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Corporate Information

Auditors	M/s. S. Viswanathan, Chartered Accountants, Chennai - 600 004
Bankers	Indian Overseas Bank, Andhra Bank, Canara Bank, Indian Bank, State Bank of Travancore, Bank of India, Citibank, IDBI Bank, HDFC Bank, ICICI Bank, Axis Bank, Oriental Bank of Commerce, Standard Chartered Bank.
Registered Office	# 19, Bishop Gardens, Raja Annamalaipuram, Chennai - 600 028
Administrative Office	Ali Towers, # 55, Greams Road, Chennai - 600 006 e-mail: apolloshares@vsnl.net Website: www.apollohospitals.com
Apollo Hospitals **Chennai**	# 21 & 24, Greams Lane, Off Greams Road, Chennai - 600 006 # 320, Anna Salai, Nandanam, Chennai - 600 035 New No. 6, Old No. 24, Cenotaph Road, Chennai - 600 018 # 646, T.H. Road, Tondiarpet, Chennai - 600 081 # 154, E.V.R. Periyar Salai, Chennai - 600 010 Apollo Children's Hospital 15-A, Shafi Mohammed Road, Chennai - 600 006
Madurai	Lake View Road, KK Nagar, Madurai - 625 020
Karur	Apollo Loga Hospital, 3rd Floor, 163, Allwyn Nagar, Kovai Road, Karur - 639 002
Aragonda	Thavanampalle Mandal, Chittoor District, Andhra Pradesh - 517 129
Hyderabad	Jubilee Hills, Hyderabad - 500 033 Old MLA Quarters, Hyderguda, Hyderabad- 500 029 Rajiv Gandhi Marg, Vikrampuri Colony, Secunderabad - 500 003 Apollo Hospitals - DRDO, DMRL 'X' Roads, Kanchanbagh, Hyderabad - 500 058 Bhagyanagar Colony, Opp. Kukatpally Housing Board, Hyderabad - 500 072

Bilaspur	Lingiyadi Village, Bilaspur, Chattisgarh - 495 001
Vishakapatnam	# 10-50-80, Waltair Main Road, Vishakapatnam - 530 002
Mysore	Apollo BGS Hospitals, Adichunchanagiri Road, Kuvempu Nagar, Mysore - 570 023
Kakinada	Main Road, Kakinada - 533 001
Bangalore	# 154/11, Bannerghatta Road, Opp. IIM, Bangalore - 560 076
Ahmedabad	Plot No. 1A, GIDC Estate, Bhat Village, Gandhi Nagar, Gujarat - 382 428
Kolkata	Apollo Gleneagles Hospital, # 58, Canal Circular Road, Kolkata - 700 054
New Delhi	Sarita Vihar, Delhi-Mathura Road, New Delhi - 110 044
Life Style Centres	# 105, GN Chetty Road, T Nagar, Chennai - 600 017 # T-95, 3rd Avenue, Anna Nagar, Chennai - 600 040 City Centre, # 445 Mint Street, Chennai - 600 079 Apollo Heart Centre, # 156, Greams Road, Chennai - 600 006 # 12, Prithvi Avenue, Alwarpet, Chennai - 600 018 Apollo Centre of Excellence for Women # 15/42, Gandhi Mandapam Road Kotturpuram, Chennai - 600 085 Apollo Clinic, New No. 137 (Old No.70A) Velachery Road, Guindy, Chennai - 600 032 Apollo Emergency Centre, Near Santi Fire Works, Malakpet, Hyderabad - 500 036 Apollo Emergency Centre, Mehdipatnam 'X' Roads, Mehdipatnam, Hyderabad - 500 028 Apollo Gleneagles Clinic, # 48/1F, Leela Roy Sarani, Ghariahat, Kolkata - 700 019 City Centre, # 1, Tulsibaug Society, Opp. Doctor House, Ellisbridge, Ahmedabad - 380 006 Apollo Clinic, KR 28 VIP Road, Port Blair, Andaman - 744 101

Notice to the Shareholders

Notice is hereby given that the **Twenty-Eighth Annual General Meeting** of the Company will be held on Wednesday, the 26th day of August 2009 at 10.00 a.m. at Kamaraj Arangam, No. 492 Anna Salai, Teynampet, Chennai- 600 018, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss account for the year ended 31st March 2009 and the Balance Sheet as at that date, the Directors' and Auditors' Report thereon.

2. To declare a dividend on equity shares for the financial year ended 31st March 2009.

3. To appoint a Director in place of Smt. Sangita Reddy, who retires by rotation and being eligible, offers herself for re-appointment.

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

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

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

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

SPECIAL BUSINESS

Item No. 8

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

"RESOLVED THAT pursuant to the provisions of section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the provisions of the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Foreign Security) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time **("FCCB Scheme")** and other applicable laws, regulations and guidelines issued by the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India and any competent authorities and clarifications issued thereon from time to time, as well as such approvals, permissions, consents and sanctions as may be necessary from the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India, Registrar of Companies and/or any other regulatory authority and subject to the conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any Committee thereof) and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's Equity Shares are listed, consent of the Company is hereby accorded to create, offer and, issue of Foreign Currency Convertible Bonds (FCCBs) for a value of up to United States Dollars Fifteen Million (USD 15,000,000), to International Finance Corporation, an international organisation established by Articles of Agreement, among its member countries including the Republic of India (hereinafter referred to as **"IFC"**), subject to such terms and conditions as agreed by and between the Company and IFC and stipulated in the FCCB Loan Agreement dated June 18, 2009 (**"FCCB Loan Agreement"**), a copy whereof was placed on the table at the meeting, and which FCCBs shall be convertible into Equity Shares of the Company at the option of IFC, without requiring any further approval or consent from the shareholders, and at such conversion price which is the higher of Rs. 605 or the price determined in accordance with the FCCB Scheme and applicable laws."

"RESOLVED FURTHER THAT

(i) the FCCBs to be so created, offered, issued and allotted shall be subject to the provisions of the FCCB Loan Agreement; and

(ii) the new Equity Shares to be issued/ allotted upon conversion of FCCBs shall rank pari passu with the existing Equity Shares of the Company and shall be subject to the provisions of Memorandum and Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of the FCCBs or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects, as provided under the terms of the issue and in the offering documents."

"RESOLVED FURTHER THAT the issue of Equity Shares underlying the Securities to the holders of the FCCBs shall, inter alia, be subject to the following terms and conditions:

(i) in the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the Equity Shares, the number of shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced *pro tanto;*

(ii) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares shall stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the FCCBs at the same price at which the same are offered to the existing shareholders; and

(iii) in the event of any merger, amalgamation, takeover or any other re-organisation or any other similar event specified in the FCCB Loan Agreement, the number of shares, the price and the time period as aforesaid shall be suitably adjusted as specified therein."

Item No. 9

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 for mortgaging, hypothecating and/ or charging by the Board of Directors of the Company, of all the immovable and movable properties of the Company wheresoever situate, present and future, and/or conferring power, to enter upon and to take possession of assets of the Company in certain events, to or in favour of the lenders, banks, financial institutions, export credit agencies or multilateral financial institutions including International Finance Corporation (IFC), Washington, (hereinafter referred to as the **"Creditors"**) to secure the financial assistance provided/to be provided by them to the Company together with and all other monies payable by the Company to the Creditors under the loan agreements / letters of sanction/memorandum of terms and conditions entered into/to be entered into by the Company in respect of the said financial assistance, not exceeding Rs. 2,000 crore at any point of time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise with the Creditors, the documents for creating aforesaid mortgage, hypothecation and/ or the charge and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution."

"RESOLVED FURTHER THAT the mortgage/charge/ hypothecation created/to be created and/or all agreements/documents executed/to be executed and all acts done by and with the authority of the Board of Directors are hereby confirmed and ratified."

Item No. 10

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

"RESOLVED THAT in supersession of the special resolution passed by the members at the Annual

General Meeting held on 7th August 2006 and in conformity with the provisions of Article 101(c) of the Articles of Association of the Company and pursuant to the provisions of Section 309(4) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such statutory approvals including approval from Ministry of Corporate Affairs, as may be necessary, authority be and is hereby accorded to the payment of commission to the Non-Executive and Independent Directors of the Company (other than the Managing Director and/or Whole Time Directors) to be determined by the Board of Directors for each Non-Executive and Independent Director for each financial year over a period of 5 (five) years with effect from 1st April 2009 to be calculated in accordance with the provisions of Sections 198, 349 and 350 and other provisions, if any, of the Companies Act, 1956 and distributed between such Directors in such a manner as the Board of Directors may from time to time determine within the maximum limit of 1% (one percent) of net profits of the Company, in addition to the sitting fees being paid by the Company for attending the Board/Committee Meetings of the Company."

By order of the Board

For **APOLLO HOSPITALS ENTERPRISE LIMITED**

S.K. Venkataraman
Chief Financial Officer
and Company Secretary

Place : Chennai
Date : 29th June 2009

Notes

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

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

3. The Register of Members and Share Transfer Books will remain closed from **22nd August 2009 to 26th August 2009 (both days inclusive).**

4. Dividend upon its declaration at the meeting will be paid to those members whose names appear:

   (i) As members on the Register of Members of the Company as on 26th August 2009 after giving effect to all valid share transfers in physical form which would be received by the Company up to the closing hours of the business as on 21st August 2009.

   (ii) As beneficial owners as per list to be furnished by NSDL/CDSL as at the closing hours of the business on 21stAugust 2009.

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

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

7. Pursuant to the provisions of section 205A (5) of the Companies Act, 1956, as amended, Company has transferred all unclaimed dividend for the financial year ended 31st March 1995, 31st March 1996, 31st March 1997, 31st March 1998, 31st March 1999, 31st March 2000 and 31st March 2001 to the Investor Education and Protection Fund (IEP Fund) established by Central Government pursuant to section 205 C of the Companies Act, 1956. It may also be noted that once the unclaimed dividend is transferred to the IEP Fund, no claim shall lie in respect thereof.

8. Pursuant to the provisions of section 205A(5) of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March 2002 and thereafter, which remain unclaimed for a period of 7 years from the date of transfer of the same to the unclaimed dividend account as referred to in sub-section (1) of section 205A of the Act, will be transferred to the Investor Education and Protection Fund (IEP Fund) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 2002 or subsequent financial years are requested to make their claim to the Secretarial Department, Ali Towers, III Floor, No. 55 Greams Road, Chennai - 600 006. It may also be noted that once the unclaimed dividend is transferred to the IEP Fund as above, no claim shall lie in respect thereof.

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

Financial Year Ended	Date of Declaration of Dividend	Last date for Claiming Unpaid Dividend
31/03/2002	19/09/2002	25/10/2009
31/03/2003	22/08/2003	27/09/2010
31/03/2004	14/09/2004	20/10/2011
31/03/2005	11/08/2005	16/09/2012
31/03/2006	07/08/2006	02/09/2013
31/03/2007(Interim)	24/03/2007	30/04/2014
31/03/2007 (Final)	24/08/2007	30/09/2014
31/03/2008	28/08/2008	05/10/2015

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

    a) Bank Mandate with full particulars for remittance of dividend directly into their bank accounts, if declared at the meeting.
    b) Changes, if any, in their address at an early date.
    c) Apply for consolidation of folios, if shareholdings are under multiple folios.
    d) Send their share certificates for consolidation.
    e) Request for nomination forms for making nominations as per amended provisions of the Companies Act, 1956.

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

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

12. **Electronic Clearing Service (ECS) Facility** With respect to payment of dividend, the Company provides the facility of ECS to shareholders residing at the following cities:

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

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

Explanatory Statement pursuant to Section 173(2) of the Companies Act,1956.

Item No.8

The Company proposes to issue Foreign Currency Convertible Bonds up to USD 15 million to International Finance Corporation (IFC), Washington on a private placement basis, to part-finance for establishing Apollo Reach Hospitals in tier II cities and expansion of hospital projects. Based on the in principle approval accorded by the Board of Directors at its meeting held on 5th May 2009, the Company signed the FCCB Loan Agreement with IFC on June 18, 2009 and the same was approved, confirmed and ratified by the Board at its meeting held on 29th June 2009.

Section 81(1A) of the Companies Act, 1956, provides, *inter alia,* that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid up on those shares as of that date unless the Members decide otherwise. The Listing Agreements with the various Stock Exchanges also provide that the Company shall issue or offer in the first instance all Securities to the existing equity shareholders, unless the Members decide otherwise. The Special Resolution seeks the consent and authorisation of the Members to the Board of Directors to make the proposed issue of FCCBs to IFC and to issue and allot equity shares to IFC in the event it is decided to convert part or whole of the FCCBs, on such terms and conditions as are specified in the FCCB Loan Agreement.

The provisions of the Act contemplate consent of the members by way of special resolution in General Meeting for further issue of shares to persons whether Members or not.

The members of the Company had accorded their consent at the Extraordinary General Meeting held on 12th June 2006 for issue of equity shares, Foreign Currency Convertible Bonds, Bonds, Global Depositary

Receipts (GDRs), American Depositary Receipts (ADRs) and the same has not been implemented as the situation was not conducive then. The Board thought it fit to consider to issue Foreign Currency Convertible Bonds in accordance with the guidelines in force now and therefore commend the special resolution afresh as set out at Item No.8 for consideration and approval of members.

Memorandum of Interest

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

Item No.9

The company proposes to avail financial assistance from various banks, financial institutions, export credit agencies or multilateral financial institutions including International Finance Corporation (IFC), Washington (hereinafter referred to as the "Creditors") to part-finance for establishing Apollo Reach Hospitals in tier II cities and expansion of hospital projects. In order to secure the loan amount sanctioned by the Creditors, it will be necessary to mortgage/hypothecate and/or create charge on all the immovable and movable properties of the Company in their favour for availing the financial assistance from them. Ministry of Corporate Affairs is of the view that if a company mortgages the whole or substantially the whole of the undertaking for obtaining loans or other financial assistance it need not comply with the provisions of section 293 (1)(a) of the Companies Act, 1956. However, by way of abundant caution the Board recommends the ordinary resolution as detailed under Item No. 9 of the Notice for approval of members.

Memorandum of Interest

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

Item No.10

Section 309 of the Companies Act, 1956 provides that a Director who is neither in the whole-time employment of the Company nor a Managing Director may be paid remuneration by way of commission, if the Company by special resolution, authorizes such payment.

The Company had obtained the consent of the members at the Annual General Meeting held on 7th August 2006 and approval of Central Government on 18th January 2007 to pay commission of Rs.500,000/- p.a. to each Non-Executive Director for a period of five years w.e.f 1st April 2006 within the overall ceiling limit of 1% of the net profits of the Company.

The Board of Directors, in order to remunerate the Non-Executive and Independent Directors of the Company (other than the Managing Director and/ or Whole-time Directors), for the responsibilities entrusted upon them under the law particularly with the requirements of the Corporate Governance Policies, the current trends and commensurate with the time devoted and the contribution made by them, has, at its Meeting held on 29th June 2009 approved, subject to such statutory approvals as may be necessary, payment by way of commission, to be paid to the Non-Executive and Independent Directors of the Company.

The Board of Directors of the Company has approved payment of commission to Non-Executive and Independent Directors of the Company, within the maximum limit of 1% percent of net profits of the Company, to be determined by the Board of Directors for each Non-Executive and Independent Director for each financial year, over a period of five years with effect from 1st April 2009. In addition to the Commission on the net profits as aforesaid, a director may receive remuneration by way of fee for each meeting of the Board, or a committee thereof attended by him.

Section 309 of the Companies Act, 1956 requires approval of members of the Company by passing a Special Resolution in General Meeting for payment of remuneration by way of commission to Non-Executive Directors of the Company.

The Board of Directors accordingly recommends the resolution set out at Item No.10 of the Notice for approval of Members.

Memorandum of Interest

All Non-Executive and Independent Directors of the Company are concerned or interested in the resolution to the extent of the remuneration that may be received by them.

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

Place : Chennai
Date : 29th June 2009

S.K. Venkataraman
Chief Financial Officer
and Company Secretary

Details of Directors seeking re-appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Smt. Sangita Reddy	Shri. Deepak Vaidya	Shri. P. Obul Reddy	Shri. Rafeeque Ahamed
Date of Birth	8th July 1962	9th January 1945	1st December 1925	17th September 1947
Date of Appointment on the Board	31st July 2000	31st July 2000	5th December 1979	29th December 1979
Relationship with other Directors	Daughter of Dr.Prathap C Reddy, Chairman, Sister of Smt.Preetha Reddy, Managing Director and Smt.Suneeta Reddy, Executive Director -Finance	None	Father-in-law of Smt. Preetha Reddy and Smt. Suneeta Reddy	None
Expertise in Specific Function area	Hospital Management, IT, Operations Research, Insurance	Business Management and Financial consultancy services	Business Management	1. Leather Manufacturing and Exports. 2. Leather Footwear manufacturing and Exports 3. Footwear designing and Training
Qualification	Bachelor of Science degree from Womens Christian College Graduate Courses in Operations Research, Rutgers University, New Jersey Diploma in Hospital Management conducted by Harvard University, USA & NSU, Singapore	Fellow Member of Institute of Chartered Accountants (England & Wales) Bachelor's degree in Commerce from Bombay University	Bachelor's degree in Commerce from Madras University	Graduate from Madras University
Board Membership of other companies as on March 31st, 2009	**Managing Director** 1. Apollo Health Street Limited **Director** 2. PCR Investments Limited 3. Apollo Health and Lifestyle Limited 4. Apollo Mumbai Hospital Limited 5. Family Health Plan Limited 6. Samudra Healthcare Enterprises Limited 7. Imperial Hospital & Research Centre Limited 8. Apollo Clinical Excellence Solutions Limited 9. Apollo Reach Hospitals Enterprises Limited 10. Health Super Hiway Pvt Limited 11. Apollo Gleneagles PET-CT Private Limited 12. KAR Auto Private Limited **Others** 13. Executive Member of NASCOMM 14. Executive Member of Rockfeller Foundation 15. Advisory Board Member, SunQuest, USA	**Chairman** 1. Strides Arcolab Limited **Director** 2. Orchid Chemicals & Pharmaceuticals Limited 3. Apollo Gleneagles Hospital Limited 4. Apollo Health Street Limited 5. GTL Infrastructure Limited 6. PPN Power Generating Company Limited 7. Suntec Business Solutions Pvt Limited	**Chairman** 1. Panasonic Carbon India Company Limited 2. Panasonic Home Appliances India Company Limited 3. Zodiac Travels Pvt Limited **Managing Director** 4. Nippo Batteries Co Limited	**Director** 1. Farida Holdings Pvt Limited 2. Farida Shoes Pvt Limited 3. Kenmore Shoes Pvt Limited 4. India Shoes Exports Pvt Limited 5. Farida Classic Shoes Pvt Limited 6. Delta Shoes Pvt Limited 7. Farida Prime Tannery Pvt Limited 8. Top Fondi Soles (India) Pvt Limited 9. Arcot Soles Pvt Limited 10. Farida Management Services Pvt Limited 11. Farida Engineering Services Pvt Limited 12. Farida Xiezhan Moulds Pvt Limited 13. Jafra Insoles India Pvt Limited

Chairman/Member of the Committee of the Board of Directors of the Company as on March 31, 2009	-	**Chairman** 1. Audit Committee **Member** 2. Remuneration & Nomination Committee	**Member** 1. Audit Committee 2. Remuneration & Nomination Committee	-
Chairman/Member of the Committee of Directors of other Companies in which he / she is a director as on March 31, 2009				
Audit Committee	-	**Chairman** 1. Apollo Gleneagles Hospital Limited **Member** 2. Orchid Chemicals & Pharmaceuticals Limited 3. Suntec Business Solutions Pvt Limited	-	-
Shareholders' Grievance Committee	**Member** Apollo Health Street Limited	**Chairman** Strides Arcolab Limited	**Member** Nippo Batteries Co Limited	-
Remuneration & Nomination Committee	-	**Member** 1. GTL Infrastructure Limited 2. Strides Arcolab Limited	**Member** Panasonic Home Appliances India Co Limited	-
Shareholding in the Company as on March 31, 2009	2,486,254	-	9,000	27,950

Corporate Highlights

- Apollo Reach Hospitals, Karimnagar and Apollo Loga Hospital, Karur were launched by His Excellency, the Prime Minister of India, Dr. Manmohan Singh on 5th September 2008.
- India's first 320 Slice CT Scanner, an advanced diagnostic tool in heart, brain and whole body scanning, was launched at the Apollo Heart Centre, Chennai, by Shri M.R.K. Panneerselvam, the Honourable Minister of Health, Government of Tamil Nadu, on 20th November 2008.
- Apollo Hospitals, Bangalore, was launched by Her Excellency, the President of India, Smt. Pratibha Patil and the Honourable Chief Minister of Karnataka, Shri B.S. Yeddyurappa on 1st February, 2009.
- The CyberKnife, Asia-Pacific's most advanced cancer treatment system, was unveiled at Apollo Speciality Hospital, Nandanam, Chennai, on 6th February 2009 at an investment of Rs.75 crores including infrastructure. The CyberKnife has already been treating various patients and making a difference to many lives.
- The foundation stone was laid for Apollo Hospital, Vishakapatnam by Shri.Y.S. Rajasekhara Reddy, the Honourable Chief Minister of Andhra Pradesh on 21st February 2009.
- The Apollo Hospitals Group has added 200 hospital beds in the year 2008-2009 and plans to add 2,400 hospital beds in the next 24 months.
- Apollo Hospitals, Chennai, Indraprastha Apollo Hospital, Delhi and Apollo Hospitals, Hyderabad were re-accredited by Joint Commission International (JCI), USA.
- Apollo Hospitals, Bengaluru and Apollo Gleneagles Hospital, Kolkata were accredited by Joint Commission International (JCI), USA.
- The total count of Apollo pharmacies has reached 922 in 2009 with the count of hospital-based pharmacies totalling to 49 and standalone pharmacies totalling to 873.
- Apollo Hospitals, Madurai was granted NABH accreditation.
- The Sugar Clinic was inaugurated at Apollo Hospitals, Ahmedabad, by Shri Geet Sethi, the billiards and snooker world champion, on 12th February, 2009. Subsequently, five other such clinics were opened across the country
- The "Apollo Liver Clinic" was launched at Apollo Hospitals, Chennai '- This is a novel concept that offers multidisciplinary evaluation under one roof by several sub-specialists in liver medicine.
- A triple abdominal bypass was performed on an 8-year-old girl from Oman at Apollo Hospitals, Chennai. This rare innovative procedure has never been done in India before and probably twice before elsewhere in the world.
- Apollo Hospitals Group has performed the largest number of Liver transplants in the country, completing 10 successful years of Liver Transplantation Programme.
- A Four and a half year old was saved from Bylers Disease in a rare surgery, only the second time in the world performed by Dr. Sujit Chowdhary, Sr. Consultant Pediatric Surgery, Indraprastha Apollo Hospital,Delhi
- India's first keyhole multiple bypass surgery was conducted at Indraprastha Apollo Hospitals, New Delhi.

Awards and Accolades

- Dr. Ajay Kumar, Gastroenterologist, Indraprastha Apollo Hospital, Delhi was awarded the Dr. B.C. Roy Award for the year 2008.
- Dr. T. P. R. Bharadwaj, Senior Consultant,Apollo Hospitals,Chennai was awarded the Dr. B. C. Roy Award for the year 2008.
- Dr. S.K. Wangnoo, Endocrinologist, Indraprastha Apollo Hospital, Delhi was appointed Honorary Physician to the President of India for the year 2009.
- Dr. D.K. Bhargava, Gastroenterologist, Indraprastha Apollo Hospital, Delhi was awarded the Padma Shree for the year 2008.
- Dr. Yash Gulati, Orthopaedic Surgeon,

Indraprastha Apollo Hospital, Delhi was awarded the Padma Shree for the year 2009.

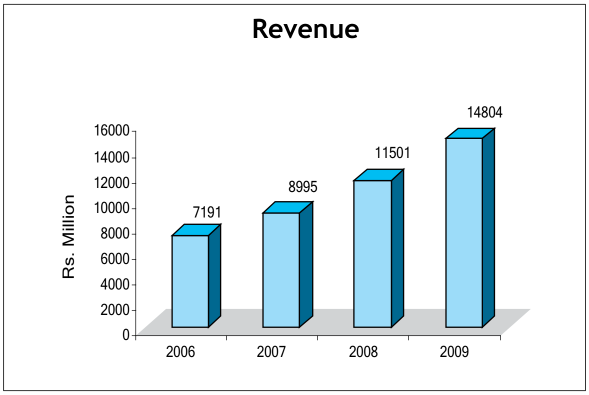
- Dr. R.N. Makroo, Transfusion Medicine, Indraprastha Apollo Hospital, Delhi was felicitated with 'Centurion Blood Donation award' on National Voluntary Blood Donation Day 2008.
- Dr. Shraven Mehra, Indraprastha Apollo Hospital, Delhi was felicitated with the Gold medal in Neonatal Fellowship by Indian Academy of Pediatrics.
- Dr. YVC Reddy, Senior Consultant & Interventional Cardiologist at Apollo Hospitals, Chennai was felicitated for his outstanding work on complex salvage angioplasty in acute heart attack at the Summit TCT Asia Pacific 2009 conference held at Seoul, Korea.
- Apollo Hospitals, Delhi & Chennai were ranked 2nd & 3rd respectively by "The WEEK –IMRB Survey" for top 10 hospitals in India.

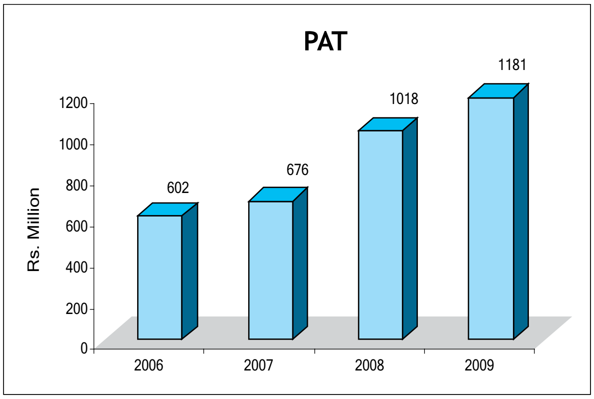
This survey was conducted in 15 cities. A Total of 936 specialists, 614 General Practitioners (GPs), 605 MBBS aspirants, 319 Ayurvedic doctors, 17 travel agents and 10 patient coordinators took part in the survey.

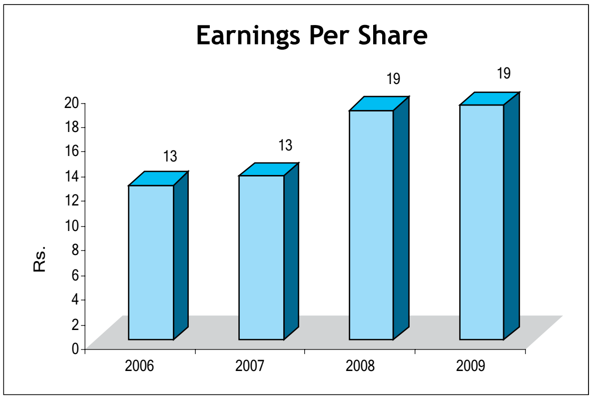
- Apollo Gleneagles Hospital Limited was rated 'Best Hospital' in the Eastern Region of India by " The Week" magazine survey 2008.
- Apollo Hospitals Group was awarded the "Reader's Digest Trusted Brand" for the year 2009 in the Hospital Services category.
- Apollo Hospitals featured among the top 5 in the India's most caring hospitals survey done by India Today.

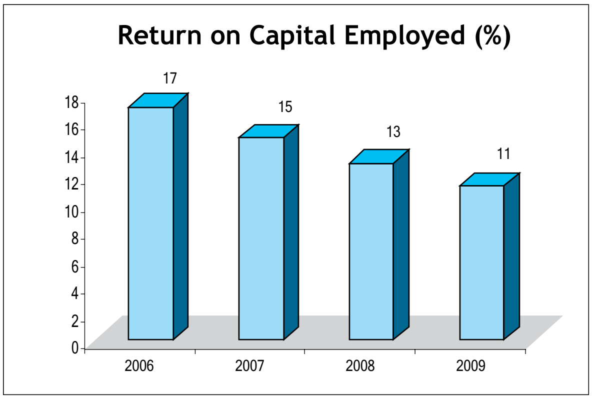
The survey results were based on the report on the Study of Client Satisfaction with Quality of Hospital Services, 2008.

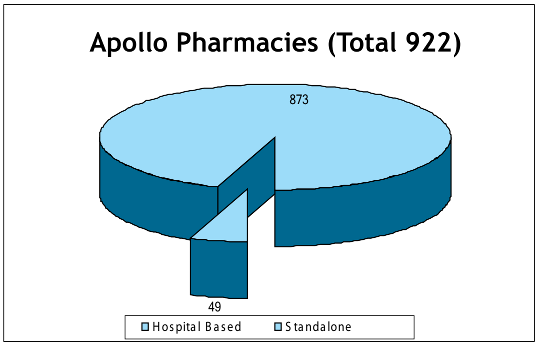
Corporate Highlights











Directors' Report to the Shareholders

Your Directors are pleased to present the TWENTY-EIGHTH ANNUAL REPORT and the audited statements of accounts for the year ended 31st March 2009.

Financial Results (Rs.in million)

For the year ended	31st March 2009	31st March 2008
Total Income	14,803	11,516
Profit before Extraordinary Item and Taxation	1,763	1,451
Provision for Taxation	542	433
Net Profit before Extraordinary Item after Taxation	1,221	1,018
Extraordinary Item	40	-
Net Profit after Extraordinary Item and Taxation	1,181	1,018
Balance of Profit brought forward	1,248	892
Profit Available for appropriations	**2,429**	**1,910**
Appropriations		
Dividend (inclusive of dividend tax)	470	412
Transfer to General Reserve	750	250
Balance carried forward to Balance sheet	1,209	1,248

Results of Operations

During the year under review, the gross revenue of the Company increased to Rs.14,803 million compared to Rs.11,516 million in the previous year, registering an impressive growth of 29%. The profit after tax for the year increased by 16% to Rs. 1,181 million compared to Rs. 1,018 million in the previous year.

During the year under review, the consolidated gross revenue of the Company increased to Rs. 16,350 million compared to Rs. 12,416 million in the previous year, registering an impressive growth of 32%. Net profit after minority interest for the group increased to Rs. 1,025 million from Rs. 771 million representing a growth of 33%.

Consolidated Financial Statements

Your Company has been granted exemption from attaching the financial statements of the subsidiary companies in India and abroad, to the balance sheet of your Company for the financial year 2008-2009, under Section 212(8) of the Companies Act, 1956 by the Ministry of Corporate Affairs (MCA). A statement of summarized financials of all subsidiaries of your Company, pursuant to the approvals under Section 212(8) of the Companies Act, 1956 forms part of this report. Any further information in respect of the annual report and the financial statements of the subsidiary companies of your Company will be made available to the members on request. In accordance with the Accounting Standard, AS-21 issued by The Institute of Chartered Accountants of India, consolidated Financial Statements presented by your Company include the financial information of all its subsidiaries.

Dividend

The Board of Directors recommend a dividend of Rs. 6.50 per Equity Share (65% on par value of Rs. 10/- each) (as against Rs.6 per Equity Share, 60% in the previous year) on the paid-up equity share capital of the Company for the financial year ended 31st March 2009, which if approved at the forthcoming Annual General Meeting on 26th August 2009, will be paid to those shareholders whose names appear in the Register of Members as at the closing hours of business on 21st August 2009. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by Depositories viz., NSDL and CDSL for this purpose.

The Register of Members and Share Transfer Books will remain closed from 22nd August 2009 to 26th August 2009 (both days inclusive).

Transfer of Reserves

Your Company proposes to transfer Rs. 750 million to the general reserve out of the amount available for appropriations. An amount of Rs. 1,209 million is proposed to be retained in the profit & loss account.

Subsidiaries

Your Company has seven subsidiary companies as on 31st March 2009. The statement in respect of the details of the subsidiary companies viz., Unique Home Health Care Limited (UHHCL), AB Medical Centres Limited (ABMCL), Samudra Healthcare Enterprises Limited (SHEL), Apollo Health and Lifestyle Limited (AHLL), Imperial Hospital and Research Centre Limited (IHRCL), Pinakini Hospitals Limited (PHL) and Apollo Hospital (UK) Limited (AHUKL) pursuant to section 212 of the Companies Act, 1956 is attached to this report.

Unique Home Health Care Limited (UHHCL)

UHHCL, a wholly-owned subsidiary of the Company, provides medical and paramedical services including doctor's consultation, physiotherapy direct to patient homes and also offers paramedical service in hospitals to critically ill patients. For the year ended 31st March 2009, UHHCL recorded a revenue of Rs.10.61 million and net profit of Rs.4.23 million.

AB Medical Centres Limited (ABMCL)

ABMCL, a wholly-owned subsidiary of the Company, does not have any commercial operations as it has leased out its infrastructure viz., land, building and medical equipment to the Company for running the hospital. For the year ended 31st March 2009, ABMCL recorded an income of Rs. 6.53 million and a net profit of Rs. 3.78 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 2009, SHEL recorded revenue of Rs. 161.85 million and a net profit of Rs. 14.54 million.

Apollo Hospital (UK) Limited (AHUKL)

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

Apollo Health and Lifestyle Limited (AHLL)

AHLL, a subsidiary of the Company, is engaged in the business of providing primary healthcare facilities through a network of franchised clinics across India offering specialist consultation, diagnostics, preventive health checks, telemedicine facilities and a 24-hour pharmacy all under one roof. For the year ended 31st March 2009, AHLL recorded revenue of Rs. 68.78 million and a net loss of Rs. 22.91 million.

Imperial Hospital and Research Centre Limited (IHRCL)

IHRCL, a 51% subsidiary of the Company, owns a 240-bed multi-speciality hospital at Bengaluru. For the year ended 31st March 2009, IHRCL recorded a revenue of Rs. 576.50 million and a net loss of Rs. 104.55 million.

Pinakini Hospitals Limited (PHL)

As a part of its startegy to reach out to the tier II towns and cities, the Company intends to build a hospital in Nellore at a total project cost of Rs. 60 crore through a subsidiary company, Pinakini Hospitals Limited.

Corporate Social Responsibility

Touching lives is the way of life at Apollo Hospitals. Apollo Hospitals Group is committed to the well-being of not just the patients, but the society as a whole. The ultimate aim is to provide quality healthcare to all those who need it.

This is why the hospital has developed a sound and highly transparent management model that takes the interests of our customers, shareholders, investors, business partners, employees, communities and government bodies into account to maintain the best in corporate governance, risk management, corporate ethics and compliance.

Towards this end, several initiatives have been started by the Apollo Hospitals Group. Initiatives like SACH, SAHI, CURE and DISHA aim to reach out and provide healthcare measures to the economically backward.

There are a few other initiatives that have been undertaken by Apollo Hospitals like the free medical camp service provided by the doctors from the group, in association with a NGO called Vishwas, which caters to the needs of special children. This event was organised in Sohna village in Haryana. There was also an annual medical camp for U.S. Embassy employees on the embassy premises undertaken by the doctors of Apollo Hospitals, free of cost.

The Ambulance services of the hospital was also provided to various cricket matches held in the city and for high profile events like the Republic Day function in the National Capital. One of the key schemes undertaken by Apollo Hospitals Group is the initiative where the doctors of Indraprastha Hospital in association with the Delhi Government visited 5 neighbouring areas and provided healthcare support to their residents.

Apart from this Health Talks, CME's and health screening camps were held across the Country in association with various Companies like Wipro Technologies Ltd., TVS Electronics, India Cements Ltd., L&T Infotech, Mahindra Holidays.

"SACH" – The SAVE A CHILD'S HEART programme was conceptualized by the Apollo Hospitals with the objective of providing surgical treatment to economically deprived children with congenital and other forms of heart diseases.

Over 200,000 children in India are born with heart diseases every year. 60,000-80,000 of these children have critical heart disease. Most succumb to the disease without celebrating even their first birthday. And surgery can miraculously and dramatically transform them into absolutely normal children.

SACH was established in 2003 at Hyderabad and today SACH is the largest voluntary organisation in Asia that provides care and treatment to underprivileged children suffering from pediatric heart diseases. This initiative has touched the lives of over 50,000 children so far.

The SACH programme commenced at Chennai in November 2006 and already several complex surgeries have been performed which transformed the lives of several children with heart ailments. More than 550 children have been screened and 225 surgeries have been completed successfully here so far, of which 113 surgeries were done during the financial year which ended on 31st March 2009.

The SACH team includes highly qualified and well-trained doctors and paramedical staff from the Apollo Hospitals, with vast experience in treating pediatric heart problems.

Increase in Paid-up Share Capital

During the year, the paid-up share capital of the Company increased from Rs. 586,857,020/- (consisting of 58,685,702 equity shares of Rs.10/- each) to Rs. 602,357,020/- (consisting of 60,235,702 equity shares of Rs. 10/- each) consequent to the allotment of 1,550,000 equity shares to Smt.Sangita Reddy upon conversion of 1,550,000 warrants issued to her on 22nd August 2008 at a price of Rs. 442.55 per share including a premium of Rs. 432.55 per share.

On 18th April 2009, the company has also allotted 1,549,157 equity shares to Dr. Prathap C Reddy, upon conversion of 1,549,157 warrants issued to him at a price of Rs. 497.69 per share including a premium of Rs. 487.69 per share. Consequent to the allotment, the total paid up equity capital stood at Rs. 617,848,590/- (consisting of 61,784,859 equity shares of Rs. 10/- each).

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

New Initiatives

Apollo Dialysis Clinics

Apollo Dialysis Clinics, India's premier out-of-hospital dialysis clinic, provides high-end dialysis services and is designed to address specific issues that affect dialysis care in India today. Apollo Dialysis Clinics bring together the cumulative experience of Apollo Hospitals which has been a pioneer in offering quality dialysis to its patients. For over 25 years we have been the preferred hospital providing dialysis services at over 20 hospitals in India with close to 150 machines serving over 2,000 patients per year. We have one of the largest teams of nephrologists in India – with a cumulative experience of over 400 years in the fields of Clinical Nephrology, Dialysis and Transplantation.

Apollo Dialysis Clinics were launched at Vadapalani, Chennai (From l-r) Dr. Anbumani Ramadoss, Ex-Union Health Minister, Dr. Prathap C Reddy, Founder & Chairman, Apollo Hospitals Group & Smt. Preetha Reddy, Managing Director, Apollo Hospitals Group seen at the press conference during the launch.

Trivitron Healthcare is the largest medical technology provider of Indian origin in the world today. They also have the widest product range across 19 medical specialities including renal care. Their technical expertise and understanding of renal care specifications makes them a valuable ally ensuring that at Apollo Dialysis Clinics we speak the language of patient comfort while touching lives to make a difference.

Apollo Hospitals and Trivitron Healthcare, guarantee world-class dialysis technologies, personalized service, the expertise of the country's best Nephrology teams to deliver 360-degree dialystic care in an out-of-hospital ambience. The team of experts at the Clinics provides prescriptive quality care to every patient. There are personalized treatment regimens designed to suit every patients' medical conditions, thereby accommodating their lifestyles, schedules and other needs. This holistic approach to health helps in improving the quality of life of the patients with renal disorders. Recovery along with rehabilitation also plays a major role in the treatment plans.

Apollo Children's Hospital

Apollo Hospitals Group has stepped into the arena of providing exclusive quality pediatrics through its Apollo Children's Hospital. The Apollo Children's Hospital is a 100-bed facility situated in the close vicinity of flagship Apollo Hospitals on Greams Road, Chennai. The Apollo Children's Hospital is one of the finest in the country, complete with an NICU, Isolation ward, three operation theatres, general ward, cheerful private rooms and tasteful suites. It has some of the most advanced technology, and other cutting-edge equipment in cardiac and neuro diagnostics. The hospital is staffed with 45 of India's finest pediatric specialists and over 180 nurses. With the best possible experience drawn from the state-of-the-art Apollo Centre of Excellence for Pediatrics, this hospital is bound to take pediatric care to the next frontier in India.

