18.96
	purchases	450.72	330.47	-
Palepu Pharma Private Limited	Payable as at year end	12.96	90.29	48.78
	purchases	3,950.23	3,329.95	-
	Store purchases during the year	1.93	-	-
Medihauxe International Private Limited	Payable as at year end	46.44	20.26	42.60
	purchases	465.68	430.91	-
	Store purchases during the year	0.09	-	-
Vardhman Pharma Distributors Private Limited	Payable as at year end	19.62	36.81	27.74
	Purchases	508.59	731.03	
Focus Medisales Private Limited	Payable as at year end	27.99	21.90	15.41
	purchases	521.76	460.49	-

Name of related parties	Nature of Transaction	31-Mar-17	31-Mar-16	01-Apr-15
Srinivasa Medisales Private Limited	Payable as at year end	92.02	27.76	21.26
	purchases	1,052.79	588.15	-
Whistling Trust Facility Service Limited	Payable as at year end	0.48	0.80	-
	Project and other services	-	1.29	-
Matrix Agro Private Limited	Power charges paid	25.12	7.69	-
	Payables	0.93	2.68	-
Lavasa Corporation Limited	Operating income	1.85	3.68	3.61
	Interest on Inter corporate Deposits	14.10	0.02	15.56
	Interest Accured and Due	74.91	62.24	
	project and other service availed	0.27	0.21	0.28
	Inter corporate deposits outstanding	97.24	97.24	97.24
	Equity Share capital	6.27	6.27	8.00
	Trade receivables as at year end	4.62	2.88	-
Apex agencies	Premium Income	0.09	0.11	-
Shri. Habibullah Badsha	Remuneration paid	1.65	1.75	-
Shri. Sanjay Nayar	Remuneration paid	1.50	1.65	-
Shri. Vinayak Chatterjee	Remuneration paid	1.50	1.69	-
Shri. Rafeeque Ahamed	Remuneration paid	1.50	1.70	-
Shri. N Vaghul	Remuneration paid	1.70	1.80	-
Shri. Deepak Vaidya	Remuneration paid	1.95	2.17	-
Shri. Rajkumar Menon	Remuneration paid	2.14	2.20	-
Shri. G Venkatraman	Remuneration paid	1.95	2.05	-
Apollo Tele Health Services Pvt Ltd	Reimbursement of expense during the year	6.45	4.86	-
	Consultency fee to doctors	6.40	6.57	-
	Project and other service availed	0.02	-	-
	Loan and advance	0.01	-	-
	Revenue arrangements		-	-
	Receivable as at year end	6.80	(0.15)	0.54
Rajshree Catering Services	Food and Beverage outsourced expense during the year	8.52	7.71	-
	Payables as at year end	2.05	2.19	-
Apollo Family Benevolent Fund Trust	Company's Contribution to the trust fund	0.77	0.72	-
	Employee contribution collected and remitted to the trust	9.04	7.09	-
Associated Electrical Agencies	Premium Income	0.19	0.16	-
PPN Power Generating Company Pvt Ltd	Premium Income	1.10	-	-

Name of related parties	Nature of Transaction	31-Mar-17	31-Mar-16	01-Apr-15
Munchener Ruckvesicherung Geseilschaft	Premium on cession to reinsurers	386.74	-	-
	Reinsurance commission earned	135.36	-	-
	Losses recovered from reinsurer	93.37	-	-
	Receivables as at year end		-	-
	Payable as at year end	158.02	(0.02)	-
Gleneagles Management Services Pte Ltd	Trademark, Management & Technical Fees	118.46	118.46	-
	Trade payable		118.21	104.33
	Unsecured Loan	36.54	36.54	36.54
Gleneagles Development Pte Ltd	Unsecured Loan	124.39	124.39	124.39
Lavasa Hotel Ltd	Operating Income	0.11	0.04	-
	Receivable as at year end	0.15	0.08	-
Sahyadri City Management Ltd	Operating Income	0.00		-
	Payable as at year end	7.47	5.52	-
	Included in Trade Payables	-	-	3.99
	Project and other services availed	2.02	1.42	-
My City Technology Ltd	Project and other services availed	0.06	0.06	-
	Payable as at year end	1.93	2.39	-
Reasonable Housing Ltd	Project and other services availed	0.60	0.42	-
	Payable as at year end	1.34	0.80	-
	Loan and advance	0.26	0.26	-
Apollo Health Resources Ltd	Premium Income	-	1.23	-
Apollo Telemedicine Networking Foundation	Income from Jute bags	0.14	-	-
Stemcyte Inc, USA	Reimbursement of expense	0.50	0.49	-
	Purchase of goods	-	1.26	-
	Professional charges	-	0.04	-
	Receipt of transplant coordination charges	0.07	0.26	-
	payable as at year end	5.07	4.69	-
Healthnet Global Ltd	Call Centre services received	1.45	0.68	-
	Payable as at year end	0.51	0.47	-
Indian Hospitex Pvt Ltd	Purchase of Medical Consumables	2.60	2.26	-
	Payable as at year end	0.50	0.41	-
RJN Spectra Hospitals Pvt Ltd	Revenue sharing	0.18	-	-
	Payable as at year end	0.13	-	-
Search Light Health Private Ltd	Health Record Services	1.10	-	-

Name of related parties	Nature of Transaction	31-Mar-17	31-Mar-16	01-Apr-15
Cadila Pharmacuticals Ltd	Purchase	7.34	7.96	-
	Receivable as at year end	-	0.79	-
	Transaction during the year	-	-	-
	Service Rendered (Income from operation etc)	3.91	3.31	-
Green Channel Travels Services Pvt Ltd	Service Availed	7.94	4.51	-
	Payable as at year end	0.14	0.19	-
IRM Enterprises Pvt Ltd	Service Availed	0.05	0.04	-
	Other Income	0.07	0.07	-
	Transaction during the year	-	-	-
	Payable as at year end	0.00	-	-
Stemcyte India Therapeutics Pvt Ltd	Reimbursement of Expenses	2.47	3.03	-
	Other Income	3.60	3.49	-
	Investment in Equity	80.00	80.00	80.00
	Receivable as at year end	0.92	1.08	-
Family Health Plan (TPA) Ltd	Investment in Equity	4.90	4.90	4.90
	Revenue from operations	592.33	397.26	-
	Receivable as at year end	154.76	34.29	29.98
	claim payments	0.08	0.01	-
	TPA fees	257.10	330.93	-
Indraprastha Medical Corporation Ltd	Investment in Equity	393.72	393.72	393.72
	Receivable as at year end	450.14	399.73	402.04
	Dividend Received	36.35	36.34	-
	Reimbursement of expense	77.25	0.68	-
	Revenue from operations	198.10	281.16	-
	Lab Investigation expense incurred during the year	0.03	-	-
	Claim Payments	134.91	106.75	-
IRM Trust	Investment by Trust in Equity	-	428.02	378.02
	Tranasction during the year	-	50.00	-
Trivitron Healthcare Pvt Ltd	Consumables and salary Reimbursement	-	4.24	-
	Payable as at year end	-	4.24	-
Apollo Munich Health Insurance Company Ltd	Investment in Equity	357.09	357.09	357.09
	Revenue from operations	232.12	246.54	-
	Group mediclaim expense incurred	102.36	42.91	-
	TPA Fees	257.10	208.32	-
	Receivable as at year end	47.25	35.79	-

Name of related parties	Nature of Transaction	31-Mar-17	31-Mar-16	01-Apr-15
Apollo Gleneagles Hospitals Ltd	Investment in Equity	393.13	393.13	393.13
	Advertisement expense	-	182.61	-
	Revenue from operations during the year	210.92	1,182.21	-
	Claim payment	47.45	30.67	-
	Reimbursement of expense during the year	103.65	77.94	-
	Receivable as at year end	521.08	441.42	-
Apollo Gleneagles PET-CT Private Ltd	Investment in Equity	85.00	85.00	85.00
	Payables as at year end	(6.08)	0.22	-
	Revenue from operations during the year	3.27	4.22	-
	Deposits refundable as at year end	18.81	-	-
	Reimbursement of expense during the year	0.03	8.74	-
Apokos Rehab Private Ltd	Investment in equity	84.75	57.50	57.50
	Revenue from operations during the year	1.36	0.12	-
	Reimbursement of expense during the year	3.55	0.02	-
	Receivable as at year end	0.74	0.64	-

45 Events after the reporting period

The Board of Directors of the parent company (Apollo Hospitals Enterprise Ltd) have recommended dividend of ₹6 per fully paid up equity share of ₹5 each, aggregating to ₹1,004.69 million, including ₹169.94 million Dividend Distribution Tax for the financial year 2016-17, which is based on the share capital as on 31st March 2017. The actual dividend amount will be dependant on the relevant share capital outstanding as on the record date/ book closure.

46 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 30, 2017

47 Disclosure on Specified Bank Notes (SBN)

The following represents the cash held and transacted during the period 8 November 2016 to 30 December 2016.

(Amount in ₹)

Particulars	SBN- Old ₹500 and ₹1000	Other denomination notes- Other Curriencies	Total
Closing Balance cash in hand as on 8.11.2016	193,678,000	14,446,095	208,124,095
Add : Permitted Receipts	2,301,604,821	1,895,665,132	4,197,269,953
Less : Permitted Payments	2,654,000	240,708,156	243,362,156
Less : Amount deposited in Banks	2,492,628,821	1,512,951,371	4,005,580,192
Closing cash in hand as on 30.12.2016	-	156,451,701	156,451,701

48 First-time Ind AS adoption reconciliations

48.1 Effect of Ind AS adoption on the consolidated balance sheet as at March 31, 2016 and April 1, 2015

(₹ in million)