Apollo Reach Hospitals

Apollo Hospitals Group launched its pioneering initiative to provide world-class healthcare to semi-urban and rural India through the inauguration of Apollo Reach Hospitals at Karim Nagar, Andhra Pradesh by Hon'ble Prime Minister of India, Dr. Manmohan Singh. Located in semi-urban and rural India, every Apollo Reach Hospitals will be constructed on a land area of around 1 - 2 acres. A cookie-cutter model has been adopted for speedy roll-out of Apollo Reach Hospitals with a timeline goal of 18 - 24 months from land procurement. Designed as 100 – 150 bed specialty hospitals, each Apollo Reach Hospitals would also be expandable to 200 beds.

Apollo Reach Hospitals, Karim Nagar and Apollo Loga Hospital, Karur being launched by His Excellency, The Prime Minister of India, Dr. Manmohan Singh on 5th September 2008. Also seen are Dr. Prathap C Reddy, Founder & Chairman, Apollo Hospitals Group and Dr. K. Karunanidhi, Chief Minister of Tamil Nadu along with others.

The Group has initiated the construction of hospitals, procurement of land and identification of cities to set up the first phase of 25 Apollo Reach Hospitals over the next two years across India.

The focus of services at Apollo Reach Hospitals would include cardiology, cardio-thoracic surgeries, neurology, nephrology, and orthopedics. State-of-the-art technology including a complete range of diagnostic modalities such as CT scanner, X-ray, diagnostic cardiology, neurology, endoscopy systems, comprehensive lab services, blood bank, etc. is available at the hospital. A dedicated pool of medical professionals, paramedical and other administrative staff would manage the hospital services.

Support Services planned at Apollo Reach Hospitals are as detailed under:

- 24 X 7 fully-functional Emergency Care Unit
- State-of-art trauma care unit with life-saving modalities
- Well-equipped executive wards
- High-end Critical Care Units backed with life support equipment
- Outpatient clinic with facilities for consultation across departments
- Executive consulting suites
- Health Check-up packages
- Round-the-clock Pharmacy

- Outpatient & inpatient surgery
- Rehabilitation & Physiotherapy department with therapeutic & diagnostic units
- Hospital on wheels
- Dedicated laboratory services with facility for blood storage

Proceeds of Preferential Issues

The details of utilization of proceeds of Preferential Issues up to 31st March 2009, are set out in the statement attached herewith as Annexure - A.

Corporate Governance

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

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

Human Resources Development

HR's role as a strategic business partner is pivotal for all the change initiatives at Apollo. Human Resources are our assets as they are the key drivers for our sustained growth and success. The services they render at every touch point helps in enhancing the service excellence to our patients thereby supporting the mission of Apollo of "touching a billion lives".

Human Resource at Apollo has evolved with employee initiatives across all levels from Senior Management to grass root level. Building knowledge-sharing practices, creating pool of process specialists through the interventions of Six Sigma, engaging employees through various employee-engagement activities have been the areas of key focus.

Knowledge Sharing A knowledge sharing portal for the CEOs titled "The CEO Handbook" and "The DMS Handbook" for the Medical Administrators have been developed in-house incorporating the best practices with measures and metrics and the same has been uploaded in the Apollo's Light house (in-house on-line forum). This has been integrated with an on-line balanced scorecard termed as the Apollo Performance Monitor (APM) to track the performance of individual units.

Six Sigma In our effort to inculcate a high-performance culture, Lean Six Sigma initiative has been institutionalized. At present there are more than 100 trained Lean Six Sigma Green Belts and 20 certified Green Belts in our Group. We target to train more than 200 Green Belt Champions and 20 Black Belt Champion this year.

Employee Engagement Engaging employees being the key focus area, a number of employee-engagement activities was operational. Infotainments, party games, sports activities were conducted at regular intervals. Two mega infotainment shows were conducted before the final audit of JCIA. A standardized group induction kit has also been developed in a video interactive mode to align Apollo's mission and values across hospitals.

Our human resources team strives to align the HR policies with the business goals of the organization, and also help in creating a performance-driven culture. Various initiatives such as performance-linked rewards, transparent review process, building a high-performance work teams have helped in controlling attrition at different levels. Introduction of new services, additional pharmacies and additional beds have resulted in the increase of human resources strength at Apollo.

Employee Count The total employee strength as on March 2009 is 19,088 as against 15,927 for the year ending March 2008, an increase of 19.8%. The increase of 3,161 employees is due to the opening of 297 additional standalone pharmacies during the said year and an increase of 200 beds, coupled with new value-added services in the hospital division for improving service delivery to the customer.

Directors' Responsibility Statement

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

- In the preparation of the annual accounts for the year, the applicable accounting standards had been followed along with proper explanations and there were no material departures;

- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- The Directors had prepared the annual accounts on a going concern basis.

Fixed Deposits

The total deposits with the Company as on 31st March 2009 was Rs. 136.15 million (Rs. 141.33 million as on 31st March 2008) which include deposits for an aggregate of value of Rs. 4.64 million (Rs. 6.94 million as on 31st March 2008) not claimed by the depositors. Out of these deposits, an aggregate value of Rs. 0.63 million have since been repaid / renewed.

Directors

As per the provisions of Articles of Association of Company, four Directors of the Company viz., Smt. Sangita Reddy, Shri Deepak Vaidya, Shri P. Obul Reddy and Shri Rafeeque Ahamed retires by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Shri. Habibullah Badsha resigned as a Director with effect from 1st December 2008 and joined the Board subsequently with effect from 30th January 2009.

New Directors

The Board of Directors at its meeting held on 30th January 2009 appointed Shri Michael Fernandes, as an Alternate Director to Shri Khairil Anuar Abdullah.

Auditors

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

Particulars of Employees as per section 217(2A) of the Companies Act, 1956.

Particulars of Employees required under Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended forms part of this report and attached herewith as Annexure B.

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

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

Acknowledgement

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

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

For and on behalf of the Board of Directors

Place : Chennai — **Dr. Prathap C Reddy**
Date : 29th June 2009 — Executive Chairman

Annexure-A to the Directors' Report
Details of Utilization of Proceeds of Preferential Issues up to 31st March 2009.

(Rs. in crores)

Particulars	As on 31st March 2009
Opening Balance of Mutual Funds as on 1st April 2008	357.00
Funds received through Preferential Issues (from 1st April 2008 to 31st March 2009)	
(i) Allotment of Equity Shares to Promoter on 22nd August 2008 (90% of the total issue)	61.74
Total Funds received	**418.74**
Particulars of Utilization/Deposits	
New Projects	55.10
Expansion of existing facilities	29.95
Investment into equity/loans to group companies	21.38
Capital Expenditure & Working Capital	72.31
Balance amount parked in Mutual Funds / Subscription of Debentures / Deposits	**240.00**

Annexure B to the Directors' Report
Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report.

Sl. No.	Name	Age	Designation	Gross Remuneration (Rs. in lakhs)	Qualification	Experience in Years	Date of Joining	Details of Previous Employment
(A) Employed throughout the year								
1	Atul Ahuja	37	Sr.General Manager - Merchandising	30.61	MBA, PGDP	13	15-Jun-07	Senior Product Manager Oracle Corp.
2	Binod Madhab Samal	40	Vice President Corporate-IT	41.70	B.Tech, P.G.Diploma in Mgmt. & P.G.Diploma in Industrial Mgmt.	14	8-Apr-04	Marico Industries, Manager & GE - Asst. Vice President
3	G. Dasaratharama Reddy	54	Sr. General Manager - Finance	26.05	B.Com, CA	30	13-Oct-95	Hyundai Electronics of America
4	George Eapen	58	Chief Executive Officer	39.89	B.Sc, DHMCT	35	12-Jul-99	Assistant Vice President in Reliance Petroleum Limited
5	T. Karunakar	42	General Manager - HR	24.04	MSW	18	28-Jan-02	Indian Hotels

6	R. Krishnakumar	45	Head Investor Relations	30.89	B.Com (Hons), C.A., ICWA - Intermediate	23	20-Jun-07	Chief Financial Officer, Apollo Hospitals International Limited
7	Dr. M.K. Mani	73	Chief Nephrologist	34.39	MD,FAMS, FRCP(EDIN)	50	16-Jan-84	Physician, Renal Unit, Sydney Hospitals, Chief Nephrologist, Jaslok Hospital, Mumbai
8	G. Narotham Reddy	49	Vice President - Materials	30.40	M.Sc., PGDMM	25	1-Feb-84	-
9	S. Obul Reddy	47	General Manager - Finance & Legal	33.23	B.Com, B.L,	21	16-Aug-90	-
10	K. Padmanabhan	57	Group President - Corporate Planning & Marketing	101.08	B.Com, PGDIA, MBA	37	1-Jul-96	Vice President & Chief Executive Officer of the Bicycles Division of Tube Investments Ltd
11	Dr. K. Prabakar	55	Vice President - HR	37.91	B.Sc., DSSA (PM & IR), B.L.,Dip. TD, Dip L.A.L, Ph.D	31	12-Feb-86	Personnel Manager - Om Sindoori Hotels, Chennai
12	Dr. Prathap C Reddy	77	Executive Chairman	862.14	MBBS, FRCS	43	Since inception	Practicing as a Cardiologist in USA and India
13	Preetha Reddy	52	Managing Director	344.85	B.Sc., M.A	28	3-Feb-89	Chief Executive-Indian Hospitals Corporation Ltd
14	Y.V. Raghava Rao	37	Vice President - International Business	27.12	B.Com, MBA one year program in Intl.Business	12	16-Sep-02	Euro Discover Technology Venture Ltd
15	P.B. Ramamoorthy	54	General Manager - Pharmacy	29.28	B.Sc, M.B.A, PGDMM	30	3-Jan-85	True Biscuits, Marketing Executive
16	K. Ravichandran	40	Vice President - Projects	30.46	B.Tech, Chemical, MBA	17	7-Jul-2000	Manager- IFCI Ltd
17	Sangita Reddy	47	Executive Director - Operations	86.21	B.Sc.	25	31-Jul-2000	Managing Director, Deccan Hospitals Corporation Ltd

18	V. Satyanarayana Reddy	48	Chief Executive Officer	40.90	B.Sc (Agri), MBA,Mphil	24	17-Apr-89	-
19	C. Sreethar	51	Chief Operating Officer	31.57	B.Com, DPIM	29	31-Oct-84	-
20	Suneeta Reddy	50	Executive Director - Finance	215.53	B.A	26	1-May-2000	Jt. Managing Director, Indian Hospitals Corporation Ltd
21	S.K. Venkataraman	49	CFO & Company Secretary	46.20	B.Sc - Applied Science, ACS, FCA and AIII	25	25-Feb-91	Asst. Manager - Taxation in Shriram Fibres Limited, New Delhi
22	S. Venkatraman	50	Chief Executive Officer - Projects	42.68	B.Com, MBA	28	13-Dec-07	President & CEO, Sterling Add Life India Ltd
23	V. Venugopal	46	Senior General Manager - Finance	34.63	B.Sc, CA, ICWA	22	13-Jul-87	-
(B) Employed for part of the year with an average salary above Rs. 2 lakhs per month.								
24	Chandra D Sharma	64	President	34.77	B.E (Mech), PGDBA (IIMA), SEP (Stanford)	36	1-Oct-07	Managing Director, Boots, East Africa
25	C. Chandrasekhar	40	Group President - Marketing	12.46	MBA (Marketing), Advance Management Course, ISB Hyderabad	17	1-Jan-09	Apollo DKV Insurance Company Limited
26	David S Nevill	48	Sr.President - Business Development	40.18	MBA	19	15-Jun-06	President and CEO in Wesley Medical Centre, Wichita, Kansas
27	Lalit Varma	46	Vice President - Projects	12.80	B.Tech Civil Engineering General Management Program	23	17-Nov-08	General Manager - Health Care Projects- Reliance Industries Ltd, Mumbai.
28	Pradeep Thukral	46	Group Head - International Marketing	24.92	Mechanical Engg/Bachelor of Arts & MBA	26	18-Aug-08	Head Corporate Marketing - IMCL Apollo Hospital, Delhi & Associated VP & Head International Business - Wockhardt Hospitals Group

29	Dr. Shenoy Robinson	49	Chief Operating Officer - Special Projects	28.59	MBBS / Post Graduation in Anesthesiology	21	16-Jun-08	President - CATEX- The institute for catalysing excellence, DMS - Apollo Hospitals Dhaka
30	Sri Harsha G	42	Chief Learning Officer	15.89	PG Dip.in IRBM	19	4-Oct-99	Manager, Oberoi Hotels, Hyderabad
31	Vivek Kamath	47	Chief Executive Officer	15.05	M.Sc., MMS	25	1-Aug-06	Senior Vice President LG Life Sciences (I) Pvt Ltd.

Note:

(i) Dr. Prathap C Reddy, Executive Chairman, Smt. Preetha Reddy, Managing Director, Smt. Suneeta Reddy, Executive Director - Finance, Smt. Sangita Reddy, Executive Director - Operations are relatives.

(ii) For Sl.No. 12, 13, 17 & 20 remuneration calculated based on net profits of the company, in accordance with the provisions of Companies Act, 1956 and as approved by the members at General Meetings.

(iii) For other Sl. Nos. (except mentioned in Note No.2) remuneration includes basic salary, allowances, taxable value of perquisites etc. The term remuneration has the meaning assigned to it in the Explanation to Section 198 of the Companies Act, 1956.

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 energy consumption by using energy-efficient equipment.

The following energy-saving measures were taken during the year:

1. Conventional light fittings were replaced with energy-efficient CFL light fittings.
2. Existing manual power factor panel has been automised to maintain optimum power factor, thus resulting in reduction in overall energy bill.
3. Adopting VFD drive AHUs with heat recovery wheel.
4. Adopting centrifugal pumps with VFD drive and with plant manager in Central AC plant.
5. Reutilizing heat recovery from Central AC plant chillers for primary feeding to Steam boilers.
6. Automization of raw water supply with Hydro-pneaumatic system for water pumping.

Your Company constantly evaluates and invests in new technology to make its infrastructure more energy efficient.

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

Technology Absorption

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

1. Aquilion One Toshiba CT scanner

India's first 320 Slice CT scanner, an advanced diagnostic tool in heart, brain and whole body scanning, being launched at the Apollo Heart Centre, Chennai by Shri M.R.K. Pannerselvam, The Honourable Minister of Health, Government of Tamil Nadu. Also seen are Dr. Robert Kwok, Chief Consultant Radiologist and Medical Director Parkway Imaging Services, Singapore and Dr. Prathap C Reddy, Founder & Chairman, Apollo Hospitals Group along with others.

This dynamic volume CT scanner was commissioned at Apollo Heart Centre, Chennai in November 2008. The revolutionary CT technology shortens the diagnosis of cardiac and stroke patients to a fraction of the usual time. It enables study of arterial and venous blood flow and organ function in real-time 3D clarity with less radiation and contrast doses to the patient. The wide coverage detector with 320 row and 0.5 mm thick elements can scan an entire organ like heart or brain in a single rotation within 0.5 seconds. The efficacious performance of the system has been proven in the large number of cases completed since inception.

2. Cyberknife radio surgery system

This robotic controlled linac system from ACCURAY, USA, was commissioned at Apollo Speciality Hospital, Chennai in February 2009. This is the most advanced model in the Asia-Pacific region and has already attracted a number of foreign patients preferring this sophisticated system for cancer treatment. This non-invasive technique is able to treat all tumors previously considered inoperable. Anaesthesia is not required as the treatment is painless, lasting between 30 and 45 minutes per sitting and can be completed as an outpatient procedure. The total number of sittings is reduced to 3-5 as compared to 25-30 sittings in the conventional technique. The real time image guidance system along with tumor tracking software ensure that any tumor or patient motion is automatically corrected while maintaining sub-millimeter accuracy and precision.

Dr. Prathap C Reddy, Founder & Chairman, Apollo Hospitals Group seen along with others during the launch of Cyber Kinfe-world's first and only robotic radiosurgery system at Apollo Speciality Hospital, Chennai.

3. Novalis radio surgery system

This first-of-its-kind system in India, procured for Apollo Hospitals, Hyderabad, is the result of synergy of the latest technologies from Brainlab and Varian, including Rapid arc technique. Brainlab's network-based infrastructure includes Exac-Trac X-ray 6D which offers highly precise image guidance and automatic positioning for initial set-up and snap verification during treatment. The Varian on-board imaging device is useful for pin-pointing the tumor and positioning the patient with sub-millimeter accuracy. This system utilizes high-resolution X-rays to pin-point internal tumor sites seconds before treatment,robotically corrects patient set-up errors and tracks any patient movement throughout the treatment. Using the Rapid arc procedure, treatment is delivered in a single rotation of the gantry around the patient within 2 minutes. Precisely sculpted 3D dose distribution with a 360-degree gantry rotation is achieved using dynamic high-resolution multileaf collimator, variable dose rate and variable gantry speed. The advantage of Novalis TX is that it can be used for both single stage and fractionated radio surgery and conformal intensity modulated radiotherapy.

Foreign Exchange Earnings & Outgo

Foreign Exchange Earnings : Rs. 195.89 million (This is exclusive of Rupee payment made by Non-Resident Indians and Foreign Nationals)

Foreign Exchange Outgo : Rs. 1,082.07 million

Corporate Governance Report

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 meet with statutory requirements but also to go beyond them by putting into place procedures and systems, which are in accordance with 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 stock market.

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

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

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

I. Board of Directors

The Company has an Executive Chairman. As per clause 49 of the Listing Agreement, if the Chairman is an Executive Chairman, at least half of the Board should comprise independent directors. The Board comprises more than 70 per cent of non-executive directors and 60 per cent of independent directors. The Board of Directors of the Company has a healthy blend of executive and non-executive directors, and consequently ensures the desired level of independence in functioning and decision making. Moreover all the non-executive directors are eminent professionals, and bring the wealth of their professional expertise and experience to the management of the Company.

(A) Composition of Board of Directors and details of external directorships and memberships of board/ committees

Director	Category	Designation	Share holding in the Company	Number of Directorships (out of which as Chairman) other than AHEL #	Number of Memberships in Board Committees other than AHEL ##	Whether Chairman/ Member
Dr. Prathap C Reddy	Promoter	Executive Chairman	1,205,493	13 (11)	-	-
Smt. Preetha Reddy	Promoter	Managing Director	1,682,270	13	-	-

Smt. Suneeta Reddy	Promoter	Executive Director-Finance	1,501,795	12 (3)	1 2	Chairman Member
Smt. Sangita Reddy	Promoter	Executive Director-Operations	2,486,254	9	1	Member
Shri P. Obul Reddy	Non-Executive	Director	9,000	3(2)	1	Member
Shri Rajkumar Menon	Indepen-dent	Director	-	-	-	-
Shri Rafeeque Ahamed	Indepen-dent	Director	27,950	-	-	-
Shri Habibullah Badsha	Indepen-dent	Director	5,403	(1)	-	-
Shri Deepak Vaidya	Indepen-dent	Director	-	6(1)	2 3	Chairman Member
Shri N. Vaghul	Indepen-dent	Director	-	10(3)	1 1	Chairman Member
Shri T.K. Balaji	Indepen-dent	Director	-	9(1)	1 3	Chairman Member
Shri Neeraj Bharadwaj	Non-Executive	Nominee Apax Mauritius FDI One Ltd	-	-	-	-
Shri Khairil Anuar Abdullah	Indepen-dent	Director	-	-	-	-
Shri G.Venkatraman	Indepen-dent	Director	-	4	1 2	Chairman Member
Shri Steven J Thompson	Indepen-dent	Director	-	-	-	-
Shri Sandeep Naik	Non-Executive	Alternate Director to Shri Neeraj Bharadwaj	-	-	-	-
Shri Michael Fernandes [1]	Non-Executive	Alternate Director to Shri Khairil Anuar Abdullah	-	-	-	-

1. Appointed w.e.f. 30th January 2009

Excluding Directorships in Foreign Companies, Private Companies and section 25 of the Companies Act, 1956.

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

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

Pecuniary relationship or transaction of Non-Executive Directors vis-a-vis the Company

As regard to the disclosure in respect of pecuniary relationship or transaction of non-executive directors vis-a-vis the Company, it is stated that Shri P. Obul Reddy, Director of the company may be deemed to be interested through his relatives in M/s P. Obul Reddy & Sons, a partnership firm which deals in Godrej Products.

Company has entered into a contract with the above firm with the prior approval of the Central Government pursuant to section 297 of the Companies Act 1956, for purchase of furniture & fittings from this firm at the prevailing market prices for the hospitals run by the Company at various places for a period of two years from 01st June 2007 to 31st May 2009.

All transactions with this firm have been in the ordinary course of business and the total value of goods purchased from this firm during the year amounted to Rs. 18.90 million.

The Company has also renewed the contract with M/s P. Obul Reddy & Sons for a further period of three years with effect from 1st June 2009 to 31st May 2012 with the prior approval of Central Government pursuant to section 297 of the Companies Act, 1956.

Apart from the above, the Company does not have any direct pecuniary relationship/transaction with any of its non executive directors.

(B) Remuneration policy of Directors

(a) Executive Director

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

(b) Non-Executive Director

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

(c) Details of remuneration paid to the Directors

The details of the remuneration paid/accrued to the Directors for the year ended 31st March 2009 along with their relationships and business interests is detailed below:

(Amount in Rs.)

Name of the Director	Relationship with other Directors	Remuneration paid/payable for the year ended 31st March 2009			
		Sitting Fee	Remuneration	Commission	Total
Dr. Prathap C Reddy	Father of Smt. Preetha Reddy, Smt. Suneeta Reddy & Smt. Sangita Reddy	NA	86,214,617	-	86,214,617
Smt. Preetha Reddy	Daughter of Dr. Prathap C Reddy, Sister of Smt.Suneeta Reddy & Smt. Sangita Reddy	NA	34,485,847	-	34,485,847
Smt. Suneeta Reddy	Daughter of Dr. Prathap C Reddy Sister of Smt.Preetha Reddy & Smt.Sangita Reddy	NA	21,553,654	-	21,553,654

Smt. Sangita Reddy	Daughter of Dr. Prathap C Reddy Sister of Smt. Preetha Reddy & Smt. Suneeta Reddy	NA	8,621,462	-	8,621,462
Shri P. Obul Reddy	Father-in-law of Smt. Preetha Reddy and Smt. Suneeta Reddy	140,000	-	500,000	640,000
Shri Rajkumar Menon	-	260,000	-	500,000	760,000
Shri Rafeeque Ahamed	-	40,000	-	500,000	540,000
Shri Habibullah Badsha	-	100,000	-	417,808	517,808
Shri Deepak Vaidya	-	240,000	-	500,000	740,000
Shri N. Vaghul	-	140,000	-	500,000	640,000
Shri T.K. Balaji	-	120,000	-	500,000	620,000
Shri Khairil Anuar Abdullah	-	120,000	-	500,000	620,000
Shri G.Venkatraman	-	260,000	-	500,000	760,000
Shri Steven J Thompson	-	100,000	-	500,000	600,000
Shri Neeraj Bharadwaj	-	140,000	-	500,000	640,000
Shri Sandeep Naik, Alternate Director to Shri.Neeraj Bharadwaj	-	20,000	-	NA	20,000

Notes :

(i) The term of Executive Directors is for a period of 5 years from the respective date of appointment.

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

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

(iv) The Commission to Non-Executive Directors for the year ended 31st March 2009 @ Rs. 500,000/- 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 26th August 2009. Sitting fee also includes payment of fees for attending Board-level Committee Meetings.

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

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

(d) Criteria for payment to Non-Executive Directors

The compensation to the Non-Executive Directors takes the form of commission on profits. The shareholders and the Ministry of Corporate Affairs have approved for payment of commission to Non-Executive Directors of the Company up to 1 per cent of the net profits of the Company for each year calculated as per the provisions of the Companies Act, 1956, subject to a ceiling of Rs. 500,000/- for each Non-Executive Director per year.

The sum is reviewed periodically taking into consideration various factors such as performance of the Company, time spent by the Directors for attending to the affairs and business of the Company, and the extent of responsibilities cast on the Directors under various laws and other relevant factors. Further, the aggregate commission paid to all Non-Executive Directors is well within the limit of 1 per cent of net profit as approved by the shareholders. The Non-Executive Directors are also paid sitting fees as permitted by government regulations for all Board and Committee meetings attended by them.

(C) Board Procedures

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

SEVEN board meetings were held during the financial year from 1st April 2008 to 31st March 2009. The dates on which the meetings were held are as follows:-

24th June, 31st July, 28th August, 30th October, 24th December, 2008, 9th January and 30th January 2009.

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

Name of the Director	Number of Board Meetings Held	Number of Board Meetings Attended	Last AGM Attendance (Yes/No)
Dr. Prathap C Reddy	7	6	Yes
Smt. Preetha Reddy	7	7	Yes
Smt. Suneeta Reddy	7	6	No
Smt. Sangita Reddy	7	5	Yes
Shri P. Obul Reddy	7	3	No
Shri Rajkumar Menon	7	7	Yes
Shri Rafeeque Ahamed	7	2	No
Shri Habibullah Badsha	7	4	Yes
Shri Deepak Vaidya	7	6	Yes
Shri N. Vaghul	7	5	Yes
Shri T.K. Balaji	7	4	Yes
Shri Neeraj Bharadwaj	7	6	Yes
Shri Khairil Anuar Abdullah	7	6	Yes
Shri G. Venkatraman	7	7	Yes
Shri Steven J Thompson	7	5	Yes
Shri Sandeep Naik	7	1	-

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

1. Annual Operating plans and 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 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 Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices, which are materially important.
7. Fatal or serious accidents, dangerous occurrences any material effluent or pollution problems.
8. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
9. Any issue which involves possible public or product liability, claims of substantial nature including judgment or order which, may have passed strictures on the code of conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Details of joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.

12. Significant labour problems and their solutions. Any significant development in 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 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 the shareholders service such as non-payment of dividend, delay in share transfer, etc.

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

(D) Code of Conduct for Board Members and Senior Management Personnel

The Board of Directors had adopted a Code of Conduct for the Board Members and Senior Management Personnel. This Code helps the Company to maintain the Standard of the Business Ethics and ensure compliance with the legal requirements, specifically under clause 49 of the Stock Exchange Listing Agreements of the Company. The Code is aimed to prevent any wrongdoing and to promote ethical conduct at the Board and Senior Management level.

The Company Secretary has been appointed as 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 Company's official website www.apollohospitals.com

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

Code of Conduct for prevention of Insider Trading

The Company has adopted code of conduct for prevention of insider trading in accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

Shri.S.K. Venkatraman, Chief Financial Officer & 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 the shares while in possession of unpublished price-sensitive information about the Company during certain prohibited periods.

II. Composition of Board Committees

Audit Committee	Investors Grievance Committee	Remuneration & Nomination Committee	Investment Committee	Share Transfer Committee
Shri Deepak Vaidya, Chairman	Shri Rajkumar Menon, Chairman	Shri N.Vaghul, Member	Smt. Preetha Reddy, Member	Dr. Prathap C Reddy, Chairman
Shri P. Obul Reddy, Member	Smt.Preetha Reddy, Member	Shri P.Obul Reddy, Member	Smt.Suneeta Reddy, Member	Smt. Preetha Reddy, Member
Shri G. Venkatra-man, Member	Smt.Suneeta Reddy, Member	Shri Deepak Vaidya Member	Shri N. Vaghul, Member	Shri Rajkumar Menon, Member
Shri Rajkumar Menon, Member		Shri G. Venkatra-man, Member	Shri Deepak Vaidya, Member	
		Shri Neeraj Bharad-waj, Member	Shri T.K. Balaji, Member	

1. AUDIT COMMITTEE

(a) Composition of Audit Committee

The Company continued to derive immense benefit from the deliberation of the Audit Committee comprising the following four Non-Executive Directors of whom majority is independent:

1. Shri Deepak Vaidya, Chairman
2. Shri P. Obul Reddy
3. Shri G. Venkatraman
4. Shri Rajkumar Menon

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

(b) Meetings of Audit Committee

Audit Committee met five times during the year on 23rd May, 24th June, 30th July, 30th October, 2008 and 30th January, 2009.

Sl.No	Name of the Member	Designation	Number of Meetings held	Number of Meetings Attended
1	Shri Deepak Vaidya	Chairman	5	4
2	Shri P. Obul Reddy	Member	5	4
3	Shri G. Venkatraman	Member	5	5
4	Shri Rajkumar Menon	Member	5	5

(c) Powers of 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 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 statement is correct, sufficient and credible.
2. Recommending to the Board, the appoinment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

(a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause 2AA of section 217 of the Companies Act, 1956.

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

(c) Major accounting entries involving estimates based on the exercise of judgement by management.

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

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

(f) Disclosure of any related party transactions.

(g) Qualifications in the draft audit report.

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

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

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

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

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

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

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

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

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

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

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

    (ii) Statement of significant related party transactions (as defined by the audit committee, 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 chief internal auditor shall be subject to review by the Audit Committee.

In addition to the areas noted above, Audit Committee looks into controls and security of the Company's critical IT applications, the internal and control assurance audit reports of all major divisions and profit centres and deviations from the code of business principle, if any.

2. REMUNERATION & NOMINATION COMMITTEE

(a) Composition and Scope of Remuneration & Nomination Committee

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

1. Shri N. Vaghul
2. Shri P. Obul Reddy
3. Shri Deepak Vaidya
4. Shri G. Venkatraman and
5. Shri Neeraj Bharadwaj

Scope of Remuneration & Nomination Committee:

1. To submit recommendations to the Board with regard to -

    a) Filling up of vacancies in the Board that might occur from time to time and appointment of additional non-whole-time Directors. In making these recommenda tions, the Committee shall take into account the special professional skills required for efficient discharge of the Board's functions;

    b) Directors liable to retire by rotation; and

    c) Appointment of whole-time Directors.

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

    a. The amount of commission and fees payable to the Directors within the applicable provisions of the Companies Act, 1956.

    b. The amount of remuneration, including performance or achievement bonus and perquisites payable to the whole-time Directors.

3. To frame guidelines for Reward Management and recommend suitable schemes for the whole-time Directors and Senior Management and

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

3.INVESTMENT COMMITTEE

(a) Composition and Scope of Investment Committee

Investment Committee comprising majority of Independent Directors.

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

The Scope of the Investment Committee is to review and recommend the investment of surplus funds of the Company.

(b) Meetings of Investment Committee

During the year, Investment Committee met on 30th October 2008 and 8th January 2009.

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

4.. INVESTORS' GRIEVANCE COMMITTEE

(a) Composition and Scope of Investors' Grievance Committee

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

This Committee comprises the following Directors:-

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

(b) Meetings of Investors Grievance Committee

The Committee met four times during the year on 4th July, 4th October, 2008, 3rd January and 4th April 2009.

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

Name and designation of Compliance Officer:

Shri S.K. Venkataraman, Chief Financial Officer and Company Secretary.

(5) SHARE TRANSFER COMMITTEE

Composition and Scope of Share Transfer Committee

The Share Transfer Committee comprising following Directors:

1.Dr. Prathap C Reddy

2.Smt. Preetha Reddy

3.Shri Rajkumar Menon

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 request

The Committee attends to the share transfer and other formalities once in a fortnight.

III. SUBSIDIARIES

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

IV. Disclosures

(A) Related Party Transactions

There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors, promoters or the management as disclosed in Schedule J Notes Forming part of Accounts as required under Accounting Standard 18 of the Institute of Chartered Accountants of India, except the pecuniary relationship with Shri P. Obul Reddy as disclosed in clause I (A) of the report and all related party transactions are negotiated on arms length basis.

During the year, the company has allotted 1,550,000 equity shares of Rs. 10/- each to Smt. Sangita Reddy, one of the promoters of the company on 22nd August 2008. The Company has also allotted 1,549,157 equity shares of Rs. 10/- each to Dr. Prathap C Reddy one of the promoters of the Company on 18th April 2009 as disclosed in clause IV (D) of the report.

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

(B) Accounting Treatment

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

(C) Risk Management

Business Risk Evaluation and Managing such risks is an ongoing process within the organisation. The Board constituted Risk Management Committee, headed by Managing Director, which will review the probability of risk events that adversely affect the operations and profitability of the Company and suggest suitable measures to mitigate such risks.

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

(D) Proceeds of Public, Rights and Preferential Issues

During the year, Company has allotted 1,550,000 equity shares of face value of Rs.10/- each to Smt. Sangita Reddy upon conversion of 1,550,000 warrants allotted on 22nd August 2008 to her, at a price of Rs. 442.55 per equity share including premium of Rs. 432.55 per equity share.

The Company has also allotted 1,549,157 equity shares of face value of Rs. 10/- each to Dr. Prathap C Reddy upon conversion of 1,549,157 warrants allotted to him, at a price of Rs. 497.69 per equity share including premium of Rs. 487.69 per equity share on 18th April 2009.

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

(E) Management

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

(F) Shareholders

(1) Disclosures regarding appointment or re-appointment of Directors

As per the Companies Act, 1956, atleast two-thirds of the Board should consist of retiring Directors, of these at least one-third are required to retire every year. Except the Chairman and the Managing Director, all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 1956. As per the Articles of Association, Smt. Sangita Reddy, Shri Deepak Vaidya, Shri P. Obul Reddy and Shri Rafeeque Ahamed will retire at the ensuing Annual General Meeting.

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

(2) Communication to shareholders

The unaudited quarterly/half-yearly financial statements are announced within one month of 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 given by way of 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 three months from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchanges. For the financial year ended 31st March 2009, the audited annual results were announced on 29th June 2009. The aforesaid audited annual results are taken on record by the Board of Directors and are communicated to the Stock Exchanges where these results are given by way of a Press Release to various news agencies/ analysts and are also published within 48 hours in two leading daily newspapers-one in English and one in Tamil. The audited financial results form a part of the Annual Report which is sent to the Shareholders prior to the Annual General Meeting.

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

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

All data required to be filed electronically as Electronic Data Information Filing and Retrieval (EDIFAR) document pursuant to clause 51 of the Listing Agreement, such as annual report, quarterly financial statements, shareholding pattern, are being regularly filed on the EDIFAR website viz., www.sebiedifar.nic.in in addition to the filing of the same with the Stock Exchanges.

(3) Investors' Grievances and Share Transfer

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

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

(4) Details of Non-Compliances

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

(5) General Body Meetings

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

Year	Date	Venue	Time	Special Resolutions Passed
2005-2006	Aug. 7, 2006	Kamaraj Arangam, Chennai	10.00 a.m.	(i) Enhancement of payment of remuneration in the form of commission to Non-Whole-time Directors. (ii) Delist the Company's equity shares from the Madras Stock Exchange Limited.
2006-2007	Aug. 24, 2007	Kamaraj Arangam, Chennai	10.00 a.m.	(i) Payment of remuneration equivalent to 5% of the net profits of the company to Dr.Prathap C Reddy, Permanent Chairman, for a period of five years with effect from 25th June 2007.
2007-2008	Aug. 28, 2008	Kamaraj Arangam, Chennai	10.00 a.m.	No special resolutions were passed.

(6) Postal Ballots

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

V. CEO/CFO Certification

As required by clause 49 of the Listing Agreement, the certificate from Smt. Preetha Reddy, Managing Director and Smt. Suneeta Reddy, Executive Director-Finance, was placed before the Board of Directors at its meeting held on 29th June 2009.

VI. Compliance with Corporate Governance Norms

(i) Mandatory Requirements

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

(ii) Non-Mandatory Requirements

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

1.The Board

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

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

2.Remuneration Committee

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

3.Shareholder Rights

Details are given under the heading 'Communication to Shareholders.'

4.Audit Qualifications

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

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

VII. Auditors' Report on Corporate Governance

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

General Shareholders' information

(i) AGM date, time and venue	26th August 2009 at 10.00 a.m.Kamaraj Arangam, No. 492 Anna Salai, Teynampet,Chennai – 600 006.
(ii) Financial Calendar	
1st Quarter	1st April to 30th June
2nd Quarter	1st July to 30th September
3rd Quarter	1st October to 31st December
4th & last Quarter	1st January to 31st March
(iii) Date of Book Closure	22nd August 2009 to 26th August 2009 (both days inclusive)
(iv) Dividend Payment	On or before 10th September 2009
(v) Listing of	
(1) Equity Shares	(i) The Bombay Stock Exchange Ltd (BSE) Phiroze Jheejheebhoy Towers, Dalal Street, Mumbai-400 001. Tel : 91-22-2272 1233, 1234, Fax : 91-22-2272 3353/3355 Website : www.bseindia.com
	(ii) National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. Tel : 91-22-2659 8100 - 8114 Fax : 91-22-26598237/38 Website : www.nseindia.com
(2) GDRs	EuroMTF of Luxembourg Stock Exchange, BP 165 L-2011 Luxembourg Traded at : Nasdaq – Portal Market
(3) Listing Fees	Paid for all the above stock exchanges for 2008 – 2009 and 2009-2010
(vi) Address of Registered Office	No.19 Bishop Gardens, Raja Annamalaipuram, Chennai – 600 028.
(vii) a) Stock Exchange Security Code for	
(1) Equity Shares	
(i) The Bombay Stock Exchange Limited, Mumbai	(i) 508869
(ii) National Stock Exchange of India Limited, Mumbai	(ii) APOLLOHOSP
(2) GDRs	
(i) Luxembourg Stock Exchange	US0376082055
(ii) NASDAQ – Portal Market	AHELYP05

b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares

INE437A01016

c) ISIN Numbers of GDRs

Reg. S GDRs - US0376082055
Rule 144a GDRs - US0376081065

d) Overseas Depositary for GDR

The Bank of New York Mellon
101 Barclay Street, 22W
New York, NY 10286

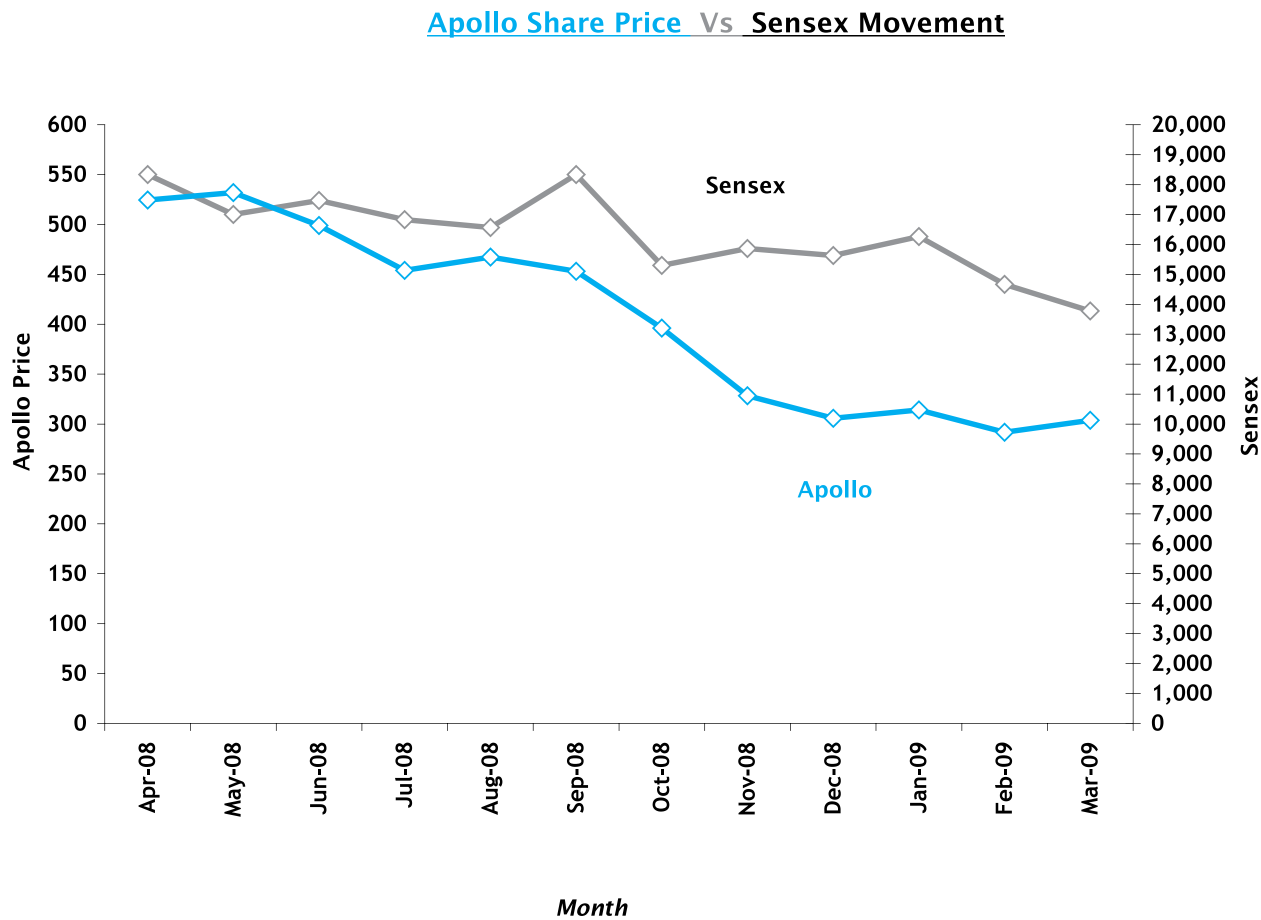
e) Domestic Custodian for GDRs

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

(viii) Monthly High and Low quotations along with the volume of shares traded in NSE & BSE during the year 2008-2009.

Month	National Stock Exchange (NSE)			The Bombay Stock Exchange (BSE)		
	High	Low	Volume	High	Low	Volume
	(Rs.)		Numbers	(Rs.)		Numbers
Apr-08	550.00	490.10	239,344	550.00	482.00	1,216,011
May-08	509.90	475.15	374,569	510.00	475.00	247,562
Jun-08	509.00	475.00	486,370	524.00	467.75	65,012
Jul-08	510.00	473.00	4,077,600	504.90	461.00	1,315,869
Aug-08	494.90	459.00	947,592	497.00	450.00	656,466
Sep-08	536.00	405.00	430,073	549.95	405.00	154,210
Oct-08	474.00	345.00	405,109	459.00	350.00	191,208
Nov-08	482.90	372.50	5,054,111	475.95	372.00	198,523
Dec-08	459.00	354.00	1,738,400	469.00	354.95	570,802
Jan-09	489.75	385.05	591,896	488.00	390.00	290,109
Feb-09	436.90	382.00	394,481	440.00	379.00	284,275
Mar-09	410.00	347.10	479,402	413.40	350.00	143,745

(ix) Apollo Price vs Sensex



(x) Registrar & Share Transfer Agent

Integrated Enterprises (India) Limited

"Kences Towers", II Floor,
No.1 Ramakrishna Street, North Usman Road,
T. Nagar, Chennai - 600 017
Tel. No. : 044 - 2814 0801, 2814 0803
Fax No. : 044 - 2814 2479
e-mail : sureshbabu@iepindia.com

(xi) 1. Share Transfer System

The share transfer requests for shares held in physical form received by the Company are processed and the share certificates are returned within the stipulated time under the Companies Act, 1956 and the Listing Agreement, provided that the documents received are in order and complete in all respects. Delays beyond the stipulated period were mainly due to disputes over the title to the shares.

The Shares transferred (in physical form) during the year

	2008-2009	2007-2008
Shares Transferred	28,878	34,690
Total No. of Shares as on 31st March	60,235,702	58,685,702
% on Share Capital	0.05	0.06

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

2) Shareholders' Services

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

Sl.No	Nature of Complaints/Requests	Received	Replied	Pending
1	Change of Address	188	188	-
2	Revalidation and issue of duplicate Dividend Warrants	270	270	-
3	Share Transfers	175	175	-
4	Split of Shares	11	11	-
5	Stop Transfer	2	2	-
6	Change of Bank Mandate	90	90	-
7	Dematerialization Confirmation	558	558	-
8	Rematerialisation of Shares	11	11	-
9	Issue of duplicate Share Certificates	32	32	-
10	Transmission of Shares	68	68	-
11	General enquiry	248	248	-

The Company attended to the investor grievances/ correspondence within a period of 5 days from the date of receipt of the same during the financial year, except in cases that are constrained by disputes and legal impediments.

3) Legal Proceedings

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

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

All the members are requested to notify immediately any change in their address, bank mandate and nomination details to the Company's Registrar and Share Transfer Agent, Integrated Enterprises (I) Limited. Members holding shares in electronic segment are requested to notify the change of address, bank details, nomination, etc to the depository participants (DP) with whom they are having client account 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 the changes to their DP with whom they have opened the account.

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

During the year, the Company has transferred a sum of Rs.1,668,843/- in aggregate which comprises Rs.1,386,843/-as unclaimed dividend and Rs.282,000/- as unclaimed deposit to Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

(xii) 1) Distribution of Shareholdings as on 31st March 2009

No. of Equity Shares		Shares				Holders			
		Physical		Electronic		Physical		Electronic	
		Nos.	%	Nos.	%	Nos.	%	Nos.	%
1	500	1,097,621	1.82	1,327,533	2.20	10,974	38.34	15,726	54.95
501	1,000	366,206	0.61	390,512	0.65	427	1.49	491	1.72
1,001	2,000	465,150	0.77	369,058	0.61	308	1.08	242	0.85
2,001	3,000	97,392	0.16	177,310	0.29	38	0.13	66	0.23
3,001	4,000	208,031	0.35	125,578	0.21	56	0.20	35	0.12
4,001	5,000	253,950	0.42	131,471	0.22	57	0.20	29	0.10
5,001	10,000	166,037	0.28	264,186	0.44	23	0.08	39	0.14
10,001	Above	1,870,347	3.12	52,925,320	87.87	21	0.07	89	0.31
	Total	**4,524,734**	**7.51**	**55,710,968**	**92.49**	**11,904**	**41.59**	**16,717**	**58.41**
	Grand Total	**60,235,702**				**28,621**			

2) Categories of shareholders as on March 31, 2009

Category Code	Category of Shareholder	Total Number of Shares	Percentage to Total no. of Shares
(A)	**Shareholding of Promoter and Promoter Group**		
1	**Indian**		
(a)	Individuals / Hindu Undivided Family	11,398,498	18.92
(b)	Bodies Corporate	7,734,787	12.84
	Sub Total (A) (1)	**19,133,285**	**31.76**
	Total Shareholding of Promoter and Promoter Group	**19,133,285**	**31.76**
(B)	**Public Shareholding**		
1	**Institutions**		
(a)	Mutual Funds / UTI	313,382	0.52
(b)	Financial Institutions / Banks	16,368	0.03
(c)	Central Government / State Government(s)	161,854	0.27
(d)	Insurance Companies	261,524	0.43
(e)	Foreign Institutional Investors	14,232,762	23.63
	Sub Total (B) (1)	**14,985,890**	**24.88**
B 2	**Non-institutions**		
(a)	Bodies Corporate	1,814,693	3.01
(b)	Individuals		
	i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	4,003,611	6.66
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1,055,857	1.75
(c)	**Any Other (Specify)**		
	Trusts	59,009	0.10
	Directors and their relatives	59,103	0.10
	Market Maker	116	-

	Non-Resident Indians	1,054,883	1.75
	Overseas Corporate Bodies	94,771	0.16
	Clearing Member	14,717	0.02
	Hindu Undivided Families	81,148	0.13
	Foreign Corporate Bodies	13,190,819	21.90
	Sub Total (B) (2)	**21,428,727**	**35.58**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**36,414,617**	**60.45**
	Total (A)+(B)	**55,547,902**	**92.22**
(C)	**Global Depository Receipts (GDRs)**	**4,687,800**	**7.78**
	Grand Total (A)+(B)+(C)	**60,235,702**	**100**

GDRs

The details of high/low market price of the GDRs at The Luxembourg Stock Exchange and Rule 144 A GDRs at Portal Market of NASDAQ during the financial year 2008 - 2009.

Month	Reg. S			Rule 144 - A		
	High ($)	Low ($)	Closing ($)	High ($)	Low ($)	Closing ($)
Apr-08	13.35	12.23	12.23	13.32	12.36	12.36
May-08	12.47	11.33	11.54	12.45	11.27	11.50
June-08	11.71	11.28	11.36	11.65	11.19	11.37
Jul-08	11.70	11.05	11.32	11.61	10.99	11.46
Aug-08	11.67	10.58	11.02	11.67	10.48	10.89
Sep-08	11.71	8.93	9.55	11.97	8.88	9.23
Oct-08	9.75	7.26	7.87	9.84	7.75	7.98
Nov-08	8.57	7.51	7.51	8.82	7.53	7.53
Dec-08	9.38	7.13	9.28	9.38	7.11	9.16
Jan-09	9.89	8.06	8.29	9.81	8.27	8.32
Feb-09	8.78	7.61	7.61	8.67	7.50	7.50
Mar-09	8.01	6.90	8.01	7.86	6.94	7.86

Note : 1 GDR = 1 equity share.

(xiii) 1) Dematerialisation of Shares

As on 31st March 2009, 92.49% 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 notification issued by the Securities and Exchange Board of India (SEBI).

2) Secretarial Audit Report

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the Secretarial 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 dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

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

(i) Pursuant to the resolution passed by the members in an Extraordinary General Meeting held on 24th May 2005, the Company has issued 9,000,000 Global Depository Receipts (GDRs) and the details of GDRs issued and converted and outstanding as on 31st March 2009 are given below:

Particulars		Nos.
Total GDRs issued		9,000,000
GDRs converted into underlying equity shares		
2005-2006	2,207,534	
2006-2007	1,173,356	
2007-2008	757,800	
2008-2009	171,910	4,310,600
Outstanding GDRs as on 31st March 2009		4,689,400

There is no change in the equity on conversion of GDRs into equity share.

(ii) Pursuant to the resolution passed by the members in an Extraordinary General Meeting held on 6th October 2007, 1,549,157 Equity Warrants with each warrant convertible into one equity share of the Company of nominal value of Rs. 10/- each at a price of Rs. 497.69 which includes a premium of Rs. 487.69 per share allotted to Dr. Prathap C Reddy, one of the Promoters of the Company on 19th October 2007. These warrants have been issued with a convertible option to be exercised within a period of 18 months from the date of allotment i.e., on or before 18th April 2009.

Dr. Prathap C Reddy exercised the conversion option and the company allotted 1,549,157 equity shares to him on 18th April 2009.

(xv) Investors Correspondence

1) For queries relating to shares
Mr. Suresh Babu, Asst. Vice President
Integrated Enterprises (India) Limited
"Kences Towers", II Floor,No.1
Ramakrishna Street, North Usman Road,
T. Nagar, Chennai - 600 017
Tel. No. : 044 – 2814 0801, 2814 0803
Fax No. : 044 – 2814 2479
e-mail : sureshbabu@iepindia.com

2) For queries relating to dividend
Shri L. Lakshmi Narayana Reddy
General Manager -Secretarial
Apollo Hospitals Enterprise Limited,
Ali Towers, III Floor, No. 55, Greams Road,
Chennai - 600 006.
Tel. No. : 044 -2829 0956, 2829 3896
Fax No. : 044 -2829 0956,
e-mail : apolloshares@vsnl.net

Designated Exclusive e-mail-ID

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

(xvi) Hospital Complexes

Apollo Hospitals Group

Chennai

No. 21 & 24 Greams Lane, Off Greams Road, Chennai - 600 006
Tel : 044-2829 3333/ 28290200.

No. 320, Anna Salai, Nandanam,Chennai – 600 035
Tel : 044-2433 1741, 2433 6119, 4229 1111

No. 646 T.H. Road, Tondiarpet, Chennai - 600 081.
Tel : 044-2591 3333, 2591 5858

No.159 E.V.R. Periyar Salai, Chennai – 600 010.
Tel : 044-2821 1111, 2821 2222

Apollo Children's Hospital,15-A, Shafi Mohammed Road, Chennai – 600 006. Tel : 044-2829 8282, 2829 6262

New No. 6, Old No. 24,Cenotaph Road, Chennai – 600 018.
Tel : 044-2433 4455

Madurai

Lake View Road, K.K.Nagar,Madurai – 625 020
Tel : 0452 – 2580 199

Karur

Apollo Loga Hospital, Allwyn Nagar,
Kovai Road, Karur – 639 002. Tel : 04324-241900

Aragonda	Thavanampallee Mandal, Chittoor District, Andhra Pradesh - 517 129. Tel : 08573-283 220, 221,222, 231
Hyderabad	Jubilee Hills, Hyderabad - 500 033 Tel.No: 040-2360 7777
	Old MLA Quarters, Hyderguda, Hyderabad - 500 029 Tel.No: 040-2338 8338
	Rajiv Gandhi Marg, Vikrampuri Colony, Secunderabad - 500 033. Tel.No. 040- 2789 5555
	Apollo Hospitals / DRDO, DMRL 'X' Roads, Kanchanbagh, Hyderabad - 500 058 Tel.No. 040 - 2434 2211 / 2222 / 3333
	Bhagyanagar Colony, Opp. Kukatpally Housing Board, Hyderabad - 500 072 Tel.No. 040 - 2316 0039
	PET-CT Scan Centre, Apollo Hospitals Complex, Jubilee Hills, Hyderabad- 500 033 Tel.No. : 040-2360 7777
Bilaspur	Lingiyadi Village, Bilaspur - 495 001, Chattisgarh Tel : 07752-240390 / 243300-02
Visakapatnam	No.10-50-80 Waltair Main Road, Vishakapatnam - 530 002 Tel : 0891 - 272 7272, 252 9619
Mysore	Apollo BGS Hospitals, Adichunchanagiri Road, Kuvempu Nagar, Mysore - 570 023. Tel. No. 0821 - 256 6666, 256 8888
Kakinada	Main Road, Kakinada - 533 001 Tel.No. 0884 - 2345 700/800/900
Bangalore	154/11 Bannerghatta Road, Opp. IIM, Bangalore - 560 076 Tel. No. 080-4030 4050
Ahmedabad	Plot No.1A, GIDC Estate, Bhat Village, Gandhi Nagar, Gujarat - 382 428. Tel : 079-6670 1800
Kolkata	No. 58, Canal Circular Road, Kolkata - 700 054 Tel : 033-2320 3040
New Delhi	Sarita Vihar, Delhi Mathura Road, New Delhi - 110 044. Tel. No. 011-2692 5858
Life Style Centres	105 G.N. Chetty Road, T.Nagar, Chennai - 600 017 Tel : 044 2834 0410, 2834 1066, 3912 4444
	T-95, 3rd Avenue, Anna Nagar, Chennai - 600 040 Tel : 044 2622 3233, 2622 4504, 2620 6666
	City Centre, 445 Mint Street, Chennai 600 079 Tel : 044 2529 5500/ 6081, 6082, 6083
	No. 12 Prithvi Avenue, Alwarpet, Chennai - 600 018 Tel : 044 2499 6236, 2467 2200, 2467 2211

ACE for Women, # 15/42, Gandhi Mandapam Road,
Kotturpuram, Chennai - 600 085
Tel : 044 2447 1212 / 1222

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

Apollo Clinic,New No. 137 (Old No.70A)
Velachery Road, Guindy, Chennai - 600 032.
Tel :044 2244 1111, 2244 2222.

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

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

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

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

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

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

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

For **APOLLO HOSPITALS ENTERPRISE LIMITED**

Place : Chennai
Date : 29th June 2009

PREETHA REDDY
Managing Director

Auditors' Report on Corporate Governance

To

The Members,

Apollo Hospitals Enterprise Limited

We have examined the compliance of conditions of Corporate Governance by Apollo Hospitals Enterprise Limited, for the year ended on 31st March 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

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

Date : 29th June 2009

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

V.C. KRISHNAN
Partner
Membership No. 22167

Management Discussion and Analysis

We recommend that you read this discussion together with our financial statements and related notes included elsewhere in this report. Unless otherwise indicated, all relevant financial and statistical information included herein relates to our continuing operations.

We make forward-looking statements in this report; In addition, our senior management makes forward-looking statements orally to analysts, investors, the media and others. Do not unduly rely on forward-looking statements, which give our expectations about the future and are not guarantees. We do not undertake any obligation to update our forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

Global Perspective

> "There is growing evidence that the current health systems of nations around the world will be unsustainable if unchanged over the next 15 years. Globally, healthcare is threatened by a confluence of powerful trends –increasing demand, rising costs, uneven quality, misaligned incentives. If ignored, they will overwhelm health systems, creating massive financial burdens for individual countries and devastating health problems for the individuals who live in them."

PwC Health Cast 2020: Creating a Sustainable Future

Global health care costs are rising unabatedly- almost everywhere healthcare inflation is increasing faster than the consumer price index (CPI) and, in many countries, the growth rate of government expenditures on health is exceeding the economic growth rate. The forecasts for the not-too-distant future are troubling. Some analysts project that global healthcare spending could triple in the next 15 years. In the United States some large employers are spending as much on health-care benefits as they earn in profits. It is interesting to note that in the automotive sector when General Motors recently reported a $1.1 billion first-quarter loss, it announced that the increased costs of providing health-care coverage for its employees, retirees, and their dependents was the most significant factor. The company reported that healthcare expenditures amounted to $1,525 per car produced, and that there is more healthcare than steel in a GM vehicle's price tag. In Europe, Latin America, and Asia, governments could begin privatising at least some, if not all, elements of healthcare delivery in order to relieve the pressure that growing costs are placing on the national budget.

The global healthcare industry is on the threshold of transformation with changes in demography and a shift in the socio-economic profile of consumers. As per a study done by Pricewaterhouse Coopers Health Research Institute, the economic crisis will cost the healthcare industry to seek ways to deliver value in spite of market conditions. In addition to the economic crisis, the industry will continue to see investments from unusual sectors. The health industry is most likely to be a source of profitable growth during a period of slowdown. Increasing investments in healthcare would be the next focus as it may be viewed as a way to stimulate the economy.

Indian Perspective

Indian Economy[1]

While there has been a slowdown in the economy for the past 12 months due to various reasons including the global financial crisis and tighter money supply, economists believe that the initial conditions for a domestic demand-led recovery are now in place. Analysts have raised FY10 (year starting April 2009) GDP forecast to between 6.3% - 7% y-o-y from 5.2-5.6% and expect growth of 7.5% in FY11.

"India is much less affected (by the global slowdown) than other global markets and represents a huge opportunity to not only grow sales in India, but even develop products..."

Gottfried Dutine
Executive Vice-President
Philips, The Netherlands

INDUSTRY AND BUSINESS

India presents a unique opportunity for healthcare providers, policy makers and service providers alike. With 16% of the world population and 21% of total global diseases, Indian healthcare is not only grossly under-staffed, with a doctor to thousand population ratio of 0.5 as against 1.5 of comparable emerging economies, but also faces ever widening gaps in physical infrastructure.

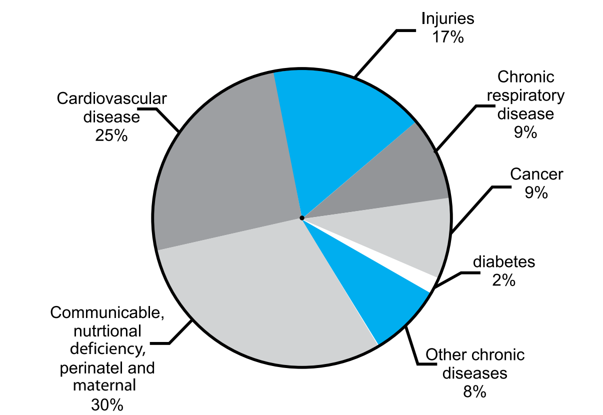
Healthcare spending forecast to grow at 15% p.a

Healthcare spending in India is expected to rise by 15% per annum. As per an estimate by Ernst & Young, healthcare spending could contribute 6.1% of GDP in 2012 and employ around 9 million people.

Increasing incidence of lifestyle diseases

The shift in disease profiles from infectious to lifestyle-related diseases is expected to raise expenditures per treatment. In-patient revenues expected to significantly outpace out-patient revenues leading to a significant increase in the number of beds required to service the population.

Causes of mortality in the age 30-59 years in India



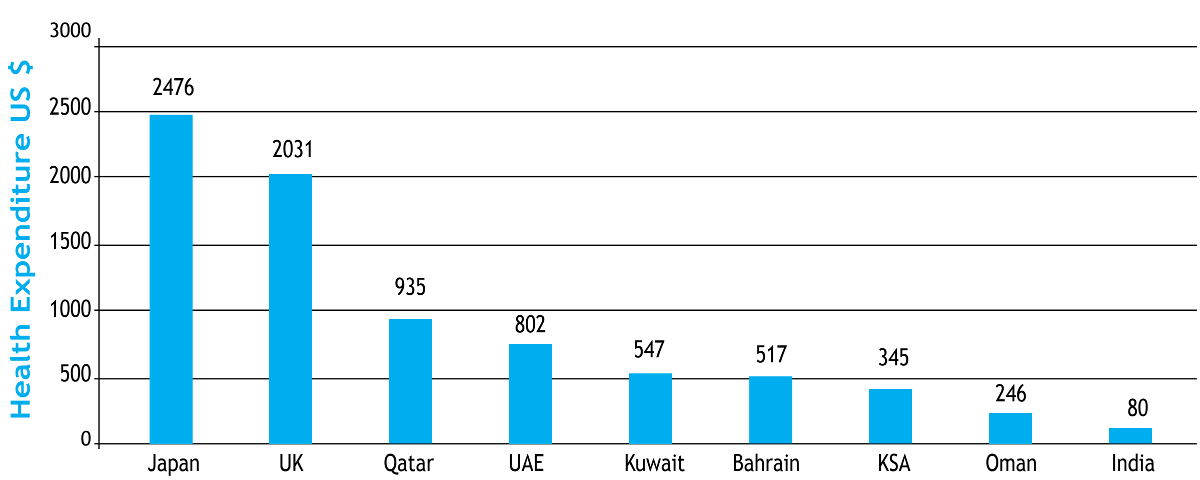
Source : WHD 2005, CLSA Asia-Pacific Markets

[1]Taken from multiple sources, Nomura and other research organizations

Per capital health expenditure in India is currently low

Population growth, positive social and economic shift and better healthcare awareness are expected to result in both higher disposable incomes and higher expenditure on healthcare.

Per Capita Health Expenditure (US$), 2002

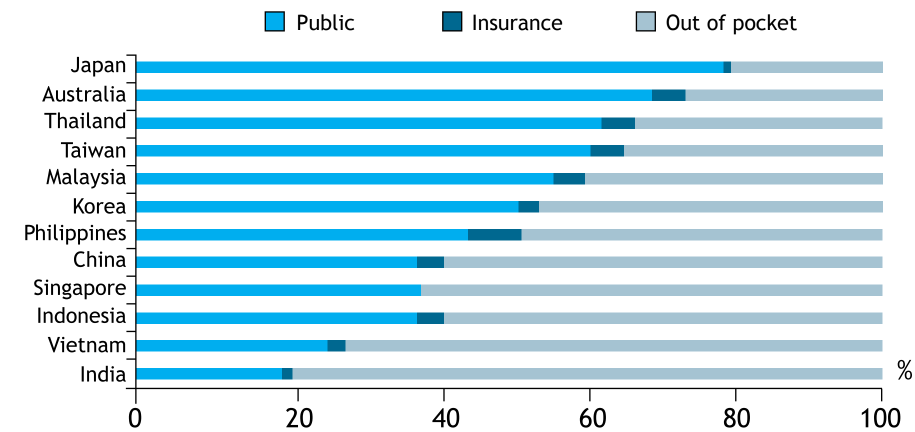


Source : World Health Report, 2005

Public healthcare infrastructure is inadequate

As compared to developing world average of 4.3 per 1000 (China, Korea, Malaysia, etc.), India has an average of one bed per 1,000 population. Beds in excess of 1 million need to be added to reach a ratio of 1.85 per thousand.

Healthcare spending split, regional FY05



Source : Swiss Re, CLSA Asia-Pacific Markets

About 80% of total healthcare spending in the country (US $ 25billion) is provided by private service providers. Even among the poorest 20% of the population, 39% of hospitalisations are in private hospitals; for the richest 20% of households, the ratio is as high as 67%.

Private sector to lead bed additions

Of the total gap of over 1 million beds to reach a ratio of 1.85 per thousand, about 896,500 beds will be added by the private sector which shall need a total investment of US $ 69.7 billion (Rs. 222,000 crore) from the private sector over the next six years. Most of the private facilities are currently small and fragmented in nature. With increasing investment from corporates, larger healthcare facilities (typically 200-300 beds) are coming up in major cities and towns.

Growth in medical tourism

India is one of the leading medical tourism providers with more than 500,000 foreign medical tourists in 2006. Apart from India, countries like Singapore, Thailand, South Africa, Malaysia, Cuba, and Cost Rica are some of the other emerging destinations for medical tourism. In India, the medical tourism market is estimated at US $ 0.33 billion and is estimated to grow to US $ 2 billion by 2012.

Increasing penetration of organised pharmacies

The organised pharmacy retail market currently accounts for only 2% of the pharmacy retail business, but it is growing at a rapid pace, with several new chains expanding aggressively. The concern around spurious drug sales and better service/ convenience to customers are expected to lead to strong growth for organised retail pharmacies.

Key challenges

The biggest challenge for the healthcare industry today is an acute shortage of trained personnel, ranging from doctors, nurses, technicians and even healthcare administrators.

Hospitals are a capital-intensive business with major investment going in to land, building and medical equipment. Depending upon location and accordingly patient volume ramp-up, it can take two years or more for EBITDA break-even and three years or more for cash break even.

Health insurance, though currently small, is growing very rapidly which may lead to pricing pressure for the private healthcare providers in future.

Opportunities

First, there are economic factors that make India an exciting market.

Since healthcare is dependent on the people served, India's huge population of a billion people represents a big opportunity. Today, people are spending more on healthcare and preferring private services to government ones. Hospitals in India are running at 80-90% occupancy. With the demand for healthcare far exceeding supply, India's healthcare industry is expected to grow by around 15% a year for the next six years. Hospitals in India conduct the latest surgeries at very low cost.Corporate entities entering the healthcare sector, introducing managerial practices and tools are showing a marked preference for professionals, leading to the expansion of the hospital management education industry.

Rapid growth

According to the 'Indian healthcare trends report published by Technopak, Indian healthcare industry is growing at over 18% making it the fastest growing in the world and highest growing sectors in India. As per the report, the industry is currently valued at US $ 35 billion and is expected to reach over US $ 75 billion by 2012 and US $ 150 billion by 2017.

Such a high growth provides lot of opportunities to existing market players and also entices newer entrants into the sector.

Healthcare bed need-supply gap

According to a FICCI-Ernst and Young study, beds in excess of 1 million need to be added to reach a ratio of 1.85 per thousand at an investment of US $ 77.9 billion.

For nine states that comprise almost 53% of Indian population, hospital beds per 1,000 population are less than the current national average. In effect, the 'effective' bed density is lower since due to shortage of staff, available beds remain under utilized.

Health insurance

Only about 10 per cent of the Indian population has some form of health insurance, which means that there is tremendous scope for growth in this area. The Indian health insurance business is growing at 50 per cent. The sector is projected to grow to US $ 5.75 billion by 2010 - (PHD Chamber of Commerce and Industry, New Delhi).

Increase in health insurance coverage will lead to increased accessibility and affordability and therefore increase demand for hospital beds and medical equipment.

Shift to Lifestyle Related Diseases

Similar to the experience in developed countries India is going through a shift in the disease patterns from communicable diseases to high incidence of non- communicable and lifestyle-related diseases.

This trend would trigger a need for more number of tertiary care hospitals to cater to the demand.

Threats

The cost burden is set to increase due to the limited resources, and rising incomes will translate to higher wages, supply and capital costs. Real estate prices have become prohibitively high and a deterrent to take on new projects. This will add to higher costs of Healthcare delivery which has to be borne by the consumer.

Medical equipment accounts for 40-45% of the total expenditure in hospitals. Any change in technology will make existing medical equipments obsolete. High rate of advancement in medical technology is leading to shorter lifespan, obsolescence of medical equipment, requiring medical professionals to upgrade their skills on a constant basis.

The density of doctors per 10,000 population in India is 6 while the world average is 13. There could be a shortfall of over 450,000 doctors in the year 2012. Density of nurses per 10,000 population is 13 in India while world average is 28. The migration of skilled technicians and nursing personnel to developed countries due to higher compensation levels leaves behind a void in quality of personnel at the disposal of hospitals.

Apollo is one of the strongest brands with minimal threats in the near time. This means, easier access to capital, continuing with the current leadership position in the market and comprehensive services with relatively greater margin. Apollo's success has been drawn from the fact that it has added a number of synergic revenue streams to its business. As a result, its multi-income inflow has helped it cover its fixed investments faster than the other companies in the sector.

Company Overview

Apollo Hospitals Enterprise Limited (AHEL) owns and operates a network of leading primary, secondary and tertiary hospitals and clinics across India. The Company also has a pan India footprint of 873 standalone pharmacies.

As of March 2009, AHEL directly owns total of 20 hospitals across India with a capacity of 2,481 beds, of which [all the] beds are operational. In addition, we have a capacity of 1,875 beds through subsidiaries, joint venture and Associate hospitals.

Owned Hospitals	No. of Beds as on 31st March 2009
Apollo Main & Sindoori Hospitals, Chennai	619
Apollo Specialty Hospital, Chennai	251
Apollo First Med Hospital, Chennai	88
Apollo Speciality Hospital, Tondiarpet, Chennai	60
Apollo Speciality Hospital, Sowcarpet, Chennai	17
Apollo Speciality Hospital, Madurai	165
Apollo Speciality Hospital, Hyderabad	546
Apollo Loga Hospital, Karur	70
Apollo Reach Hospital, Karim Nagar	120
Apollo Speciality Hospital, Mysore	176
Apollo Speciality Hospital, Visakhapatnam	65
Apollo Speciality Hospital, Bilaspur	250
Apollo Speciality Hospital, Aragonda	54
Total	2,481

Beds owned by Subsidiaries, Joint Ventures & Associates	No. of Beds as on 31st March 2009
Apollo Speciality Hospital, Kakinada	150
Apollo Speciality Hospitals, Bangalore	250
Indraprastha Apollo Hospitals, Delhi	632
Apollo Speciality Hospital, Noida	100
Apollo Gleneagles Hospitals, Kolkata	423
Apollo Speciality Hospital, Ahmedabad	320
Total	1,875

Our hospitals can be grouped into the following categories based on their stage of maturity and occupancy levels:

Mature hospitals at Chennai, Hyderabad, Madurai, Bilaspur, Mysore, and Visakhapatnam have occupancy levels exceeding 75%.

New hospitals at Bangalore, Ahmedabad, have occupancy levels of 60%.

Two Hospitals were commissioned during the year, Apollo Loga Hospital at Karur, Tamil Nadu, having 70 beds and a Hospital at Karim Nagar, Andhra Pradesh with 120 beds.

As per the Accounting Standard 17 issued by The Institute of Chartered Accountants of India, AHEL has two reportable segments, healthcare services and Standalone Pharmacies, Healthcare services segment comprises hospitals, hospital-based pharmacies and Consultancy Division. The other segment comprises standalone pharmacies.

A brief description of our activities follows:

Hospitals

We generate revenues primarily through hospital services offered at our facilities. We generated Rs 7,651 million, Rs. 9,253 million and Rs. 11,261 million in revenues from hospitals during fiscal years 2007, 2008 and 2009, respectively. In 2009 we derived 84% of our hospital revenues from the Chennai and Hyderabad facilities. Our patients are mostly self-pay, with only 25% and 10% of the total patients in fiscal year 2009 being corporates and insurance respectively.

Projects and Consulting

AHEL provides project management and operations consulting services to other hospitals. We deploy staff and share hospitals management expertise with our clients and derive revenues either as a flat fee or as a percentage of the value of the project.

Apollo Group Projects

The Company has embarked upon a major expansion drive, to add 3,000 beds over the next 4 years. During current year, 475 beds were added in the existing hospitals and new facilities at Karim Nagar (AP) and Karur (TN). The Company has commissioned a 81-bed Super Specialty Hospital, exclusively for children in Chennai, in May 2009. Our new hospital at Bhubaneswar is nearing completion and will be launched in this year.

The Company is in the process of implementing new projects at Vizag, Navi Mumbai and Thane where land parcels are already procured.

In addition, a fully-automatic Multi Level Car Parking (MLCP) facility is under implementation near Apollo Main Hospital, Chennai, to enhance patient comfort.

Apollo Reach Hospitals

We are embarking upon a new concept for taking healthcare delivery to semi-urban and rural areas of all the states in India with a new brand name "Apollo Reach Hospitals" for serving the increasingly health conscious populace. Hospitals under this new brand are proposed to have a capacity of 100-200 beds focusing on critical care and capability to perform cardiac surgeries as well. This will also provide healthcare in critical time, improving the chances of every patients' life as well as reduction in overall costs these patients will be incurring in terms of the added expenses towards travel to nearby city, accommodation conveyance etc.

The concept was inaugurated by our Hon'ble Prime Minister, Dr. Manmohan Singh on 5th Sep'08 at a grand function in Chennai. The first such hospital has commenced at Karim Nagar, Andhra Pradesh soon after and is exceeding the expectations of the local community. We are planning to establish about 100 such hospitals in the next 10-15 years in a phased manner. We have tied up with International Finance Corporation, Washington, the private funding arm of the World Bank to fund Apollo Reach Hospitals and other expansion programs of the company.

Currently, planning is in progress for Apollo Reach Hospitals at Karaikudi, Nashik Tiruchirapalli, Nellore, and Ayanambakkam (on the outskirts of Chennai Metropolitan Area) and are awaiting statutory approvals for commencement of construction. These hospitals will become functional within 12-15 months.

Apollo Reach Hospitals are being designed to incorporate green building concepts. These hospitals will follow Apollo standard operating protocols thereby will be fully functional from the day one. We are also planning to provide effective and efficient hospital information system combined with advanced digital technologies.

The hospitals will create employment opportunities for the local educated youth in various disciplines. In addition, as part of Apollo Reach Hospital projects, we are planning to establish nursing and paramedical educational institutions in nearby locations to cater to the captive demands of the hospitals.

Projects under JV and Associates

Apollo Bramwell Hospitals, Mauritius

Apollo has formed a Joint Venture Company viz., British American Hospitals Enterprise Ltd. (BAHEL) along with BAI Medical Centres Ltd., a subsidiary Company of British American Investment Company (Mauritius) Ltd. The building infrastructure has been completed and equipment installation is in progress. The hospital will be commissioned in August 2009. The Company has signed Technical Consultancy Agreement and Licensing-Cum-Operations Management Agreement with BAHEL.

Apollo Hospitals, Lavasa

The Company has formed a Joint Venture Company with Lavasa Corporation Ltd, to establish a healthcare city at Lavasa, a hill station near Pune. During the initial phase, a 50-bed Secondary Care Hospital is being established.

StemCyte Therapeutics India Private Limited

Apollo Hospitals entered into an agreement with StemCyte Inc., USA, to set up a state-of-the-art Umbilical Cord Blood Bank at Ahmedabad. StemCyte Therapeutics India Private Limited will process and store umbilical cord blood units that will be used to treat patients across the world. Research on stem cells is producing encouraging results across the world in the treatment of life threatening disorders and diseases.

Consultancy Services

Domestic Projects

The Company has signed Project Management Agreement with Ashok Birla Apollo Hospitals Enterprise Limited, for setting up 225 bed tertiary care hospital at Thane.

International projects

This year, the Company saw increased activity in executing and managing international projects despite global economic slowdown. The services were offered on a fee for service model and include projects across Middle East, Africa and Asia. Some of the key projects handled during the year include,

1. Yemen International Hospital, a 135-bed tertiary care hospital and the first corporate hospital in the country was commissioned. The hospital is providing advanced diagnostic and surgical services that were not available to the local population earlier. Cardiothoracic surgery services were also launched.

2. Assistance was provided in planning a 200-bed heart hospital in China for a healthcare organisation. Apollo team assisted in preparing the clinical plan and assisted in the finalisation of architectural drawings. Construction of the hospital is expected to start during the third quarter of 2009.

3. Consultancy work for US $ 125 million project in Nigeria has commenced. Land in a premium location in Lagos has been identified and architectural drawings are under progress. Earlier your Company was involved in advising on the clinical services mix, facility plan and estimating the project cost and the space requirements.

4. The Company was mandated to recommend a model for a large business group in Africa to enter the healthcare services sector with Apollo Hospitals as the technical partner.

5. MOU was signed with Seychelles International Specialist Medical Center (SISMC) to commission and manage the hospital. The US $ 40 million hospital is a 100-bed facility with a built-up area of over 190,000 sq. ft. and is promoted by local business organisations in Seychelles.

6. Training of doctors and nurses from Africa, Middle East and other regions in super specialty disciplines is underway.

Significant numbers of enquiries from different geographies are currently under review by the Company for providing assistance to investors and hospital owners to establish new hospitals or to improve operations.

Pharmacies

We operate a network of 873 standalone pharmacies across India that generated Rs. 1,313 million, Rs. 2,020 million and Rs. 3,343 million in revenues during fiscal years 2007, 2008 and 2009 respectively.

Sl. No.	State	No. of Pharmacies		Total
		Hospital based Pharmacies	Standalone Pharmacies	
1	Andaman & Nicobar	-	1	1
2	Andhra Pradesh	8	231	239
3	Assam	-	2	2
4	Chandigarh	-	3	3
5	Chattisgarh	1	8	9
6	Goa	1	3	4
7	Gujarat	1	63	64
8	Haryana	-	10	10
9	Himachal Pradesh	-	1	1
10	Jharkhand	-	3	3
11	Karnataka	9	81	90
12	Madhya Pradesh	-	5	5
13	Maharashtra	-	103	103
14	New Delhi	5	47	52
15	Orissa	-	14	14
16	Puducherry	-	6	6
17	Punjab	1	4	5
18	Rajasthan	3	24	27
19	Tamil Nadu	17	210	227
20	Uttar Pradesh	2	12	14
21	West Bengal	1	42	43
	Total	**49**	**873**	**922**

Our pharmacy business comprises one of the largest chain of pharmacies in India. Our pharmacies offer a wide range of medicines, surgical, hospital consumables and health-care products. Most of our pharmacies have nursing stations attached. The Nursing stations provide basic medical services like measuring blood pressure, dressing, etc.

Our hospital-based pharmacies form an integral part of our hospital business. We operate standalone pharmacies on a 24-hour basis across various locations. The pharmacies provide several value-added services to customers such as free delivery, appointment with doctors at the hospitals, etc. We attribute the success of our pharmacy business largely to the brand value and recognition of the Apollo brand name.

We intend to take our total tally of stand alone pharmacies to 1,200 by the end of the financial year 2009-10.

Business strategy

Apollo's business model has been a successful as it is able to generate profit even in the face of being capital intensive in nature.

Our mission is to continuously keep improving the quality of healthcare services provided to the communities we serve and strive to bring healthcare services of international standards within the reach of every individual. At the same time, we seek to generate strong financial performance and appropriate returns to our investors through disciplined and balanced execution of a comprehensive business strategy that reinforces both quality of care and financial strength.

We seek to further strengthen our position as a leading healthcare service company by successfully differentiating our service offerings and increasing the scale of operations. We would be looking to dominate the healthcare space by increasing bed strength in the cities where we are already present in addition to commissioning of new hospitals in Tier 2 and Tier 3 cities through the "Reach initiative".