Particulars	As at 31-Mar-16 (End of last period presented under previous. GAAP)			As at 01-Apr-15 (Date of transition)		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-Current assets						
Property, Plant and Equipment	34,443.40	2,005.47	36,448.87	30,328.15	383.03	30,711.18
Capital work-in-progress	5,955.75	(340.16)	5,615.58	5,326.40	(657.86)	4,668.53
Investment Property	-	-	-	-	-	-
Goodwill	286.57	(286.57)	-	-	-	-
Other Intangible assets	1,396.60	52.76	1,449.37	460.58	42.02	502.60
Intangible assets under development	-	-	-	-	-	-
Financial Assets						
Investments	1,980.25	726.25	2,706.51	1,650.79	1,400.73	3,051.51
Goodwill on Consolidation	2,120.22	(44.29)	2,075.93	1,652.45	99.13	1,751.58
Income Tax Assets	3,608.47	(2,711.37)	897.1	2,652.91	(1,890.12)	762.79
(v) Other financial assets	2,475.74	(266.85)	2,208.89	2,461.52	(480.31)	1,981.21
Other non-current assets	1,869.20	580.83	2,450.03	670.08	949.45	1,619.53
Total Non - Current Assets	**54,136.20**	**(283.92)**	**53,852.28**	**45,202.88**	**(153.95)**	**45,048.93**
Current assets						
Inventories	4,432.79	(371.46)	4,061.33	3,502.63	(272.32)	3,230.31
Financial assets						
(i) Investments	717.21	100.11	817.32	1,455.70	1.89	1,457.59
(ii) Trade receivables	7,019.95	(926.29)	6,093.66	6,092.74	(868.99)	5,223.75
(iii) Cash and cash equivalents	3,975.68	(605.17)	3,370.51	3,773.33	(658.12)	3,115.21
(iv) Bank balances other than above	-	-	417.43	-	-	262.84
(v) Other financial assets	5,024.20	(2,162.80)	2,861.40	3,837.43	36.41	3,873.84
Other current assets	1,431.42	692.66	2,124.08	726.94	133.13	860.07
Assets classified as held for sale						
Total current assets	**22,601.25**	**(2,855.52)**	**19,745.73**	**19,388.77**	**(1,365.16)**	**18,023.61**
Total assets	**76,737.45**	**(3,139.44)**	**73,598.01**	**64,591.65**	**(1,519.11)**	**63,072.54**
Equity						
Equity Share capital	695.63	-	695.63	695.63	-	695.63
Share application money pending allotment	-	-	0.99	11.38	-	11.38
Other equity	33,840.90	(1,226.19)	32,614.71	31,006.31	1,122.76	32,129.07
Non-controlling interests (Minority interest under previous GAAP)	1,303.21	(523.91)	779.3	730.14	(49.59)	680.55
Total Equity (Shareholders funds under previous GAAP)	**35,839.74**	**(1,749.11)**	**34,090.63**	**32,443.46**	**1,073.17**	**33,516.63**
Non-current liabilities						
Financial Liabilities						
(i) Borrowings	22,956.37	1,541.45	24,497.82	17,280.58	1,296.32	18,576.90
(ii) Trade payables	-	-	-	-	-	-
(iii) Other financial liabilities	12.83	291.02	303.85	50.33	76.49	126.82
Provisions	31.89	0.83	32.72	34.49	8.35	42.84
Deferred tax liabilities (Net)	4,843.04	(2,668.37)	2,174.67	4,019.55	(1,801.53)	2,218.02
Other non-current liabilities	-	-	-	-	-	-
Total Non - Current Liabilities	**27,844.13**	**(835.07)**	**27,009.06**	**21,384.95**	**(420.37)**	**20,964.58**
Current liabilities		-			-	
Financial Liabilities		-			-	
(i) Borrowings	1,820.02	9.31	1,829.34	857.37	(125.04)	732.34
(ii) Trade payables	5,037.17	464.69	5,501.86	4,191.41	(240.13)	3,951.28
(iii) Other financial liabilities	3,674.27	(1,201.00)	2,473.27	2,894.97	(865.50)	2,029.47
Provisions	613.38	92.16	705.54	1,315.38	(934.51)	380.87
Other current liabilities	1,908.73	79.58	1,988.31	1,504.12	(6.75)	1,497.37
Total Current Liabilities	**13,053.57**	**(555.25)**	**12,498.32**	**10,763.25**	**(2,171.92)**	**8,591.33**
Total Liabilities	**40,897.70**	**(1,390.32)**	**39,507.38**	**32,148.20**	**(2,592.29)**	**29,555.91**
Total Equity and Liabilities	**76,737.45**	**(3,139.44)**	**73,598.01**	**64,591.65**	**(1,519.12)**	**63,072.54**

48.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

(₹ in million)

Particulars	Note Ref.	31-Mar-16	01-Apr-15
Total equity (shareholders' funds) under previous GAAP		**33,840.90**	**31,006.31**
Fair Value of Financial Asset & Liabilities	**(a)**	**260.50**	**349.46**
Fair Value of Property Plant and Equipment	**(b)**	**427.70**	**569.24**
Treatment of Lease Deposit	(c)	49.20	(11.89)
Treatment of Composite Lease	(d)	(284.60)	(284.56)

Particulars	Note Ref.	31-Mar-16	01-Apr-15
Treatment of Customer Loyalty Points	(e)	(64.10)	(64.07)
Expected Credit Loss provision on receivables	(f)	(742.10)	(616.64)
Treatmentof gains recognised under Common Control Transactions	(g)	(91.90)	(469.49)
Change in control assessment	(h)	(781.89)	667.71
Others	(i)	1.00	19.24
Treatment of proposed dividend	**(j)**	**-**	**963.76**
Total Equity under Ind AS		**32,614.71**	**32,129.07**

48.3 Effect of Ind AS adoption on the consolidated statement of profit and loss for the year ended March 31, 2016

(₹ in million)

Particulars	31-Mar-16		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations	60,855.89	1,290.65	62,146.54
Other Income	266.91	183.38	450.28
Total Income	**61,122.79**	**1,474.03**	**62,596.82**
Expenses			
Cost of materials consumed	12,115.66	448.98	12,564.64
Purchases of Stock-in-trade	18,452.30	336.35	18,788.65
Changes in stock of finished goods, work-in-progress and stock-in-trade	(10.24)	(795.63)	(805.87)
Employee benefit expense	10,242.25	(6.70)	10,235.55
Finance costs	1,684.90	115.35	1,800.24
Depreciation and amortisation expense	2,532.79	105.55	2,638.34
Other expenses	12,233.02	2,252.76	14,485.78
Total expenses	**57,250.69**	**2,456.64**	**59,707.33**
Share of profit / (loss) of associates	75.26	197.14	272.39
Profit/(loss) before tax	**3,947.36**	**(785.48)**	**3,161.89**
Exceptional Items	291.58	(132.22)	159.36
Profit before Tax	**4,238.94**	**(917.70)**	**3,321.24**
Tax expense			
(1) Current tax	186.12	834.31	1,020.43
(2) Deferred tax	816.07	(867.54)	(51.47)
Profit attributable to the Group	3,236.75	(884.47)	2,352.28
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(b) Remeasurements of the defined benefit liabilities / (asset)	-	(105.65)	(105.65)
Total comprehensive income for the period (A (i-ii)+B(i-ii))	-	(105.65)	(105.65)
Total comprehensive income for the period	3,236.75	(990.12)	2,246.64
Minority Interest	73.37	(61.85)	11.52
Total Income attributable to the Owners	3,310.12	(1,051.97)	2,258.15

48.4 Reconciliation of Total Income attributable to the Owners

(₹ in million)

Particulars	Note Ref.	31-Mar-16
Profit as per previous GAAP		3,310.12
Adjustments:		
Fair Value of Financial Assets and Liabilities	(a)	125.49
Acturial loss on defined benefit obligation recognised through OCI	(k)	104.66
Treatment of gains recognised under Common Control Transactions	(g)	(331.70)
Depreciation and Amortization expenses	(b)	80.79
Expected Credit Loss Provision on receivables	(f)	(188.30)
Others	(i)	(15.50)
Change in Control Assessment	(h)	(758.91)
Net Profit as per Ind AS		**2,326.65**
Other Comprehensive Income(OCI)- Acturial loss on defined benefit obligation	(k)	(68.50)
Total Comprehensive Income attributable to the Owners of the Company		**2,258.15**

a) Under previous GAAP, Financials Assets or Financial Liabilities were measured at cost on the date of transition to Ind AS, these financial assets or financial liabilities have been measured at their fair value, resulting in an net increase in the carrying amount. Financial Assets includes Investments which were carried at cost under Previous GAAP. As per Ind AS, these investments are carried at Fair Value through the statement of profit and loss or at amortised cost. Under previous GAAP, redeemable preference shares were classified as part of total equity. Dividends paid on these preference shares were adjusted against retained earnings and not recognised as finance costs in the statement of profit and loss. However, under Ind AS, financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form. These preference shares do not contain any equity component and hence, have been classified in their entirety as a financial liability under Ind AS. The resultant dividends have been recognised as finance costs in the statement of profit and loss.

b) Under previous GAAP, the Fixed Assets were measured at cost. As per Ind AS, the company fair valued its Buildings, Medical Equipment and Furnitures resulting in a increase in the carrying value of the Property, Plant and Equipment.

c) Under the previous GAAP lease deposits were carried at transaction value. Whereas under Ind AS deposits lease deposits are discounted for the non-cancellable period in a lease exceeding one year at an incremental borrowing rate

d) As part of the Ind AS assessment, Building leased to Apollo Hospitals Education Research Foundation being a part of composite lease is treated as finance lease under Ind AS , whereas under previous GAAP, it was treated as an operating lease.

e) Under the previous GAAP, on redemption of loyalty points by the customer, expense were recognised . Ind AS requires that based on award credits or loyalty points that are expected to be redeemed by customers against future goods/services, revenue be deferred based on a trend of redemption of such points.

f) Ind AS prescribes the use of a provision matrix for expected credit loss (ECL based on past trend). Following an assessment of past settlement trends, the company has determined a fixed % of the receivabales to be provided.

g) The sale of Alliance Dental Care Limited and Alliance Medicorp (India) Limited to Apollo Health and Lifestyle Limited by Apollo Hospitals Enterprises Limited is a Common Control Transacation. Similarly the gain arising on sale of Apollo Speciality Hospitals to KKR Debt Fund is a common control transaction. Since Apollo Health and Lifestyle Limited is a group company the gain on sale of share is eliminated because of it being a common control transaction.

h) Under the previous GAAP, an entity controls another entity when it has ownership, directly or indirectly, of more than one-half of the voting power of the other entity or control over the composition of the board of directors so as to obtain economic benefit from its activities. Refer Note 4.3 control assessment.

Control over Apollo Amrish Oncology Services Private Limited

Under previous GAAP, an entity controls another entity when it has ownership, directly or indirectly, of more than one-half of the voting power of the other entity or control over the composition of board of directors so as to obtain economic benefit from its activities. In the case of Apollo Amrish Oncology services private Limited, since the Apollo Hospitals International Limited holds more than 50% equity shares of Apollo Amrish Oncology services private Limited, it was considered as a subsidiary under the previous GAAP by AHIL.. Based on a control assessment carried out under Ind AS 110 Consolidated Financial Statements, Apollo Amrish Oncology services private limited is considered to be an assocaite of the Company under Ind AS

Control over Apollo Speciality Hospitals Private Limited ('ASH')

ASH is a subsidiary of the Group even though the Group has 49% ownership interest and voting rights in ASH for a part period in FY 16 and FY 17. ASH is a Company registered under Companies Act, 1956 and KKR and IHCL hold 17% and 33% respectively in ASH. The directors of the Company assessed whether or not the Group has control over ASH based on whether the Group has the practical ability to direct the relevant activities of ASH unilaterally. In making their judgement, the directors considered that KKR's holds a put option on IHCL and the Group has a right to acquire KKR's shares. The directors have also considered all activities relating to revenue, opex & capex decisions of ASH and the Group's ability to direct such activities. After assessment, the directors concluded that the Group has control over ASH. However the company ahs 99.92% holding with effect from 28th December 2016"

i) This includes the Interest income on Lease deposit, Rent on lease deposits, Deferred Income on Loyalty points and Rental income on finance lease. This adjustment is made as per previously explained Ind AS adjustments.

j) Under the previous GAAP, dividends on equity shares recommended by the board of directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised only after the approval in the Annual General Meeting.

k) Ind AS prescribes that the Acturalial gain or loss on gratuity and Leave encashment should be disclosed under other comprehensive income.