The Reach model is expected to be a "no-frills" model, providing cost-effective quality healthcare. The facilities shall be of the level of higher secondary and acute care, capable of developing into a tertiary care centre. Each facility will be conceptualized to cater to the shortage in nursing infrastructure in the country, by providing for nursing colleges.

Leverage our intellectual property and domain knowledge to create "Centres of Excellence" of high-end medical care services at the new and existing facilities. Share best practices across all the locations to enable increase occupancies at newly launched hospitals. Improve asset utilisation across all the hospitals.

We have also made significant investment in our human capital to meet both our in-house needs and our consultancy services business through the establishment of nursing schools and colleges and hospital administration colleges.

Growth in Standalone Pharmacies revenues would be driven by new store rollouts as well as maturity of existing stores.

We also believe that growth can also be achieved as we add new service lines in our existing markets, invest in new technologies desired by physicians and patients, and demonstrate the quality of the care provided in our facilities.

Given the non-availability of adequate health care facilities in most parts of India, we believe that high-growth opportunities remain in our existing markets as well as new geographies that we are seeking to enter.

Competitive and Regulatory Environment

In the healthcare services segment, we face competition from other acute care hospitals, including tertiary hospitals located in larger markets; specialty hospitals that focus on one or a small number of lucrative service lines; stand-alone centres at which surgeries or diagnostic tests can be performed; and physicians on the medical staffs of our hospitals. The shortage of bed supply in India continues to be high, although several healthcare service providers have aggressive organic growth plans. In addition, our competitors are also expanding presence by acquiring/ partnering with existing smaller hospitals. Going forward, pricing could come under pressure in our key markets and competition for medical staff could intensify both of which may have an adverse effect on our operations. It is widely recognised that India has a shortage of physicians in certain practice areas, including specialists such as cardiologists and orthopedists, in various areas of the country. Healthcare insurance penetration is increasing rapidly, which may lead to a scenario where the costs of providing care rise faster than reimbursement rates. We are putting in place systems and procedures to increase cost efficiency and transfer best practices across our hospital network.

Our standalone pharmacies (SAPs) compete primarily with the unorganised sector. Organised sector penetration in the pharmacy sector is currently only 2%, and unorganised players are able to offer similar services as the organised players. We differentiate ourselves by ensuring high quality of the drugs supplied through SAPs, ensuring convenience for and building deeper relationships with the end-customer and creating linkages between our hospitals and SAPs. The pharmacy supply chain in India has multiple layers of suppliers, middlemen and retailers. Apart from distribution, costs are another important element in this price-sensitive market.

Strengths

Apollo is an integrated healthcare organisation with a comprehensive span of healthcare capabilities, enabling us to provide end-to-end services to patients. We provide seamless delivery of services at every level of care – primary, secondary and tertiary.

Being the largest purchaser and consumer of medical consumables in the private sector, we are able to leverage on cost and benefit from our group bargaining position to obtain better terms from our suppliers and service providers.

Our quality consciousness and patient-centric approach has improved our operational and clinical efficiency, and led to numerous accolades in the medical arena in India. We have implemented clinical governance measures that have gone a long way in ensuring and improving the quality of clinical care at all levels of healthcare provision in Apollo Hospitals.

We have obtained 4 JCI accreditations across all specialties, the first in the country to do so. Also, our quality programmes are registered by the Indian Council of Medical Research, ISO 9002, from Bureau of Indian Standards & British Standards of India.

We have focused on the provision of high-quality healthcare at affordable rates. Our brand name has helped us to expand our operations in India and overseas, besides extending our range of services. High-quality medical facilities and services are offered at cost competitive rates when compared to the Western and European regions making India the preferred choice for medical travel.

We have consistently invested in medical technology and equipment so as to offer the highest quality healthcare services to our patients. The availability of sophisticated medical equipment, such as the PET-CT scan, 320 Slice CT Scanner, Cyber knife ensures that we are among the few healthcare providers in India capable of offering advanced healthcare procedures such as stereo tactic radio surgery and bone marrow transplants to our patients.

The major strength contribution to the success of Apollo Hospitals has been the clinical excellence governed by strong medical value system and ethics. Our Medical success rates have been world class. Apollo stands unique among the few providers of quaternary care for complicated medical conditions, and is saving more and more lives every day.

We have a professional management team with a strong performance culture. We maintain strong, enduring relationships with doctors and medical professionals. This has attracted medical professionals returning from abroad to work with us. We believe one of the pillars of our success is our huge talent of approximately 811 doctors across 50 specialties. We are among the largest networks of doctors in India, and have approximately 3,130 nurses, 1,104 paramedical personnel and 513 executives.

Weakness

We have added 297 Stand-alone pharmacies during the year, since most of the pharmacies are in the incubation stage which can depress the margins.

High attrition rates among the nursing workforce to Western countries and competitors due to higher salaries and perks being offered necessitates higher investment in training to ensure that the clinical staff is equipped with the right skills, competencies and expertise needed to deliver quality healthcare.

The rising costs of healthcare delivery makes majority of the private hospitals expensive for a normal middle-class family.

Internal control systems and their adequacy

The company deploys a robust system of internal controls to allow optimal use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports, and ensure compliance with statutory laws, regulations and company policies. The company has also put in place an extensive budgetary and other control review mechanisms whereby the management regularly reviews actual performance with reference to the budgets and forecasts.

The company has an independent firm of internal auditors that continuously monitors all the operations of the company. They constantly review the system/ processes and bring to the notice of the management any recommendations for strengthening the system. They also review the implementation of the recommendations.

The internal auditors report their findings to the audit committee of the board and the top management.

Discussion on Financial Performance and Results of operations

The following tables present summaries of results of operations for the years ended 31st March 2007, 2008 and 2009

(Rs in million)

	2007		2008		2009	
	Amount (Rs.)	% of Revenues	Amount (Rs.)	% of Revenues	Amount (Rs.)	% of Revenues
Revenues	8,995	100%	11,516	100%	14,804	100%
Salaries and benefits	1,279	14.2%	1,685	14.6%	2,211	14.9%
Material costs	4,551	50.6%	5,817	50.5%	7,686	51.9%
Other operating & Administrative expenses	1,600	17.8%	1,959	17.0%	2,487	16.8%
Provision for doubtful accounts	63	0.7%	39	0.3%	35	0.2%
Depreciation and amortization	308	3.4%	368	3.2%	439	3.0%
Interest expense	164	1.8%	199	1.7%	223	1.5%
Total	7,965	88.5%	10,066	87.4%	13,081	88.4%
Profit before Income Tax	1,031	11.5%	1,451	12.6%	1,723	11.6%
Provision for Income Taxes	355	3.9%	433	3.8%	542	3.7%
Profit after Tax	676	7.5%	1,018	8.8%	1,181	8.0%

For the Years Ended 31st March 2009 and 2008

Revenues

The 30% increase in our revenues for 2009 as compared to 2008 was primarily the result of an increase in occupancy and revenue per bed day (RPBD) for hospitals as well as a higher number of SAPs. RPBD increased from Rs. 8,767 to Rs. 9,667. The increase in RPBD is largely a result of changes in the acuity of our patients as well as better price realisations. HBP revenues grew faster than the corresponding hospital revenues mainly as a result of addition of managed pharmacies.

AHEL rolled out SAPs rapidly from 576 stores as at March 2008 to 873 stores on March 2009. These rollouts together with maturity of existing stores led to 65% yoy revenue growth in the pharmacy segment.

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

Years Ended 31st March

			Increase	% Increase
	2008	2009	(Decrease)	(Decrease)
Admissions	121,377	131,558	10,181	8.0%
Revenues per patient Rs.	32,484	35,165	2,681	8.0%
Average length of stay (days)	5.18	5.15	0.03	(0.57%)
Out-patients	662,031	728,701	66,670	10.0%
Revenue per bed day (Rs)	8,767	9,667	900	10.0%

Expenses

Salaries and Benefits

Our salaries and benefits expense of Rs. 2,061 million during 2009 increased Rs. 496 million from Rs. 1,565 million in 2008. This increase was a result of annual compensation increases for our employees, plus the impact of an increasing number of employed physicians within our hospitals and pharmacists for the SAPs.

Year Ended 31st March (Rupees in million)

	2008 Rs.	% of Revenues	2009 Rs.	% of Revenues	Rs. Increase (Decrease)	% Increase (Decrease)
Salaries, wages and benefits (excluding Managerial Remuneration)	1,565	13.6%	2,061	13.9%	496	31.7%
No. of employees	15,927		19,088		3,161	20.0%
Average salary per employee per month (Rs)	8,188		8,998			10.0%
Employee to bed ratio	4.44		4.52		0.08	1.8%

Material costs

During 2009, our supplies expense of Rs. 7,687 million increased 32%, as compared to Rs. 5,817 million in 2008. The increase in supplies cost increased in line with the revenues.

Other Operating Expenses

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

Year Ended 31st March (Rupees in million)

	2008 Rs.	% of Revenues	2009 Rs.	% of Revenues	Rs. Increase (Decrease)	% Increase (Decrease)
Repairs and maintenance	328	2.8%	367	2.5%	39	11.9%
Utilities	267	2.3%	281	1.9%	14	5.2%
Rents and leases	384	3.3%	571	4.0%	187	48.7%
Outsourced labour	108	0.9%	182	1.2%	74	68.5%
Marketing and advertising	154	1.3%	188	1.3%	34	22.0%
Service and professional fees	88	0.8%	113	1.0%	25	28.4%
Non-income taxes	39	0.3%	45	0.2 %	6	15.4%
Provision for doubtful debts	39	0.3%	35	0.2%	(4)	(10.3%)
Other operating expenses	607	5.3%	691	4.7%	84	13.8%
	2,014		2,473		459	

Depreciation and Amortization

Our depreciation and amortization expense increased to Rs. 439 million during 2009, as compared to Rs. 367 million during 2008. The increase in our depreciation and amortization expense is largely due to capital improvement projects completed during 2009 and normal replacement costs of facilities and equipment.

Financial Expenses

Our Financial Expenses increased to Rs. 223 million during 2009, as compared to Rs. 199 million during 2008. The increase is largely due to additional borrowings for financing the capital improvement projects completed during 2009 and normal replacement costs of facilities and equipment.

Provision for income taxes

The provision for taxes during the year ended 31st March 2009 is Rs. 542 million as compared to Rs. 434 million in the previous year ended 31st March 2008.

Liquidity and Capital Resources

Liquidity

Our primary sources of liquidity are cash flows provided by our operations and our debt borrowings. We have signed agreement with International Finance Corporation (IFC) to tie up around Rs. 2,500 million of additional debt funding.

We believe that our internally generated cash flows, amounts available under our debt agreements and the further debt that is proposed to be raised will be adequate to service existing debt, finance internal growth, expend funds on capital expenditures and fund certain small to mid-size hospital acquisitions.

Capital Expenditures

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

The following table reflects our capital expenditures for the years indicated

(Rupees in million)

	2007	2008	2009
Capital Work In Progress	296	260	1,665
Capital Expenditure including technical upgradation	939	1,608	1,814
	1,235	1,868	3,479
RoCE	14.95 %	13.5 %	11.33 %

As the new projects have a gestation period of 3 years, RoCE has decreased over the past 2 years as we have deployed additional capex. We expect high-growth capex to continue over the next two years as we roll-out the Reach Hospitals.

Material developments in human resources

Human Resources role as a strategic business partner is pivotal for all the change initiatives at Apollo. Human Resources are our assets as they are the key drivers for our sustained growth and success. The services they render at every touch point helps in enhancing the service excellence to our patients thereby supporting the mission of Apollo of “touching a billion lives”.

Human Resource at Apollo has evolved with new employee initiatives across all levels from Senior Management to grass root level. Building knowledge-sharing practices, creating pool of process specialists through the interventions of Six Sigma, engaging employees through various employee-engagement activities have been the areas of key focus.

Knowledge Sharing

A knowledge sharing portal for the CEOs titled “The CEO Handbook” and “The DMS Handbook” for the Medical Administrators have been developed in-house incorporating the best practices with measures and metrics and the same has been uploaded in the Apollo's Light house (in-house on-line forum). This has been integrated with an on-line balanced scorecard termed as the Apollo Performance Monitor (APM) to track the performance of individual units.

Six Sigma

In our effort to inculcate a high-performance culture, Lean Six Sigma initiative has been institutionalized. At present there are more than 100 trained Lean Six Sigma Green Belts and 20 certified Green Belts in our Group. We target to train more than 200 Green Belt Champions and 20 Black Belt Champions this year.

Employee Engagement

Engaging employees-being the key focus area, a number of employee engagement activities was operational. Infotainments, party games, sports activities were conducted at regular intervals. Two mega infotainment shows were conducted before the final audit of JCIA. A standardized group induction kit has also been developed in a video interactive mode to align Apollo's mission and values across hospitals.

Our human resources team strives to align the HR policies with the business goals of the organisation, and also help in creating a performance-driven culture. Various initiatives such as performance-linked rewards, transparent review process, building a high-performance work teams have helped in controlling attrition at different levels. Introduction of new services, additional pharmacies and additional beds have resulted in the increase of human resources strength at Apollo.

Employee Count

The total employee strength as on March 2009 is 19,088 as against 15,927 for the year ended March 2008, an increase of 19.8%. The increase of 3,161 employees is due to the opening of 297 additional standalone pharmacies during the said year and an increase of 200 beds, coupled with new value-added services in the hospital division for improving service delivery to the customer.

Cautionary Statement

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

Clinical Governance

Quality Initiative at Apollo Hospitals, Chennai is an integrated and collaborative effort between clinical and operational services, which signifies a visible commitment to improve quality and safety of patient care.

JCI REACCREDITATION - Golden standards for healthcare sector

Apollo Hospitals, Greams Road, Chennai

Apollo Hospitals, Chennai underwent the Joint commission international survey successfully from 26th Jan'09 - 30th Jan'09 and has been granted re-accreditation. The scope encompasses both ambulatory and Inpatient care services. During the six-day survey process, the survey team validated Apollo Hospitals, Chennai for its adherence to 329 Standards comprising of 1,161 Measurable elements including 6 international patient safety goals.

The surveyors commended the organization's commitment towards Quality Improvement and gave their special appreciation to the Nursing excellence.

Apollo Hospitals, Jubilee Hills, Hyderabad

Apollo Hospitals, Hyderabad also underwent the Joint commission international re-accreditation survey from 13th to 16th April, 2009. The surveyors commended the organization's commitment towards Quality Improvement and indicated that this was one of the better performing hospitals in the World. Apollo Hospitals, Hyderabad is the first hospital in the world to be certified for management of acute stroke. The triennial survey for recertification was successfully completed by JCI on 17th April, 2009.

THE ACE 25 (Apollo Clinical Excellence)

"ACE @ 25" is a balanced scorecard focussed on clinical excellence, and incorporates parameters which are mission critical for the organization. This balanced score card focuses on providing evidence based quality care and a safe environment to our patients and strengthening the functional efficiency of our hospitals. It also gives international benchmarks for each clinical or quality parameter measured and helps us track performance by comparing and measuring against international standards .

This clinical balanced score card, which is a special review tool for clinical excellence was launched on 18th September 2008 with data becoming available from Ist October.

Initially ACE @ 25 was implemented at six main Apollo hospitals situated at Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad and Kolkata. ACE@25 was successfully implemented across all the Apollo Group Hospitals from 1st June 2009.

"ACE @ 25" follows a weighted scoring system. The cumulative score achievable is capped at 100.

The ACE @ 25 balanced score card is online, with live capabilities using our 'Apollo Lighthouse' platform for monthly inputs with relevant data. Appraisals of the medical heads of each hospital shall be linked to the final scores obtained by their unit. Mechanism for random audits facilitating a check of each hospital by a representative from another hospital in place.

ACE @ 25 : APOLLO CLINICAL EXCELLENCE SUMMIT

The ACE summit 2009 was held on 19 & 20 March 2009 at Apollo Hospitals Ahmedabad. During the conference, decisions were taken on standardization of medical staffing, privileging and credentialing, medical director's handbook, research, academics and Apollo Clinical Excellence @ 25 including Apollo Clinical Excellence Forum. Nearly 27 best practices were chosen and each unit was given the responsibility to develop policies and guidelines for each of them.

ANNUAL REVIEW OF CLINICAL PERFORMANCE

An annual review of performance all clinical specialties was held during December '08. During this weeklong review session each department presented its OP/IP statistics, procedures/ surgeries done, complications, Quality indicators, best practices, paper presentations, affiliations and future plans.

ANNUAL REVIEW OF CLINICAL MONITORING COMMITTEE

The annual review of organizational Quality monitoring committee was held on 2 January '09. The meeting chaired by our Managing Director reviewed the committee's contribution for the improvement of patient care processes.

APOLLO HOSPITALS CHENNAI RE-ACCREDITED BY NABL (National Accreditation Board for Testing and Clinical Laboratories)

The department of Laboratory services, Apollo Hospital, Chennai has been assessed and re-accredited in accordance with the revised standard ISO 15189:2007 "Medical Laboratories - particular requirements for quality and competence" in the field of medical testing - Clinical bio-chemistry, Microbiology & Serology, Clinical pathology, blood bank, Hematology & immuno Haematology, Histopathology, Cytopathology and Genetics. The scope of accreditation has been expanded and the new inclusion for this year is tissue typing and immunopathology section including PCR lab.

APOLLO HOSPITALS, MADURAI ACCREDITED BY NABH (National Accreditation Board for Hospitals and Healthcare Providers)

Apollo Speciality Hospital, Madurai has been granted accreditation by National Accreditation Board for Hospitals on June 12, 2009. Apollo Hospitals, Madurai is the first hospital in the Group to achieve this distinction and second in South India.

During the three-day assessment process, the survey team validated Apollo Speciality Hospitals, Madurai for its adherence to 10 chapters consisting of 100 Standards & 513 Objective Measurable elements. The survey team appreciated the hospital for its effective implementation of all the care standards. They had special word of appreciation to the team work exhibited by the medical and non medical staff, clinical parameters being monitored, the readiness in initiating corrective actions and for the sustenance of excellence in patient satisfaction.

The other Apollo units which are working towards this accreditation includes Apollo Speciality Hospitals, Chennai and Apollo BGS Hospital, Mysore.

PROJECT IMPACT - APOLLO WAY

Apollo Hospital Chennai has partnered with an International consulting firm to co-create the "Best-in-Class Operation Model" that is called the Apollo Way. The "Apollo Way" will focus on patient centricity, excellent quality and operational excellence. The opportunity has been sized based on the diagnostic findings and the key focus zone has been identified to pilot the project. An in-house team has been identified and trained to work on optimizing and strengthening the processes to meet the project objective. The project is implemented in a phased manner; the initial focus would be at Apollo Chennai Main and the program would be radiated across the group hospitals.

Auditors' Report to the Members of Apollo Hospitals Enterprise Limited

1. We have audited the attached Balance Sheet of APOLLO HOSPITALS ENTERPRISE LIMITED as at 31st March 2009, the related Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

5. In the absence of any notification from the Central Government with respect to the Cess payable under Section 441A of the Companies Act, 1956, no quantification is made. Hence, no opinion is given on Cess unpaid or paid, as per the provisions of Section 227(3)(g) of the Companies Act, 1956.

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

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

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

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

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

   (v) On the basis of written representations received from the directors, as on March 31 ,2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956, and

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

(a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2009;

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

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

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

Place : Chennai
Date : 29th June 2009

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

V.C. KRISHNAN
Partner
Membership No.: 22167

Annexure to the Auditors' Report

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

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

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

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

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

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

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

(a) The company has given unsecured loan to its subsidiary on various terms and conditions. In respect of the said loan the year end balance is Rs. 19.4 Crores.

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

(c) In our opinion and according to the information and explanations given to us, the Company is regular in receipt of the principal and interest as per the terms and conditions.

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

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

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

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

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

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

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

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

(ix) (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax , Customs Duty, Cess, Wealth Tax and other statutory dues applicable to it. To the best of our knowledge and according to the information and explanations given to us, there are no arrears of outstanding statutory dues as at 31st March 2009 for a period of more than six months from the date they became payable. To the best of our knowledge and belief and according to the information and explanations given to us, excise duty is not applicable to this Company.

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

Name of the statute	Nature of the dues	Amount (Rs.) 31.03.09	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales tax	1,039,135	Assessment Years 2000-01, 2001-02 & 2003-04	@ Delhi Sales Tax Deputy Commissioner (Delhi)
Customs Act, 1962	Customs duty	99,700,026	1996,1997	# Assistant Collector of Customs (Chennai & Hyderabad)
Value Added Tax Act 2004	Value Added Tax	1,273,277	2008-09	Deputy Commissioner of Commercial Tax (Enforcement)
Income Tax Act, 1961	Income Tax	29,199,000*	Assessment Years 1997-1998, 1998-1999, 2002-2003	Income Tax Appellate Tribunal has reverted the case back to the Assessing Officer
		70,793,000*	Assessment Years 2001-2002, 2004-2005, 2006-2007	CIT (Appeals)
		136,760,038**	Assessment Year 2000-2001	Honorable Supreme Court
TOTAL		344,467,199		

@ Refer Clause (3) (i) (ii) Schedule (J) - Notes forming part of Accounts

Refer Clause (3) (g) Schedule (J) - Notes forming part of Accounts

* Out of these disputed dues, an amount totaling Rs. 140,091,000/- has been adjusted by the Income Tax Department from various amounts refundable to the Company.

** Refer Clause (3) (d) Schedule (J) – Notes forming part of Accounts.

(x) In our opinion and according to the information and explanations given to us, the company has no accumulated losses as at 31st March 2009. The company has also not incurred cash losses in such financial year and in the immediately preceding financial year.

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

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

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

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

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

(xvi) In our opinion and according to the information and explanations given to us, the Company has availed term loans and these were applied for the purpose for which the loans were obtained.

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

(xviii) The 1,550,000 equity share warrants issued to a party covered in the register maintained under section 301 of the Companies Act, 1956 during the year 2006-07 at the minimum price of Rs.442.55 as fixed in accordance with the guidelines for preferential issue of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 has been converted into equity shares of Rs.10/- each fully paid on 22nd August 2008 (Refer Clause 12 of Schedule J – Notes Forming part of Accounts).

(xix) The Company has not issued any debentures during the year. Hence clause (xix) is not applicable to the Company.

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

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

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

Place : Chennai
Date : 29th June 2009

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

V.C. KRISHNAN
Partner
Membership No.: 22167

Balance Sheet

as at 31st March 2009

	Schedule	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2008 Rs.
I. SOURCES OF FUNDS					
(1) Shareholders' Funds					
(a) Share capital	A	602,357,020		586,857,020	
(b) Preferential issue of equity share warrants (Refer clause 12 of Schedule (J))		77,099,995		145,695,245	
(c) Reserves & Surplus	B	13,029,112,296		11,647,820,007	
			13,708,569,311		12,380,372,272
(2) Loan Funds					
(a) Secured Loans	C	4,365,524,963		2,921,952,423	
(b) Unsecured Loans	D	129,291,000	4,494,815,963	134,396,000	3,056,348,423
(3) Deferred Tax Liability *			626,560,116		589,696,790
*Refer Clause 19 of Schedule (J)					
Total			**18,829,945,390**		**16,026,417,485**
II. APPLICATION OF FUNDS					
(1) Fixed Assets	F				
(a) Gross Block		9,406,666,748		7,591,784,175	
(b) Less : depreciation		2,779,915,727		2,348,323,005	
(c) Net Block		6,626,751,021		5,243,461,170	
(d) Add : Capital Work in progress		2,372,642,095		708,319,516	
			8,999,393,116		5,951,780,686
(2) Investments	G		6,292,795,165		7,060,108,864
(3) Current Assets, Loans & Advances	H				
(a) Inventories		1,088,417,301		790,890,463	
(b) Sundry Debtors		1,607,354,960		1,261,586,026	
(c) Cash and bank balances		646,160,389		1,045,572,862	
(d) Loans & Advances		3,693,223,781		2,721,098,393	
		7,035,156,431		5,819,147,744	
Less : Current Liabilities & Provisions	E				
(a) Liabilities		1,527,005,836		1,402,934,365	
(b) Provisions		1,970,851,061		1,404,755,444	
		3,497,856,897		2,807,689,809	
Net Current Assets			3,537,299,534		3,011,457,935
(4) Miscellaneous Expenditure (to the extent not written off or adjusted)	I		457,575		3,070,000
Total			**18,829,945,390**		**16,026,417,485**

Schedules 'A' to 'I' and notes in schedule 'J' form part of this Balance Sheet

As per our report annexed

For and on behalf of the Board of Directors

For **M/s S Viswanathan**
Chartered Accountants

V C Krishnan
Partner (Membership No. 22167)
17, Bishop Wallers Avenue (West)
CIT Colony, Mylapore
Chennai - 600 004

S K Venkataraman
Chief Financial Officer
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Executive Director - Finance

Place : Chennai
Date : 29th June 2009

Profit and Loss Account

for the year ended
31st March 2009

	Schedule	31.03.2009 Rs.	31.03.2008 Rs.
Income			
(a) Income from Health-care Services		14,579,776,424	11,253,941,778
(b) Other Income	I	223,725,582	262,525,891
Total		**14,803,502,006**	**11,516,467,669**
Expenditure			
(a) Operative Expenses	II	8,096,509,722	6,207,339,081
(b) Payments to and Provisions for Employees	III	2,210,510,008	1,684,818,881
(c) Administration and Other Expenses	IV	2,065,738,372	1,598,176,912
(d) Financial Expenses	V	223,160,437	198,975,755
(e) Preliminary & Other Expenses Incl.Public Issue		2,178,347	2,175,000
(f) Deferred Revenue Expenditure (Refer clause 1(D)(v)(c) of Schedule (J)		3,625,704	6,548,137
Total		**12,601,722,590**	**9,698,033,766**
Profit Before Depreciation & Tax		2,201,779,416	1,818,433,903
Less : Depreciation		439,203,799	367,460,695
Profit Before Extraordinary Item & Tax		**1,762,575,617**	**1,450,973,208**
Extraordinary Item (Refer Clause 5 of Schedule (J)		40,188,525	-
Profit Before Tax		**1,722,387,092**	**1,450,973,208**
Less : Fringe Benefit Tax		25,040,922	20,066,370
Less : Provision for Taxation		479,789,281	381,119,198
Less : Deferred Tax		36,863,326	19,061,407
Less : Income Tax Paid Relating to Earlier Years		-	13,274,123
Profit After Tax		**1,180,693,563**	**1,017,452,110**
Surplus in Profit & Loss account brought forward		1,247,923,680	892,427,592
Amount Available for Appropriations		**2,428,617,243**	**1,909,879,702**
Appropriations			
Dividend		401,601,584	352,114,212
Dividend tax payable		68,252,190	59,841,810
Transfer to General Reserve		750,000,000	250,000,000
Balance of Profit in Profit & Loss Account		1,208,763,469	1,247,923,680
Total		**2,428,617,243**	**1,909,879,702**
Earnings Per Share (Refer clause 31 of Schedule (J))			
Before Extraordinary Item			
Basic Earnings Per Share of face value Rs.10/- (2007-08 : Rs.10/- each)		20.25	18.61
Diluted Earnings Per Share of face value Rs.10/- (2007-08 : Rs.10/- each)		19.54	17.88
After Extraordinary Item			
Basic Earnings Per Share of face value Rs.10/- (2007-08 : Rs.10/- each)		19.80	18.61
Diluted Earnings Per Share of face value Rs.10/- (2007-08 : Rs.10/- each)		19.11	17.88

Schedules 'I' to 'V' and notes in Schedule 'J' form part of this Profit and Loss Account

As per our report annexed

For and on behalf of the Board of Directors

For **M/s S Viswanathan**
Chartered Accountants

S K Venkataraman
Chief Financial Officer
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

V C Krishnan
Partner (Membership No. 22167)
17, Bishop Wallers Avenue (West)
CIT Colony, Mylapore
Chennai - 600 004
Place : Chennai
Date : 29th June 2009

Preetha Reddy
Managing Director

Suneeta Reddy
Executive Director - Finance

Schedules to Balance Sheet

	31.03.2009 Rs.	Rs.	31.03.2008 Rs.	Rs.
SCHEDULE (A)				
Share Capital				
Authorised				
75,000,000 Equity Shares of Rs. 10/-each (2007-08 : 75,000,000 Equity Shares of Rs.10/- each)	750,000,000		750,000,000	
10,00,000 Preference Shares of Rs.100/- each (2007-08 : 1,000,000 preference shares of Rs.100/- each)	100,000,000		100,000,000	
Issued		**850,000,000**		850,000,000
a) 60,502,211 Equity Shares of Rs. 10/-each (2007-08 : 58,952,211 equity shares of Rs.10/- each)		**605,022,110**		589,522,110
Subscribed and Paid up *				
(b) 60,235,702 Equity Shares of Rs. 10/-each (2007-08 : 58,685,702 equity shares of Rs.10/- each)		**602,357,020**		**586,857,020**

*(a) Includes 918,298 Equity Shares of Rs.10/-each fully paid up allotted on conversion of first 2 years interest on debentures, 20% on the face value of debentures and 20,812,231 Equity Shares of Rs. 10/-each fully paid up allotted to the shareholders of amalgamated companies for consideration other than cash

(b) Includes 1,039,965 Equity Shares of Rs.10/-each fully paid up allotted during the year 2006-07 on conversion of Equity share warrants issued on preferential basis during the year 2005-06

(c) Includes 2,079,930 Equity Shares of Rs. 10/-each fully paid up allotted on preferential basis during the year 2004-05

(d) Includes 4,689,400 (2007-08 : 4,861,310 underlying Equity Shares of Rs. 10/-each fully paid up representing Global Depository Receipts issued during the year 2005-06. (Refer clause 14 of Schedule J)

(e) Includes 7,047,119 Equity Shares of Rs. 10/-each fully paid up were allotted to Apax Mauritius FDI One Limited during the year 2007-08 on preferential basis

(f) Includes 1,550,000 Equity Shares of Rs. 10/-each fully paid up allotted during the year 2008-09 to Smt. Sangita Reddy on conversion of Equity Share warrants issued on preferential basis during the year 2006-07 (Refer clause 12 of Schedule (J)

	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2008 Rs.
SCHEDULE (B)				
Reserves & Surplus				
A. Capital Reserve				
(1) Capital Reserve		17,846,142		17,846,142
(2) Profit on forfeited shares		414,120		414,120
B. Capital Redemption Reserve		60,022,900		60,022,900
C. Share Premium				
Balance as per last Balance sheet	9,064,770,637		4,970,747,950	
Add : Premium received from preferential issue of Equity Shares to Apax Mauritius FDI one Limited	-		4,193,529,104	
Add : Premium received from Promoters issue #	670,452,500			
Less : Expenses incurred for the year	-		99,506,417	
		9,735,223,137		9,064,770,637
D. General Reserve				
Balance as per last balance sheet	1,249,029,276		722,643,566	
Add : Transfer from Debenture Redemption Reserve	-		276,385,710	
Add: Transferred during the Year	750,000,000		250,000,000	
		1,999,029,276		1,249,029,276
E. Other Reserves				
(i) Investment Allowance Reserve		7,626,657		7,626,657
(ii) Foreign Exchange Fluctuation Reserve		186,595		186,595
(iii) Debenture Redemption Reserve Balance as per last Balance Sheet	-		276,385,710	
Less : Transfer to General Reserve	-		276,385,710	
(iv) Profit & Loss Account		1,208,763,469		1,247,923,680
Total		**13,029,112,296**		**11,647,820,007**

Refer clause 12 of Schedule (J)

	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2008 Rs.
SCHEDULE (C)				
Secured Loans				
A. Loans And Advances From Banks				
i) Cash credit		168,889,346		132,053,848
ii) ECB (Bank of Bahrain & Kuwait) (Refer clause 21 of Schedule (J))		-		28,457,000
iii) Indian Bank	1,000,000,000		1,000,000,000	
iv) Bank of India	1,000,000,000		1,000,000,000	
v) Canara Bank	2,160,000,000		750,000,000	
ADD Interest accrued and due	36,635,617		11,441,575	
		4,196,635,617		2,761,441,575
Total		**4,365,524,963**		**2,921,952,423**

Refer clause 8 of Schedule (J) for details of Security Amount repayable within one Year Rs.142,857,143/- (Previous year Rs.28,457,000/-) excluding cash credit.

Apollo HOSPITALS TOUCHING LIVES

	31.03.2009 Rs.	Rs.	31.03.2008 Rs.	Rs.
SCHEDULE (D)				
Unsecured Loans				
(i) Fixed Deposits		129,291,000		134,396,000
Total		**129,291,000**		**134,396,000**
Amount maturing within one Year Rs. 84,075,000/- (Previous year Rs. 30,430,000/-)				
SCHEDULE (E)				
Current Liabilities & Provisions				
A) Current Liabilities				
1. Acceptances		284,916,973		200,454,205
2. Sundry Creditors *				
(i) Total outstanding dues of Micro Enterprises and Small Enterprises				
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises				
a) For Goods	441,353,353		514,831,456	
b) For Expenses	206,419,858		150,075,377	
c) For Capital Goods	55,677,303		45,294,062	
d) For Others	46,598,187		15,545,829	
		750,048,701		725,746,724
3. Advances				
a) Inpatient Deposits	76,603,885		72,901,626	
b) Rent	39,545,834		63,059,246	
c) Others	22,280,465		3,566,552	
		138,430,184		139,527,424
4. Investor Education and Protection Fund shall be credited by the following:				
a) Unclaimed Dividend		15,177,365		13,673,834
b) Unclaimed Deposits		6,861,000		6,939,000
5. Other Liabilities				
a)Tax Deducted at source	58,017,884		61,285,052	
b)Retention money on capital contracts	1,695,833		1,538,915	
c)Outstanding expenses	260,513,754		246,377,715	
		320,227,471		309,201,682
6. Interest accrued but not due		11,344,142		7,391,496
		1,527,005,836		1,402,934,365
B) Provisions				
a) For Taxation	1,470,248,415		982,048,754	
b) For Dividend	-			
i Equity shares	401,601,584		352,114,212	
c) Bonus	93,682,091		66,175,920	
d) Staff benefits	5,318,971		4,416,558	
		1,970,581,061		1,404,755,444
Total		**3,497,856,897**		**2,807,689,809**

*Refer Clause 36 of Schedule (J)

SCHEDULE (F)
Fixed Assets

Sl. No.	Description	GROSS BLOCK As on 01.04.2008 Rs.	GROSS BLOCK Additions Rs.	GROSS BLOCK Deletions Rs.	GROSS BLOCK As on 31.03.2009 Rs.	DEPRECIATION / AMORTIZATION As on 01.04.2008 Rs.	DEPRECIATION For the year Additions (withdrawn) Rs.	DEPRECIATION For the year Deletions	DEPRECIATION As on 31.03.2009 Rs.	NETBLOCK As on 31.03.2009 Rs.	NETBLOCK As on 31.03.2008 Rs.
	Tangible Assets										
1	Land	859,585,091	163,627,663	-	1,023,212,754	-	-	-	-	1,023,212,754	859,585,091
2	Buildings	1,170,545,538	215,200,851	-	1,385,746,389	184,833,019	24,381,592	-	209,214,612	1,176,531,777	985,712,519
3	Leasehold Building *	220,423,869	68,676,422	-	289,100,291	50,966,240	16,323,215	-	67,289,455	221,810,836	169,457,629
4	Medical equipment & Surgical Insturments	3,299,476,480	793,884,788	46,214,227	4,047,147,041	1,331,859,166	228,872,808	64,677	1,560,667,299	2,486,479,740	1,967,617,314
5	Electrical Installations & Generators	541,432,708	95,968,701	378,557	637,022,852	193,858,749	28,095,597	26,015	221,928,331	415,094,521	347,573,959
6	Airconditioning plant & airconditioners	179,590,194	29,815,304	725,994	208,679,504	68,634,216	8,721,959	7,110	77,349,064	131,330,440	110,955,978
7	Office equipment	387,328,390	99,708,663	3,247,643	483,789,410	201,538,144	47,118,002	504,421	248,151,726	235,637,684	185,790,246
8	Furniture & Fixtures	688,434,220	385,723,447	33,468,132	1,040,689,535	220,972,090	65,280,783	2,787,358	283,465,514	757,224,021	467,462,130
9	Fire fighting equipment	14,666,147	4,125,963	-	18,792,110	3,723,481	726,419	-	4,449,899	14,342,211	10,942,666
10	Boilers	1,869,715	-	-	1,869,715	946,694	56,134	-	1,002,827	866,888	923,021
11	Kitchen equipment	21,924,423	3,212,115	-	25,136,538	6,978,291	1,426,526	-	8,404,817	16,731,721	14,946,132
12	Refrigerators	19,782,695	5,730,525	629,197	24,884,023	4,272,698	1,066,952	18,041	5,321,609	19,562,414	15,509,997
13	Vehicles	159,556,215	42,744,112	8,950,114	193,350,213	57,633,667	15,294,805	4,203,455	68,725,017	124,625,196	101,922,548
14	Wind Electric Generator	26,849,994	-	-	26,849,994	22,022,699	1,771,750	-	23,794,449	3,055,545	4,827,295
	Intangible Assets										
15	Computer Software	318,496	77,883		396,379	83,851	67,257	-	151,108	245,271	234,645
	Total	**7,591,784,175**	**1,908,496,437**	**93,613,864**	**9,406,666,748**	**2,348,323,005**	**439,203,799**	**7,611,077**	**2,779,915,727**	**6,626,751,021**	**5,243,461,170**
	Previous year	**6,011,264,062**	**1,586,652,437**	**6,132,324**	**7,591,784,175**	**1,982,877,734**	**367,460,695**	**2,015,425**	**2,348,323,005**	**5,243,461,170**	**4,028,386,328**
	Capital work-in-Progress (includes capital advances)**									2,372,642,095	
	Capital work-in-Progress (Previous Year)									708,319,516	

* Refer clause 1(D) (v) of Schedule (J)

** Refer clause 1(F) (b) of Schedule (J)

	Face Value Rs.	31.03.2009 No of Equity Shares / Units	31.03.2009 Total Rs.	31.03.2008 No of Equity Shares / Units	31.03.2008 Total Rs.
SCHEDULE (G)					
Investments					
Investment in Government Securities Current Investments (lower of cost and market value)					
A. Unquoted					
National Saving Certificate			260,300		200,800
Trade Investments					
Long Term Investments (at cost)					
A) Quoted					
Associates					
Indaraprastha Medical Corporation Limited					
Market Value as on 31.03.2009 Rs. 28.67 Per share (1,977,217 equity shares purchased during the year)	10	16,733,474	246,067,591	14,756,257	194,287,562
B) Unquoted					
i) Subsidiaries					
(1) Unique Home Healthcare Limited	10	29,823,012	297,400,000	29,823,012	297,400,000
(2) AB Medical Centres Limited	1,000	16,800	21,799,899	16,800	21,799,899
(3) Samudra Healthcare Enterprises Limited	10	8,887,934	101,100,000	8,887,934	101,100,000
(4) Imperial Hospitals & Research Centre Ltd	10	15,271,000	351,710,000	15,271,000	351,710,000
(5) Apollo Hospitals (U K) ltd	1 £	5,000	390,000	5,000	390,000
(6) Pinakini Hospitals Limited (693,788 equity shares purchased during the year)	10	855,228	13,959,511	161,440	1,224,200
ii) Joint Ventures * *					
(1) Apollo Hospitals International Limited	10	211,717	2,117,170	211,717	2,117,170
(2) Apollo Gleneagles Hospitals Limited (9,000,000 equity shares allotted during the year)	10	44,675,697	293,121,930	35,675,697	203,121,930
(3) Apollo Gleneagles Hospitals PET-CT Private Limited	10	8,500,000	85,000,000	8,500,000	85,000,000
(4) Western Hospital Corporation Private Limited	10	7,200,000	72,000,000	7,200,000	72,000,000
iii) Associates					
British American Hospitals Enterprises Limited (1,151,467 Shares allotted 100 MUR during the year)		1,393,079	73,449,135	241,612	32,107,063
iv) Long Term - Others					
Kurnool Hospitals Enterprises Limited	10	157,500	1,732,500	157,500	1,732,500
** Refer clause 13(c) of Schedule (J)					
	C/f		1,560,108,036		1,364,191,124

	Face Value Rs.	31.03.2009 No of Equity Shares / Units	31.03.2009 Total Rs.	31.03.2008 No of Equity Shares / Units	31.03.2008 Total Rs.
	B/f		1,560,108,036		1,364,191,124
Non Trade Investments					
Long Term Investments (at cost)					
(A) Quoted					
Debentures @					
Debentures of Citi Corp Finance (India) Limited (Company) CFIL NCD Series 214 Non-Convertible Redeemable Debentures Market value as on 31-3-2009 Rs.1,045,000/- per unit (Refer clause 14 of Schedule J)	1,000,000	250	250,000,000	250	250,000,000
B) Unquoted					
i) Subsidiaries					
(1) Apollo Health & Lifestyle Limited	10	6,451,723	64,517,229	6,451,723	64,517,229
ii) Joint Ventures					
i) Apollo D K V Insurance Company Ltd	10	21,600,000	216,000,000	21,600,000	216,000,000
iii) Associates					
(1) Family Health Plan Limited	10	490,000	4,900,000	490,000	4,900,000
(2) Apollo Health Street Limited	10	11,181,360	1,231,854,880	11,181,360	1,231,854,880
Current Investment - Others					
Current Investments (lower of cost and market value) Other-Portfolio Management Scheme					
(i) Sundaram BNP			-		509,750,122
(ii) Certificate of Deposit - HDFC Bank@ Non-Cumulative Fixed Deposits			100,000,000		-
Others Mutual Fund@					
i) RIF Retail Growth Plan Net Asset Value as on 31.03.2009 Rs. 12.9921/- Per unit (11,546,810.77 units purchased during the year)	10	11,546,810	150,000,000	-	-
ii) HDFC Cash Management Fund - Treasury advantage plan - Wholesale Daily Dividend Reinvestment plan Net Asset Value as on 31.03.2009 Rs . 10.0315/- Per unit (112,959,380.833 units purchased during the year. 197,641.565 units cumulated during the year 97,890,921.002 units sold during the year)	10	15,266,101	153,141,896	-	-
iii) Reliance Fixed Time Horizon Fund VII-series 5 Institutional Dividend plan Net Asset Value as on 31.03.2009 Rs. 10.0661/- Per unit	10	75,000,000	750,000,000	75,000,000	750,000,000
iv) Kotak FMP 13M series 4 Institutional Growth Net Asset Value as on 31.03.2009 Rs. 10.9530/- Per unit	10	25,000,000	250,000,000	25,000,000	250,000,000
v) HDFC-FMP 370D Mar 2008(Vii)(2)Whole sale plan GrowthPayout option Net Asset Value as on 31.03.2009 Rs. 10.9952/- Per unit	10	50,000,000	500,000,000	50,000,000	500,000,000
	C/f		**5,230,522,041**		**5,141,213,355**

	Face Value Rs.	31.03.2009 No of Equity Shares / Units	31.03.2009 Total Rs.	31.03.2008 No of Equity Shares / Units	31.03.2008 Total Rs.
	B/f		**5,230,522,041**		**5,141,213,355**
vi) Canara Robeco Fixed Maturity Institutional Growth- Plan 2 (13 Months) Net Asset Value as on 31.03.2009 Rs. 11.0341/- Per unit	10	25,000,000	250,000,000	25,000,000	250,000,000
vii) HDFC Short term Plan Dividend Reinvestment (20,201,513.616 units purchased during the year.251,285.286 units cumulated during the year 51,624,498.327 units sold during the year.)	10	-	-	31,171,699	322,331,780
viii) AIG Short term Fund Institutional Monthly Dividend (268,557.704 units purchased during the year. 11,125.152 units cumulated during the year 1,029,531.856 units sold during the year)	1,000	-	-	749,849	750,971,848
ix) HDFC Cash Management Fund - Savings Plan Daily Dividend Reinvestment plan (81,794,592.155 units purchased during the year.157,024.362 units cumulated during the year 81,951,616.517 units sold during the year.)		-	-	-	-
x) AIG India Treasury Fund Institutional Daily Dividend Reinvestment plan (19,978,223.736 units purchased during the year.16,022.659 units cumulated during the year 19,994,246.395 units sold during the year.)		-	-	-	-
xi) HDFC Income Fund - Dividend Reinvestment Plan (14,465,499.783 units purchased during the year.14,465,499.783 units sold during the year)		-	-	-	-
xii) Birla B8861d BSL Interval Income-Instl-Monthly-Series 2 Dividend Payout (62,000,000 units purchased during the year.335,950 units cumulated during the year 62,335,950 units sold during the year.)		-	-	-	-
xiii) B301QD Biral Sun life Income Plus Quarterly Dividend payout (9,428,180.833 units purchased during the year.9,428,180.833 units sold during the year)		-	-	-	-
xiv) HDFC-FMP 370D Mar 2008(Vii)(2) Whole sale plan GrowthPayout option (21,013,816.478 units purchased during the year.21,013,816.478 units sold during the year)		-	-	-	-
xv) NLPSDD Canara Robeco Liquid Plus (treasury advantage) Super Instt Daily Dividend Reinvestment plan (17,731,782.6083 units purchased during the year.12,132.4402 units cumulated during the year 17,743,915.0485 units sold during the year.)					
	C/f		**5,480,522,041**		**6,464,516,983**

	Face Value Rs.	31.03.2009 No of Equity Shares / Units	31.03.2009 Total Rs.	31.03.2008 No of Equity Shares / Units	31.03.2008 Total Rs.
	B/f		**5,480,522,041**		**6,464,516,983**
xvi) IDFC G614 Fixed Maturity Plan-Quarterly series 38 Dividend (7,000,000 units purchased during the year.152,950 units cumulated during the year 7,152,950 units sold during the year.)		-	-	-	-
xvii) NLFID Canara Robeco Liquid Fund Institutional Daily Dividend Reinvestment plan (14,912,724.6728 units purchased during the year 20,033.4719 units cumulated during the year 14,932,758.1447 units sold during the year.)		-	-	-	-
xviii) NLPIDD Canara Robeco Liquid Plus (treasury advantage) Institutional Daily Dividend Reinvestment plan (10,480,229.7564 units purchased during the year.24,882.6478 units cumulated during the year 10,505,112.4042 units sold during the year)		-	-	-	-
xix) NIMID Canara Robeco Interval Monthly Institutional Dividend Fund (35,967,988.4902 units purchased during the year.35,967,988.4902 units sold during the year)		-	-	-	-
xx) NLFSD Canara Robeco Liquid Super Institutional Daily Dividend Reinvestment plan (12,946,917.6377 units purchased during the year.2,913.914 units cumulated during the year 12,949,831.5517 units sold during the year.)		-	-	-	-
xxi) Kotak Floater Long Term-Weekly Dividend (11,906,297.439 units purchased during the year.43,161.321 units cumulated during the year 11,949,458.76 units sold during the year.)		-	-	-	-
xxii) Reliance Monthly Interval Fund-Series 1 - Institutional Dividend Plan (24,980,764.811 units purchased during the year.24,980,764.811 units sold during the year) AIG India Treasur Fund Super Institutional		-	-	-	-
xxiii) Daily Dividend Reinvestment plan (76,027,625.288 units purchased during the year.758,091.828 units cumulated during the year 76,786,717.116 units sold during the year.)		-	-	-	-
xxiv) Tata Fixed Horizon fund series 19 scheme D Institutional Paln periodic dividend (70,000,000 units purchased during the year.1,650,309.73 units cumulated during the year 71,650,309.73 units sold during the year.)		-	-	-	-
4. Advance for Investments in shares for various projects under construction			812,273,124		595,591,881
Total Investments			**6,292,795,165**		**7,060,108,864**

	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2008 Rs.
"@ Balance of Unutilised monies raised by the Preferential Issue (Refer Clause 7 of Schedule 'J')"	2,403,141,896			
Aggregate amount of Quoted Investments				
Market Value Rs.740,998,700/- (31.03.2008 Rs. 696,518,967/-)		496,067,591		444,287,562
Aggregate amount of Unquoted Investment		4,984,454,450		6,020,229,421
Advance for Investments in shares		812,273,124		595,591,881
Total		**6,292,795,165**		**7,060,108,864**
Dividend from Long Term Investment		20,658,759		18,602,821
Dividend from Current Investment		146,622,614		68,930,256
Other Income from Current Investment		-		9,750,122
Profit/(Loss) on disposal of Current Investment		5,967,484		81,847,339
(Profit on sale of Current Investment Rs. 10,092,109/-				
Loss on sale of Current Investment Rs. 4,124,625/-)				

	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2008 Rs.
SCHEDULE (H)				
Current Assets, Loans & Advances				
A. Current Assets				
(1) Inventories (at cost)				
i) Medicines	858,350,326		612,218,905	
ii) Stores, spares	47,651,607		27,706,869	
iii) Lab Materials	16,661,834		13,981,857	
iv) Surgical Instruments	103,158,331		84,525,015	
v) Other Consumables	62,595,203		52,457,817	
		1,088,417,301		790,890,463
(As taken, certified, and valued by management)				
(2) Sundry Debtors (Unsecured and considered Good) (Refer clause 23 of Schedule (J)				
a) Debtors Outstanding for a period exceeding six months	581,979,532		285,502,174	
Less : Provision for Bad debts	5,593,603	576,385,929	3,832,000	281,670,174
b) Other Debts		1,030,969,031		979,915,852
(3) Cash and Bank Balances				
a) Cash on hand	32,425,398		29,827,139	
b) Bank Balance with Scheduled banks				
i) In Current Account	485,609,675		815,129,764	
ii) In Deposit Account	128,125,316		200,615,959	
		646,160,389		1,045,572,860
C/f		**3,341,932,650**		**3,098,049,350**

	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2008 Rs.
B/f		**3,341,932,650**		**3,098,049,350**
B. Loans and Advances				
(4) Loans				
i) To Subsidiary				
a) Imperial Hospital & Research Centre Ltd		194,000,000		120,000,000
(5) Advances				
Subsidiaries				
a) Unique Home Health Care Limited	84,391,934		84,299,394	
b) Imperial Hospital & Research Centre Ltd	13,228,344		2,488,047	
c) A B Medical centers Limited	6,840,715		10,466,130	
d) Samudra Health Care Enterprises Ltd	15,791,895		5,962,252	
e) Apollo Health & Lifestyle Limited	12,366,987		275,675	
Others				
a) For capital items	78,876,655		39,198,108	
b) To suppliers	64,796,102		87,546,836	
c) Other advances	917,395,008		720,654,337	
d) Staff advances	35,067,694		22,075,266	
		1,228,755,334		972,966,045
(6) Advance tax		1,235,908,655		860,064,268
(7) Deposits				
a) With Government	41,728,346		39,166,609	
b) With others	495,143,177		392,092,987	
		536,871,523		431,259,596
(8) Prepaid Expenses		55,351,284		43,819,372
(9) Rent Receivables		4,419,689		1,678,164
(10) Service Charges Receivables		1,792,820		10,629,087
(11) Tax Deducted at Source		426,060,476		274,273,046
(12) Interest Receivable		3,849,576		1,214,217
(13) Franchise Fees Receivable		4,078,524		3,058,699
(14) Royalty Receivable		2,135,900		2,135,900
Total		**7,035,156,431**		**5,819,147,744**

SCHEDULE (I)

Miscellaneous Expenditure

(To the extent not written off or adjusted)

	31.03.2009 Rs.	31.03.2008 Rs.
(a) Preliminary & Other Expenses Including commission,brokerage underwriting of subscription of shares and debentures	217,575	2,350,000
(b) Deferred Revenue Expenditure	240,000	720,000
Total	**457,575**	**3,070,000**

Schedules to Profit & Loss Account

	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2008 Rs.
SCHEDULE - (I)				
Other Income				
a) Interest earned (TDS Rs. 6,309,793/-:2007-08 Rs. 2,672,238)		34,744,317		25,189,077
b) Dividend				
i) From Current Investments		146,622,614		68,930,256
ii) From Long Term Investments		20,658,759		18,602,821
c) Other income from Current Investments		-		9,750,122
d) Income from Treasury operations		11,285,869		58,206,276
e) Profit on sale of investment Current Investment		10,092,109		81,847,339
f) Profit on sale of asset		321,913		
Total		**223,725,582**		**262,525,891**
SCHEDULE - (II)				
Operative Expenses				
Materials Consumed				
(a) Opening stock	760,835,554		518,125,456	
ADD :				
Purchases	7,955,662,218		6,047,214,700	
Customs Duty	4,993,390		4,706,650	
Freight Charges	10,583,421		7,415,748	
	8,732,074,583		6,577,462,554	
Less : Closing stock	1,045,555,065		760,835,554	
		7,686,519,518		5,816,627,000
(b) Fees to Consultants		4,146,231		423,342
(c) Power & Fuel		246,942,821		240,912,868
(d) House Keeping Expenses		125,081,841		123,788,045
(e) Water Charges		33,819,311		25,587,826
Total		**8,096,509,722**		**6,207,339,081**
SCHEDULE - (III)				
Payments to and Provisions for Employees				
(a) Salaries & Wages		1,852,540,324		1,418,920,462
(b) Contribution to Provident Fund		101,232,024		72,686,277
(c) Employee State Insurance		13,459,577		8,447,878
(d) Employee Benefits		882,441		2,484,222
(e) Staff Welfare Expenses		136,756,794		105,549,807
(f) Staff Education & Training		11,956,487		10,554,315
(g) Bonus		93,682,361		66,175,920
Total		**2,210,510,008**		**1,684,818,881**

	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2008 Rs.
SCHEDULE - (IV)				
Adminstration & Other Expenses				
(a) Rent		571,420,839		383,995,969
(b) Rates & Taxes		44,669,155		38,740,979
(c) Printing & Stationery		148,577,798		112,742,321
(d) Postage & Telegram		11,405,966		8,827,937
(e) Insurance		23,843,499		27,254,958
(f) Directors Sitting Fees		1,680,000		2,060,000
(g) Advertisement, Publicity & Marketing		188,279,810		153,890,836
(h) Travelling & Conveyance		165,028,199		135,051,629
(i) Subscriptions		2,579,724		3,807,547
(j) Security Charges		39,761,690		29,554,996
(k) Legal & Professional Fees		113,328,126		88,430,515
(l) Continuing Medical Education & Hospitality Expenses		4,748,568		2,200,787
(m) Hiring Charges		5,418,013		5,152,662
(n) Seminar Expenses		4,203,313		462,258
(o) Audio & Video Charges		22,037,347		19,129,412
(p) Telephone Expenses		66,499,798		53,642,431
(q) Books & Periodicals		5,971,933		3,376,347
(r) Miscellaneous Expenses		48,571,427		43,909,552
(s) Investment Written off		-		5,048,000
(t) Bad Debts Written off		30,604,270		34,934,216
(u) Donations		5,895,769		4,679,324
(v) Provision for Bad Debts		4,620,050		3,832,000
(w) Repairs & Maintenance				
i) Building	101,492,680		106,387,951	
ii) Equipment	154,697,160		146,264,504	
iii) Vehicles	18,061,136		13,597,696	
iv) Office Maintenance & Others	92,247,625		61,307,962	
		366,498,602		327,558,113
(x) Royalty paid		1,422,803		895,390
(y) Outsourcing expenses		182,415,369		107,719,515
(z) Loss on sale of assets		2,131,679		1,279,220
(aa) Loss on sale of current investment		4,124,625		
Total		**2,065,738,372**		**1,598,176,912**
SCHEDULE (V)				
Financial Expenses				
a. Interest on				
i) Fixed Loans	149,582,069		156,801,223	
ii) Fixed Deposits	12,922,272		12,656,819	
iii) Debentures	-		2,730,191	-
		162,504,341		172,188,233
b. Bank charges		28,433,732		22,537,115
c. Brokerage & commission		1,134,925		4,250,406
d. Foregin Exchange Loss		31,087,438		-
Total		**223,160,437**		**198,975,755**

Notes Forming Part of Accounts

SCHEDULE (J)

1. Significant Accounting Policies

A. Basis of Preparation of Financial Statements

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

B. Inventories

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

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

3. Surgical instruments, linen, crockery and cutlery are valued at cost and are subject to 1/3 write off wherever applicable applying (FIFO method). The net realisable value is not applicable in the absence of any further modification/alteration before being consumed in-house. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location.

4. Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction. (Also refer Note 10 in the Notes forming part of Accounts).

C. Prior Period Items and Extraordinary Items

Prior period items and extraordinary items are separately classified, identified and dealt with as required under Accounting Standard 5 on 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' issued by the Institute of Chartered Accountants of India.

D. Depreciation and Amortisation

i. Depreciation has been provided

   a. On assets installed after 1st April, 1987 on straight line method at rates specified in Schedule XIV of the Companies Act, 1956 on single shift basis.

   b. On assets installed prior to 2nd April 1987 on straight-line method at the rates equivalent to the Income Tax rates.

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

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

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

v. Amortization

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

b. The Company has entered into a lease agreement for a period of 9 years with an option to extend the lease by another 16 years. The depreciation on the leasehold building is charged on a straight line basis with the lease period being considered as 25 years. This is in conformity with the definition of lease term as per Clause 3 of AS 19 'Leases' issued by the Institute of Chartered Accountants of India.

c. Unrealised amounts on project development and pre-operative project expenses incurred at Bilaspur Hospital amounting to Rs. 56,622,740/- are included in advances and deposits account. The above expenses incurred on project will be amortised over the balance lease period of 18 years. The balance yet to be amortised as on 31.03.2009 is Rs.34,602,786/- (Rs. 37,748,490/-).

d. A lease rental on operating leases is recognised as an expense in the Profit & Loss Account on straight-line basis as per the terms of the agreement in accordance with Accounting Standard 19 'Leases' issued by the Institute of Chartered Accountants of India.

E. Revenue Recognition

Income from Healthcare Services is recognised on completed service contract method. The hospital collections of the company are net of discounts of Rs. 20,519,381/- (Rs. 22,007,701/-). Revenue also includes the value of services rendered pending billing in respect of in-patients undergoing treatment as on 31st March 2009.

a. Pharmacy Sales are stated net of returns, discounts and exclusive of VAT wherever applicable.

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

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

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

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

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

F. Fixed Assets

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

b. Capital work – in – progress comprises of outstanding advances paid to acquire fixed assets and amounts expended on development/acquisition of Fixed Assets that are not yet ready for their intended use at the Balance Sheet Date. Expenditure during construction period incurred on projects under implementation is treated as pre-operative expenses, pending allocation to the assets and is included under Capital work- in -progress.

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

d. Interest on borrowings for acquisition of fixed assets and related revenue expenditure incurred for the period prior to the commencement of operations for the expansion activities of the company are capitalised.

G. Transactions in Foreign Currencies

a. Monetary Current Assets and Monetary Current Liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the exchange rates prevailing at the date of Balance Sheet. The difference in translation of monetary items and the realised gains and losses on foreign exchange transactions are recognised in the Profit & Loss Account in accordance with Accounting Standard 11 – 'Accounting for the Effects of Changes in Foreign Exchange Rates (Revised 2003)', issued by the Institute of Chartered Accountants of India (Also refer Note 10 in the Notes forming part of Accounts).

b. Exchange differences arising on settlement or restatement of foreign currency denominated liabilities relating to the acquisition of fixed assets, which is in accordance with Accounting Standard 11 "The effects of changes in foreign exchange rates", are recognised in the Profit and Loss Account. (Also refer Note 10 in the Notes forming part of Accounts).

c. The use of foreign currency forward contract is governed by the company's policies approved by the Board of Directors. These hedging contracts are not for speculation. All outstanding derivative instruments at close are marked to market by type of risk and the resultant losses relating to the year, if any, are recognised in the Profit and Loss Account; gains are ignored. (Also refer Note 22A in the Notes forming part of Accounts).

H. Investments

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

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

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

c. In case of foreign investments,

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

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

I. Employee Benefits

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

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

In terms of the opinion of the Expert Advisory Committee of the ICAI, the Company provides liability accruing on account of deferred entitlement towards LTC in the year in which the employees concerned render their services.

Defined Contribution Plan

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

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

Defined Benefit Plan

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

a. Gratuity

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

b. Leave Encashment Benefits

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

J. Borrowing Cost

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

K. Segment Reporting

Identification of Segments

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

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

Segment Policies

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

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

ii. Inter segment revenue and expenses are eliminated.

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

L. Earnings Per Share.

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

M. Taxation

i. Income Tax

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

ii. Deferred Tax

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

iii. Fringe Benefit Tax

Fringe Benefit Tax is provided in respect of benefits, defined under Section 115WB of the Income Tax Act 1961, provided to the employees during this year at the prescribed rates. Fringe Benefit Tax (FBT) payable under the provisions of section 115WC of the Income Tax Act, 1961, is in accordance with the Guidance Note on 'Accounting for Fringe Benefits Tax' issued by the Institute of Chartered Accountants of India regarded as an additional income tax and considered in determination of profits for the year.

N. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on internal/ external factors. An asset is treated as impaired based on the cash generating concept at the year end, when the carrying cost of assets exceeds its recoverable value, in terms of Para 5 to Para 13 of AS-28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, for the purpose of arriving at impairment loss thereon, if any. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

O. Bad Debts Policy

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

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

P. Miscellaneous Expenditure

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

Q. Intangible Assets

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

R. Provisions, Contingent Liabilities and Contingent Assets

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

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

2. Related Party Disclosures

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

Sl No	Name of Related Parties	Nature of relationship
1	Unique Home Health Care Limited	Subsidiary Companies (control exists)
2	AB Medical Centres Limited	
3	Samudra Healthcare Enterprises Limited	
4	Apollo Hospital (UK) Limited	
5	Apollo Health and Lifestyle Limited	
6	Imperial Hospital and Research Centre Limited	
7	Pinakini Hospitals Limited	
8	Apollo Hospitals International Limited	Joint Venture
9	Apollo Gleneagles Hospitals Limited	
10	Apollo Gleneagles PET-CT Private Limited	
11	Western Hospitals Corporation Private Limited	
12	Apollo DKV Insurance Company Limited	
13	Family Health Plan Limited	Associates
14	Apollo Health Street Limited	
15	British American Hospitals Enterprises Limited	
16	Indraprastha Medical Corporation Limited	
17	Dr. Prathap C Reddy	Key Management Personnel
18	Smt. Preetha Reddy	
19	Smt. Suneeta Reddy	
20	Smt. Sangita Reddy	
21	Shri. P.Obul Reddy	
22	Apollo Sindoori Hotels Limited	Enterprises over which Key-Management Personnel are able to exercise significant influence
23	P. Obul Reddy & Sons	
24	Apollo Mumbai Hospital Limited	
25	Apollo Health Resources Limited	
26	Medvarsity Online Limited	
27	Keimed Limited	
28	Lifetime Wellness RX International Limited	
29	Nippo Batteries Company Limited	
30	Panasonic Home Appliances India Co Limited	
31	PPN Power Generating Co Pvt Limited	
32	Aircel Cellular Ltd	
33	Health Super Hiway Private Limited	

Sl No	Name of the Related Party	Nature of transactions	31.03.2009 (Rs.)	31.03.2008 (Rs.)
1	Unique Home Health Care Ltd	a) Investment in Equity	297,400,000	297,400,000
		b) Advance given	84,391,934	84,299,394
		d) Payables as at year end	62,424	336,000
		e) Interest Paid	36,607	66,067
2	A B Medical Centres Ltd	a) Investment in Equity	21,799,899	21,799,899
		b) Advance given	6,840,715	10,466,130
		c) Lease rentals paid	7,200,000	7,200,000
3	Samudra Healthcare Enterprises Ltd	a) Investment in Equity	101,100,000	101,100,000
		b) Advance for investment	149,500,000	149,500,000
		c) Advance given	15,791,895	247,554
		d) Receivables at year end	-	5,714,698
		e) Other Credits	90,398	9,102
		f) Pharmacy Income	31,794,426	12,129,272
		g) Salaries	1,244,846	1,125,680
		h) Commission on Turnover	1,086,338	710,893
		i) Hospital services	687,205	-
4	Apollo Hospital (UK) Limited	a) Investment in Equity	390,000	390,000
5	Apollo Health & Lifestyle Ltd	a) Investment in Equity	64,517,230	64,517,230
		b) Receivables at year end	11,719,321	5,117,172
		c) Payable as at year end	-	564,645
		d) Rent received	501,750	456,137
		e) Reimbursement of expenses	4,499,555	3,892,841
		f) Fees	559,225	-
		g) Advance given	12,366,987	275,675
6	Imperial Hospital & Research Centre Ltd	a) Investment in Equity	351,710,000	351,710,000
		b) Loan given	194,000,000	120,000,000
		c) Interest receivable	15,298,234	4,863,266
		d) Advance given	13,228,344	2,488,047
		e) Receivables as at year end	162,543,456	25,260,289
		f) Pharmacy income	148,075,904	-
		g) Hospital Services	42,910	73,555
		h) Reimbursement of Expenses	10,827,984	(245,479)
		i) OMA Fees	33,552,684	-
7	Pinakini Hospitals Limited	a) Investment in Equity	13,959,511	1,224,200
		b) Advance Investment	57,398,347	500,000
		c) Transactions during the year	55,397,898	-

8	Apollo Hospitals International Limited	a) Investment in Equity	2,117,170	2,117,170
		b) Advance for Investment	322,820,785	271,809,333
		c) Corporate guarantees executed	207,500,000	207,500,000
		d) Receivables as at year end	944,488	71,844
		e) Payables as at year end	1,240,128	(95,941,026)
9	Apollo Gleneagles Hospital Limited	a) Investment in Equity	293,121,930	203,121,930
		b) Advance for Investment	-	75,000,000
		c) Advance given	37,972,674	46,149,329
		d) Receivables as at year end	44,257,975	28,061,509
		e) Commission on Turnover	45,266,341	37,143,602
		f) Pharmacy Income	313,932,246	259,508,277
		g) Reimbursement of Expenses	571,923	95,376
		h) Fees	22,423,448	-
		i) Payable at year end	47,831	-
10	Apollo Gleneagles PET-CT Private Limited	a) Investment in Equity	85,000,000	85,000,000
		b) Advance given	2,920,636	2,426,944
		c) Receivables as at year end	1,393,384	1,944,639
		d) Payables as at year end	1,473,211	1,782,071
		e) Rent received	2,085,828	2,110,356
		f) Pharmacy Income	532,369	543,866
		g) Salaries	805,850	719,970
		h) Deposits refundable	28,344,818	29,836,646
11	Western Hospital Corporation Private Limited	a) Investment in Equity	72,000,000	72,000,000
		b) Receivables at year end	3,165,693	3,817,271
		c) Reimbursement of Expenses	25,179,301	3,817,271
12	Apollo DKV Insurance Company Limited	a) Investment in Equity	216,000,000	216,000,000
		b) Receivables as at year end	7,500	9,000
		c) Other credits - (projects)	2,319,685	-
13	Family Health Plan Limited	a) Investment in Equity	4,900,000	4,900,000
		b) Receivables as at year end	1,031,065	11,130,759
		c) Payables as at year end	-	93,624
14	Apollo Health Street Limited	a) Investment in Equity	1,231,854,880	1,231,854,880
		b) Receivables as at year end	7,831,433	5,427
		c) Payables as at year end	(79,975)	(79,975)
		d) Rent received	21,266,232	20,062,140
		e) Interest Recivable	2,245,512	-

15	British American Hospitals Enterprises Limited	a) Investment in Equity	73,449,135	32,107,063
		b) Receivables at year end	45,264,668	33,032,657
		c) Fees	45,602,090	30,915,985
		d) Reimbursement of Expenses	5,050,920	2,116,672
		e) Advance for Investments	130,374,028	62,767,000
16	Indraprastha Medical Corporation Ltd	a) Investment in Equity	246,067,591	194,287,562
		b) Receivables as at year end	25,839,896	75,426,304
		c) Payables as at year end	(4,415,251)	(20,312,211)
		d) Pharmacy Income	834,951,033	713,028,219
		e) Commission on Turnover	27,546,201	28,207,280
		f) Licence Fees	8,700,000	8,700,000
17	Apollo Sindoori Hotels Ltd	a) Payables at year end	477,673	2,456,382
		b) Transaction during the year	101,371,887	91,980,883
		c) Receivable at year end	-	-
18	Apollo Mumbai Hospital Ltd	a) Receivables at year end	4,734,327	3,904,079
		b) Pharmacy Income	5,278,688	11,200,340
		c) Reimbursement of Expenses	10,101,769	2,025,788
19	Apollo Health Resources Ltd	a) Rent Earned	-	419,496
		b) Receivables at year end	11,773,431	10,766,786
		c) Professional Services Received	-	561,800
20	P. Obul Reddy & Sons	a) Payables as at year end	1,129,898	3,103,606
		b) Transaction during the year	18,901,990	15,041,555
		c) Receivables at year end	53,756	-
21	Medvarsity Online Ltd	a) Rent received	707,688	643,356
		b) Receivables at year end	-	476,316
22	Lifetime Wellness RX International Limited	a) Payable at year end	114,730	74,385
23	Keimed Limited	a) Receivables at year end	610,190	52,473,699
		b) Payables at year end	79,025,569	51,338,118
		c) Pharmacy Income	143,003	164,330
		d) Reimbursement of Expenses	-	382,585
		e) Purchases	1,436,694,782	1,584,542,393
		f) Salaries	-	392,240
24	Nippo Batteries Company Limited	a) Receivables at year end	73,580	545,823
25	Panasonic Home Appliances India Co Limited	a) Receivables at year end	90,000	90,000
26	Aircell Cellular Ltd	a) Transaction during the year	34,929	-
27	Health Super Hiway Pvt Ltd.	a) Advance for Investment	26,979,963	-

3. Contingent Liabilities

a. Claims against the company not acknowledged as debts- Rs. 267,121,672/- (Rs. 257,103,245/-).

b. Demand raised by Deputy Commissioner of Commercial Taxes (Enforcement) for VAT payable on the sale of Food and Beverages to the Patients, against which the Company has preferred an appeal with the Joint Commission of Commercial Taxes(Appeals) Mysore is Rs. 1,273,277/- (Rs. Nil)

c. The Company has executed bonds in favour of the President of India to the extent of Rs. 11,164,742/- (Rs. 11,164,742/-) pending its application for receipt of customs duty exemption certificates from the Government.

d. The Company filed a Special Leave Petition on 6th May 2008 before the Honourable Supreme Court against the judgement of the Divisional Bench of the Madras High Court dated 10th March 2008 allowing the reopening of the assessment for Assessment Year 2000-01 and disallowing the claim for set off of the unabsorbed depreciation. The Special Leave Petition was admitted by the Honourable Supreme Court on 15th May 2008. The Assessment Officer completed the assessment and raised a demand of Rs. 136,760,038/- which has since been stayed by the Honourable Supreme Court in its order dated 16th June 2008. Since in our opinion the amount is subjudice, the same has been treated as a contingent liability for the financial year ended 31st March 2009.

e. Estimated amount of contracts remaining to be executed on capital account not provided for on account of the expansion cum diversification programme of the company Rs. 4,986,109,680/- (Rs. 2,840,292,624/-).

f. Export obligation to be fulfilled in the next eight years on availing of concessional duty on imports under 5% EPCG Scheme to the extent of eight times the duty saved, amounts to Rs. 884,188,176/- (Rs. 364,864,512/-). The amount of duty saved during the year was Rs. 65,522,104/- (Rs. 21,394,266/-).

g. The estimated customs duty guarantees given by the company in favour of the Assistant Collector of Customs, pending receipt of customs duty exemption certificates amounts to Rs. 99,700,026/- (Rs. 99,700,026/-).

This is subject to the result of writ petition pending in the Madras High Court with respect to the Chennai Hospital division Rs. 73,709,545/- (Rs. 73,709,545/-) Application has been made for duty exemption certificates by the erstwhile Indian Hospitals Corporation Limited (Pharmaceutical division), which is pending with the Government. The estimated customs duty is Rs. 14,825,739/- (Rs. 14,825,739/-).

h. (i) Letters of credit opened by various banks in favour of foreign suppliers for consumables, spares, medicines and medical equipment amounts to Rs. 267,407,927/- (Rs. 210,907,655/-).

a. Bank Guarantees as on 31.03.2009 Rs. 36,231,640/- (Rs. 18,614,458/-)

b. Corporate Guarantees

(Rs. in Crores.)

On Behalf of	In Favour of	As at 31.03.2009	As at 31.03.2008
Apollo Hospitals International Limited	IDBI	5.00	5.00
	IDFC	15.75	15.75
Total		20.75	20.75

i. (i) Additional liability for payment of sales tax on work orders pursuant to court proceedings between contractors and the State governments amounts to Rs.206,076/- (Rs.206,076/-).

(ii) In respect of the claim for sales tax made by the Commercial Tax Department for Rs.1,039,135/- (Rs. 519,568/-) for the various assessment years, the matter is under contest.

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

5. The Arbitration Award against the Company was enforced by a party in Dubai based on the settlement between the parties. The claim made by the party in Dubai to the extent of Rs.40,188,525/- (Nil) was settled during the year.

6. Capital Work -in-Progress comprises:

Particulars	As at 31.03.2009	As at 31.03.2008
Civil Works Buildings	939,752,744	215,026,827
Medical Equipment	252,906,347	1,547,434
Capital Advances	322,278,231	26,236,289
Deposits	180,000,000	180,075,162
Land (Karim Nagar, Bhubaneshwar, Vizag)	145,455,757	164,621,453
Assets Purchased	93,209,602	1,140,488
Software (E-HIS and Oracle)	86,593,645	55,196,867
Ambulance	-	2,880,000
Pre Operative Expenses		
Rent	10,219,016	8,000,000
Power and fuel	88,811	18,112
Salaries	1,937,248	1,982,248
Staff Welfare	374,845	370,087
Miscellaneous	10,818,733	128,868
Interest and Financial Charges*	306,231,727	31,813,292
Legal and Registration Charges	20,320,780	16,827,780
Office Maintenance	1,949,792	1,949,792
Advertisement	504,817	504,817

*Includes interest on borrowings captalised during the year amounts Rs. 254,643,471/- (Rs.27,852,702)

7. Details of utilization of funds received on preferential allotment of equity shares: **(Rs in crore)**

Particulars	As on 31st March 2009
Opening Balance of Mutual Funds as on 1st April 2008	357.00
Funds received through Preferential Issues (from 1st April 2008 to 31st March 2009)	
(i) Allotment of Equity Shares to Promoter on 22nd August 2008 (90% of the total issue)	61.74
Total Funds received	**418.74**
Particulars of Utilization/Deposits	
New Projects	55.10
Expansion of existing facilities	29.95
Investment into equity/loans to group companies	21.38
Capital Expenditure & Working Capital	72.31
Balance amount parked in Mutual Funds / Subscription of Debentures / Deposits	**240.00**

8. Details of Secured Loans and Security

The Company has been granted an initial repayment holiday of 2 years with respect to the loans taken from Indian Bank, Bank of India and Canara Bank.

a) Indian Bank

Loan from Indian Bank is secured by way of:

Equitable mortgage by deposit of title deeds/ registered mortgage of unencumbered property of the Company at Greams Road and Teynampet in Chennai and all fixed assets on pari passu basis.

Hypothecation to the bank by way of First Charge of inventory of goods, produce and merchandise, vehicles, plant & machinery, consumer durables which are now in the possession of the company and/or to be purchased out of the bank's loan, book debts, outstanding monies, recoverable claims, bills, contracts, engagements, securities, investments and rights.

b) Bank of India

Loan from Bank of India is secured by way of:

Hypothecation by way of First charge of all tangible movable properties, all tangible movable machineries and plants (both present and future), assets and stocks (both present and future), all the present and future book debts, outstandings, money receivables, claims, bills which are now due and owing or which may at any time during the continuance of this security becomes due and owing to the Company.

c) Canara Bank

The loan is secured by way of pari passu First Charge on Project assets to be created out of the term loan of Canara Bank along with Bank of India.

d) Bank of Bahrain and Kuwait BSC.

Loan from Bank of Bahrain and Kuwait BSC have been repaid during the year.

e) Loans and advances/Credit facilities from Banks are secured by hypothecation of inventories and book debts and a second charge on specific fixed assets of the company.

f) The Company's Fixed Deposits receipts are under lien with the bankers for obtaining Letters of credit and Bank Guarantee.

Division	As on 31st March 2009	As on 31st March 2008
Hyderabad Hospital division	6,540,475	2,041,628
Chennai Hospital Division	15,000,000	Nil

9. As per the requirements of Accounting Standard 15 'Employee Benefits' (Revised 2005) issued by the Institute of Chartered Accountants of India, the contribution to the gratuity is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Only the additional provision as required is charged to the profit and loss account for the relevant year Rs.500,000/- (Rs.Nil). (Also refer Clause (I) of Notes Forming part of Accounts.)

Particulars	As at 31st March 2009		As at 31st March 2008	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Assumptions				
Discount Rate	7.50%	7.50%	7.50%	7.50%
Rate of Increase in Salaries	7.00%	10.00%	7.50%	11.00%
Mortality Rate	LIC 1994-96 Ultimate Tables	LIC 1994-96 Ultimate Tables	LIC 1994-96 Ultimate Tables	LIC 1994-96 Ultimate Tables
Turnover Rate	23.00%	23.00%	23.00%	23.00%
Estimated rate of return on plan assets	7.50%	N/A	7.50%	N/A
Investment details on plan assets	100% of the plan assets are invested in debt instruments			

Defined Benefit Plan **(Rs. in million)**

Particulars	As at 31st March 2009			As at 31st March 2008		
	Gratuity	Earned Leave	Total	Gratuity	Earned Leave	Total
Present Value of Obligation as on 1st April, 2008	171.28	125.00	296.28	129.35	56.91	186.26
Interest Cost	12.71	9.24	21.95	9.54	4.09	13.63
Current Service Cost	12.66	12.63	25.29	24.45	21.38	45.83
Benefit Paid	(3.52)	(3.65)	(7.17)	(4.21)	(4.72)	(8.93)
Actuarial (gain) / Loss on obligation	(27.22)	(21.23)	(48.45)	12.15	47.34	59.49
Present Value of Obligation as on 31st March, 2009	165.91	121.99	287.90	171.28	125.00	296.28
Defined benefit obligation liability as at the balance sheet is wholly funded by the company						
Change in plan assets						
Fair Value of Plan Assets as on 1st April, 2008	116.83	71.45	188.28	116.72	-	116.72
Expected return on plan assets	8.82	4.97	13.79	8.76	2.68	11.44
Contributions	-	-	-	-	66.50	66.50
Benefits paid	(3.52)	(3.65)	(7.17)	(4.21)	(4.72)	(8.93)
Actuarial gain / (loss)	(3.84)	(11.65)	(15.49)	(4.44)	6.99	2.55
Fair Value of Plan Assets as on 31st March, 2009	118.28	61.12	179.41	116.83	71.45	188.28
Reconcilation of present value of the obligation and the fair value of the plan assets						
Fair value of the defined benefit	165.91	121.99	287.90	171.28	125.00	296.28
Fair value of plan assets at the end of the year	(118.29)	(61.12)	(179.41)	(116.83)	(71.45)	(188.28)
Liability / (assets)	47.62	60.87	108.49	54.45	53.55	108.00
Unrecognised past service cost	-	-	-	-	-	-
Liability / (assets) recognised in the balance sheet	47.62	60.87	108.49	54.45	53.55	108.00
Gratuity & leave encashment cost for the period						
Service Cost	12.66	12.63	25.29	24.45	21.38	45.83
Interest Cost	12.71	9.24	21.95	9.54	4.09	13.63
Expected return on plan assets	(8.82)	(4.97)	(13.79)	(8.76)	(2.68)	(11.44)
Actuarial (gain) / loss	(23.39)	(9.58)	(32.96)	16.58	40.35	56.93
Past Service Cost	-	-	-	(51.36)	(82.09)	(133.46)
Net gratuity cost	(6.84)	7.32	0.49	(9.55)	(18.95)	(28.51)
Investment details of plan assets						
100% of the plan assets are invested in debt instruments						
Actual return on plan assets:	4.98	(6.68)	(1.70)	4.32	9.67	13.99

i. The company expects to contribute Rs.2 million to its gratuity plan next year.