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 : 30th May 2017

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 Cash Flow Statement
for the year ended 31st March 2017

(₹ in million)

	Particulars	31-Mar-17		31-Mar-16	
A	Cash Flow from operating activities				
	Net profit before tax and extraordinary items		1,832.52		3,052.47
	Adjustment for:				
	Depreciation	3,142.21		2,658.71	
	(Profit)/loss on sale of investments	(18.63)		(469.61)	
	(Profit)/loss on sale of assets	52.43		58.21	
	(Gain)/loss on fair valuation of mutual funds	2.27		(7.87)	
	Interest paid	2,685.52		1,949.57	
	Foreign Exchange loss/ (Gain)	8.51		25.65	
	Provision for bad debts	70.24		-	
	Interestreceived	(247.49)		(231.84)	
	Dividend received	(44.11)		(46.04)	
	Bad debts written off	149.84		200.91	
	Provision for diminution of investments	-	5,800.79	112.30	4,249.99
	Operating profit before working capital changes		7,633.31		7,302.46
	Adjustment for:				
	Trade or other receivables	(1,540.05)		(1,040.71)	
	Inventories	(607.34)		(975.85)	
	Trade payables	(545.12)		1,549.90	
	Others	1,989.06		574.88	
			(703.45)		108.22
	Cash generated from operations		6,929.86		7,410.68
	Foreign Exchange loss/ (Gain)		(4.76)		(27.07)
	Taxes paid		(1,169.10)		(1,411.94)
B	Net cash from operating activities (A)		5,756.00		5,971.67
	Cash flow from Investing activities				
	Purchase of property, plant and Equipment		(7,364.06)		(10,158.95)
	Purchase of investments		(2,757.69)		(538.04)
	Sale of investments		68.63		1,220.29
	Sale of property, plant and Equipment		14.11		254.17
	Interestreceived		247.49		294.41
	Dividend received		44.11		46.04

	Particulars	31-Mar-17		31-Mar-16
C	Net cash used in Investing activities (B)		(9,747.41)	(8,882.08)
	Cash flow from financing activities			
	Proceeds from issue of share premium		6.00	-
	Proceeds from issue of share capital		6,049.89	28.71
	Proceeds from long term borrowings		7,612.46	9,990.09
	Proceeds from short term borrowings		239.05	788.56
	Repayment of finance/lease liabilities		(5,764.84)	(3,959.78)
	Interest paid		(2,674.93)	(1,932.90)
	Dividendpaid		-	(1,615.35)
	Net cash from financing activities (C)		5,467.63	3,299.33
	Net increase in cash and cash equivalents (A+B+C)		1,476.22	388.92
	Cash and cash equivalents(opening balance)		3,787.87	3,399.02
	Cash and cash equivalents (Closing balance)		5,264.09	3,787.94
	Component of Cash and cash equivqlents			
	1) Cash Balances		304.83	164.51
	Balance with Banks			
	1) Available with the company for day to day operations		4,926.88	3,573.64
	2) Amount available in unclaimed dividend and unclaimed deposit		32.38	49.79
	TOTAL		5,264.09	3,787.94

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 : 30th May 2017

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

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For the kind attention of Shareholders

Shareholders / Proxy holders attending the meeting should bring the attendance slip to the meeting and hand over the same at the entrance duly signed.

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
TOUCHING LIVES

"guardians of health and well-being"

APOLLO HOSPITALS ENTERPRISE LIMITED

THE APOLLO WAY

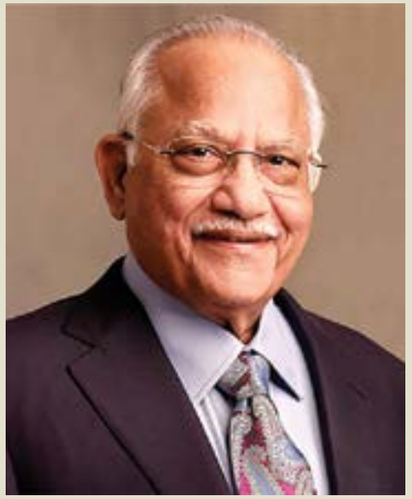
Business Responsibility Report
2016–2017

Apollo Hospitals Enterprise Limited

Apollo
HOSPITALS
TOUCHING LIVES

Business Responsibility Report
2016-2017

From the Chairman



'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 Shareholders,

We started our journey 34 years ago determined to build an institution that would offer to fellow countrymen, high quality healthcare at affordable prices right here in India. Healthcare that would be comparable to the best available in the West. I can look back today and say with satisfaction that we have accomplished that mission. We have earned the trust of millions of people over three decades at all our hospitals spread across the country. We have left no stone unturned during this time to provide them the appropriate care to ease their suffering and protect their well-being.

In a country like India where a large proportion of the population lives in rural towns and villages, innovation in healthcare delivery is critical. I have always said that the human body is priceless; that it is important to keep one's body heathy and pursue wellness in everyday life. In recent years, Non-Communicable Diseases have fast become a roadblock to wellness. This is India's biggest healthcare burden, and if neglected, can overwhelm the general population and become a severe threat to the country's productivity and socio-economic progress. As India's leading health services provider, we believe we have a responsibility in fighting this menace. We have already differentiated ourselves at every touch point of the Patient Care cycle and our patient outcomes are comparable to the best in the world. We now want to revolutionize the healthcare eco-system through newer ways of reaching India's masses in order to put them on the road to wellness. We want to create and implement a strong digital strategy to enhance patient outreach and access, customer experience and loyalty. We want to deploy high-tech equipment to further improve outcomes while enabling patients to recover faster, thereby cutting short their stay in the hospital. We also want to strengthen consultant engagement, focus on specialty forays and achieve distinction through advanced medical treatments.

We have taken some steps in this regard. We have partnered with the State Government of Andhra Pradesh in a PPP model to set up 164 Electronic Urban Primary Health Centers that will address the healthcare needs of over 60,000 Panchayats. The first such center was set up in November 2016 and will enable poor and marginalized patients to access specialists through telemedicine facilities. We are making great effort to increase awareness in these areas for early detection and screening and have provided high quality diagnostic facilities in their own neighbourhoods. This first of its kind initiative will leverage the benefits of digitalization of healthcare and render hope to rural India.

Moving forward with the conviction that our efforts at innovation, clinical expertise, medical excellence and tender loving care are not just restricted to treating a particular symptom, disease or patient but rather to holistically improving the overall health quotient of our patients, we have consolidated all our clinical assets in oncology into an independent integrated specialty practice under Apollo Cancer Institutes. These institutes will function from a common platform based on standard protocols which will ensure uniform quality of care for patients while elevating the track record and knowledge bank for specialists across the network. We are also now well poised to become the first provider of the revolutionary Proton Beam Therapy treatment for cancer cure in India. The machine is with us and we will launch the centre in 2018. This will serve patients in the UK, Europe, the Middle East, Australia, Singapore, Malaysia, and other countries in South and South East Asia, as it will be the only one of its kind in this region. This initiative exemplifies our Mission and our commitment to provide the best possible healthcare to put people on the road to recovery.

I would like to share with you our joy and pride in Apollo Hospitals, Greams Lane, Chennai receiving the #1 Top Super Specialty Hospital in India ranking in India, followed by Apollo Indraprastha, New Delhi, in the #2 spot. Our hospitals were also ranked #1 Multi Specialty Hospitals in Chennai, Hyderabad, and Bangalore. I am also pleased to state that Apollo Hospitals, Greams Lane, Chennai, won the best Multi-Specialty Hospital Megapolis in the country award at the ICICI Lombard & CNBC TV18 India Healthcare Awards 2016.

We launched our 480-bed hospital in Mumbai in November 2016. It is one of the most advanced Multi-Specialty Tertiary Care Hospitals in the region and effectively represents the final leg of our current expansion plan which has resulted in an increase of capacity by 30% with the addition of ~2,500 beds over the last 3 years. We are pleased to share that we have now crossed the milestone of 10,000 beds capacity across our pan India network. Our focus is to have a dominant market presence in all these locations over the next 2 years by delivering superior clinical outcomes and service standards.

Growth in our Healthcare Services has been led by strong momentum at several of the newer facilities as new hospitals have reported 51% growth in revenues on a year on year basis driven by strong growth in volumes.

The International Finance Corporation, Washington DC, along with its associates acquired a 29% stake in Apollo Health and Lifestyle Limited (AHLL). AHLL will expand its network of clinics, cradles and diagnostics centers all across India. It has recently introduced clinics specializing in stroke and elder care, setting new path breaking trends in the retail health landscape.

The Standalone Pharmacy business revenues grew by 24% with EBITDA growth at 53%. Last year we added 285 stores and closed 55 stores for a net addition of 230 stores. The total number of stores in our network is now 2,556 on a pan India basis.

Despite some external setbacks, the group had another good financial year with consolidated annual revenues growing 17% to ₹ 73 billion and consolidated net profits of ₹ 2 billion. Consolidated EPS for the year stood at ₹ 15.9. We are happy to declare a dividend of ₹ 6 per share for the fiscal year 2017.

Our journey is not yet over. We have a long way to go to achieve our vision of bringing quality health care to India's masses. But I am confident that we have made a good start and our fundamentals are robust enough to deliver that goal.

I thank you all for the trust you have reposed in our hospitals and thank each and every stakeholder for their continued support in our journey.

I wish you and your families all the very best of health and wellness.

With warm personal regards,

Dr. Prathap C Reddy
Executive Chairman
Apollo Hospitals Group

About Us

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 10,084 beds across 70 hospitals (63 through wholly owned/subsidiaries/JVs/Associates and 7 under management contracts & franchise arrangements) under our management apart from operating 2556 pharmacies. We also provide projects and consultancy services to third party organizations.We are headquartered in Chennai with a pan India presence in addition to facilities and telemedicine units overseas.

Over 33 years ago when Apollo Hospitals was first conceptualized, the vision was to make it a multi-specialty institution, capable of providing integrated care to Indians for all health problems – high quality outstanding care right here in the country at affordable Indian prices. The aim was to make the multi-specialty a Centre of Excellence where the deep knowledge and skills of an expert doctor fraternity could be harnessed, and patients treated with a loving, healing touch. 33 years on, this still remains our driving principle.