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

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

10. During the year, the Foreign Exchange loss (the difference between the spot rates on the date of the transactions, and the actual rates at which the transactions are settled) amounting to Rs.31,087,438/- (Foreign Exchange Gain of Rs. 18,807,335/-) has been adjusted to the Profit and Loss Account, which is in conformity to the Accounting Standard 11 on 'Accounting for the effects of changes in Foreign Exchange rates' issued by the Institute of Chartered Accountants of India. However the notification no. G.S.R. 225(E) issued by Ministry of Corporate Affairs on 31st March 2009, has not been considered in the books since the company does not have any Long term foreign currency monetary items.

11. Leases

In respect of Non- cancellable Operating Leases

Lease payments recognised in the Profit & Loss Account is Rs. 571,420,839/- (Rs. 383,995,969/-)

Minimum Lease Payments	**31.03.2009 (Rs.)**	**31.03.2008 (Rs.)**
Not later than one year	284,438,230	161,670,264
Later than one year and not later than five years	764,916,926	545,888,901
Later than five years	1,484,697,002	896,473,482

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

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

12. The 1,550,000 equity share warrants issued to Smt. Sangita Reddy during the year 2006-07 at the minimum price of Rs. 442.55 as fixed in accordance with the guidelines for preferential issues of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 has been converted in to equity shares of Rs.10/- each fully paid on 22nd August 2008.

    The 1,549,157 share warrants issued to Dr. Prathap C Reddy 19th October 2007 was converted into 1,549,157 equity shares of Rs.10/- each fully paid up at a price of Rs.497.69 per equity share including premium of Rs.487.69 per equity share on 18th April 2009.

13. The Company has issued 9,000,000 Global Depository Receipts during the year 2005-06. Total GDRs converted into underlying equity shares during the year is 171,910 (2007-08: 757,800) and total GDRs converted upto 31st March 2009 is 4,310,600 (2007 –08 : 4,138,690).

14. The Company has invested in Non-Convertible Debentures of Citicorp Finance (India) Limited. These debentures are secured by way of mortgage and charge over movable financial assets and immovable assets of citicorp as identified by the Company.

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

16. Earnings in Foreign Exchange

Particulars	31.03.2009 (Rs.)	31.03.2008 (Rs.)
Hospital fees	58,201,061	40,702,390
Project Consultancy Services	134,736,152	949,965
Reimbursement of expenses	2,739,759	5,840,536
Pharmacy Sales*	219,787	82,461,688

* Pharmacy sales or sales made within India to inpatients who have paid in foreign currency.

17. Directors travelling included in travelling and conveyance amounts to Rs. 7,552,119/- (Rs. 13,923,163/-).

18. Unclaimed Dividend

Year	Amount in Rs.
2001-02	1,285,045
2002-03	1,444,028
2003-04	1,747,018
2004-05	1,980,388
2005-06	2,276,397
2006-07(*)	1,874,530
2006-07	1,265,598
2007-08	3,304,361
Total	15,177,365

(*) Interim Dividend

During the year, the amount transferred to Investors Education and Protection Fund of the Central Government as per the provisions of Section 205A and 205C of the Companies Act, 1956 is Rs. 1,668,843/- (Rs. 1,702,011/-) in aggregate which comprises of Rs.1,386,843/- (1,378,635/-) as unclaimed dividend and Rs. 282,000/- (Rs. 323,376/-) as unclaimed deposit.

19. Additional net deferred tax liability of Rs. 36,863,326/- (Rs. 19,061,407/-) for the period has been recognized in the Profit & Loss account.

	Deferred Tax Liability as at 31.03.2008 (Rs.)	Current year charge /(credit) (Rs.)	Deferred Tax Liability as at 31.03.2009 (Rs.)
Deferred Tax Liability on account of Depreciation	532,201,820	38,836,123	571,037,943
Deferred Tax Liability on account of Deferred Revenue Expenditure	57,494,970	(1,972,797)	55,522,173
Total	**589,696,790**	**36,863,326**	**626,560,116**

The company adjusts the amount of deferred tax liability carried forward by applying the tax rate that has been enacted or substantively enacted at the date of the Balance Sheet on accumulated timing differences. Such adjustment has not been effected this year since the tax rates have not changed for the Fiscal 2008-09.

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

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

Name of the Company	Country of Incorporation	Proportion of ownership Interest (%) 31.03.2009	Proportion of ownership Interest (%) 31.03.2008
Apollo Gleneagles Hospital Limited	India	50	50
Apollo Gleneagles PET CT Private Limited	India	50	50
Apollo Hospitals International Limited	India	50*	50*
Apollo DKV Insurance Company Limited	India	20.12	21.48
Western Hospitals Corporation Private Limited	India	40	40

*-Inclusive of 49.48% shares held by Unique Home Health Care Limited, a 100% Subsidiary of Apollo Hospitals Enterprise Limited.

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

I	ASSETS	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
	1.Net Fixed Assets	1,597,262,724	1,644,886,552
	2. Capital Work-in-Progress	72,934,481	3,031,689
	3.Investments	208,714,659	114,199,765
	4.Current Assets, Loans and Advances		
	a) Inventories	24,294,880	24,845,673
	b) Sundry Debtors	101,918,513	95,567,439
	c) Cash and Bank Balances	183,330,234	200,250,504
	d) Loans and Advances	84,122,705	56,924,113
	5. Deferred Tax Asset	101,175,521	99,625,623
II	LIABILITIES		
	1.Secured Loans	1,091,053,432	1,166,904,963
	2.Unsecured Loans	162,320,836	162,320,836
	3.Current Liabilities and Provisions		
	a) Liabilities	421,262,053	226,610,019
	b) Provisions	6,335,139	4,785,139
III	INCOME	For the year ended 31st March, 2009 (Rs.)	For the year ended 31st March, 2008 (Rs.)
	1.Income from healthcare services	831,326,840	632,835,605
	2.Other Income	18,961,558	11,656,738
IV	EXPENDITURE		
	1.Operating Expenses	298,016,734	242,801,918
	2.Payment and provisions to employees	175,060,657	131,989,938
	3. Administrative and other expense	326,653,977	186,084,595
	4. Financial expense	136,327,444	126,933,912
	5.Depreciation / Amortisation	110,903,651	110,577,418
	6.Profit Before Taxation	(196,674,065)	(153,895,438)

	7.Provision for Taxation (Including Deferred Tax Liability and Fringe Benefit Tax)	2,094,338	1,995,859
	8.Deferred Tax Asset	1,549,899	24,426,180
	9.Proft after taxation before minority interests	(197,218,504)	(131,465,118)
	10. Minority Interest	-	-
	11.Net Profit	(197,218,504)	(131,465,118)
V	**OTHER MATTERS**	**31.03.2009 (Rs.)**	**31.03.2008 (Rs.)**
	1. Contingent Liabilities	118,091,560	117,070,000
	2. Capital Commitments	48,026,000	9,872,500

21. Bank of Bahrain and Kuwait BSC had granted a loan of USD 3 Million during 2003-04 to the company. The company had entered into a forward currency contract with HDFC Bank in Indian rupees at a fixed interest rate for hedging the foreign currency fluctuation risk and the interest rate risk. The tenure of this derivative contract matches the tenure of the loan. The outstanding unsettled contracts as on 31st March 2009 amounts to Nil. (Rs. 4,800,000/-). The loan has been fully repaid in July 2008.

22. Gain/loss on currency swap transactions during the year on unsettled contracts as on 31st March 2009 accounted for in the Profit and Loss Account is Nil (Nil).

23. **Sundry Debtors, Loans and Advances**

i. Confirmations of balances from Debtors, Creditors and for Deposits are yet to be received in a few cases though the company has sent letters of confirmation to them. The balances adopted are as appearing in the books of accounts of the Company.

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

iii. Sundry Debtors and Loans and Advances shown under the head Current Assets includes the amounts due from concerns which are under same management or in which some of the Directors are interested as Directors /Trustees, which amounts Rs. 449,633,277/- (Rs. 379,684,656/-).

iv. Accrued patient collections constitute Rs. 85,110,193/- (Rs. 87,237,648/-) of Sundry Debtors.

Loans and advances due from Subsidiaries, Joint Ventures and Associates are as follows: (Rs.)

	2009		2008	
	As on 31.03.2009	Maximum outstanding during 2008-09	As on 31.03.2008	Maximum outstanding during 2007-08
Unique Home Health Care Ltd	84,391,934	84,619,394	84,299,394	84,299,394
AB Medical Centres Ltd	6,840,715	9,542,994	10,466,130	18,081,110
Apollo Gleneagles Hospitals Ltd	37,972,674	52,972,674	46,149,329	49,690,339
Imperial Hospital and Research Centre Ltd	207,228,344	208,174,679	122,488,047	129,942,207

Samudra Healthcare Enterprises Ltd	15,791,895	19,057,095	247,554	16,500,300
Apollo Health and Lifestyle Ltd	12,366,987	12,366,987	-	3,345,609
Apollo Gleneagles PET-CT Private Ltd	2,920,636	2,920,636	2,426,944	2,546,315

v. 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 company holds no security other than the personal security of the debtors.

24. Power Generation

The Electricity charges incurred in respect of main hospital is net of Rs. 8,078,300 /- (Rs. 7,461,095/-) [units qualified KWH - 1,615,660 (1,492,219)], being the rebate received from TNEB for Wind Electric Generators owned & run by the Company.

25. The company has been exempted by the Ministry of Corporate Affairs, vide Order No: 46/69/2009 – CL-III, from publishing the quantitative particulars as per Para 3(ii)(d) of Part II of Schedule VI of the Companies Act, 1956 with respect to the total value of turnover, purchases, goods traded, sales, consumption of raw materials etc., for the financial year ended 31.03.2009 and hence the same is not disclosed for this financial year.

26. The Company has been exempted from publishing the financial statements for seven of its subsidiaries which are required to be attached to the company's accounts, under Sec.212(1) of the Companies Act, 1956 for the financial year ended 31.03.2009.

27. In the process of acquiring Apollo Gleneagles Hospitals Limited (AGHL) in Kolkata, Apollo Hospitals Enterprise Limited had initially invested Rs.3 crores [0.5 crores towards equity and Rs.2.5 crores to discharge other liabilities of AGHL, erstwhile Duncan Gleneagles Hospital Limited (DGHL)] to acquire 50.26% holding in the DGHL (subsequently reduced to 49%,now increased to 50%). AGHL assigned an unsecured debt of Rs.17.6 crores existing in its books to Apollo Hospitals Enterprise Limited. As a measure of prudence, this amount is not recognized as an advance or investment in the books of Apollo Hospitals Enterprise Limited currently and will be accounted for as and when the amount(s) are received.

28. On review of the operations of setting up the Hospital in Noida, the Company has re-assigned the lease agreement between itself and the lessor to its associate, Indraprastha Medical Corporation Limited by extinguishing its rights and privileges in the original lease deed dated 27.10.2001.

29. Expenditure in Foreign Currency

Particulars	For the year ended 31.03.2009 (Rs.)	For the year ended 31.03.2008 (Rs.)
a. CIF Value of Imports:		
(i) Machinery and Equipment	864,536,634	271,231,230
(ii) Stores and Spares	16,638,037	23,208,952
(iii) Other Consumables	10,894,711	9,982,691
b. Investments	108,949,100	94,874,063
c. Expenditure		

(i) Travelling Expenses	22,075,383	14,270,731
(ii) Professional Charges	12,983,176	36,318,511
(iii) Subscription	-	681,910
(iv) Staff Welfare Expenses	1,518,880	1,279,375
(v) Transport Charges	243,180	-
(vi) Telephone charges	-	217,132
(vii) Project Expenses	12,384	-
(viii) Rent	85,620	-
(ix) Amount paid in pursuance of Arbitration	40,188,525	-
d. Dividends		
(i) Amount remitted during the year in foreign currency on account of dividends excluding the payment of dividends directly to the shareholder's Non-resident external bank account.	3,890,184	1,233,556
(ii) Non-Residents shareholders to whom remittance was made	237 (Nos.)	239 (Nos.)
(iii) Shares held by non-resident shareholders on which dividend was paid.	648,364	616,778

30. Managerial Remuneration

Particulars	31.03.2009 (Rs.)	31.03.2008 (Rs.)
Profit before Managerial Remuneration	1,873,262,672	1,571,739,349
Add: Provision for Bad debts	4,620,050	3,832,000
Add: Loss on sale of Assets and Investments	6,256,304	6,331,976
Add: Wealth Tax	1,120,996	899,376
Less: Profit on sale of assets & investment	10,092,109	81,852,095
Divisible Profit to Managerial Remuneration	1,875,167,912	1,500,950,606
Remuneration		
Chairman (5% of profits)	86,214,617	69,009,223
Managing Director (2% of profits)	34,485,847	27,603,689
Executive Director - Finance (1.25% of profits)	21,553,654	17,252,306
Executive Director - Operations (0.50% of profits)	8,621,462	6,900,922
Commission to Non Executive Directors	5,417,808	5,182,192

31. Earnings Per Share

Particulars	31.03.2009	31.03.2008
Profit before extraordinary items attributable to equity shareholders (Amount Rs.) (A1)	1,207,222,008	1,017,452,110
Weighted Average Equity shares outstanding during the year. (Nos) – (B1)	59,628,442	54,669,810
Basic Earnings Per Share before extra- ordinary item- (A1/B1)	20.25	18.61
Convertible Equity Warrants issued (C1)	-	3,099,157
Weighted Average Equity Shares outstanding for Diluted Earnings per Share. (Nos) (D1)	61,784,859	56,915,869
Diluted earnings per share before extra- ordinary item - (A1/ D1)	19.54	17.88
Profit after extraordinary items attributable to equity shareholders (Amount Rs.) (A)	1,180,693,563	1,017,452,110
Weighted Average Equity shares outstanding during the year. (Nos) – (B)	59,628,442	54,669,810
Basic earnings per share after extra- ordinary item – (A/B)	19.80	18.61
Convertible Equity Warrants issued during the year (C)	-	3,099,157
Weighted Average No of Shares for Diluted Earnings per Share. (Nos) (D)	61,784,859	56,915,869
Diluted Earnings Per Share after extra- ordinary item - (A/ D)	19.11	17.88

32. Consumption of Materials

Particulars	2008-2009		2007-2008	
	Value(Rs.)	%	Value (Rs.)	%
Total Consumption of Materials	7,686,519,518	100.00	5,816,627,000	100.00
Indigenous Materials	7,639,631,749	99.39	5,783,435,357	99.43
Imported Materials	46,887,769	0.61	33,191,643	0.57

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

33. Audit Expenses

As Statutory Auditors

	31.03.2009 (Rs.)	31.03.2008 (Rs.)
Audit Fees *	1,103,000	898,880
Tax Audit *	193,025	196,630
Others	330,900	433,710
Expenses	316,928	262,051
Total	1,943,853	1,791,271
Inclusive of Service Tax *	10.3%	12.36%

34. In respect of the Income Tax claims of Rs. 2,367.52 Lakhs (Rs. 2,767.91 Lakhs) by the Income Tax Department, the amount is under contest. Rs. 1,400.91 Lakhs has been adjusted by the Income Tax Department from the various amounts refundable to the Company.

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

36. The Company has no suppliers who fall into the category of Micro, Small and Medium Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006". Hence there is no amount due to Micro, Small and Medium Enterprises for the financial year ended 31st March 2009 (Nil).

37. Figures of the current period and previous year have been rounded off to the nearest rupee.

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

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

As per our report annexed

For and on behalf of the Board of Directors

For **M/s S Viswanathan**
Chartered Accountants

V C Krishnan
Partner (Membership No. 22167)
17, Bishop Wallers Avenue (West)
CIT Colony, Mylapore
Chennai - 600 004

Place : Chennai
Date : 29th June 2009

S K Venkataraman
Chief Financial Officer
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Executive Director - Finance

Cash Flow Statement
for the year ended 31st March 2009

		31.03.2009		31.03.2008	
		Rs.	Rs.	Rs.	Rs.
A	Cash Flow from operating activities				
	Net profit before tax and extraordinary items		**1,762,575,617**		**1,450,973,208**
	Adjustment for				
	Depreciation	439,203,799		367,460,695	
	Profit on sale of assets	(321,913)		(4,756)	
	Profit on sale of investment	(10,092,109)		(81,847,339)	
	Loss on sale of Investment	4,124,625		-	
	Loss on sale of asset	2,131,679		1,283,976	
	Interest paid	192,072,998		198,975,755	
	Foreign Exchange Loss	31,087,438		-	
	Misc.Exp.written off	5,804,051		8,723,137	
	Investment Written off	-		5,048,000	
	Interest & Dividend received	(213,311,559)		(180,678,552)	
	Baddebts Written off	30,604,270		34,934,216	
	Provision for Bad Debts	4,620,050	485,923,327	3,832,000	357,727,132
	Operating profit before working capital changes		2,248,498,944		1,808,700,340
	Adjustment for				
	Trade or other receivables	(380,993,254)		(321,431,851)	
	Inventories	(297,526,838)		(238,944,793)	
	Trade payables	108,764,745		97,524,162	
	Others	(426,528,083)	(996,283,430)	(595,758,892)	(1,058,611,375)
	Cash generated from operations		1,252,215,514		750,088,965
	Foreign Exchange (Loss)/Gain		(31,087,438)		18,565,505
	Taxes paid (incuding Fringe Benefit Tax)		(587,473,626)		(475,704,375)
	Adjustments for Misc.Exp.written off		(3,191,626)		(3,988,137)
	Net cash from operating activities		630,462,823		288,961,958
B	Cash flow from Investing activities				
	Purchase of fixed assets (includes capital work in progress)#		(3,572,819,016)		(1,870,390,321)
	Sale of fixed assets		84,193,021		2,837,681
	"Investment in Subsidiaries, Joint Venture & Associates"		(250,729,129)		(467,024,596)
	Purchase of investments		(6,574,181,599)		(15,269,433,515)
	Sale of investments		7,613,191,912		11,982,750,826
	Interest received		27,786,440		83,495,353
	Dividend received		167,281,373		97,183,199
	Cash flow before extraordinary item		**(2,505,276,998)**		**(5,440,581,372)**
	Arbitrage paid (Refer clause 5 of Schedule J)		(40,188,525)		-
	Net cash used in Investing activities		(2,545,465,522)		(5,440,581,372)
C	Cash flow from financing activities				
	Proceeds from issue of equity shares		617,357,250		4,164,493,877
	Proceeds from issue of Equity Share warrants		-		77,099,995

	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
Proceeds from long term borrowings		1,410,000,000		1,750,000,000
Proceeds from short term borrowings		36,835,498		2,101,362,556
Repayment of finance/lease liabilities		(33,562,000)		(2,239,330,029)
Interest paid		(162,926,311)		(42,276,425)
Dividend paid		(352,114,212)		(258,192,915)
Net cash from financing activities		1,515,590,225		5,553,157,059
Net increase in cash and cash equivalents (A+B+C)		(399,412,473)		401,537,645
Cash and cash equivalents (opening balance)		1,045,572,862		644,035,217
Cash and cash equivalents (Closing balance)		646,160,389		1,045,572,862
Component of Cash and Cash equivalents				
Cash on Hand		32,425,398		29,827,139
Balance with Banks *				
i) Available with the company for day to day operations		591,696,626		995,132,889
* ii) Amount available in unpaid dividend payment accounts		22,038,365		20,612,834

Notes:

1. Previos year figures have been regrouped wherever necessary.
2. Figures in bracket represent outflow

Purchase of Fixed Assets includes and interest paid excludes Rs.254,643,471/- (Previous year Rs. 27,852,702/-) of interest capitalised.

As per our report annexed

For and on behalf of the Board of Directors

For **M/s S Viswanathan**
Chartered Accountants

V C Krishnan
Partner (Membership No. 22167)
17, Bishop Wallers Avenue (West)
CIT Colony, Mylapore
Chennai - 600 004

Place : Chennai
Date : 29th June 2009

S K Venkataraman
Chief Financial Officer
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Executive Director - Finance

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Apollo Hospitals Enterprise Limited for the year ended 31.03.2009. The statement has been prepared by the company in accordance with the requirements of Clause 32 of the listing agreement with the Stock Exchanges and is based on and in agreement with corresponding Profit & Loss Account and the Balance Sheet of the company covered by our report of 29.06.2009 to the members of the company.

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

Place: Chennai
Date: 29th June 2009

V.C. Krishnan
Partner

Balance Sheet Abstract
& Company's General Business Profile

Balance Sheet Abstract & Company's General Business Profile of the Company under Part IV to Schedule-VI of the Companies Act, 1956.

I Registration Details

Registration No.	08035	State Code	18
Balance Sheet Date	31032009		

II Capital Raised during the year(Amount in Rs.Million)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	617.36

III. Position of Mobilisation and Deployment of Funds(Amount in Rs.Millions)

Total Liabilities	18829.94	Total Assets	18829.94
Sources of Funds			
Paid up Capital	602.35	Reserve & Surplus	13106.20
Secured Loans	4365.52	Unsecured Loans	129.30
Deferred Tax Liability	626.57		
Application of Funds			
Net Fixed Assets	8999.39	Investments	6292.80
Net Current Assets	3537.30	Misc.Expenditure	0.46

IV. Performance of the Company(Amount in Millions)

Turnover	14579.77	Other Income	223.73
Total Expenditure	13081.12	Profit before Tax	+1722.38
		Profit After Tax	+1180.69
Dividend Rate %	65	Earnings Per Share(basic)	Rs. 19.80

V. Generic Names of three principle/product services of Company(as per monetary terms)

Item Code No.	NIL
Service Description	HOSPITAL

As per our report annexed

For and on behalf of the Board of Directors

For **M/s S Viswanathan**
Chartered Accountants

V C Krishnan
Partner (Membership No. 22167)
17, Bishop Wallers Avenue (West)
CIT Colony, Mylapore
Chennai - 600 004

Place : Chennai
Date : 29th June 2009

S K Venkataraman
Chief Financial Officer
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Executive Director - Finance

Financial Highlights

(Rs. in million)

Year Ended	31st Mar 09	31st Mar 08	31st Mar 07	31st Mar 06	31st Mar 05
Balance Sheet					
Sources					
Share Capital	602.35	586.85	516.38	505.99	415.99
Reserve and Surplus	13,106.20	11,793.51	7,016.90	6,038.83	2862.21
Networth	13,708.11	12,377.30	7,525.48	6,527.08	3244.85
Loans	4,494.82	3,056.35	1,441.80	827.71	1367.55
Capital Employed	18,202.93	15,433.65	8,967.28	7,354.79	4612.40
Deferred Tax Liability	626.56	589.70	570.64	550.19	535.65
Applications					
Gross Block	11,779.31	8,300.10	6,435.85	5,213.00	4345.29
Accumulated Depreciation	2,779.92	2,348.32	1,982.88	1,682.52	1427.71
Less : Lease Adjustment	-	...	...	...	...
Net Block	8,999.39	5,951.78	4,452.97	3,530.48	2917.58
Investments	6,292.80	7,060.11	3,229.60	2,729.95	1062.67
Current Assets, Loans & Advances					
Inventory	1,088.42	790.89	551.95	457.18	371.25
Debtors	1,607.35	1,261.59	978.92	890.36	835.14
Cash & Bank	646.16	1,045.57	644.03	364.39	219.10
Loans & Advances	3,693.22	2,721.10	1,847.08	1,835.57	994.13
(A)	7,035.16	5,819.15	4,021.98	3,547.50	2419.62
Current Liabilities & Provisions					
Creditors	750.05	725.74	557.64	608.25	384.37
Other Liabilities	776.96	677.20	696.94	401.62	314.06
Provisions	1,970.85	1,404.75	912.05	893.08	553.39
(B)	3,497.86	2,807.69	2,166.63	1,902.95	1251.82
Net Current Assets (A - B)	3,537.30	3,011.46	1,855.35	1,644.55	1167.80
Miscellaneous Expenditure	0.45	3.07	7.80	17.74	33.35
Key Indicators					
O P M%	16.38	17.54	16.71	18.83	20.00
N P M%	7.98	8.85	11.12	8.37	8.26
Collection Growth %	28.72	27.85	25.10	20.73	19.18
O P Growth%	20.27	14.15	21.82	18.17	17.73
Earnings Per Share (Rs.) (Basic)	19.80	18.61	19.63	12.53	12.12
R O I (PBIT / AV.CE) %	11.33	13.52	14.95	16.72	20.25
RONW%	9.09	10.22	9.84	12.32	17.39
Employee Cost to Collections %	14.93	14.65	14.21	13.69	13.23
Debt / Equity Ratio	0.33	0.25	0.19	0.13	0.42

Financial Highlights

(Rs. in million)

Year Ended	31st Mar 09		31st Mar 08		31st Mar 07		31st Mar 06		31st Mar 05	
		%		%		%		%		%
PROFIT AND LOSS ACCOUNT										
Income	14,803.50		11,500.66		8,995.15		7,190.54		5,956.11	
Operative Expenses	8,096.51	54.69	6,207.33	53.97	4,901.83	54.49	3,905.90	54.32	3,186.49	53.50
Salaries and Wages	2,210.51	14.93	1,684.82	14.65	1,278.70	14.21	984.16	13.69	788.08	13.23
Administrative Expenses	2,065.74	13.95	1,582.37	13.76	1,297.76	14.43	927.68	12.90	762.76	12.86
Other Expenses	5.81	0.04	8.72	0.08	13.68	0.15	19.04	0.26	28.08	0.42
Operating Profit	2,424.94	16.38	2,017.41	17.54	1,503.48	16.71	1,353.76	18.83	1,190.70	20.00
Financial Expenses	223.16	1.51	198.98	1.73	164.24	1.83	117.50	1.63	155.95	2.62
Depreciation	439.20	2.97	367.46	3.19	308.01	3.42	261.33	3.63	226.43	3.80
Provision for loss on Investment	-	-	-	-	-	-	-	-	21.36	0.36
Extraordinary Items	40.19	0.27	-	-	325.07	3.61	92.00	1.28	72.78	1.22
P B T	1,722.39	11.63	1,450.98	12.62	1,356.30	15.08	882.93	12.28	714.18	12.00
Tax - Current	479.79	3.24	381.12	3.31	288.16	3.20	252.92	3.52	221.19	3.71
Previous	-	-	13.27	0.12	33.48	0.37	-	-	-	-
Deferred	36.86	0.25	19.06	0.17	20.44	0.23	14.54	0.20	1.15	0.02
Fringe Benefit Tax	25.04	0.17	20.07	0.17	13.52	0.15	13.01	0.10	-	-
P A T	1,180.69	7.97	1,017.45	8.85	1,000.70	11.12	602.16	8.37	491.84	8.26
Dividend	401.60		352.11		258.18		227.18		166.39	

Auditors' Report

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

i. We have examined the attached Consolidated Balance Sheet of Apollo Hospitals Enterprise Limited and its Subsidiaries, Associates and Joint Ventures as at 31st March 2009, and the related Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

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

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

iv. The financial statements of Subsidiaries (AB Medical Centres Limited, Apollo Health and Lifestyle Limited, Samudra Healthcare Enterprise Limited, Imperial Hospital and Research Centre Limited, Pinakini Hospitals Limited and Apollo Hospital (UK) Limited), Joint Ventures (Apollo Gleneagles Hospital Limited, Apollo Gleneagles PET CT (Private) Limited, Apollo DKV Insurance Company Limited, Western Hospitals Corporation Pvt Ltd and Apollo Hospitals International Limited) which in the aggregate represents total assets (net) as at 31st March 2009 of Rs. 2,691.98 Million (31.03.2008: Rs. 2860.89 Million) and total revenues (net) for the year ended on that date of Rs 2718.89 Million (31.03.2008: Rs.1755.12 Million) and of Associates (Indraprastha Medical Corporation Limited, Apollo Health Street Limited, British American Hospitals Enterprise Ltd and Family Health Plan Limited) which reflect the Group's share of profit of Rs. 115.24 Million (31.03.2008: loss of Rs. 82.81 Million) for the year, and upto 31st March 2009 profit of Rs 1,298.60 Million (31.03.2008 : Profit of Rs. 917.96 Million), is subject to adjustment based on the observation of the independent auditor of Apollo Health Street Limited as stated in clause (ix) of this Auditors Report and the profit for the year will be consequently less by Rs. 271.96 million resulting in the Group's share of loss of Rs.156.72 million for the year and profit upto 31st March will be less by Rs. 271.96 million, have been audited by other auditors whose reports have been furnished to us, and our opinion:

   a) insofar as it relates to the amounts included in respect of the Subsidiaries, Joint Ventures and Associates is based solely on the report of the other independent auditors (in the case of Unique Home Health Care Limited audited by us).

v. In the case of the Joint Venture Universal Quality Services LLC, Dubai, in the absence of any business activity, the effect of the operations has not been included in the Consolidated Financial Statements. The company is in the process of being liquidated after obtaining necessary statutory permissions. The whole of the amounts in the form of investments and advances, have been written off in the books of Apollo Hospitals Enterprise Limited.

vi. In the case of the Apollo Lavasa Health Corporation Limited, the company has paid share application money for which shares have been allotted to the Company subsequent to 31st March 2009. Therefore the accounts of Apollo Lavasa Health Corporation Limited have not been included in the Consolidated Financial Statements.

vii. In the absence of any notification from the Central Government with respect to the Cess payable under Section 441(A) of the Companies Act, 1956, no quantification is made. Hence, no opinion is given on cess unpaid or payable, as per the provisions of Section 227(3)(g) of the Companies Act, 1956.

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

ix. In the case of Apollo Health Street Limited, an associate, as discussed more fully in Note 30 (f)(iv) of Schedule J of Consolidated Financial Statements, the Company has not recorded mark-to-market losses as at 31st March 2009, on outstanding interest rate swaps executed by its overseas subsidiary aggregating to Rs. 597,718,345/- as required by the Institute of Chartered Accountants of India's announcement on derivatives, since in the opinion of management such swap instruments were executed to hedge interest rates movements and loss as at the Balance Sheet date is notional. Accordingly derivative expense is lower by Rs. 597,718,345/- and the reported profit is higher by Rs. 597,718,345/-.

x. In the case of Apollo Health Street Limited, an associate, the financial statements do not include any adjustments for impairment loss if any, on the carrying value of Goodwill paid on various acquisitions made by the Company. Management on the basis of its estimates and projections of future cash flows believes that the entire carrying value of Goodwill of Rs. 8,174,899,796/- is recoverable in the ordinary course of business. Based on our review of the projections and our understanding of the underlying assumptions, we are unable to comment on appropriateness of the assumptions and consequently on the achievability of the projected cash flows.

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

(a) In the case of the Consolidated Balance Sheet, of the state of affairs of the group as at 31st March 2009;

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

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

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

Place : Chennai
Date : 29th June 2009

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

V.C. KRISHNAN
Partner
Membership No.: 22167

Consolidated Balance Sheet

as at 31st March 2009

			Schedule	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2008 Rs.
1		**Sources of Funds**					
	(i)	Shareholder's Funds					
		(a) Share Capital	A	602,357,020		586,857,020	
		(b) Preferential Issue of Equity Share Warrants (Refer clause 13 of Schedule J)		77,099,995		145,695,245	
		(c) Reserves & Surplus	B	13,878,537,578	14,557,994,593	12,238,044,961	12,970,597,226
		(d) Capital Reserve on Consolidation			130,802,459		22,586,642
		(e) Minority Interest			265,409,555		338,391,620
	(ii)	Loan Funds					
		(a) Secured Loans	C	6,401,409,151		5,023,835,684	
		(b) Unsecured Loans	D	304,486,836	6,705,895,987	297,883,836	5,321,719,520
	(iii)	Deferred Tax Liability			651,846,633		613,147,525
		Total			**22,311,949,227**		**19,266,442,533**
2		Application of Funds					
	(i)	Goodwill on Consolidation			293,780,558		236,799,124
	(ii)	Fixed Assets	F				
		(a) Gross Block		13,657,341,910		11,711,965,793	
		(b) Less Depreciation		3,512,967,886		2,882,336,438	
		(c) Net Block		10,144,374,024		8,829,629,355	
		(d) Add Capital Work in Progress		2,445,576,576		711,351,205	
					12,589,950,600		9,540,980,560
	(iii)	**Investments**	**G**		5,914,316,232		6,241,969,918
	(iv)	Deferred Taxes Asset			205,385,696		142,705,282
	(v)	**Current Assets,Loans & Advances**	**H**				
		(a) Current Assets					
		(i) Inventories		1,161,637,242		863,336,899	
		(ii) Sundry Debtors		1,744,143,224		1,422,882,493	
		(iii) Cash and Bank Balances		876,044,804		1,282,768,175	
		(b) Loans & Advances		3,663,100,759		2,761,911,532	
				7,444,926,029		6,330,899,099	
		Less					
	(vi)	**Current Liabilities & Provisions**	E				
		(a) Current Liabilities		2,148,190,995		1,810,403,243	
		(b) Provisions		1,988,676,469		1,419,578,207	
				4,136,867,464		3,229,981,450	
		Net Current Assets			3,308,058,565		3,100,917,649
	(vii)	**Miscellaneous Expenditure** (to the extent not written off or adjusted)	I		457,575		3,070,000
		Total			**22,311,949,227**		**19,266,442,533**

Schedules 'A' to 'I' and notes in schedule 'J' form part of this balance sheet

As per our report annexed

For and on behalf of the Board of Directors

For **M/s S Viswanathan**
Chartered Accountants

V C Krishnan
Partner (Membership No. 22167)
17, Bishop Wallers Avenue (West)
CIT Colony, Mylapore, Chennai - 600 004

Place : Chennai
Date : 29th June 2009

S K Venkataraman
Chief Financial Officer
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Executive Director - Finance

Consolidated Profit and Loss Account

for the year ended 31st March 2009

	Schedule	31.03.2009 Rs.	31.03.2008 Rs.
Income			
(a) Income from Operations		15,310,725,343	11,530,686,886
Add : Share of Joint Ventures		831,326,840	632,835,605
(b) Other Income	I	207,989,006	252,578,199
Total		**16,350,041,189**	**12,416,100,690**
Expenditure			
(a) Operative Expenses	II	8,728,006,531	6,529,899,770
(b) Payments & Provisions for Employees	III	2,594,344,457	1,944,277,186
(c) Administration & Other Expenses	IV	2,545,293,727	1,830,458,635
(d) Financial Expenses	V	458,790,112	382,114,072
(e) Preliminary Expenses		2,217,413	15,463,071
(f) Defered Revenue Expenses		5,311,873	7,419,506
Total		**14,333,964,113**	**10,709,632,240**
Profit Before Depreciation & Tax		**2,016,077,076**	**1,706,468,450**
Less : Depreciation		632,171,257	516,753,401
Profit Before Extraordinary Item & Tax		**1,383,905,820**	**1,189,715,049**
Less : Extraordinary Item (Refer clause 8 of Schedule J)		40,188,525	-
Profit Before Tax		**1,343,717,295**	**1,189,715,049**
Less : Fringe Benefit Tax		28,622,039	23,642,664
Less : Provision for Taxation (Current)		483,532,664	385,123,933
Less : Provision for Taxation (Previous)		(43,879)	13,585,259
Less : Deferred Tax Liability		32,871,122	19,337,818
Add : Deferred Tax Asset		(55,044,310)	(67,572,004)
Profit After Tax		**853,779,658**	**815,597,379**
Less : Minority Interest		(55,917,113)	(38,854,425)
Profit After Minority Interest		**909,696,772**	**854,451,804**
Add : Share in Associates		115,240,506	(82,816,743)
Profit After Share In Associates		**1,024,937,278**	**771,635,061**
Add : Surplus in Profit & Loss Account brought forward		594,256,372	532,187,132
Amount available for Appropriations		**1,619,193,650**	**1,303,822,193**
Appropriations			
Interim Dividend		-	-
Final Dividend		401,601,584	352,114,212
Dividend Tax Payable		**68,252,190**	**59,841,810**
Transfer to General Reserve		750,000,000	250,000,000
Balance of Profit in Profit & Loss Account		399,339,876	641,866,171
Total		**1,619,193,650**	**1,303,822,193**
Earnings per share (Refer clause 31 of Schedule J)			
Before Extraordinary Item			
Basic Earnings Per Share of Face Value Rs.10/- Each (2007-08 : Rs.10/- each)		**17.63**	**14.10**
Diluted Earnings Per Share of Face Value Rs.10/- Each (2007-08 : Rs.10/- each)		17.02	13.54
After Extraordinary Item			
Basic Earnings Per Share of Face Value Rs.10/- Each (2007-08 : Rs.10/- each)		17.19	14.10
Diluted Earnings Per Share of Face Value Rs.10/- Each (2007-08 : Rs.10/- each)		16.59	13.54

Schedules 'I' to 'V' and notes in Schedule 'J' form part of this Profit and Loss Account

As per our report annexed

For and on behalf of the Board of Directors

For **M/s S Viswanathan**
Chartered Accountants

V C Krishnan
Partner (Membership No. 22167)
17, Bishop Wallers Avenue (West)
CIT Colony, Mylapore, Chennai - 600 004

Place : Chennai
Date : 29th June 2009

S K Venkataraman
Chief Financial Officer
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Executive Director - Finance

Schedules to Consolidated Balance Sheet

	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
Schedule - A				
Share Capital				
Authorised				
(a) 75,000,000 Equity shares of Rs. 10/- each (2007-08 : 75,000,000 Equity Shares of 10/- each)	750,000,000		750,000,000	
(b) 1,000,000 preference shares of Rs. 100/- each (2007-08 : 1,000,000/- Prefernce shares of Rs. 100/- each)	100,000,000	850,000,000	100,000,000	850,000,000
Issued				
(a) 60,502,211 (2007-08 : 58,952,211) Equity Shares of 10/- each		605,022,110		589,522,110
Subscribed and Paid up*				
(b) 60,235,702 Equity shares of Rs. 10/- each fully paid up (2007-08 : 58,685,702 Equity Shares of Rs. 10/- each fully paid up)				
		602,357,020		586,857,020

* Includes 1,039,965 equity shares of Rs. 10/- each fully paid up allotted during the year 2006-07 on conversion of equity shares warrants issued on preferential basis during the year 2005-06

Includes 4,689,400 (2007-08 : 4,861,310) underlying equity shares of Rs. 10/- each fully paidup, representing Global Depository Receipts issued during the year 2005-06 (Refer clause 14 of Schedule J)

Includes 2,079,930 Equity shares of Rs. 10/- each fully paid up alloted on preferential basis during the 2004-05

Includes 918,298 Equity Shares of Rs. 10/- each fully paid up alloted on conversion of first 2 years interest on debentures, 20% on the face value of the debentures and 20,812,231 Equity shares of Rs. 10/- each fully paid up allotted to the shareholders of the amalgamated companies for consideration other than cash

Includes 7,047,119 Equity Shares of Rs. 10/- each fully paid up were allotted to Apex Mauritius FDI One Limited during the year 2007-08 on preferential basis

Includes 1,550,000 Equity Shares of Rs. 10/- each fully paid up allotted during the year 2008-09 on conversion of Equity Share warrants issued on preferential basis during the year 2007-08 (Refer clause 13 of Schedule J)

	31.03.2009 Rs.	Rs.	31.03.2008 Rs.	Rs.
Schedule - B				
Reserve and surplus				
A. Capital Reserve		17,846,142		17,846,142
1. Capital Reserve				
2. Profit on forfeited Shares		414,120		414,120
B. Capital Fund	2,613,750		2,522,250	
Add: Membership fees Received During the year	-	2,613,750	91,500	2,613,750
C. Capital Redemption Reserve	60,022,900		60,022,900	
Add: Transfer During the year	-	60,022,900	-	60,022,900
D. Security Premium	9,064,770,637		4,970,747,950	
Add : Received from preferential issue of equity shares to Apax Mauritius FDI One Limited	-		4,193,529,104	
Add : Premium Received from Promoters Issue #	670,452,500		-	
Less : Expenses incurred on preferential issue of Equity Shares Apax Mauritius FDI One Limited	-		99,506,417	
	9,735,223,137		9,064,770,637	
Share premium from Group Companies	188,052,143		77,969,998	
		9,923,275,280		9,142,740,635
E. General Reserve	1,249,029,276		722,643,566	
(i) Add: Transfer During the year	750,000,000		250,000,000	
(ii) Debenture Redemtion Reserve			276,385,710	
(iii) Add: Share of Associates	1,152,566,185		887,640,366	
(iv) Add: Share of Profits / (loss) Subsidiaries	172,839,621		124,714,138	
(v) Add: Profit From Joint Venture	143,125,105	3,467,560,187	103,294,078	2,364,677,858
F. Foreign Currency Translation Reserve		19,213		50,133
G. Other Reserve				
Fair value change Account		(367,142)		-
(i) Investment Allowance Reserve		7,626,657		7,626,657
(ii) Foreign Exchange Fluctution Reserve		186,595		186,595
(iv) Profit and Loss Account		399,339,876		641,866,171
		13,878,537,577		**12,238,044,961**
# Refer clause 13 of Schedule (J)				
Schedule - 'C'				
Secured Loans				
a Loans and Advances from Banks				
(i) Cash credit		219,108,283		182,053,848
(ii) Jammu & Kashmir Bank		270,085,813		270,085,813
(iii) Kotak Mahendra Primus Ltd		-		6,783
(iv) BOBK(ECB) - Short Term Loan		-		28,457,000
(v) Indian Bank	1,000,000,000		1,000,000,000	
(vi) Bank of India	1,000,000,000		1,000,000,000	
(vii) Canara Bank	2,160,000,000		750,000,000	
Add : Interest accrued and due	36,635,617	4,196,635,617	11,441,575	2,761,441,575

	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
(viii) Hire purchase Loans		9,526,006		237,449
(Ix) Canara Bank		388,000,000		387,648,253
(X) Indian Overseas Bank		227,000,000		227,000,000
		5,310,355,719		3,856,930,721
Share of Joint Ventures (Refer clause 2 (C) (3) of Schedule J)		1,091,053,432		1,166,904,963
		6,401,409,151		**5,023,835,684**
Refer clause 9 of schedule J for Details & security				

Schedule - 'D'

	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2008 Rs.
Unsecured Loans				
(i) Fixed Deposits				
(a) Others		130,991,000		135,388,000
(ii) Short Term Loans & Advances				
(a) Directors		11,175,000		175,000
		142,166,000		**135,563,000**
Share of Joint Ventures		162,320,836		162,320,836
(Refer clause 2 (C) (3) of Schedule J)				
		304,486,836		**297,883,836**

Schedule - 'E'

	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2008 Rs.
Current Liabilities & Provisions				
(A) Current Liabilities				
(a) Acceptances		284,916,973		200,454,205
(b) Sundry Creditors *				
(i) For goods	466,497,026		530,471,229	
(ii) For Expenses	256,874,533		198,216,233	
(iii) For Capital Goods	57,134,094		49,743,915	
(iv) For others	127,843,827		81,183,801	
* Refer clause 38 of Schedule J		908,349,480		859,615,178
(c) Advances				
(i) Inpatient deposits	76,603,885		72,901,626	
(ii) Rent	25,373,425		48,140,923	
(iii) Others	24,270,352		5,702,452	
		126,247,662		126,745,001
(d) Unclaimed dividend		15,177,365		13,673,834
(e) Unclaimed deposits		6,861,000		6,939,000
(f) Other liabilities				
(i) Tax Deducted at source	64,574,603		71,773,871	
(ii) Retention money on	-			
capital contracts	1,695,833		5,718,411	
(iii) Outstanding expenses	307,761,884		291,482,228	
		374,032,320		368,974,510
Interest accrued but not due		11,344,142		7,391,496
		1,726,928,942		**1,583,793,224**

	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
Share of Joint Ventures (Refer clause 2 (C) (3) of Schedule J)		421,262,053		226,610,019
		2,148,190,995		**1,810,403,243**
(B) Provisions				
(a) For Taxation	1,480,833,122		990,553,041	
(b) For Dividend	401,601,584		352,114,212	
(c) Bonus	93,682,091		66,175,920	
(d) Staff benefits	6,224,533		5,949,894	
		1,982,341,330		1,414,793,067
Share of Joint Ventures (Refer clause 2 (C) (3) of Schedule J)		6,335,139		4,785,140
		1,988,676,469		**1,419,578,207**
Total of current liabilities and provisions (A+B)		**4,136,867,464**		**3,229,981,450**

Schedule - F

Fixed Assets

Amount in Rs.