We put ourselves at the cutting edge of healthcare delivery innovation in order to make 'every patient interaction clinically and experientially wonderful' starting with early and expert diagnosis. We harness the latest technology in delivering care; from around the world, we bring the best minds in medicine together in a world class environment to find antidotes for peoples' suffering - be it through a procedure, surgery, or change in lifestyle. Whether through our clinics, birthing centres or pharmacies, be it via Personalized Health Checks, tele-medicine, or eDocs, we put the patient at the core to put them on the road to wellness. Through pathways and protocols, clinical excellence, uncompromising and superior quality standards, experienced doctors and caring nurses, we are committed to protecting the well-being of generations of people here in India and in the rest of the world.

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.

The Apollo Way of Life



In medicine, experience is the most important contributing factor for superior clinical outcomes. Medical practice is referred to as practice for this reason, as doctors acquire superior knowledge and mastery of this field through years of practice which exposes them to varied clinical situations and problems, honing their clinical prowess with time. Experience of a healthcare institution comprises of the years of actual practice of medicine by its doctors and supporting staff; their exposure to a large number of cases which directly depends on the footfalls received by any healthcare provider over a long period of time.
In the Indian healthcare ecosystem, Apollo Hospitals Group is the only corporate healthcare provider with experience of more than three decades

FY17 at Apollo Hospitals

"The highest rated hospitals in the US are also likely to be high-volume institutions"—*US News and World Report.*
Our FY17 statistics demonstrates our volumes and vast experience in healthcare.

400,000+	In Patient Admissions	14,000	Neuro Surgical Operations
3,500,000+	Out Patients	190	Bone Marrow Transplants
300,000+	Preventive Health Checks	5,600+	Total Joint Replacements
60,000+	Cardiac Procedures	1,250	Solid Organ Transplants
50,000+	Chemotheraphy Sittings	900+	Robotic Surgeries
150,000	Radiotheraphy Sessions		

We have touched patients from 121 Countries and earned the trust of over 45 million patients over 34 years

Skills and knowledge constitute expertise. In a hospital setting, expertise represents the collective skills and knowledge of all care givers.

The Apollo Hospitals Group has a remarkable pool of eminent clinicians who come from a varied background – reputed overseas institutions, top academic centres, premier public hospitals and those trained within the Apollo system. The unique Apollo milieu gives clinical teams an unmatched edge as specialists with exposure to large volumes, rare, complex and difficult cases support each other in a spirit of multispecialty collaboration to achieve the best clinical outcomes.

The Apollo Hospitals Group promotes the acquisition of new skills and augmentation of knowledge for clinicians to enhance their expertise.

1. Apollo Hospitals has 55 specialties covering the complete spectrum of care. To give one example, in Neurosciences, the subspecialties are: neurology, pediatric neurology, stroke services, neurosurgery, pediatric neurosurgery, neurophysiology, interventional neuroradiology and functional neurosurgery (deep brain stimulation).

2. The expertise available at the Apollo Hospitals Group has over the years resulted in the emergence of an institution which can treat all conditions from a normal delivery to an en-bloc transplant.

3. Excellent coordination between the clinical specialties, laboratory and radiology services, facilitates multidisciplinary care for complex cases.

4. Multispecialty multidisciplinary collaboration has resulted in several firsts in India.
In Transplantation, for example:

- 1st successful pediatric liver transplant
- 1st successful adult cadaveric transplant
- 1st successful liver transplant for acute liver failure
- 1st combined liver kidney transplant
- 1st successful liver transplant for HIV
- 1st successful liver transplant for Hepatitis B without using immunoglobulin
- 1st successful liver transplant for Crigler Najjar Syndrome
- 1st successful living liver transplant for portal biliopathy
- 1st successful en-bloc combined heart and liver transplant
- 1st successful simultaneous liver-intestine-pancreas transplant
- 1st successful simultaneous kidney-pancreas transplant
- 1st successful AB donor incompatible kidney transplant performed using technique of Column Adsorption of blood group antibodies
- 1st successful Double-Lung transplantation for Hermansky-Pudlak Syndrome

5. To provide clinicians with the latest equipment, Apollo has invested in state of the art technology over the years.

Novalis CLINAC 600 SR Gamma knife Cyber knife 3T MRI

640 slice CT PET-CT PET-MRI Telemedicine eICU

Dedicated stroke units Air ambulance TrueBeam Robotics

6. Clinical expertise is supplemented by expertise across healthcare services – specialised nursing, physiotherapy, rehabilitation and dietetics.

Centres of Excellence

Apollo Heart Institutes	Over 170,000 cardiac surgeries 99.6% success rate in cardiac bypass Introduced off-pump & beating heart surgeries
Institutes for Orthopedics	TKR, Ilizarov procedure and hip resurfacing- high success rate Congenial spine problems, ceramic coated knee replacements
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
Emergency	Well-equipped ambulances Air ambulance services for remote areas Effective communication system between ambulances and emergency facilities
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
Institutes of Transplant	1,250 solid organ transplants during FY 2016-17 Services offered include liver and kidney transplant, heart transplants, intestinal & GI transplants & paediatric transplants
ICU Management	Infection control protocols developed jointly with intensivists and anesthetists Standardized procedure for clinical handover

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	2016-17
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 Drugs & Medicines
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 Chennai, Hyderabad, Bengaluru, Mumbai, Aragonda, Bhubaneshwar, Bilaspur, Karur, Karaikudi, 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)	₹64,417 million
Total Profit After Tax (INR)	₹2,851 million
Total Spending on Corporate Social Responsibility (CSR) as a percentage of Profit After Tax (%)	3.06%
List of Activities in which CSR expenditure has been incurred	1. Rural Development 2. Education 3. Healthcare and 4. Research in Healthcare

Section C: Other Details

Does the Company have any Subsidiary Company/Companies?	Yes. The details of subsidiary companies are available in the Annual Report FY 2016-17 (please refer page 59).
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 businesses 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. However, AHEL intends to extend its applicable environment, social and governance policies to cover major stakeholders.

Section D: Business Review 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	CSR P8	Customer Relations P9
1	Do you have a policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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 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-familiariation-policy.pdf								

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	CSR P8	Customer Relations P9
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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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 Business Responsibility (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 Board of Directors assess the BR performance of the Company annually.
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?	Annually. https://www.apollohospitals.com/apollo_pdf/brr-2017.pdf

Principle 1: Ethics, Transparency and Accountability

As we continue to grow and evolve to meet the needs of our consumers one thing that has not changed in the last 30 plus years, is our adherence to the highest ethical standards. Corporate governance has a broad coverage and encompasses how an organization is managed, its corporate and other structures, its culture, its policies and strategies and the way it deals with its various stakeholders. It embraces authority, accountability, stewardship, leadership, direction and control exercised within the organization.

Our Hospitals are founded on a commitment to ethical principles, transparency, and leadership in applying the highest standards of corporate governance in our day to day operations and in creating long term sustainable value for all our stakeholders including our shareholders, patients, employees, and the communities we operate in. High standards of corporate governance, we believe is key to our strategy and future growth and will always remain the bedrock of our business.

Our sound governance practices which are underscored by strong accountability and have effective oversight by our Board members. They percolate to every level of the organization right from the very top starting with our diverse Board of Directors.

Our governance structure is robust. Our policies are transparent with systems and processes that support strong internal controls. On-going oversight by the Board members, and periodic review of our strategy and policies by the Board of Directors, ensures that all systems are working well and that we are compliant with all applicable laws, rules and regulations. We have a sound and effective risk management framework which the Board also reviews on a periodic basis to ensure we are well prepared to face various risks inherent in our business.

Organizational / Governance Structure

The Board of Directors consists of a combination of executive and Independent Directors who provide leadership and strategic direction to our business. All sub-committees of the Board as required under statutory regulations & guidelines have been constituted by the Board to facilitate smooth & efficient review of governance, and ensure effective flow of the decision-making process. Our Board of Directors plays a pivotal role in the implementation of sound and ethical principles across the organization and in ensuring integrity and transparency in the Company's dealings with its stakeholders.

To increase the efficiency and effectiveness of governance, board members have been designated into various committees - the Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Share Transfer Committee, Stakeholders Relationship committee, Risk Management Committee and the Investment committee. These specific functions come under the purview of the concerned board members who have oversight on its workings.

Our Code of Conduct

Our Code of Conduct for Board Members and Senior Management Personnel sets forth the standards by which we conduct our business. The Code, which has been approved by the Board, covers a range of subjects from the use of funds to conflict of interest. It also covers systems and processes for proper operation of internal controls for the organization, general moral imperatives, specific professional responsibilities, and additional duties / imperatives for Board Members and Senior Management

Personnel. The Code is founded on our core principle of maintaining the highest standards of ethics in conducting our business; it takes into account our business performance and the impact we make on the larger society.

The Company Secretary has been appointed as the Compliance Officer and is responsible for ensuring 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 individuals concerned.

The Code of Conduct can be referred to 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

A conflict of interest is a transaction or arrangement that might benefit the private interest of a board member or employee. Identification, resolution and striving for avoidance of a situation that can give rise to a conflict of interest is critical for good governance and maintaining trust in organizations.

At AHEL, the Code of Conduct has specific clauses, adherence to which ensures nil cases of conflict of interest. Steps taken to avoid and manage conflict of interests at the Board level include:

- 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

Our Risk Management strategy seeks to identify, assess and prioritize risks (the effect of uncertainty on our business objectives), followed by effective steps to minimize, monitor, and control the probability and impact of negative events, and to maximize the realization of opportunities.

Risk management is one of the key aspects of Corporate Governance. Most prominent of these is the Organization of Economic Co-operation & Development (OECD) principles of corporate governance and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulation 21 of which integrates risk management to corporate governance. In compliance with the Companies Act 2013, the Board of Directors has developed and implemented a risk management policy to identify critical risks which may impede the functioning of the Company.

While it may be impossible to eliminate all risks, we take utmost care to mitigate and reduce our risk exposure as best as possible. As 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 Risk Management Committee. We have 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 our 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 at a Company level as well as 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.

The Internal Audit function audits 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 aspect of our business according to the highest standards of ethics and integrity, the cornerstones of performance and sustainability.

We therefore believe in adhering to all applicable statutes in letter and spirit and endeavor to adopt best practices that go beyond adherence of statutory frameworks to bring transparency and accountability in all facets of our operations. We have thus developed and implemented internal controls at all levels of the organization.

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 applicable rules, regulations, laws and bye-laws, are adhered to.

Anti Corruption and Bribery

Besides strengthening the risk management framework and building strong internal controls, AHEL also has a robust vigilance mechanism with which to curb corrupt practices that may arise in the course of its business for which we have zero tolerance.