Sl. No.	Name of the Assets	Gross Block				Depreciation Block					Net Block	
		As at 01.04.2008	Additions	Deletions	As at 31.03.2009	As at 01.04.2008	For the year	Deletions	Impairment	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
1	Land	1,085,555,610	163,627,663	-	1,249,183,273	-	-	-	-	-	1,249,183,273	1,085,555,610
2	Building	2,027,862,362	223,475,795	-	2,251,338,157	213,991,627	37,836,088	-	-	251,827,715	1,999,510,442	1,813,870,735
3	Leasehold Building*	229,877,439	69,800,577		299,678,016	51,576,882	16,927,369	-	-	68,504,251	231,173,765	178,300,557
4	Medical Equipment &								-			
	Surgical instruments	4,125,825,903	804,271,314	61,373,796	4,868,723,421	1,395,416,409	276,985,724	64,677	-	1,672,337,456	3,196,385,965	2,730,409,494
5	Electrical Installation &								-			
	Generators	569,689,560	115,231,467	738,281	684,182,746	210,639,768	41,198,841	26,015	-	251,812,594	432,370,152	359,049,792
6	Airconditioning Plant &								-			
	Airconditioners	179,696,975	29,880,459	725,994	208,851,440	68,732,332	8,748,840	7,110	-	77,474,062	131,377,378	110,964,643
7	Office Equipment	466,582,450	102,261,154	3,247,643	565,595,961	220,706,725	52,122,619	504,421	-	272,324,923	293,271,038	245,875,725
8	Furniture & Fixtures	701,684,272	388,757,980	33,468,132	1,056,974,120	223,719,631	66,142,549	2,787,358	-	287,074,822	769,899,297	477,964,640
9	Fire Fighting equipment	14,666,145	4,125,963	-	18,792,108	3,723,478	726,419	-	-	4,449,897	14,342,211	10,942,667
10	Library	175,520	-	-	175,520	175,520	-	-	-	175,520	-	-
11	Boilers	1,869,715	-	-	1,869,715	946,694	56,134	-	-	1,002,828	866,887	923,021
12	Kitchen equipment	33,755,912	3,446,008	-	37,201,920	7,404,479	1,987,357	-	-	9,391,836	27,810,084	26,351,433
13	Refrigerators	19,782,695	5,730,525	629,197	24,884,023	4,272,698	1,066,952	18,041	-	5,321,609	19,562,414	15,509,997
14	Vehiles	171,905,161	44,414,020	8,950,114	207,369,067	60,066,339	16,700,592	4,203,455	-	72,563,476	134,805,591	111,838,822
15	Wind electric generator	26,849,994			26,849,994	8,545,827	-	-	-	8,545,827	18,304,167	18,304,167
	INTANGIBLE ASSETS								-			
1	Software	4,949,221	733,782	-	5,683,003	1,267,401	785,038	-	-	2,052,439	3,630,564	3,681,820
2	Trademark and concepts rights	29,100,190			29,100,190	5,587,216	814,800		-	6,402,016	22,698,174	23,512,974
	Total	**9,689,829,124**	**1,955,756,707**	**109,133,157**	**11,536,452,674**	**2,476,773,026**	**522,099,322**	**7,611,077**	**-**	**2,991,261,271**	**8,545,191,403**	**7,213,056,098**
	Less : Depreciaton Written Back					277,481			-	277,481	277,481	277,481
	Total	**9,689,829,124**	**1,955,756,707**	**109,133,157**	**11,536,452,674**	**2,476,495,545**	**522,099,322**	**7,611,077**	**-**	**2,990,983,790**	**8,545,468,884**	**7,213,333,579**
	Share of Joint Ventures #	2,057,739,752	66,414,116	3,264,632	2,120,889,236	398,764,722	110,886,735	1,740,584	14,073,223	521,984,096	1,598,905,140	1,644,886,564
	Total	**11,747,568,876**	**2,022,170,823**	**112,397,789**	**13,657,341,910**	**2,875,260,267**	**632,986,057**	**9,351,661**	**14,073,223**	**3,512,967,886**	**10,144,374,024**	**8,858,220,143**
	Previous Year	8,343,003,302	3,385,389,169	16,426,678	11,711,965,793	2,361,751,780	516,753,401	10,257,210	14,088,466	2,882,336,438	8,829,629,355	5,981,251,522
	Capital work in Progress* *										2,445,576,576	
	Previous Year										711,351,205	

Capital work in Progress* * Previous Year

* Refer clause 3D (v) of schedule J * *Refer clause 3 F(b) of schedule J # Refer clause 2 (C) 3 of schedule J

Description	Face Value Rs.	31.03.2009		31.03.2008	
		No. of Equity Shares / Units	Total Rs.	No. of Equity Shares / Units	Total Rs.
SCHEDULE (G)					
Investments					
Investment in Government Securities					
Current Investments(lower of cost and market value)					
A) Unquoted					
National Savings Certificate			260,300		200,800
TRADE INVESTMENTS :					
LongTerm Investments (at cost)					
A) Quoted					
ASSOCIATES					
Indraprastha Medical Corporation Limited					
Market Value as on 31.03.2009 Rs. 28.67/- per share (1,977,217 equity shares allotted during the year) (Goodwill on acquisition = Rs. 121,734,543/- ; 31.03.2008: Rs. 94,542,548/-)	10	18,705,907	275,946,602	16,728,690	226,853,208
B) Unquoted					
(i) SUBSIDIARIES	-	-	-	161,440	1,224,200
Pinakini Hospitals Limited					
(ii) ASSOCIATES					
British American Hospitals Enterprise Ltd (1,151,467 Shares purchased during the year) (Capital Reserve on acquisition = 122,715,300/- ; 31.03.2008: Goodwill on Consolidation : Rs. 650,266/-)	100MUR	1,393,079	194,167,698	241,612	31,253,657
(iii) OTHERS :					
Kurnool Hospitals Enterprises Limited	10	157,500	1,732,500	157,500	1,732,500
NON TRADE INVESTMENTS :					
LongTerm Investments (at cost)					
A) Quoted					
OTHERS					
(i) Debentures of Citicorp Finance (india) Limited ("Company") CFIL NCD Series 214 Non-Convertible Redeemable Debentures Market Value as on 31.03.2009 Rs.1,045,000/- Per unit (Refer clause 15 of Schedule J)	1,000,000	250	250,000,000	250	250,000,000
(ii) The Karur Vysya Bank ltd Market Value as on 31.03.2009 Rs. 200.05/- Per unit	10	6,537	1,940,243	6,537	1,940,243
(iii) Cholamandalam DBS Finance Ltd Market Value as on 31.03.2009 Rs. 25.55/- Per unit	10	1,000	156,068	1,000	156,068
(iv) Carol Info Services Limited Market Value as on 31.03.2009 Rs. 36.90/- Per unit	10	5,000	300,068	5,000	300,068

Description	Face Value Rs.	31.03.2009 No. of Equity Shares / Units	31.03.2009 Total Rs.	31.03.2008 No. of Equity Shares / Units	31.03.2008 Total Rs.
B) Unquoted					
(a) ASSOCIATES :					
(i) Family Health Plan Limited (Capital Reserve on Consolidatin: Rs. 4,245,685/-; 31.03.2008: Rs. 4,245,685/-)	10	490,000	20,298,956	490,000	20,157,318
(ii) * * Apollo Health Street Limited (Goodwill on consolidation: Rs. 1,062,677,518/- ; 31.03.2008: Rs. 1,062,665,504/-)	10	11,181,360	2,466,702,163	11,181,360	2,106,415,704
(b) OTHERS					
Sunrise medicare private Limited	10	250,000	2,500,000	250,000	2,500,000
CURRENT INVESTMENTS - OTHERS :					
Current Investment (lower of cost and market value)					
Others - Portfolio Management scheme:					
Sundaram BNP		-	-	-	509,750,122
Certificate of Deposit - HDFC Bank Non Cumulative Fixed Deposit			100,000,000		
OTHERS - MUTUAL FUND					
(i) RIF Retail Growth Plan Net Asset Value as on 31.03.2009 Rs. 12.9921/- Per unit (11,546,810.77 units purchased during the year)	10	11,546,810	150,000,000	-	-
(ii) HDFC Cash Management Fund - Treasury advantage plan - Wholesale Daily Dividend Reinvestment plan Net Asset Value as on 31.03.2009 Rs . 10.0315/- Per unit (112,959,380.833 units purchased during the year. 197,641.565 units cumulated during the year 97,890,921.002 units sold during the year)	10	15,266,101	153,141,896	-	-
(iii) Reliance Income Fund Retail Plan - Growth Plan - Growth Option Net Asst Vaue as on 31.03.2009 Rs. 29.0575/-	10	30,231	700,260	30,231.00	700,260
(iv) Reliance Fixed Time Horizon Fund VII-series 5 Institutional					
Dividend plan					
Net Asset Value as on 31.03.2009 Rs. 10.0661/- Per unit	10	75,000,000	750,000,000	75,000,000	750,000,000
(v) Kotak FMP 13M series 4 Institutional Growth Net Asset Value as on 31.03.2009 Rs . 10.9530/- Per unit	10	25,000,000	250,000,000	25,000,000	250,000,000
(vi) HDFC-FMP 370D Mar 2008(Vii)(2)Whole sale plan GrowthPayout option Net Asset Value as on 31.03.2009 Rs . 10.9952/- Per unit	10	50,000,000	500,000,000	50,000,000	500,000,000
(vii) Canara Robeco Fixed Maturity Institutional Growth- Plan 2 (13 Months) Net Asset Value as on 31.03.2009 Rs . 11.0341/- Per unit	10	25,000,000	250,000,000	25,000,000	250,000,000

Description	Face Value Rs.	31.03.2009 No. of Equity Shares / Units	31.03.2009 Total Rs.	31.03.2008 No. of Equity Shares / Units	31.03.2008 Total Rs.
(viii) HDFC Short term Plan Dividend Reinvestment (20,201,513.616 units purchased during the year.251,285.286 units cummulated during the year 51,624,498.327 units sold during the year.)	10	-	-	31,171,699	322,331,780
(ix) AIG Short term Fund Institutional Monthly Dividend (268,557.704 units purchased during the year. 11,125.152 units cumulated during the year 1,029,531.856 units sold during the year)	1,000	-	-	749,849	750,971,848
(x) HDFC Cash Management Fund - Savings Plan Daily Dividend Reinvestment plan (81,794,592.155 units purchased during the year.157,024.362 units cummulated during the year 81,951,616.517 units sold during the year.)	-	-	-	-	-
(xi) AIG India Treasury Fund Institutional Daily Dividend Reinvestment plan (19,978,223.736 units purchased during the year.16,022.659 units cummulated during the year 19,994,246.395 units sold during the year.)	-	-	-	-	-
(xii) HDFC Income Fund - Dividend Reinvestment Plan (14,465,499.783 units purchased during the year.14,465,499.783 units sold during the year)	-	-	-	-	-
(xiii) Birla B8861d BSL Interval Income-Instl-Monthly-Series 2 Dividend Payout (62,000,000 units purchased during the year.335,950 units cummulated during the year 62,335,950 units sold during the year.)	-	-	-	-	-
(xiv) B301QD Biral Sun life Income Plus Quarterly Dividend payout (9,428,180.833 units purchased during the year.9,428,180.833 units sold during the year)	-	-	-	-	-
(xv) HDFC-FMP 370D Mar 2008(Vii)(2) Whole sale plan GrowthPayout option (21,013,816.478 units purchased during the year.21,013,816.478 units sold during the year)	-	-	-	-	-
(xvi) NLPSDD Canara Robeco Liquid Plus(treasury advantage) Super Instt Daily Dividend Reinvestment plan (17,731,782.6083 units purchased during the year.12,132.4402 units cummulated during the year 17,743,915.0485 units sold during the year.)	-	-	-	-	-
(xvii) IDFC G614 Fixed Maturity Plan - Quarterly series 38 Dividend (7,000,000 units purchased during the year.152,950 units cummulated during the year 7,152,950 units sold during the year.)	-	-	-	-	-

Description	Face Value Rs.	31.03.2009 No. of Equity Shares / Units	31.03.2009 Total Rs.	31.03.2008 No. of Equity Shares / Units	31.03.2008 Total Rs.
(xviii) NLFID Canara Robeco Liquid Fund Institutional Daily Dividend Reinvestment plan (14,912,724.6728 units purchased during the year.20,033.4719 units cummulated during the year 14,932,758.1447 units sold during the year.)	-	-	-	-	-
(xix) NLPIDD Canara Robeco Liquid Plus (treasury advantage) Institutional Daily Dividend Reinvestment plan (10,480,229.7564 units purchased during the year.24,882.6478 units cummulated during the year 10,505,112.4042 units sold during the year.)	-	-	-	-	-
(xx) NIMID Canara Robeco Interval Monthly Institutional Dividend Fund (35,967,988.4902 units purchased during the year.35,967,988.4902 units sold during the year)	-	-	-	-	-
(xxi) NLFSD Canara Robeco Liquid Super Institutional Daily Dividend Reinvestment plan (12,946,917.6377 units purchased during the year.2,913.914 units cummulated during the year 12,949,831.5517 units sold during the year.)	-	-	-	-	-
(xxii) Kotak Floater Long Term - Weekly Dividend (11,906,297.439 units purchased during the year.43,161.321 units cummulated during the year 11,949,458.76 units sold during the year.)	-	-	-	-	-
(xxiii) Reliance Monthly Interval Fund-Series 1 - Institutional Dividend Plan (24,980,764.811 units purchased during the year.24,980,764.811 units sold during the year)	-	-	-	-	-
(xxiv) AIG India Treasur Fund Super Institutional Daily Dividend Reinvestment plan (76,027,625.288 units purchased during the year.758,091.828 units cummulated during the year 76,786,717.116 units sold during the year.)	-	-	-	-	-
(xxv) Tata Fixed Horizon fund series 19 scheme D Institutional Paln periodic dividend (70,000,000 units purchased during the year.1,650,309.73 units cummulated during the year 71,650,309.73 units sold during the year.)	-	-	-	-	-
4. Advance for Investments in shares for various projects under construction			337,754,819		151,282,377
			5,705,601,573		**6,127,770,153**
Add: Share of Joint Ventures			208,714,659		114,199,765
Refer Clause 2(c) (3) of Schedule J					
Total Investments			**5,914,316,232**		**6,241,969,918**

Description	Face Value Rs.	31.03.2009 No. of Equity Shares / Units	31.03.2009 Total Rs.	31.03.2008 No. of Equity Shares / Units	31.03.2008 Total Rs.
# Formerly Imperial Cancer Hospitals and Research Centre Limited					
* Formerly Apollo Gleneagles PET CT Limited					
* * Formerly Apollo Health Street Private Limited					
Aggregate amount of Quoted Investments					
Market Value Rs.799,066,131/- (31.03.2008 Rs. 757,664,390/-)			528,342,981		479,249,587
Aggregate amount of Unquoted Investment			5,048,218,432		5,611,437,954
Advance for Investments in shares			337,754,819		151,282,377
Total			**5,914,316,232**		**6,241,969,918**

	31.03.2009 Rs.	31.03.2009 Rs.	31.03.2008 Rs.	31.03.2008 Rs.
Schedule - 'H'				
Current Assets, Loans & Advances				
A. Current Assets				
(a) Inventories (at cost)				
(i) Medicines	858,350,326		612,218,905	
(ii) Stores, spares	47,651,607		27,706,869	
(iii) Lab Materials	16,661,834		13,981,857	
(iv) Surgical Instruments	103,158,331		84,525,015	
(v) Other Consumables	111,520,264		100,058,581	
		1,137,342,362		838,491,227
Share of Joint Ventures - Schedule		24,294,880		24,845,673
Refer clause 2 (C) (3) of Schedule J		1,161,637,242		863,336,899
(As taken, certified, and valued by management)				
(b) Sundry Debtors				
Refer caluse 23 of schedule J				
(i) Debtors Outstanding for a period exceeding six months	567,580,531		328,799,700	
Less : Provision for bad debt	5,593,603	561,986,928	8,117,001	320,682,700
(ii) Others		1,080,237,784		1,006,232,355
		1,642,224,711		1,326,915,054
Share of Joint Ventures (Refer clause 2 (C) (3) of Schedule J)		101,918,513		95,967,439
		1,744,143,224		1,422,882,493
(c) Cash and Bank Balances				
(i) Cash on hand	34,040,425		31,654,272	
(ii) In current A/c with scheduled banks	515,070,587		825,460,834	
(iii) Balance with non scheduled bank	1,951,508		16,175,051	
(iv) In Deposit A/c with scheduled banks	141,652,050		209,227,515	
		692,714,570		1,082,517,671
Share of Joint Ventures Refer clause 2 (C) (3) of Schedule J		183,330,234		200,250,504
		876,044,804		1,282,768,175
B. Loans and Advances				-
Refer caluse 23 of schedule J				
(a) Advances				
(a) For capital items	78,876,655		41,965,489	
(b) To suppliers	64,796,102		87,546,836	
(c) Others advances	1,075,138,051		897,672,282	
(d) Staff advances	35,080,715		22,094,716	
		1,253,891,523		1,049,279,323

	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
(b) Advance Tax		1,239,431,655		862,817,268
(c) Deposits				
(a) With Government	42,313,927		39,646,990	
(b) With others	508,370,164		397,127,568	
		550,684,091		436,774,558
(d) Prepaid expenses		63,833,770		51,989,457
(e) Rent receivables		4,419,689		1,678,164
(f) Service charges receivables		1,792,820		10,629,087
(g) Tax deducted at source		458,710,082		288,760,864
(h) Franchise Fees Receivable		4,078,524		3,058,699
(i) Royalty receivable		2,135,900		-
		3,578,978,054		2,704,987,419
Share of Joint Ventures Refer clause 2 (C) (3) of Schedule J		84,122,705		56,924,113
		3,663,100,759		2,761,911,532
Total of Current Assets, Loans & Advances (A + B)		**7,444,926,029**		**6,330,899,099**

Schedule - 'I'

Miscellaneous Expenditure

(To the extent not written off)

	31.03.2009 Rs.	31.03.2008 Rs.
(a) Deferred Revenue Expenditure	240,000	720,000
(b) Preliminary Expenditure	217,575	2,350,000
Total	**457,575**	**3,070,000**

Schedules to Consolidated Profit and Loss Account

	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
Schedule - I				
Other Income				
(a) Interest earned		20,612,499		21,121,823
(b) Dividend		146,715,058		78,889,744
(c) Income from Treasury operations		11,285,869		58,206,276
(d) Profit on sale of Investment		10,092,109		82,703,618
(e) Profit on sale of Asset		321,913		-
		189,027,448		240,921,461
Share of Joint Ventures		18,961,558		11,656,738
Refer clause 2 (C) (3) of Schedule J				
Total		**207,989,006**		**252,578,199**
SCHEDULE - II				
Operative Expenses				
Materials Consumed				
(a) Opening stock	800,863,459		530,804,248	
ADD : Purchases	8,186,392,648		6,107,709,758	
Customs Duty	4,993,390		4,706,650	
Freight Charges	10,583,421		7,415,748	
	9,002,832,918		6,650,636,404	
LESS : Closing stock	1,086,116,379	7,916,716,539	800,502,314	5,850,134,090
(b) Fees to Consultants		4,146,231		423,342
(c) Power & Fuel		285,623,947		262,526,818
(d) House Keeping expenses		189,683,769		148,414,616
(e) Water charges		33,819,311		25,598,986
		8,429,989,797		6,287,097,852
Share of Joint Ventures		298,016,734		242,801,918
Refer clause 2 (C) (3) of Schedule J				
Total		**8,728,006,531**		**6,529,899,770**
SCHEDULE - III				
Payments To And Provisions For Employees				
(a) Salaries& Wages		2,042,051,723		1,524,242,549
(b) Contribution to Provident Fund		108,732,758		79,498,441
(c) ESI		13,459,577		8,447,878
(d) Provision on retirement obligation		1,535,897		2,825,312
(e) Staff Welfare expenses		146,292,867		117,837,130

	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
(f) Staff Education & Training		13,074,727		13,260,018
(g) Bonus		94,136,251		66,175,920
		2,419,283,800		1,812,287,248
Share of Joint Ventures		175,060,657		131,989,938
Refer clause 2 (C) (3) of Schedule J				
Total		**2,594,344,457**		**1,944,277,186**

SCHEDULE - IV

	31.03.2009		31.03.2008	
Adminstrative & Other Expenses				
(a) Rent		546,759,908		362,441,012
(b) Rates & Taxes		52,058,096		43,093,042
(c) Printing & Stationery		151,036,257		114,412,549
(d) Postage& Telegram		13,302,361		10,315,133
(e) Insurance		27,901,842		31,921,176
(f) Directors Sitting Fees		1,880,000		2,220,000
(g) Advertisement, Publicity & Marketing		251,135,680		179,792,770
(h) Travelling & Conveyance		176,298,367		145,503,326
(i) Subscriptions		2,579,724		3,807,547
(j) Security charges		44,821,469		31,556,265
(k) Legal & professional fees		127,151,868		87,020,678
(l) Continuing Medical Education & Hospitality Expenses		4,748,568		2,200,787
(m) Hiring charges		9,510,553		8,538,080
(n) Seminar expenses		4,693,453		1,207,375
(o) Audio & Video Charges		22,037,347		19,129,412
(p) Telephone expenses		69,840,818		56,237,305
(q) Books & Periodicals		5,971,933		3,376,347
(r) Miscellaneous Expenses		53,530,033		48,348,429
(s) Investment written off		-		5,048,000
(s) Bad Debts Written off		36,482,385		37,465,861
(t) Provision for bad debt		4,620,050		3,832,000
(u) Donations		5,895,769		4,729,324
(v) Royalty		1,069,103		572,295
(w) Repairs & Maintenance to				
(i)Building	109,987,431		108,889,297	
(ii)Equipments	151,090,843		144,749,666	
(iii)Vehicles	20,352,600		14,210,389	
(iv)Office maintenance & others	96,692,767	378,123,641	64,805,460	332,654,812
(x) Loss on sale of assets		16,766,248		1,231,001
(y) Loss on sale of investment		4,124,625		-
(z)Outsourcing Expenses		206,299,652		107,719,515
		2,218,639,750		1,644,374,041

	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
Share of Joint Ventures		326,653,977		186,084,595
Refer clause 2 (C) (3) of Schedule J				
Total		**2,545,293,727**		**1,830,458,635**

SCHEDULE V

Financial Expenses

	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
(a) Interest on				
i.Fixed Loans	244,302,826		211,300,672	
ii. Fixed Deposits	12,885,665		12,590,752	
iii.Debentures	-		2,730,191	
		257,188,491		226,621,615
(b) Bank charges		32,721,224		24,308,139
(c)Brokerage & commission		1,465,515		4,250,406
(d)Exchange loss		31,087,438		-
		322,462,668		255,180,160
Share of Joint Ventures (Refer clause 2 (C) (3) of Schedule J)		136,327,444		126,933,912
Total		**458,790,112**		**382,114,072**

Notes Forming Part of the Accounts

Schedule (J)

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

1. BASIS OF ACCOUNTING

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

Apollo DKV 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 Insurance Act 1938, Insurance Regulatory and Development Authority Act 1999, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, orders and directions issued by Insurance Regulatory and Development Authority (IRDA) in this regard, The Companies Act, 1956 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.

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.

British American Hospitals Enterprises Limited

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) on historical cost basis.

2. BASIS OF CONSOLIDATION

Apollo Hospitals Enterprise Limited

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21-'Consolidated Financial Statements', Accounting Standard 23-'Accounting for Investment in Associates in Consolidated Financial Statements' and Accounting Standard 27-'Financial Reporting of Interests in Joint Ventures', issued by the Institute of Chartered Accountants of India (ICAI)

A. Investment In Subsidiaries

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

Name of the Subsidiary	Country of Incor-poration	Percentage of holding as on 31.03.2009	Percentage of holding as on 31.03.2008
Unique Home Health Care Limited	India	100.00	100.00
AB Medical Centres Limited	India	100.00	100.00
Apollo Health and Lifestyle Limited	India	87.00	87.00
Samudra Healthcare Enterprise Limited	India	100.00	100.00
Imperial Hospital & Research Centre Limited *	India	51.00	51.00
Apollo Hospital (UK) Limited	United Kingdom	100.00	100.00
Pinakini Hospitals Limited @	India	74.94	-

*Formerly Imperial Cancer Hospital & Research Centre Limited

@ Became subsidiary of Apollo Hospitals Enterprises Limited during 2008-09

2. Financial Statements of all the subsidiaries have been drawn upto 31st March 2009

3. Minority Interest consists of their share in the net assets of the subsidiaries, as on the date of Balance Sheet.

4. The amount of Deferred Revenue Expenditure (attributable to the Holding Company) not written off at the end of the financial year immediately preceding the date of acquisition of the Subsidiary Company has been duly adjusted and the amount appearing as deferred revenue expenditure in the Balance Sheet are those pertaining to the post acquisition period.

B. Investment in Associates

1. The Associate Companies considered in the Consolidated Financial Statements are:

Name of the Associate Company	Country of Incorporation	Proportion of ownership interest (%) as on 31.03.2009	Proportion of ownership interest (%) as on 31.03.2008
Indraprastha Medical Corporation Limited *	India	20.40 *	18.25*
Family Health Plan Limited	India	49.00	49.00
Apollo Health Street Limited **	India	45.50**	45.51**
British American Hospitals Enterprise Limited@	Mauritius	19.72	26.00

* Apollo Hospitals Enterprise Limited directly holds 18.25% (16.10%) in Indraprastha Medical Corporation Ltd and a further 2.15% (2.15%) through its wholly owned subsidiary Unique Home Health Care Ltd.

** Apollo Hospitals Enterprise Limited directly holds 44.70 % in Apollo Health Street Limited (formerly Apollo Health Street Private Limited) and a further 0.80 % through its wholly owned subsidiary Unique Home Health Care Ltd.

@ Apollo Hospitals Enterprise Limited had a stake of 26% in British American Hospitals Enterprise Limited as on 31.12.2008, which is the date of latest available Balance sheet used for consolidation purposes as per Clause 24 of Accounting Standard 23-"Accounting for investments in Associates". The Company has reduced its stake in British American Hospitals Enterprise Limited between 31.12.08 and 31.03.09 from 26% to 19.72%. The Company has consolidated the accounts of British American Hospitals Enterprise Limited based on the reduced stake as per Clause 15 of Accounting Standard 23- "Accounting for investments in Associates"

2. The financial statements of all associates are drawn upto 31st March 2009 except in the case of British American Hospitals Enterprise Limited, which is drawn upto 31st December 2008. The effect of significant events or transactions between the Company and British American Hospitals Enterprise Limited that occurred between the date of the associate's financial statements and the Company's consolidated financial statements has been considered in the preparation of consolidated financial statements in accordance with Accounting Standard 23 'Accounting for Investment in Associates' issued by the Institute of Chartered Accountants of India.

C. Interests in Joint Ventures

1. The following are jointly controlled entities.

Name of the Company	Country of Incorporation	Proportion of ownership interest (%) as on 31.03.2009	Proportion of ownership interest (%) as on 31.03.2008
Apollo Gleneagles Hospitals Limited	India	50.00	50.00
Apollo Gleneagles PET - CT Private Limited#	India	50.00	50.00
Apollo Hospitals International Limited	India	50.00**	50.00**

Western Hospitals Corporation Private Limited	India	40.00	40.00
Apollo DKV Insurance Company Limited	India	20.12	21.48

Formerly Apollo Gleneagles PET CT Limited.

** Apollo Hospitals Enterprise Limited directly holds 0.52% in Apollo Hospitals International Limited and a further 49.48% through its wholly owned subsidiary Unique Home Health Care Limited.

In respect of Universal Quality Services LLC, Dubai, in the absence of any business activity during the year 2008-09, the effect of the operations has not been included in the Consolidated Financial Statements. The Company is in the process of being liquidated after obtaining necessary Statutory permissions. The whole of the amounts in the form of investments have been written off in the books of Apollo Hospitals Enterprises Limited.

In respect of Apollo Lavasa Health Corporation Limited, Apollo Hospitals Enterprise Limited has been allotted shares subsequent to 31st March 2009 only and hence not been considered for the purpose of consolidation in the Consolidated Financial Statements. The amount has been shown as advance for investment in shares (Refer Schedule G of Notes forming part of Standalone Accounts)

2.The Financial statements of all the Joint Ventures are drawn upto 31st March 2009.

3. The Group's interests in the Joint Ventures accounted for using proportionate consolidation in the Consolidated Financial Statements are:

I	ASSETS	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs)
	1.Net Fixed Assets	1,597,262,724	1,644,886,562
	2. Capital Work-in-Progress	72,934,481	3,031,689
	3.Investments	208,714,659	114,199,765
	4.Current Assets, Loans and Advances		
	a) Inventories	24,294,880	24,845,673
	b) Sundry Debtors	101,918,513	95,567,439
	c) Cash and Bank Balances	183,330,234	200,250,504
	d) Loans and Advances	84,122,705	56,924,113
	5. Deferred Tax Asset	101,175,521	99,625,623
II	**LIABILITIES**	**As at 31st March, 2009 (Rs.)**	**As at 31st March, 2008 (Rs.)**
	1.Secured Loans	1,091,053,432	1,166,904,963
	2.Unsecured Loans	162,320,836	162,320,836
	3.Current Liabilities and Provisions		
	a) Liabilities	421,262,053	226,610,019
	b) Provisions	6,335,139	4,785,140
III	**INCOME**	**For the year ended 31st March, 2009 (Rs.)**	**For the year ended 31st March, 2008 (Rs.)**
	1.Income from healthcare services	831,326,840	632,835,605
	2.Other Income	18,961,558	11,656,738

IV	EXPENSE		
	1.Operating Expenses	298,016,734	242,801,918
	2.Payment and provisions to employees	175,060,657	131,989,938
	3. Administrative and other expense	326,653,977	186,084,595
	4. Financial expense	136,327,444	126,933,912
	5.Depreciation /Amortization	110,903,651	110,577,418
	6.Profit Before Taxation	(196,674,064)	(153,895,438)
	7.Provision for Taxation (Including Deferred Tax Liability and Fringe Benefit Tax)	2,094,338	1,995,859
	8.Deferred Tax Asset	1,549,899	24,426,180
	9. Proft after taxation before minority interests	(197,218,504)	(131,465,118)
	10.Minority interests	NIL	NIL
	11.Net Profit	(197,218,504)	(131,465,118)
V	**OTHER MATTERS**	**As at 31st March, 2009 Rs.**	**As at 31st March, 2008 Rs.**
	1. Contingent Liabilities	118,091,560	117,070,000
	2. Capital Commitments	48,026,000	9,872,500

D. As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances, and are presented in the same manner as the Company's separate financial statements.

E. The effects arising out of variant accounting policies among the group companies have not been calculated and dealt with in the Consolidated Financial Statements since it is impracticable to do so. Accordingly, the variant accounting policies adopted by the Associates and Joint Ventures have been disclosed in the financial statements.

F. For the fiscal year ending 31st March 2009, the company (AHEL) has been exempted from publishing the standalone accounts of all seven of its subsidiaries, under section 212 of the Companies Act, 1956.However necessary disclosure under section 212 has been made.

G. The foreign operations of the company are considered as non- integral foreign operations. Hence, the assets and liabilities have been translated at the exchange rates prevailing on the date of Balance Sheet, income and expenditure have been translated at average exchange rates prevailing during the reporting period. Resultant currency exchange gain or loss is transferred to Foreign Currency Translation Reserve.

3. SIGNIFICANT ACCOUNTING POLICIES

A. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported values of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

B. Inventories

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

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

3. Surgical instruments, linen, crockery and cutlery are valued at cost and are subject to 1/3 write off wherever applicable applying FIFO method. The net realisable value is not applicable in the absence of any further modification/alteration before being consumed in-house. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location.

4. Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction.

Apollo Gleneagles Hospitals Limited.

Inventories are valued at lower of the cost or net realisable value. Costs have been calculated on FIFO basis. Items such as surgical equipments/tools etc. are charged out over a period of 36 months from the month of purchase.

C. Prior Period Items and Extraordinary Items

Prior period items and extraordinary items are separately classified, identified and dealt with as required under Accounting Standard 5 on 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' issued by the Institute of Chartered Accountants of India.

D. Depreciation and Amortisation:

i. Depreciation has been provided

a. On assets installed after 1st April 1987 on straight-line method at rates specified in Schedule XIV of the Companies Act, 1956 on single shift basis.

b. On assets installed prior to 2nd April 1987 on straight-line method at the rates equivalent to the Income Tax rates.

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

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

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

v. Amortization:

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

b. The Company has entered into a lease agreement for a period of 9 years with an option to extend the lease by another 16 years. The depreciation on the leasehold building is charged on a straight line basis with the lease period being considered as 25 years. This is in conformity with the definition of lease term as per Clause 3 of AS 19 'Leases' issued by the Institute of Chartered Accountants of India.

c. Unrealised amounts on project development and pre-operative project expenses incurred at Bilaspur Hospital amounting to Rs. 56,622,740/- are included in advances and deposits account. The above expenses incurred on project will be amortised over the balance lease period of 18 years. The balance yet to be amortised as on 31.03.2009 is Rs. 34,602,786 /- (Rs. 37,748,490/-).

d. A lease rental on operating leases is recognised as an expense in the Profit & Loss Account on straight-line basis as per the terms of the agreement in accordance with Accounting Standard 19 'Leases' issued by the Institute of Chartered Accountants of India.

AB Medical Centres Limited

Depreciation on Fixed Asset purchased before December 1993 are provided on Straight Line Method (on pro-rata basis) at the old rates prescribed in Schedule XIV of the Companies Act, 1956 and assets purchased after January 1994 are provided on Straight Line Method (on pro-rata basis) at the new rates prescribed in Schedule XIV of the Companies Act, 1956.

Indraprastha Medical Corporation Limited

a. Depreciation is charged on straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956 (considered the minimum rate) or higher rates if the estimated useful life, based on technological evaluation of the assets are lower than as envisaged under Schedule XIV to the Companies Act, 1956. In case of additions and deletions during the year, the computations are on the basis of number of days for which the assets have been in use. Assets costing not more than Rs.5000/- each, individually have been depreciated in the year of purchase.

b. When impairment loss/ reversal is recognised, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any) on a systematic basis over its remaining useful life.

Apollo Gleneagles Hospital Limited

Depreciation on fixed assets is provided for on straight line basis as follows:

Hospital Buildings at 3.33%

Other Assets - As per Schedule XIV of the Companies Act, 1956.