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 to the Company management, concerns of unethical behavior, actual or suspected, fraud, or violation of the Company's Code of Conduct without fear of reprisal or victimization. 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

Founded on our core organizational values, AHEL is committed to transparency in all its operations and in the services it provides in accordance with the highest standards of corporate governance and business

ethics. However, if due to any unprecedented reason, stakeholders find that there is / are reason(s) to improve, they are encouraged to report the same.

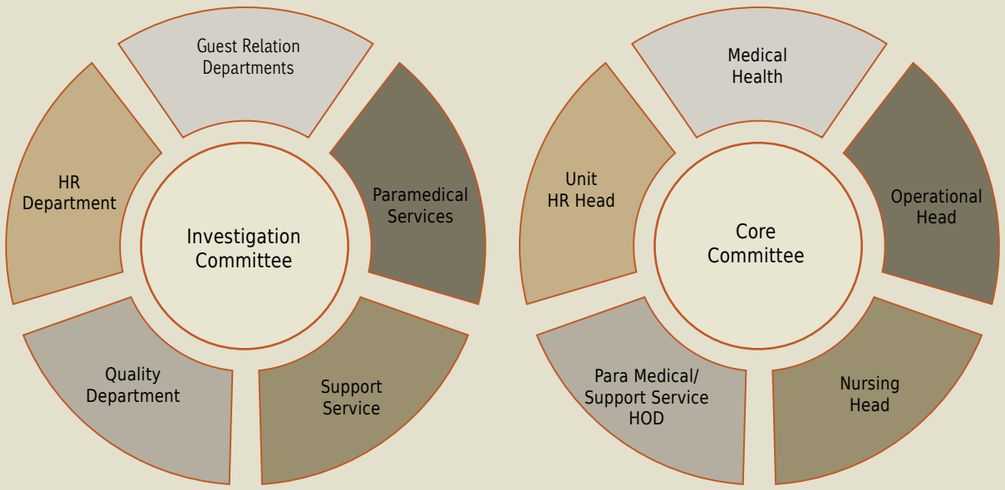
The 'Stakeholders Relationship Committee' formulated by the Company, specifically looks into issues such as redressal of shareholders' and investors' complaints; transfer of shares; non-receipt of shares; non-receipt of declared dividends; expeditious share transfers; and the redressal of the grievances of deposit holders, debenture holders and other security holders. The status on complaints and share transfers is reported to the Committee periodically.

AHEL consciously aims to provide a supportive and enabling work environment for its employees to keep them motivated and immune to disruptions that may de-motivate them. 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 this system, is to quickly identify, address, and resolve employee grievances and to support a robust organizational framework which can successfully anticipate, identify and set right flaws in the operational procedures and services of AHEL. The investigating committee and the core committee play a vital role in ensuring the effectiveness of the EGRS system.

In the financial year 2016-17 we have provided services to around 4 million patients. The feedback of our internal and external stakeholders is important for us to strengthen the relationship with the stakeholders. During the year more than 95% of the consumers'/stakeholders' concerns/complaints were resolved. We also received 251 concerns/complaints from our shareholders and all of these concerns have been resolved. This is testimony that we look at and take up all complaints conscientiously and meticulously work on resolving them on a priority basis.

Our commitment to the best practices of corporate governance, our dedication to the areas of sustainability, ethics and fiscal transparency, and our relationship with our shareholders is the hallmark of the Apollo Way and has helped us earn the trust of the community.

Departmental & Unit Representatives



Principle 2: Product Life-Cycle Sustainability

At AHEL we are conscious of and care about the potential impact our operations may have on the environment and on people's health. We have consequently implemented safeguards at every stage in the life cycle of our products and services which we examine every year to ensure they are working as needed. Each year, we also evaluate, monitor and seek to reduce waste from our operations. We have undertaken several initiatives for the reduction of energy and water consumption to conserve and protect the environment.

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. We endeavour to develop the capacity of local suppliers while ensuring there is no compromise on quality so as to promote local sourcing and reduce our carbon footprint.

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 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 the awarding of contracts.

Process for awarding contracts

Founded on the highest standards of professionalism and ethical conduct, to invite tenders or proposals to help a choice for award of a purchase order or contract. The process of competitive bidding, negotiation and the awarding of contracts will be made without bias and the most appropriate for the related requirement will be chosen. The process will be auditable.

Risk Management

Transparent risk management policies which can reduce or mitigate business risks and potential internal and external conflicts of interest.

Dealing with Suppliers

- To treat suppliers with courtesy, fairness, respect, honesty and professionalism and to ensure that no supplier has an unfair advantage over his 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 medical and non-medical scrap which is generated inside the hospital are collected, stored responsibly 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 medical equipment.

We ensure safety and optimal use of our resources over the life-cycle of our equipments and services in all our day-to-day operations. We also ensure that all our suppliers, employees, recyclers, and others, are aware of their responsibilities.

We encourage our suppliers to adopt processes and technologies that are resource efficient and sustainable. We regularly review and support new technology development so as to deliver the best quality treatment to our patients but we stay committed to social, ethical and environmental considerations in pursuit of this goal.

Principle 3: Employee Well Being

As said, “To win the market place, we must first win in the work place”. And the workplace means family members. Hence, family members become our first customer. We believe that our family members are our first customer and we want to focus on them as they are the key contributors to the success of our organization. Our family members are the gateway to our customer satisfaction. We believe, if we take care of our family members then they take care of our customers and in turn it leads to customer delight and results in increased business which makes everyone happy. Our family members are the key touch-points to know the customer better so as an organization we can provide quality healthcare services that are relevant as per customers’ needs and expectations.

Apollo Family Member – Our First Customer concept will help in creating an environment where the family members are excited to come to work. A synergistic effort of family members’ work effort, along with the HR strategy and business strategy would yield a positive result for the organization.

The alignment of our HR strategy to family member happiness stimulates family members’ creativity so that they can perform more effectively to realize the organizational goals. HR strategic planning will enable the organization to identify and respond to the HR function, which inhibit successful execution on strategic priorities.

Strategic HR planning is an important component of HR management. It links HR management directly to the strategic plan of the organization. The strategic plan helps in guiding decisions about the future and showing the path about the direction in which we are moving.

Our Holistic Strategy:

- Ensuring that we have the right people with the right skills at the right time
- To keep up with technological trends that impact on human resources in our organization
- To remain flexible so that our organization can manage change, if the future is different than anticipated

Total number of on roll employees	35,961
Total number of contract employees	6,666
Total number of male employees	22,598
Total number of female employees	13,346
Number of permanent employees with disabilities	60

Recruitment Strategy:

Strategic HR planning helps in predicting the future HR management needs of the organization after analyzing the organization’s current human resources, the external market and the future HR environment that the organization will be operating in.

The most important guarantee for the long term success of the organization is a “Strong Culture”. It is one of the vital aspects of a successful organization.

A Strong positive culture will help our organization to provide a great environment which will motivate our employees to contribute positively towards the growth of the organization and in turn, will strengthen relationships with our customers. Culture needs to be monitored and nurtured to ensure that it reflects our organization.

Training programs will help us to drive culture in our organization. This will help us in the following ways:

- Understanding the current culture
- Setting the required expectation
- Aligning with business
- Focussing on driving culture
- Managing Culture
- Constant Communication

We are a leading healthcare provider having huge responsibility in energising the Nation and playing a vital role in providing excellent healthcare services.

We have an opportunity to make a real difference. Each and every day, we contribute to the organization and in turn the organization contributes to the society in a meaningful way.

We are proud to possess a very strong ownership culture which helps us in creating an environment of business success. The role of HR has become very crucial as people driven processes are the critical success factors for the organization to succeed.

Awards and Recognitions:

Apollo Hospitals-Chennai	National Awards for excellence in healthcare	CMO Asia	Best Practices in HR	Jun-16	Mumbai
Apollo Hospitals-Chennai	Benny Awards	World HRD Congress	Compensation & Benefits Lender in Healthcare Industry	Feb-17	Mumbai
Apollo Hospitals-Chennai	Time Ascent Awards	World HRD Congress	Dream Comapany to work for in Healthcare Industry	Feb-17	Mumbai
Apollo Hospitals-Chennai	Global HR Excellence Awards	World HRD Congress	Awards for Managing Health at Work	Feb-17	Mumbai
Apollo Hospitals-Chennai	ABP News- HR & Leadership Awards	World HRD Congress	HR Excellence for Innovation	Feb-17	Mumbai
Apollo Hospitals-Chennai	Global Best Employees Awards	World HRD Congress	Awards for Excellence in HR through Technology	Feb-17	Mumbai
Apollo Hospitals-Chennai	Time Ascent Awards	World HRD Congress	Fun at Work	Feb-17	Mumbai
Apollo Hospitals-Chennai	Time Ascent Awards	World HRD Congress	Rank 47 in Dream Company at work	Feb-17	Mumbai
Apollo Hospitals-Mysore	Best Employee Engagment Award	Apollo Awards	SS silver Awards	Feb-17	Apollo-Chennai, Founders's Day
Apollo Hospitals-Hyderabad	CII–Strong Commitment to HR Excellence	CII	HR Excellence	Nov-16	Delhi
Golden Peacock Awards	National Training Award- Healthcare	Institute of Directors	Training & Development Excellence	Apr-17	Dubai-UAE
Apollo Hospitals-Ghandhinagar	3rd Prize – Visibility in Individual Training Record	VII Apollo Innovation & Quality Awrads	Excellence in HR Practices	Feb-17	Apollo-Chennai, Founder's Day

Employee Health & Safety:

As part of the employee welfare program, 93% of our employees went through an Annual Health Check.

Our Chairman, Dr. Prathap C Reddy has expressed serious concern over the spread of Non-Communicable Diseases (NCDs) which poses a great challenge to India's socio economic development as it is estimated that NCDs will cost India USD 6 trillion by 2030.

He said, "The new challenge that we will face in terms of NCDs – Diabetics, Heart Disease and Cancer are severe and we at Apollo Hospitals will take several steps in the coming years to address it."

The process for the Annual Health Check Program is as follows:

Step 1: Health-check screening for Diabetes, BP, BMI, CBP and Cardiac ailments

Step 2: Categorize employees as per the parameters mentioned above.

Step 3: Make a schedule for employees to give their samples

Step 4: Make bills with UHID No. for each employee

Step 5: Share the UHID No. and the schedule with the employees

Step 6: Ensure that the logistics to give samples are in place.

Step 7: During the sample collection, get the employees to fill the Health Check questionnaire on their life style.

Step 8: Get the summary template to make a consolidated report of all employees as per the guidance (normal range, border line, critical) given.

Step 9: Categorize the employees (as per the consolidated report) as per the colour codes mentioned. Red indicates Need Attention, Yellow indicates Border Line cases and Green indicates Healthy.

Post Investigative Interventions:

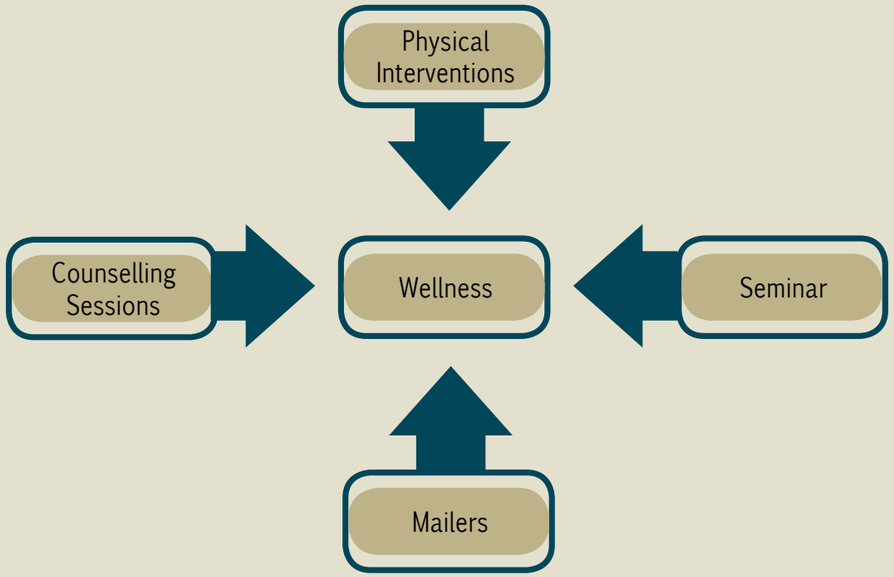
- One-on-one with Consultants
  - o HR to arrange one-on-one sessions with the required Consultants for the employees falling into the Red band & Yellow band
  - o Employees to be made aware of their existing health conditions, and counselled on necessary medications, possible invasive interventions and preventive mechanism for further deterioration

Retention of prognosis by HR for future reference:

- The HR needs to retain a copy of the prognosis (prescription) and create an individual Health dossier for every Apollo Family member
- The individual dossier to be checked every six months to evaluate the respective family member's health status

Wellness Drivers:

Wellness Drivers defining the calendar are as below:



New Hires in FY 2016–17

Total No. of New Hires (2016 -17)	16,024
Total No. of New Hires - Female	5,831
Total No. of New Hires - Male	10,193

Employee Turnover:

Total No. of Separated Employees (2016-17)	13,504
Total No. of Separations - Male	8,830
Total No. of Separations - Female	4,674

Performance Appraisal:

Promotion system in AHEL is systematic. The KRAs based on the Unit / Organizational Goals are drawn and submitted in the beginning of the financial year. The employees undergo a half-yearly and annual appraisal system based on the KRAs agreed upon. We believe in keeping the appraisal system very transparent and reward & recognize the deserving employee.

Every unit makes an Annual Operating Plan for the year, based on the Annual Operating Plan of the respective unit the KRAs of the employees are derived. The KRAs are discussed and agreed with the Reporting Manager/ HOD at the beginning of the year. A half-yearly and Annual review is done as per the PMS plan.

Rating for the employees is totally based on the individual's performance. Based on the Unit Performance and normalization of the ratings, increments are rolled out.

Technology

Apollo Recruit	▪ Create MRF ▪ Approve MRF ▪ Publish Vacancy ▪ Sourcing Candidate ▪ Selection of Candidate ▪ Pre-employment Checks	Talent Management	▪ Career Development ▪ Talent Profile & Review ▪ Succession Plan ▪ Talent Pool ▪ Workforce Modelling ▪ Risk & Impact of Loss
Core HR	▪ Personal & Employment Details ▪ Manage Assignment Changes ▪ Manage Work Relationships ▪ Manage Salary & Payment Methods	Absence Management	▪ Apply for Leaves ▪ Approve Leave
Goal & Performance Management	▪ Create SMART Goals ▪ Periodic Review of Goals ▪ Performance Evaluation ▪ Performance Development Plan ▪ Participant Feedback(360*) ▪ PMS Score Normalisation	Reports	▪ Manager Dashboard ▪ HOD Dashboards ▪ Hospitals Head Dashboards ▪ HR Dashboards
Compensation & Benefits	▪ Increments based on Performance ▪ Promotions based on Performance ▪ Publish Benefits as per the Eligibility ▪ Enrol for Bnefits as per the Eligibility	Apolloite University	▪ Competency Management ▪ Learning Paths ▪ Enrolments ▪ Tracking Progress ▪ Evaluation ▪ Certification

Learning & Organizational Effectiveness:

We believe that continuous knowledge, competency and skill development is vital for all employees. We hone the talents of our employees by exposing them to diverse competency enhancement platforms. We keep a monthly & yearly tracker of all internal and external training programs. All our employees (permanent, casual, temporary & contract) undergo safety and skill up-gradation trainings on a regular basis based on their role, domain and individual needs. All new incumbents undergo comprehensive orientation programs for familiarization with organizational work culture. Our talent management team collaborates with various functional heads to identify need based and focused training programs for every employee. Senior experienced personal 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 safety and efficiently in their respective work environments.

Clinical Training & 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 is possible because of the in-depth training we provide them. Our nurses focus on patient safety and the prevention of any harm to patients

This is evident by the metrics in the ACE and RACE surveys where parameters like Infection Rates and Medication Errors, Falls and VOC are captured and benchmarked with the best hospitals globally. This is a standardized 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 and adapt to a complex clinical set up. The training is standardized across the group. Apollo pursuits of JCI accreditations and NABH certifications further strengthen our service delivery and brings rigour into the processes on the floor. Superior nurses training combined with employee welfare schemes have drawn many an aspiring nurse to the Apollo Hospitals fold.

- Providing Learning Environment for our Staff:

It is imperative for every employee to go through relevant development interventions to broaden their skills and competencies and to help them further in their career development. Our innovative and flexible trainings 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.

WARD – We All Render Delight

Key to health care excellence is by delivering better value and quality care to patients. This can be achieved by embedding the right processes and handling day-to-day concerns in clinical care, being time bound and becoming more patient focused by ensuring that quality and safety is of utmost priority.

The level of care should make patients feel safe, boost confidence and contribute to good patient experiences. Healthcare is a service for patients that works best when it is structured around the needs of the patients.

The complexity of health care services presents different challenges which impact the results and effectiveness. It is known that improving the quality of Healthcare Delivery is always subject to some reformation. Hence, the purpose of healthcare quality initiatives is to ensure patient safety, improve clinical effectiveness and promote accountability

WARD is a unique concept, where it will function as an individual unit and is self-centric ensuring effective coordination and administration to deliver high quality patient care.

It is about bringing teams together to deliver care with the best possible outcomes and in turn boost the reputation of the organization and enhance the productivity of the unit. This is an endeavour to make the members of the ward accountable for the provision of care expected of the Apollo brand.

In this model the patient can benefit from more structured care and the care can be tailored as per the needs of the patient.

Well-designed organizational structures will enable efficient communication channels and encourage fast and right decisions. A good ward management is multi-dimensional; it is the service provided by a coordinated group of professionals i.e. technical, supportive and other workers under the direction of the In-charge doctor.

In the ward different segments are split to provide specific services to patients – for example, clinical support, dietetics, pharmacology, billing, insurance etc. where it is important to have one representative for each segment to handle and in return each of these representatives will report directly to the In-charge Doctor administratively to execute as a team and impart best service to the patient. The ultimate goal of this structure is to avoid clogging and overlap and to eliminate redundancies.

The principle of Ward as a Unit is to plan the services and understand the importance of effective administration. The WARD In-charge doctor administers the Ward as an individual unit by itself. He would be responsible for all the end to end operations of the respective ward with the support of the other stake holders. He shall execute a process and adopt steps and methods in dealing with patient needs and complaints through other health team members of the ward.

At the same time to make it functionally effective all the stake holders would have a dotted line reporting to their respective Functional Heads / HODs besides an administrative reporting to the In-charge doctor.

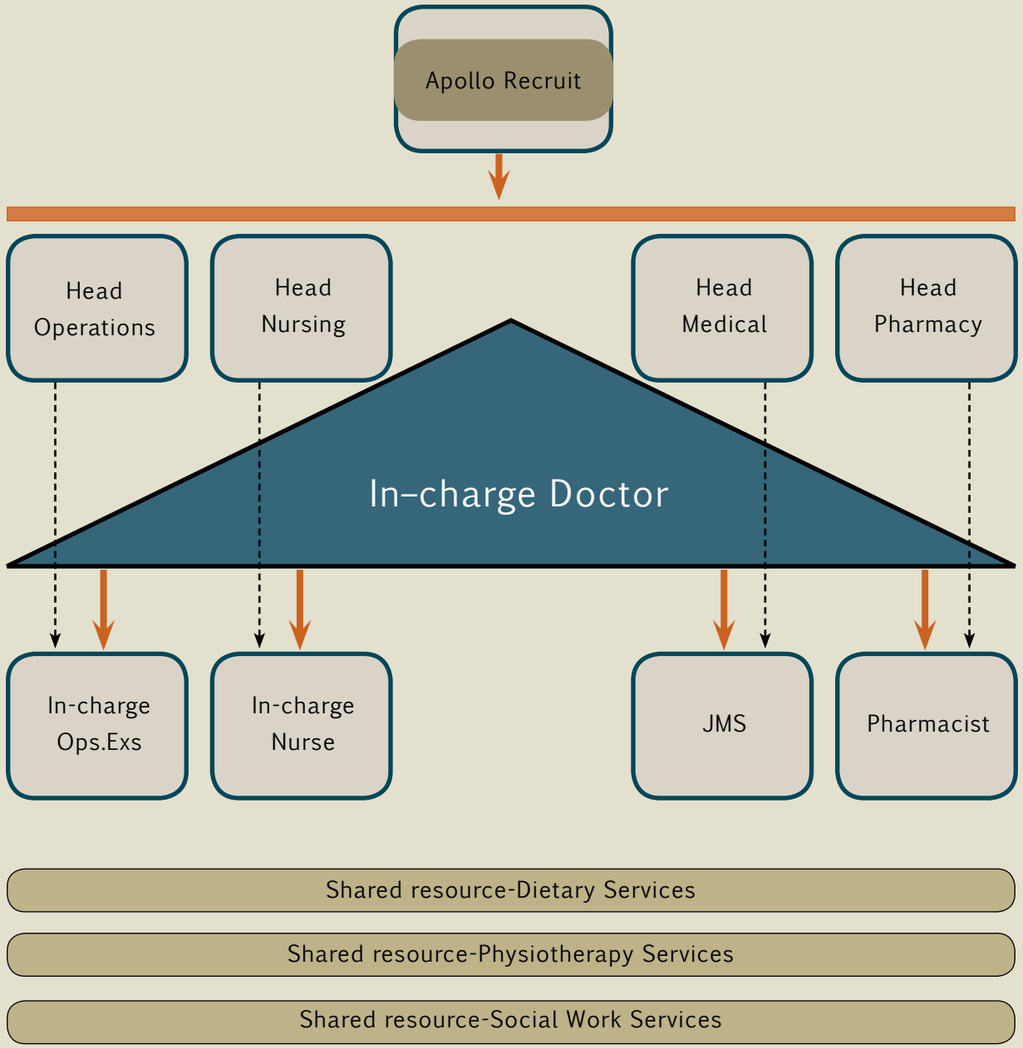
The Key Personnel of WARD are as follows:

- In-charge Doctor
- In-charge-Nursing
- In-charge operations
- Pharmacist

Every 40 beds will constitute 1 WARD

Scope: All floors, wards and ICUs

Reporting Structure of a WARD



Protecting Human Rights:

We are committed to Human Rights and the prevention of issues like Child Labour and Forced Compulsory Labour in our network. Our HR department ensures the process of document verification, medical fitness, address and age verification, together with compliance to other statutory requirements. The Company is further committed to being proactive in eradicating child labour by actively contributing to the social upliftment of children. We also encourage our suppliers to adopt a 'No Child Labour' policy.

Protection of Human Rights is central to good corporate citizenship and to a healthy bottom line. Our induction program introduces our employees to the relevant policies including the Code of Conduct and the Whistle Blower policy, and trains them to deepen their understanding of these aspects.

We are committed to the safety and protection of our women employees across the organization, and to ensure them top security, we have a well-defined Sexual Harassment Policy in place. The policy has a mechanism for resolution of complaints and conducting mandatory training programs for all employees to create awareness on the subject.

Our company has a Sexual Harassment redressal committee with four members and a presiding officer who is a woman. Complaints are resolved within 15 days of receipt of the complaint following a thorough enquiry together with the Unit Head. In-case of dissatisfaction with the solution proposed by the Apollo Sexual Harassment Redressal committee, the complainant is free to approach the corporate committee for redressal. In FY 2016-17, we received one case of sexual harassment from our hospital in BG Road, Bengaluru. The case was presented to the unit sexual harassment redressal committee and satisfactorily resolved.

The Employee Association and Unions are also given due importance; employees are encouraged to communicate their grievances and needs under the code of discipline.

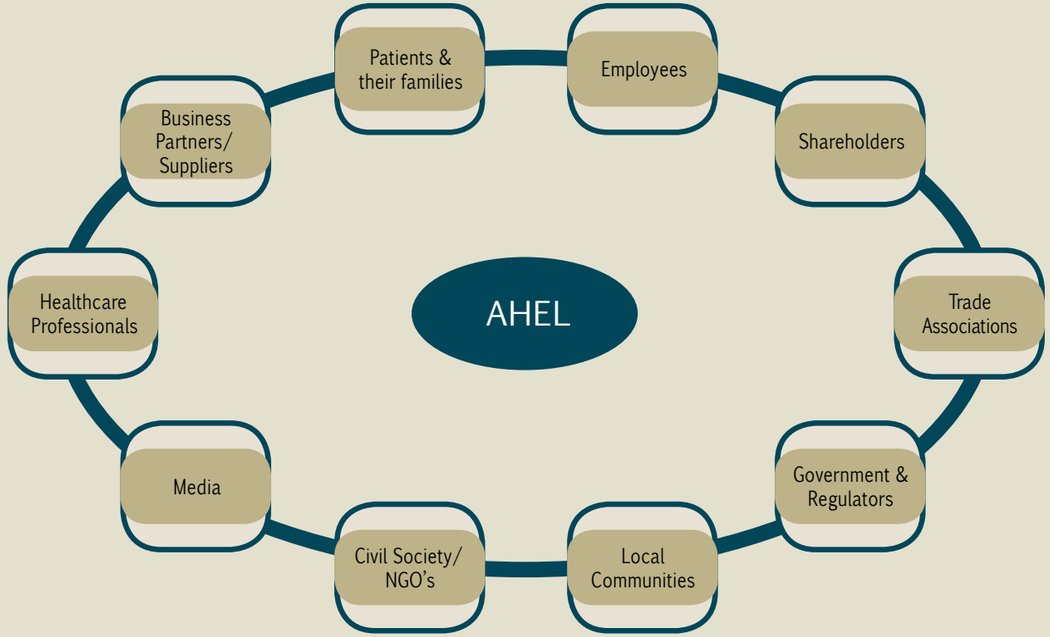
Principle 4: Stakeholder engagement

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 Relation Department
Mode of engagement	VOC process, which measures patient experience rather than satisfaction among both in-patients and outpatients
	Structured in 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, Initiatives for Public private partnership with regulators, etc.

We believe it is our corporate responsibility to not only to protect the environment, but to uplift the lives of the marginalized sections of the communities we operate in. We are engaged in many initiatives in this regard.

Our work in rural development is carried out through Total Health, a non-profit organization incorporated under Section 8 of the Companies Act, 2013 by AHEL. Total Health provides holistic healthcare for the entire community in Thavanampalle Mandal in the Chittoor district of Andhra Pradesh. The activities carried out include the provision of safe drinking water, establishment of sanitation facilities, the set-up of nutrition centers, vocational training centers and mobile clinics.

In the field of education, the Aragonda Apollo Medical Educational Research Foundation (AAMERF) has been running a primary school under the name of "Apollo Isha Vidhya Niketan" at Aragonda village, Chittoor District, Andhra Pradesh, in association with the Isha Foundation since June 2012. The school is recognized as 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 **Saving a Child Heart Initiative** (SACHi) (for pediatric cardiac care and child heart surgery), and SAHI for the hearing challenged children.

A detailed description of our community development initiatives appears under Principle 8.

At AHEL, we also provide equal employment opportunities to all without any discrimination, thereby ensuring inclusion of vulnerable and marginalized citizens. We have employed 60 differently abled people in our hospitals.

Principle 5: Advocating for Human Rights

The human right to 'Health' means that everyone has the right to the highest attainable standards 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.

Apollo respects and is committed to supporting human rights, and the dignity of India's diverse populace, as detailed in the Company's Human Rights Policy.

In particular, we believe our most significant opportunities to uphold 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 the UNGC principles on Human Rights, we also follow the principles in the International Labor 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, a safe and healthy workplace and other commitments to human rights, reflect our belief that the success of our Company is directly 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 healthcare 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 for a nation's well-being and for achieving better health for people around the world. Such systems are centered on the needs of individuals, and offer equitable access to quality health care for all.

Our Chairman first set up Apollo Hospitals with the firm conviction that every person has an undisputed fundamental right to quality healthcare regardless of geographic location or economic status - a principle that is stated in the Universal Declaration of Human Rights. Providing health care services is only part of that commitment. We are constantly working with all our partners and stakeholders to improve the availability, accessibility, affordability and quality of care nationwide and also globally to help as many people as possible live their lives to the full.

We ensure commitment to human rights in all our operating units through strong governance policies. Responsibility for human rights is the DNA of our management structure and resides at the core of our operating units. Oversight of the Human Rights policy and practices is managed by the relevant corporate and business group functions.

We encourage our business partners to commit to respecting human rights as outlined in our policies, and also motivate 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 decision making. The process is finalized with approvals from senior management and procurement executives. The Procurement Policy and processes are reviewed regularly and endorsed by the procurement executives.

In FY 2016-17, there were no complaints of Human Rights violation reported relating to child labour / forced labour / involuntary labour and discriminatory employment in our Company.

Principle 6: Care for Environment

Apollo is committed and pro-active when it comes to managing the environmental impact caused by its operations. Responsible disposal of different categories of waste including bio-medical waste generated from our premises, is a key focus area of our environmental strategy and provides 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 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 hospitals
- 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 Quality Health Safety and Environment policy (QHSE). Guided by our inhouse experts, we have established a sound governance system for assessing the potential impact of our services on the environment.

Waste Management System

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 our operations. We adhere to all statutory compliances and environmental clearance parameters as stipulated by the relevant authorities. Regular renewal of consents to operate hazardous waste and authorizations are ensured. We also have well established environment management systems which are dedicated to function beyond laid down 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 regulatory requirements. All 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" with vendors.

The Human Resources department and Hazmat team members in co-ordination with the radiation safety officer are responsible for the orientation and training of staff handling hazardous material and waste.

Appropriate type and adequate number of personal protective equipment have also been made available for personnel who are handling waste and disposal.

The Hazmat team carries out internal inspections and evaluations to review the effectiveness of the waste management plan and disposal practices followed at our facilities across India.

During the last financial year, there were no major chemical spills reported at any of our hospitals.

Water Harvesting

Water for all the hospitals is sourced from 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 into harvesting pits across the premises; 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 Operations and Maintenance philosophy. Adherence to efficient operations and quality maintenance practices in O&M has resulted in optimizing energy consumption. Our O&M department further endeavors to continuously improve 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:

- Phase 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.
- Introduction of micro processing energy saver for AHU Motors.
- Implementation of energy optimization practices in Transformer operation.
- VFD installation for AHU motor in a phased manner.
- Operation of all Lifts and OT AHUs with VFD panels.
- Introduction of timer control for AHU motors to reduce running hours.
- Phase out of split air conditioner units with chilled water FCU to reduce power consumption and capital cost.

Management Systems:

We have developed and demonstrated our expertise in managing hospitals over the years and have been recognized for best practices in hospital management on par with international standards. We have implemented international certifications such as ISO 9001 at Chennai and Joint Commission International (JCI), for 8 hospitals including the hospitals at Delhi, Chennai, Mumbai, Hyderabad, Bangalore, Kolkata, Ahmedabad 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 in those hospitals, which are not yet certified for an accreditation, we ensure that the requirements for these systems are integrated into the design and operations. 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 testimony to the fact that we approach the aspect of environmental safety with utmost seriousness and commitment.

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

- Accredited Member Organization of Indian Society For Clinical Research (ISCR)
- Confederation of Indian Industry (CII)
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Indian Pharmaceutical Association (IPA)

Accreditation

- Association for the Accreditation of Human Research Protection Programs (AAHRPP)
- Joint Commission International Accreditation (JCIA)
- National Accreditation Board for Hospitals and Healthcare providers (NABH)
- National Accreditation Board for Testing and Calibration Laboratories (NABL)
- The International Organization for Standardization (ISO)

In addition, we also have ongoing collaborations with the following entities:

Sl.No.	Centres	Area of Collaboration
1	University of Hyderabad	Academic collaboration
2	Guru Nanak Institutions	Validation study on developed image fusion protocols
3	International Clinical Epidemiology Network (INCLEN)	Research Collaboration
4	Pfizer	Apollo sites as part of their global INSPIRE program
5	Henry Ford Health System	Research Collaboration
6	Mitra Biotech	Research Collaboration
7	Credence Genomics	Business Collaboration and Validation study
8	USV	Clinical Research - Investigator Initiated Research (Diabetes Study)
9	N-care	Research Collaboration
10	Sigtuple	Clinical Validation of AI based microspoe
11	iFeel Labs	Clinical Validation of Israeli Technology for asthama patients
12	Current Medical Concepts	Clinical Study for evaluation the risk factors for acute haemorrhagic stroke in Indian population
13	Mobile ODT - Tech Emerge	Validation study for a digital, portable colposcopy device
14	Queensland Institute of Medical Research (QIMR)	Research Collaboration
15	Stem Cyte Inc.	Cord blood banking Stem Cells research

Sl. No.	Centres	Area of Collaboration
16	Sanofi	Preferred partner for clinical studies and education
17	Sapien Biosciences	Collaboration for bio-banking and patient faced research activities
18	Vayyar Imaging	Clinical Validation of POC Breast cancer screening technology
19	Fio	Validation study for POC Malaria diagnostics
20	NAWA Woundcare	Validation Study for wound care products
21	Jamia Hamdard University, New Delhi	Academic collaboration
22	Anna University, Chennai	Clinical Research Course
23	IGNOU, New Delhi	Hospital Administrative, paramedical and online courses
24	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
25	Health Net Global	Information on Drug interactions through mobile phones
26	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
27	Kasturba Hospital, Gandhigram, Madurai	Screening camp to evaluate the Healthcare status by HoW with transmission of data through telemedicine.
28	West Bengal Government	Mobile medical unit to provide healthcare to the rural population in 24 Parganas
29	Puttur Bone setters	Scientific validation of traditional PBS system
30	Sciformix corporation	Pharmacovigilance workshops and programs
31	University College, London	Collaborative research studies
32	Analytics for Life, Canada	Validation of cardiovascular diagnostic software
33	Merck Sharp Dome	Clinical studies
34	Nestle Health Services	Clinical and validation studies in nutrition products
35	Philips India Limited	Research studies
36	Indian Pharmaceutical Association	Internship for D Pharm students

Completed Collaborations

Sl. No.	Centres	Area of Collaboration
1	Early Sense	Validation for a continuous monitoring system
2	Sight Diagnostics	Validation study for 2min Malaria diagnostics
3	DGL DNA+	Scientific due diligence and commercialization support for genetic pre-disposition gene test
4	Ossur	Validation study of knee brace for OA patients
5	Bynet	Validation study for tracking and monitoring of baby movement to prevent any kind of unauthorised access
6	Eris	Clinical Research - Hypertension study
7	D-Genomeres	Validation study for Fat tolerance test
8	Control-H	Validation Study
9	Analytics 4 Life	Validation study of cardio vascular software
10	Harmann UK	Validation of digital technology versus manual
11	Microsens Technologies UK	Evaluation of screening technology in TB diagnosis
12	Mann India Technologies	Information on drug interactions through mobile phones
13	International Centre for Genetics engineering and Biotechnology and Kalawati Saran Children's Hospital, New Delhi	Pathogen detection and discovery using high throughput platforms
14	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

Major Collaborations:

- Mobile ODT: Apollo is conducting a validation study to evaluate the benefits of Mobile ODT's digital colposcope. The low-cost, portable, Enhanced Visual Assessment (EVA) system can enable effective cervical cancer screening in India. The sites chosen cover a rural area (Aragonda), semi-urban areas (Apollo Vanagaram, Apollo Madurai, Apollo Bilaspur), urban areas (Apollo First Med, Apollo Tondiarpet) and a high-income group (Bangalore).
- Apollo has also entered into collaboration with a Sri Lankan based company to introduce diagnosis of bacterial and fungal infections by Next Generation Sequencing (NGS) technology. With the introduction of this noble technology, the turnaround time for diagnosis of bacterial and fungal infections will reduce to 48 hours from what usually takes up to 7 days.
- Apollo in collaboration with Datar Genetics Limited (DGL) introduced liquid biopsies as part of its Precision Oncology Program – designed specifically for diagnosis of different types of cancer. The Precision Oncology Program is Apollo's unique approach to diagnosing, treating and monitoring cancer in as precise a way as possible. Apollo researchers along with clinicians from Apollo have amalgamated their knowledge and clinical expertise to establish a liquid biopsy assay for non-invasive diagnosis for brain tumour. Liquid Biopsy has been rated as one of the top 10 ground-breaking technologies in the world by MIT Technology Review in 2015.

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 the provisions of safe drinking water, sanitation facilities, setting up of nutrition centers, vocational training centers, facilitating skill development training, Mobile Medical Units - primary & preventive, healthcare including diagnostics awareness promotion and revival of rural sports. "Total Health", a not-for-profit organization, incorporated by the Company carries out the activities.

- Healthcare - AHEL has conducted medical camps at various places and the number of beneficiaries touched is 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 42.76 million in 2016-17.

- 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 the future of these children and give them a strong foundation for higher education so as to enable them to become professionals and contribute positively to the society. Currently the school has classes from LKG to 9th Standard with 600 students and is affiliated to the Andhra Pradesh State syllabus. The plan is to expand the school up to the 12th standard with a minimum of 2 divisions each, over a period of the next 3 years.

Unique Initiatives

SACHi (Saving a Child's Heart Initiative): This is dedicated to pediatric cardiac care and child heart surgery for underprivileged children, 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 the economically weaker sections of the society. SACHi has till date touched over 50,000 lives. Our goal is that every child irrespective of community or economic background, should be provided cutting edge treatment and operative care when needed.

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 facilities and provide treatment.

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 periodic check-up programs for the benefit of the children belonging to the lower socio-economic background.
- 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 hearing disabilities.
- Partnering with other Governmental and Non-Governmental organizations to improve public awareness about hearing problems.
- Helping these children medically, socially and financially.
- Raising funds for treatment of children with hearing disabilities.

Total Health

Our Chairman Dr. Prathap C. Reddy launched the "**Total Health**" Foundation, in 2013. The Foundation aims to provide "Holistic Health Care" starting for the entire community in Thavanampalle Mandal of Chittoor District, starting from their birth, through their journey into childhood, adolescence, adulthood and in the latter years of their life. In other words, "Total Health" connotes "total wellbeing" of an individual, inclusive of physical, mental, social, ecological and spiritual health. More importantly, it transcends economic barriers and caters to the health care requirements and aspirations of the entire community from "womb to tomb". Total Health provides integrated comprehensive health care services to 54,000 people across all age groups in the Mandal, the birth Mandal of Dr Prathap C Reddy.

This program has been launched as a pilot in this district. Total Health aims to promote a healthy and happy living environment through the promotion and protection of health, prevention of diseases, and the provision of hygienic and sanitary living conditions. This program will help identify diseases in the early stage through screenings and will facilitate timely treatment to save lives. The program started by conducting a door-to-door baseline household survey to study the health, social and economic status of the community. The health survey is based on the World Health Organization's STEPs Approach.

It has thus far covered 29,196 people and classified them according to a ten-year risk of getting a non-communicable disease (NCD), into three basic groups - low risk, moderate risk and high risk. Follow up investigations, counseling and distribution of medication through "Mobile Health Clinics of Total Health" have been arranged. If needed, experts are brought in from Apollo Hospitals, Aragonda. The program also envisages providing health related infrastructure development - provision of Purified Potable Water of high standards; Individual Sanitation Latrines (ISLs); distribution of nutritious food supplements to cater to the needs of pregnant and lactating mothers; and periodic Medical Checks and Health Education at the "Nutrition Centers"; and "Kitchen Gardens" to promote easily available, unadulterated nutritious food. Special care is also given to "Tiny Tots" at the anganwadies. Total Health also focuses on School Health and Hygiene. Skill based vocational training centers have also been set up. Total Health has also introduced Yoga to the residents and built a community Meditation Centre and Gymnasium on the premises.

Healthcare awarness programs conducted by Total Health during 2016-17

















Principle 9: Meeting Customer Expectations

We value our patients the most. They are at the core of our operations, and safeguarding their health is our priority. That is the Apollo Way. Pharmacies form an important part of ensuring patient care. AHEL follows stringent protocols when it comes to the 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

Tender Loving Care

1. Core training module for all nurses
2. Inspires the conversion of daily interactions into memorable experiences for patients, resulting in an enhanced courtesy index for nursing
3. Tender Loving Care (TLC) training for frontline staffs

Human Sigma

1. Apollo Hospitals is the first in India to adopt Human Sigma by mapping customer engagement to the Gallup “S” Methodology

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 2016-17 we have provided service to around 4 million patients. We have an exclusive online customer redressal mechanism, “Voice of Customer” (VoC). A dedicated team “Guest Relations” addresses all concerns/complaints of the customers, through this system. This is evidence that we take complaints seriously and work on resolving them on a priority basis. In our endeavour to digitize the customer-feedback process, we have launched the Apollo Instant Feedback System. Our pharmacies ensure that all medicine packaging has relevant labelling as required under relevant regulations. No case has been filed by any stakeholder against our Group regarding dishonest trade practices and/or anti-competitive behaviour during the last five years.

We have instituted a stringent feedback mechanism for our patients to enable continuous improvements. The feedback is collected post discharge also.

High quality 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.

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APOLLO HOSPITALS ENTERPRISE LIMITED

CIN : L85110TN1979PLC008035

21st September 2017

The Secretary,
Bombay Stock Exchange Ltd (BSE)
Phiroze Jheejheebhoy Towers,
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ISIN INE437A01024

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Bandra – Kurla Complex
Bandra (E)
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The Manager
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INE437A07120

Dear Sir,

Sub: 36th Annual General Meeting – Proceedings and voting results

Further to our letter dated 30th August 2017, we wish to inform you that the Thirty Sixth Annual General Meeting (AGM) of the Company was held on Wednesday, 20th September 2017 at 10.15 a.m. at The Music Academy, No. 168 TTK Road, Royapettah, Chennai – 600 014.

In this regard, please find enclosed the following:-

(i) Summary of proceedings as required under Regulation 30, Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

(ii) Voting results as required under Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations.

(iii) Report of Scrutinizer dated 20th September 2017.

(iv) Annual Report for the financial year 2016-2017 as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

(v) Business Responsibility Report for the financial year 2016-2017.

We request you to kindly take the same on record.

Thanking you

Yours faithfully
For APOLLO HOSPITALS ENTERPRISE LIMITED

S.M. KRISHNAN
VICE PRESIDENT – FINANCE
AND COMPANY SECRETARY

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ISIN US0376082055 – Reg. S GDR

Securities and Exchange Commission
Division of Corporation Finance
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