Apollo Health and Lifestyle Limited

Depreciation is provided using the straight-line method, 'pro rata' for the period of use of the assets, at annual depreciation rates stipulated in Schedule XIV to the Indian Companies Act, 1956, or based on the estimated useful lives of the assets, whichever is higher, as follows:

Asset	Rates of Depreciation
Furniture & Fittings	6.33%
Leasehold Improvements	20.00%
Leasehold Improvements - Furniture	6.33%
Office Equipment	4.75%
Air Conditioners	4.75%
Electrical Installation	4.75%
Computers & Software	16.21%
Vehicles	20.00%

Fixed Assets having an original cost less than Rs.5000/- individually are fully depreciated in the year of purchase or installation. Assets under finance lease are amortised over the useful life or lease term, as appropriate.

Family Health Plan Limited

Depreciation of fixed assets has been provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on new assets acquired during the period has been provided at the rates applicable from the date of its acquisition to the end of the financial year.

Apollo Health Street Limited

(a) Depreciation and amortization is provided using the Straight Line Method ("SLM"), except as stated in the Note (b), at the rates based on useful lives of the assets estimated by Management or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher, as mentioned below:

Nature of the fixed assets	Useful lives
Computers and computer equipment	3 years
Office equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	Shorter of lease period and estimated useful lives of such assets

Individual assets costing 5,000 or less are fully depreciated in the year of purchase.

(b) Depreciation on certain fixed assets of subsidiaries is provided at rates, which are different from the rates used by the parent Company. The name of the subsidiary, estimate of useful life and quantum of assets on which different rates are followed are as follows:

Asset Description	AHSI		Zavata Inc.		ZIPL	
	Useful life	Net Block	Useful life	Net Block	Useful life	Net Block
Computers and computer equipment	5 years	4,056,690	-	-	5 years	15,469,988
Office equipment	-	-	3 years	1,700,354	7.4 years	559,333
Furniture and fixtures	7 years	1,334,686	3 years	8,686,822	10.5 years	7,986,652

(c) In the current year, one of the subsidiaries of the Company viz. Armanti Financial Services LLC, has re-estimated useful lives and changed accounting policy for certain category of assets with effect from April 1, 2008. The new rates and policy are as follows:

Description	New Useful life	Old Useful life
Computers	3 years	6 years
Vehicles	5 years	7 years
Furniture and Fittings	5 years	10 years

Had the Company continued to use the earlier basis of providing depreciation, the depreciation for the current year would have been lower by Rs.11,461,707 /-and profit and net block for the current year would have been higher by Rs.11,461,707/-.

Apollo DKV Insurance Company Limited

Depreciation on fixed assets is provided on straight line method (SLM) with reference to the management's assessment of the estimated useful life of the asset or rates mentioned in Schedule XIV to Companies Act, 1956, whichever is higher. The depreciation rates used are follows:

Asset Class	Rate of Depreciation
Information Technology Equipment	25%
Computer Software	20%
Office equipments	25%
Furniture & Fixtures	25% or on the basis of lease term of premises, whichever is higher
Vehicles	20%

Assets individually costing up to Rs. 20,000/- are fully depreciated in the year of purchase.

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of addition / deletion.

British American Hospitals Enterprise Limited

Depreciation is charged to the Income Statement so as to write off the cost or valuation of equipment. No depreciation is charged on assets work-in-progress.

E. Revenue Recognition

i. Income from Healthcare Services is recognised on completed service contract method. The hospital collections of the company are net of discounts of Rs. 20,519,381/- (Rs. 22,007,701/-). Revenue also includes the value of services rendered, pending billing, in respect of in-patients undergoing treatment as on 31st March 2009.

ii. Pharmacy Sales are stated net of returns, discounts and exclusive of VAT wherever applicable.

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

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

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

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

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

Unique Home Health Care Limited

i. Income from medical services is recognized net of payment to Medical staff.

ii. Income from Hostel Receipts is recognized net of payment made towards Hostel Rent and Mess Expenses and is accounted on accrual basis

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

Apollo Health and Lifestyle Limited

The Company has recognized revenue as follows.

A) With reference to the License fee, 100% on operational clinics. On others, on a pro-rata basis, based upon progress of work and date of signing the agreements.

B) Operating License Fee income has been recognized based on the percentage of the gross sales of operational clinics and for the clinics opened during the year from the date of commencement till March 31, 2009.

Family Health Plan Limited

The revenue from TPA operations is accounted in line with the wordings in the mediclaim policy, which specifies the conditions under which the premium paid will be refunded, thereby aligning the revenue recognition with the policy wordings.

All other streams of revenue are being recognized on accrual basis and prorated till the end of the financial year. Income from TPA operations is recognized inclusive of applicable service tax.

Indraprastha Medical Corporation Limited

(i) Revenue is recognized on accrual basis. Hospital Revenue comprises of income from services rendered to the out-patients and in-patients. Revenue also includes value of services rendered pending billing in respect of in-patients undergoing treatment as on 31st March 2009.

(ii) The revenue in respect of export benefits is recognized on the basis of foreign exchange earned during the year at the rate at which the said entitlement accrues.

Apollo Health Street Limited

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The company recognizes revenue from the last billing date to the balance sheet date for work performed but not billed as unbilled revenues which are included in other current assets.

The Company recognizes revenue on the following basis:

a	Revenue cycle management services	Fees for services are primarily based on percentage of net collections on clients' accounts receivable. Revenue is recognised when the right to receive such revenue is established.
b	Professional services fees including medical coding and billing services	On rendering of the services based on the terms of the agreements/arrangements with the concerned parties.
c	Time and material contracts	Revenues are recognised on the basis of time spent and duly approved by the respective customers.
d	Software development and implementation	Software development- On the basis of software developed and billed, as per the terms of contracts based on milestones achieved under the percentage of completion method. Software implementation- On the completion of installation based on the terms of arrangements with the concerned parties.
e	Interest	Revenue is recognised on a time proportionate basis taking into account the amounts outstanding and the rates applicable.

Apollo DKV Insurance Company Limited

i. 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.

ii. Commission on reinsurance premium

Commission on reinsurance ceded is recognized in the year of cessation of reinsurance premium.

Profit commission under reinsurance treaties, wherever applicable, is recognized in the year of final determination of the profits and as intimated by the reinsurer.

iii. 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.

iv. Reserve for unexpired risk

Reserve for unexpired risk represents that part of net premium (premium net of reinsurance ceded) attributable to the succeeding accounting period subject to a minimum amount of reserves as required by Sec.64V (1) (ii) (b) of Insurance Act, 1938.

v. Interest / Dividend Income

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

F. Fixed Assets

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

b. Capital work - in - progress comprises of outstanding advances paid to acquire fixed assets and amounts expended on development/acquisition of Fixed Assets that are not yet ready for their intended use at the Balance Sheet Date. Expenditure during construction period incurred on projects under implementation is treated as pre-operative expenses, pending allocation to the assets and is included under Capital work- in -progress.

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

d. Interest on borrowings for acquisition of fixed assets and related revenue expenditure incurred for the period prior to the commencement of operations for the expansion activities of the company are capitalised.

Indraprastha Medical Corporation Limited

In respect of new/ major expansion of units, the indirect expenditure incurred during construction period up to the date of commencement of business, which is attributable to the construction of the project, is capitalised on various category of fixed assets on proportionate basis.

British American Hospitals Enterprise Limited

Equipments

Recognition and Measurement

Items are stated at cost less accumulated depreciation and any identified impairment losses. When parts of an item of equipment have different useful life's, they are accounted for as a separate item (major components) of equipment.

Subsequent Cost

The cost of replacing part of an item of equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The cost of the day to day servicing of equipment are recognised in profit or loss as incurred.

G. Transactions in Foreign Currencies

a. Monetary Current Assets and Monetary Current Liabilities relating to foreign currency transactions remaining unsettled at the end of the year are translated at the exchange rates prevailing at the date of Balance Sheet. The difference in translation of monetary items and the realised gains and losses on foreign exchange transactions are recognised in the Profit & Loss Account in accordance with Accounting Standard 11 – 'Accounting for the Effects of Changes in Foreign Exchange Rates (Revised 2003)', issued by the Institute of Chartered Accountants of India (Also refer Note 11 in the Notes forming part of Accounts).

b. Exchange differences arising on settlement or restatement of foreign currency denominated liabilities relating to the acquisition of fixed assets, which is in accordance with Accounting Standard 11 "The effects of changes in foreign exchange rates", are recognised in the Profit and Loss Account. (Also refer Note 11 in the Notes forming part of Accounts).

c. The use of foreign currency forward contract is governed by the company's policies approved by the Board of Directors. These hedging contracts are not for speculation. All outstanding derivative instruments at close are marked to market by type of risk and the resultant losses relating to the year, if any, are recognised in the Profit and Loss Account; gains are ignored. (Also refer Note 21 in the Notes forming part of Accounts).

Apollo Health Street Limited

a. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

b. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

c. Foreign branch

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation are those of the Company itself.

d. Foreign currency translation

The reporting currency for AHSL and its domestic subsidiaries is the Indian Rupee. The subsidiaries have been identified as non-integral operations as they accumulate cash and other monetary items, incur expenses, generate income and arrange borrowings, all substantially in their local currency. Assets and liabilities, both monetary and non-monetary of overseas subsidiaries are translated at the exchange rates as at the date of balance sheet. Income and expenses are translated at the average exchange rate for the reporting year. Resultant currency translation exchange gain or loss is carried as foreign currency translation reserve until the disposal of the net investment

H. Investments

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

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

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

c. In case of foreign investments,

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

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

Apollo DKV Insurance Company Limited

Investments are made in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000 as amended from time to time. Investments are recorded at Cost including acquisition charges (such as brokerage, transfer stamps) if any and exclude interest paid on purchase.

Debt securities, including Government securities are considered as held to maturity and are stated at historical cost adjusted for amortization of premium and/or accretion of discount over the maturity period of securities on straight line basis. Listed and actively traded securities are measured at fair value as at the balance sheet date. For the purpose of calculation of fair value, the lowest value of the last quoted closing price of the stock exchanges is considered wherever the securities are listed. Unrealized gain/losses due to change in fair value of listed securities is credited/debited to 'Fair Value Change Account'. Investments in Units of Mutual funds are stated at fair value being the closing Net Asset Value (NAV) at balance sheet date. Unrealized gains/losses are credited/debited to the 'Fair Value Change Account'.

I. Employee Benefits

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

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

In terms of the opinion of the Expert Advisory Committee of the ICAI, the Company provides liability accruing on account of deferred entitlement towards LTC in the year in which the employees concerned render their services.

Defined Contribution Plan

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

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

Defined Benefit Plan

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit

Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains or Losses are recognised in full in the Profit and Loss Account for the period in which they occur.

a.Gratuity

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

b. Leave Encashment Benefits

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

Unique Home Health Care Limited

a. The company is not covered by The Payment of Gratuity Act, 1972 since the number of employees is below the statutory minimum as prescribed by the Act.

b. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is also not applicable to the company as the number of employees is below the statutory minimum.

c. The Employees State Insurance Act, 1948 is also not applicable to the company as the number of employees is below the statutory minimum.

d. The company does not have any leave encashment scheme or sick leave policy.

Apollo Health Street Limited

a. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year.

b. Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due. There are no other obligations other than the contribution payable to the statutory authorities.

c. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation made at each Balance Sheet date. The actuarial valuation is done as per projected unit credit method.

d. Retention bonuses and long service award are provided based on actuarial valuation made at the end of each year. The actuarial valuation is done as per projected unit credit method

e. Actuarial gains/losses are recognised in the Profit and Loss Account as they arise.

Imperial Hospital & Research Centre Limited

a. Gratuity

The Company has contribution towards a recognised gratuity fund. The contributions are accounted on payment basis.

b. Provident Fund

The Company is registered with the jurisdictional provident fund commissioner for provident fund benefits and is contributing to the fund as per prescribed law. The contributions to the Provident Fund are accounted on accrual basis.

c. Leave Encashment

The company pays leave encashment benefits to employees as and when claimed, subject to the policies of the company.

J. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such asset.

As per Accounting Standard 16 'Borrowing costs', a qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are expensed as incurred.

K. Segment Reporting

Identification of Segments

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

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

Segment Policies

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

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

ii. Inter segment revenue and expenses are eliminated.

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

L. Earnings per Share.

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

M. Taxation

i. Income Tax

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

ii. Deferred Tax

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

iii. Fringe Benefit Tax

Fringe Benefit Tax is provided in respect of benefits, defined under Section 115WB of the Income Tax Act 1961, provided to the employees during this year at the prescribed rates. Fringe Benefit Tax (FBT) payable under the provisions of section 115WC of the Income Tax Act, 1961, is in accordance with the Guidance Note on 'Accounting for Fringe Benefits Tax' issued by the Institute of Chartered Accountants of India regarded as an additional income tax and considered in determination of profits for the year.

Apollo Health Street Limited

Tax expense comprises current, deferred taxes and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the tax laws as applicable to the respective consolidated entities. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified year. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified year.

British American Hospitals Enterprise Limited:

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of prior year.

Deferred tax is recognized using balance sheet method providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted at the reporting date.

A Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

N. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on internal/external factors. An asset is treated as impaired based on the cash generating concept at the year end, when the carrying cost of assets exceeds its recoverable value, in terms of Para 5 to Para 13 of AS-28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, for the purpose of arriving at impairment loss thereon, if any. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

British American Hospitals Enterprise Limited Financial Assets

A financial Asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present Value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis.

All impairment losses are recognized in Profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized directly in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

Non-financial asset

The carrying amounts of the company's non financial assets, other than inventories, and deferred tax assets, are reviewed at each reporting dates to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. In respect of other assets, impairment losses recognised in prior period are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

O. Bad Debts Policy

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

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

Apollo Health Street Limited

The Company had a policy of providing in full for debtors outstanding for a period of more than one year and in half for debtors outstanding for a period of more than six months as at Balance Sheet date. In the current year, the Company revised its estimate to provide for only those debts that are outstanding for more than a year as at Balance Sheet date. The impact of change in estimate is not material on current year financial statements.

P. Miscellaneous Expenditure

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

Imperial Hospital & Research Centre Limited

Preliminary and pre-operative expenses are amortized over a period of 5 years.

Apollo Health Street Limited

Cost incurred on raising funds are amortised equally over the period for which funds are acquired.

Western Hospitals Corporation Private Limited

It is the Company's intention to capitalise/charge off the Pre-operative Expenses when commercial operations begin, in accordance with the generally accepted accounting principles. Preliminary Expenses will be written off fully in the year of commencement of commercial operations.

Apollo Gleneagles Hospital Limited

Balance of deferred revenue as on 01.04.04 has been expensed over originally contemplated period of 5 years.

Q. Intangible Assets

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

Apollo Health Street Limited

An intangible asset is recognised, where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably. Intangible assets are stated at cost less accumulated amortisation. Goodwill arising on consolidation of acquired subsidiaries is carried at cost.

Cost of software is amortised on straight-line basis over the stipulated license period and for software without any stipulated license period over three years.

Apollo Health and Lifestyle Limited.

Trademark and Concept Rights: The Company has entered into an agreement with Apollo Hospitals Enterprise Limited and has incurred an expenditure of Rs.29,100,190/-. This expenditure is towards the usage of "Apollo" name by the company for the franchisee clinics and also for the concept of franchisee mode of business. The expenditure on such licensing is amortised in proportion to the number of clinics that are in operation as the management of the Company feels that this is the best estimate of the useful economic life of this intangible asset.

Indraprastha Medical Corporation Limited

Intangible Assets are stated at cost less accumulated amortization. Intangible assets are amortised on straight-line method over the estimated useful life of the assets. The useful life of the intangible assets for the purpose of amortization is estimated to be three years.

Imperial Hospital & Research Center Limited

Intangible assets are initially recognized at cost and amortised over the best estimate of their useful life. Cost of software including directly attributable cost, if any, acquired for internal use, is allocated/amortized over a period of 5 years.

R. Provisions, Contingent Liabilities and Contingent Assets

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

Contingent liabilities are not provided for unless a reliable estimate of probable outflow to the company exists as at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates. Contingent assets are neither recognised nor disclosed in the financial statements.

S. Lease

a. Operating lease

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

b. Finance lease

Apollo Health Street Limited

Leases, which effectively transfer to the Company, substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are expensed as incurred.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

T. Membership Fees

Unique Home Health Care Ltd.

Non-repayable membership fee collected from patients are accounted as Capital Fund treating them as Capital Receipts.

U. Share based payments

Apollo Health Street Limited

Employee compensation expenses, where applicable, in respect of stock options granted to the employees are recognised over the vesting period of the option on straight line basis using intrinsic value method as prescribed in "Guidance Note on Accounting for Employee Share-based payments" issued by the Institute of Chartered Accountants of India. Compensation cost relating to the parent

Company's options granted to employees of the Company's subsidiary are accounted for in the books of the parent Company.

V. Financial Instruments

British American Hospitals Enterprise Limited

Financial assets and financial liabilities are recognized on the company's Balance Sheet when the company has become a party to the contractual provisions of the instrument. These assets and liabilities approximate their fair values.

The company's accounting policies in respect of the main financial instruments are set out below.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks with original maturities of 3 months or less.

Share capital

Ordinary shares are classified as Equity. Where the company purchases its Equity Share capital (Treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from Equity attributable to the company's Equity holders until the shares are cancelled or reissued. When such shares are subsequently reissued, any net consideration received, is included in Equity attributable to the company's Equity holders.

Other receivables are stated at cost less impairment.

Other payables are stated at cost.

Derivative instruments

Apollo Health Street Limited

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the loss is charged to the income statement. Gains are ignored.

W. Insurance-related Policies

Apollo DKV Insurance Company Limited

a. Reinsurance Premium

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

b. Acquisition Cost of insurance contracts

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

c. Advance premium

Advance premium represents premium received in respect of those policies issued during the year where the risk commences subsequent to the balance sheet date.

d. Claims Incurred

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

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

IBNR represents that amount of claims that may have been incurred prior to the end of the current accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims incurred but not enough reported. IBNR and IBNER liabilities are provided based on actuarial principles and certified by the Appointed Actuary. The methodology and assumptions on the basis of which the liability has been determined has also been certified by the Actuary to be appropriate, in accordance with guidelines and norms issued by the Actuarial Society of India and in concurrence with the IRDA.

f. Allocation of Investment Income

Investment income is apportioned to Profit & Loss Account and Revenue Account in the ratio of average of Shareholder's Funds and Policyholders Funds standing at the end of each month.

g. Fair Value change Account

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

h. Profit/Loss on sale/redemption of investments

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

i. Long/short term Investments

Investments made with specific intention to dispose off within twelve months are classified as short term Investments. Other Investments are classified as long term Investments.

4. RELATED PARTY DISCLOSURES:

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

Sl. No.	Name of Related Parties	Nature of Relationship
1	Dr. Prathap C Reddy	Key Management Personnel
2	Smt. Preetha Reddy	
3	Smt. Suneeta Reddy	
4	Smt. Sangita Reddy	
5	Shri. P.Obul Reddy	
6	Apollo Sindoori Hotels Limited	Enterprises over which Key Management Personnel are able to exercise significant influence
7	P. Obul Reddy & Sons	
8	Apollo Mumbai Hospital Limited	
9	Apollo Health Resources Limited	
10	Medvarsity Online Limited	
11	Keimed Limited	
12	Lifetime Wellness RX International Limited	
13	Health Super Hiway Pvt Ltd	
14	Nippo Batteries Company Limited	
15	Panasonic Home Appliances India Co Limited	
16	Sindhya Aqua Minerale Pvt Limited	
17	PPN Power Generating Co Pvt Limited	
18	Aircell Cellular Ltd	
19	Eleanor Holdings, Mauritius	Holding Company of Western Hospitals Corporation Private Limited
20	Faber Sindoori Management Services Private Limited	Significant Influence (Imperial and AHIL)
21	Cadilla Pharmaceuticals Limited	Significant Control
22	Gleneagles Development Pte Limited	Holding Company of Apollo Gleneagles Hospital
23	Gleneagles Management Services Pte Limited	Subsidiary of Gleneagles Development Pte Limited (GDPL) (Holding Company of Apollo Gleneagles Hospital)

24	Munchener Ruckversicherung Gesellschaft	Associate of Apollo DKV Insurance Company Limited
25	Apollo Hospitals International Limited	Joint Venture
26	Apollo Gleneagles Hospitals Limited	
27	Apollo Gleneagles PET-CT Private Limited	
28	Western Hospitals Corporation Pvt. Limited	
29	Apollo DKV Insurance Company Limited	
30	Family Health Plan Limited	Associates
31	Apollo Health Street Limited	
32	British American Hospitals Enterprise Limited	
33	Indraprastha Medical Corporation Limited	

Sl No	Name of the Related Party	Nature of Transactions	31.03.2009 (Rs.)	31.03.2008 (Rs.)
1	Apollo Sindoori Hotels Ltd	a) Payables at year end	9,238,741	4,022,400
		b) Transaction during the year	129,245,944	106,558,583
		c) Receivable at year end	(37,488)	436,467
		d) Others	14,772	53,454
		e) Premium Income	-	1,601,000
		f) Other Debits	91,889	-
		g) F&B Services	(375,782)	-
2	Apollo Mumbai Hospital Ltd	a) Receivables at year end	4,734,327	3,904,079
		b) Pharmacy Income	5,278,688	11,200,340
		c) Reimbursement of Expenses	10,101,769	2,025,788
3	Apollo Health Resources Ltd	a) Rent Earned	-	419,496
		b) Receivable at year end	11,773,431	10,766,786

4	P. Obul Reddy & Sons	a) Payables as at year end	1,129,898	3,103,606
		b) Transaction during the year	18,901,990	15,041,555
		c) Receivables at year end	53,756	-
5	Medvarsity Online Ltd	a) Rent received	707,688	643,356
		b) Receivable at year end	-	476,316
		c) Reimbursement of Expenses	14,157	105,286
6	Lifetime Wellness RX International Limited	a) Payable at year end	114,730	74,385
		b) Payment for services rendered	26,278,000	7,625,000
7	Keimed Limited	a) Receivables at year end	610,190	52,473,699
		b) Payables at year end	79,025,569	51,338,118
		c) Pharmacy Income	143,003	164,330
		d) Reimbursement of Expenses	-	382,585
		e) Purchases	1,436,694,782	1,584,542,393
		f) Salaries	-	392,240
8	Nippo Batteries Company Limited	a) Receivables at year end	73,580	545,823
9	Panasonic Home Appliances India Co Limited	a) Receivables at year end	90,000	90,000
10	Eleanor Holdings, Mauritius	a) Issue of share capital	-	108,000,000
		b) Receipt of share application money	-	3,960,217
11	Aircell Cellular Ltd	a) Transaction during the year	34,929	-
12	Gleneagles Development Pte Limited	a) Payable	124,390,238	124,390,238
		b) Share Capital received during the year	30,000,000	50,000,000
		c) Outstanding	446,756,970	356,756,970
13	Gleneagles Management Services Pte Limited	a) Reimbursement of Expenses	-	3,792,702
		b) Payable	43,578,705	49,251,602
14	Munchener Ruckversicherung Gesellschaft	a) Payment for services rendered	-	864,000
		b)Premium on cessions to re insurers	12,933,000	-
		c) Re insurance commission earned	3,255,000	-
		d) Losses recovered from re insurers	581,000	-

15	Family Health Plan Ltd	a) Receivables as at year end	1,031,065	11,130,759
		b) Payables as at year end	-	93,624
16	Apollo Health Street Ltd	a) Receivables as at year end	7,831,433	5,427
		b) Payables as at year end	(79,975)	(79,975)
		c) Rent received	21,266,232	20,062,140
		d) Interest receivable	2,245,512	-
17	British American Hospitals Enterprise Limited	a) Receivables at year end	45,264,668	33,032,657
		b) Fees	45,602,090	30,915,985
		c) Reimbursement of Expenses	5,050,920	2,116,672
18	Indraprastha Medical Corporation Ltd	a) Receivables as at year end	25,839,896	75,426,304
		b) Payables as at year end	(4,415,251)	(20,312,211)
		c) Pharmacy Income	834,951,033	713,028,219
		d) Commission on Turnover	27,546,201	28,207,280
		e) Licence Fees	8,700,000	8,700,000
19	Health Super Hiway Private Limited	a) Advance for Investment	26,979,963	-

5. CONTINGENT LIABILITIES

a. Claims against the company not acknowledged as debts- Rs. 928,867,672/-(Rs. 927,928,245/-). Claims against the company not acknowledged as debts represents claims filed against the Company and the consultant doctors. Based on the facts and circumstances, possibility of any of the claims resulting in a major financial loss to the company is remote. Notwithstanding above, the Company is adequately insured to mitigate the possibility of any loss.

b. Estimated amount of contracts remaining to be executed on capital account not provided for on account of the expansion cum diversification programme of the company Rs. 6,098,160,737/- (Rs. 3,828,515,363/-).

c. Apollo Hospitals Enterprise Limited

- The Company filed a Special Leave Petition on 6th May 2008 before the Honourable Supreme Court against the judgement of the Divisional Bench of the Madras High Court dated 10th March 2008 allowing the reopening of the assessment for Assessment Year 2000-01 and disallowing the claim for set off of the unabsorbed depreciation. The Special Leave Petition has been admitted by the Honourable Supreme Court on 15th May 2008. The Assessment Officer completed the assessment and raised a demand of Rs. 136,760,038/-, which has since been stayed by the Honourable Supreme Court in its order dated 16th June 2008. Since in our opinion the amount is subjudice, the same has been treated as a contingent liability for the financial year ended 31st March 2009.

- The estimated customs duty guarantees given by the company in favour of the Assistant Collector of Customs, pending receipt of customs duty exemption certificates amounts to Rs. 99,700,026/- (Rs. 99,700,026/-).

Note:

This is subject to the result of writ petition pending in the Madras High Court with respect to the Chennai Hospital division Rs. 73,709,545/- (Rs. 73,709,545/-).

Application has been made for duty exemption certificates by the Pharmaceutical division, which is pending with the Government. The estimated customs duty is Rs. 14,825,739/- (Rs. 14,825,739/-).

- The Company has executed bonds in favour of the President of India to the extent of Rs. 11,164,742/- (Rs. 11,164,742/-) pending its application for receipt of customs duty exemption certificates from the Government.

- Demand raised by Deputy Commissioner of Commercial Taxes (Enforcement) for VAT payable on the sale of Food and Beverages to the Patients, against which the Company has preferred an appeal with the Joint Commission of Commercial Taxes (Appeals) Mysore is Rs. 1,273,277/- (Rs. Nil)

- High Court's application for duty exemption certificates for import of medical equipment duty free is pending with the Government. The estimated Customs duty is Rs. 14,825,739/- (Rs. Nil)

- Additional liability for payment of sales tax on work orders pursuant to court proceedings between contractors and the State governments amounts to Rs.206,076/- (Rs.206,076/-)

- In respect of the claim for sales tax made by the Commercial Tax Department for Rs.1,039,135/- (Rs. 519,568/-) for the various assessment years, the matter is under contest.

d. (i) Letters of credit opened by various banks in favour of foreign suppliers for consumables, spares, medicines and medical equipments amounts to Rs. 312,026,999/- (Rs. 228,753,340/-).

(ii) Bank Guarantees as on 31.03.2009 Rs. 169,568,640/- (Rs. 168,209,458/-)

(iii) Corporate Guarantees as on 31.03.2009 Rs. 207,500,000/- (Rs. 207,500,000/-)

(Rs.in Crores.)

Particulars	In Favour of	As at 31.03.2009	As at 31.03.2008
By Apollo Hospitals Enterprise Limited on behalf of Apollo Hospitals International Limited	IDBI IDFC	5.00 15.75	5.00 15.75
Total		20.75	20.75

iv) Guarantees given by Apollo DKV Insurance Company Ltd. to various hospitals.* As on 31-03-2009 : Rs. 1,300,000/- (Nil)

*

	(Rs.)
Manipal Health System Pvt Ltd	200.000
Sagar Apollo Hospital	200,000
Mallya Hospital	200,000
Bhatia General Hospital	300,000
Jaslok Hospital	200,000
Deenanath Mangeshkar	200,000
Total	1,300,000

e. Export obligation to be fulfilled in the next eight years on availing of concessional excise duty on imports under 5% EPCG Scheme to the extent of eight times the duty saved, amounts to Rs. 884,188,176/- (Rs. 364,864,512/-). The amount of duty saved during the year was Rs. 65,522,104/- (Rs. 21,394,266/-).

Imperial Hospital & Research Centre Limited

The company has imported fixed assets under the EPCG scheme under an obligation to earn revenues in foreign currency to the extent of “eight” times the duty saved. The total amount of Duty saved as on the year ending March 2009 was Rs. 638.59 Lakhs and the cumulative Export Obligation on the part of the company is Rs. 5108.72 lakhs. The Company has fulfilled export obligations worth Rs. 427.24 lakhs for the year ending March 2009.

f. Apollo Health Street Limited

- Performance Security issued to Commissionerate of Health Medical Services & Medical education/ Health and family welfare Department, Government of Gujarat is Rs 644,880/- (Rs 644,880/-)

- St Anthony Health Center (SAHC) has filed claim for USD 11.80 million (INR 601.21million) against the Zavata Inc for damages suffered by SAHC for breach of certain terms and condition of the agreement by the Company. The Company believes as per the agreement claim is capped at maximum liability of $3.2 million (INR 163.04 million). However, since it has not breached any terms and conditions of the agreement, no provisions has been made in the accounts.

- Accordis Incorporated has received a notice dated 6th April 2009 from Internal Revenue Services (IRS) which assets an outstanding tax liability of USD 2.29 million (INR 116.67 million) for the tax period ending 31st December 2006. Accordis Incorporated has been acquired by Zavata Inc. commencing 26th September 2006, pursuant to which the employees of the Accordis Inc. payroll and the payroll processing from November 2006 was done through Zavata Inc. payroll service provider and necessary forms and returns for the employees were filed with the department. Further, the payroll service provider of Accordis Inc. also erroneously filed the forms and returns with IRS for fourth quarter and for the year ending 2006, based on which IRS determined the above liability. Zavata Inc. has submitted relevant documents to IRS to support the above facts. The Company has obtained a legal opinion, based on which it believes that the matter would be resolved in its favour and as such no liability in this regard has been provided.

g. Apollo Health and Lifestyle Limited

The Company has received a Show cause notice from VAT authorities claiming that Franchise Services come under the scope of VAT and issued an Assessment Order for payment of Rs.3.15 lakhs. For rest of India services they assessed CST of Rs.126 lakhs for the period from 01.04.2005 till 31.3.2008.

The Company followed appeal procedures within Commercial Tax Assessing Authorities and filed a petition in AP High Court for CST and Court has issued a stay order, and directed AHLL to remit 56 lakhs in 30days.

The company moved to the Supreme Court and filed a Special Leave Petition (SLP) by challenging the AP High Court Order. Supreme Court rejected the SLP since the issue is pending with AP High Court, directed AHLL to remit the balance of 35 lakhs as directed by AP High Court and sanctioned further six weeks time to remit the same.

The company has remitted Rs. 21lakhs and the balance of Rs.35 lakhs needs to be remitted before 15.6.2009.

h. Family Health Plan Limited

The Commissioner of Customs, Central Excise and service tax – Hyd.-II Commisionerate vide adjudication order number 08/2008 -Adjn- ST dated 24.03.08 levied a penalty under section 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 Honourable 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.

6. Capital commitments

British American Hospital Enterprise Limited

- The Company has contracted a loan of MUR 211 Million (Rs. 352 Million) from Banque Des Mascareignes for the purchase of additional plant and equipment. As at December 31,2008 part of the loan amounting to MUR 75 Million (Rs. 125 Million) has been disbursed at 11.25% interest per annum.

- The Company has contracted another loan of MUR 100 Million (Rs. 167 Million) from The Mauritius Leasing Company to finance the purchase of various medical equipments. An amount of MUR 3,133,817 (Rs. 5,223,133/-) was disbursed as at 31st December 2008. The loan bears interest rate at 4.5% p.a, repayable over a period 9 years.

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

8. The Arbitration Award against the Company was enforced by a party in Dubai based on the settlement between the parties. The claim made by the party in Dubai to the extent of Rs.40,188,525/- (Nil) was settled during the year.

9. Details of Secured Loans and Security

Apollo Hospitals Enterprise Limited

The Company has been granted an initial repayment holiday of 2 years with respect to the loans taken from Indian Bank, Bank of India and Canara Bank.

a. Indian Bank

Loan from Indian Bank is secured by way of:

Equitable mortgage by deposit of title deeds/ registered mortgage of unencumbered property of the Company at Greams road and Teynampet in Chennai and all fixed assets on pari passu basis.

Hypothecation to the bank by way of First Charge of inventory of goods, produce and merchandise, vehicles, plant & machinery, consumer durables which are now in the possession of the company and/or to be purchased out of the bank's loan, book debts, outstanding monies, recoverable claims, bills, contracts, engagements, securities, investments and rights.

b. Bank of India

Loan from Bank of India is secured by way of:

Hypothecation by way of First Charge of all tangible movable properties, all tangible movable machineries and plants (both present and future), assets and stocks (both present and future), all the present and future book debts, outstandings, money receivables, claims, bills which are now due and owing or which may at any time during the continuance of this security become due and owing to the Company.

c. Canara Bank

The loan is secured by way of pari passu First Charge on Project assets to be created out of the term loan of Canara Bank along with Bank of India.

d. Bank of Bahrain and Kuwait BSC.

Loan from Bank of Bahrain and Kuwait BSC have been repaid during the year.

e. Loans and advances/Credit facilities from Banks are secured by hypothecation of inventories and book debts, and a second charge on specific fixed assets of the company.

f. The Company's Fixed Deposit receipts are under lien with the bankers for obtaining Letters of credit and Bank Guarantee.

Division	As on 31st March 2009 (Rs.)	As on 31st March 2008 (Rs.)
Hyderabad Hospital Division	6,540,475	2,041,628
Chennai Hospital Division	15,000,000	Nil

Apollo Health Street Limited

Term loan as at March 31, 2009 is secured by following assets of the entire group excluding subsidiary Heritage Websolutions Private Limited:

(a) all equity interests held and/or beneficially owned by the Group member in any member of the Group from time to time, provided that no such Group member shall be obligated to pledge or create security over more than 65% of the equity interests (or, if a lesser amount, 65% of the voting equity interests) in any restricted foreign subsidiary;

(b) all financial indebtedness owing to the Group from any obligor, any member of the Group or any Affiliate thereof from time to time;

(c) all of the Group's rights and interests in any account from time to time (and any balance standing to the credit thereof from time to time), and any cash and cash equivalents from time to time;

(d) all of the Group's rights and interests in any real property from time to time;

(e) all of the Group's rights and interests in any tangible movable property from time to time;

(f) all of the Group's rights and interests in any investment interests (other than those referred to in paragraph (a) above) or any goodwill of or uncalled capital of the Group from time to time;

(g) all of the Group's rights and interests in any intellectual property (including, without limitation, any registered intellectual property, and any intellectual property pending registration) from time to time;

(h) all of the Group's rights and interests in any book and/or other debts and/or monetary claims and any proceeds thereof from time to time;

(i) all of the Group's rights and interests in any insurance and/or insurance policy from time to time; and

(j) by way of a security assignment, floating charge or other appropriate means of security all of the Group's other assets and undertakings (including, without limitation, inventory) from time to time;

10. Employee Benefits - Accounting Standard 15 'Employee Benefits' (Revised 2005) issued by the Institute of Chartered Accountants of India

Apollo Hospitals Enterprise Limited

As per the requirements of Accounting Standard 15 'Employee Benefits' (Revised 2005) issued by the Institute of Chartered Accountants of India, the contribution to the gratuity is determined using the projected unit credit method with actuarial valuation being carried out at each balance sheet date. Only the additional provision as required is charged to the profit and loss account for the relevant year -Rs. 500,000/- (Rs. Nil). (Also refer clause (I) of Notes Forming part of Accounts).

Defined Benefit Plan

Rs. in million

Particulars	as at 31st March 2009			as at 31st March 2008		
	Gratuity	Earned Leave	Total	Gratuity	Earned Leave	Total
Present Value of Obligation as on 1st April, 2008	171.28	125.00	296.28	129.35	56.91	186.26
Interest Cost	12.71	9.24	21.95	9.54	4.09	13.63
Current Service Cost	12.66	12.63	25.29	24.45	21.38	45.83
Benefit Paid	(3.52)	(3.65)	(7.17)	(4.21)	(4.72)	(8.93)
Actuarial (gain) / Loss on obligation	(27.22)	(21.23)	(48.45)	12.15	47.34	59.49
Present Value of Obligation as on 31st March, 2009	165.91	121.99	287.90	171.28	125.00	296.28
Defined benefit obligation liability as at the balance sheet is wholly funded by the company						
Change in plan assets						
Fair Value of Plan Assets as on 1st April, 2008	116.83	71.45	188.28	116.72	-	116.72
Expected return on plan assets	8.82	4.97	13.79	8.76	2.68	11.44
Contributions	-	-	-	-	66.50	66.50
Benefits paid	(3.52)	(3.65)	(7.17)	(4.21)	(4.72)	(8.93)
Actuarial gain / (loss)	(3.84)	(11.65)	(15.49)	(4.44)	6.99	2.55
Fair Value of Plan Assets as on 31st March, 2009	118.29	61.12	179.41	116.83	71.45	188.28
Reconcilation of present value of the obligation and the fair value of the plan assets						
Fair value of the defined benefit	165.91	121.99	287.90	171.28	125.00	296.28
Fair value of plan assets at the end of the year	(118.29)	(61.12)	(179.41)	(116.83)	(71.45)	(188.28)
Liability / (assets)	47.62	60.87	108.49	54.45	53.55	108.00
Unrecognised past service cost	-	-	-	-	-	-
Liability / (assets) recognised in the balance sheet	47.62	60.87	108.49	54.45	53.55	108.00
Gratuity & Leave Encashment cost for the period						
Service Cost	12.66	12.63	25.29	24.45	21.38	45.83
Interest Cost	12.71	9.24	21.95	9.54	4.09	13.63
Expected return on plan assets	(8.82)	(4.97)	(13.79)	(8.76)	(2.68)	(11.44)
Actuarial (gain) / loss	(23.39)	(9.58)	(32.96)	16.58	40.35	56.93
Past Service Cost	-	-	-	(51.36)	(82.09)	(133.46)
Net gratuity cost	(6.84)	7.32	0.49	(9.55)	(18.95)	(28.51)
Investment details of plan assets						
100% of the plan assets are invested in debt instruments						
Actual return on plan assets:	4.98	(6.68)	(1.70)	4.32	9.67	13.99

Particulars	as at 31st March 2009		as at 31st March 2008	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Assumptions				
Discount Rate	7.50%	7.50%	7.50%	7.50%
Rate of Increase in Salaries	7.00%	10.00%	7.50%	11.00%
Mortality Rate	LIC 1994-96 Ultimate Tables	LIC 1994-96 Ultimate Tables	LIC 1994-96 Ultimate Tables	LIC 1994-96 Ultimate Tables
Turnover Rate	23.00%	23.00%	23.00%	23.00%
Estimated rate of return on plan assets	7.50%	N/A	7.50%	N/A
Investment details on plan assets	100% of the plan assets are invested in debt instruments			

The company expects to contribute Rs 2,000,000/- to its gratuity plan next year.

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

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

Samudra Healthcare Enterprises Limited

Disclosure as required under Accounting Standard-15 (revised) on Employee benefits are as under:-

(a) Actuarial assumptions used:-

Particulars	Gratuity	Leave Encashment
Mortality	LIC(1994-96)	LIC(1994-96)
Discount Rate	8%	8%
Rate of Increase in compensation	4%	4%
Withdrawal rate	1%	1%
Expected average remaining service	29.67Yrs	27.88Yrs
Method used for present value of plan liability	Projected Unit Credit Method	Projected Unit Credit Method

(b)Present value of obligation taken to Profit & Loss Account & Balance Sheet as at 31st March 2009

(Amount in Rs)

Particulars	Gratuity		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
Opening Defined Benefit Obligation	79,727	262,449	168,829	275,745
Interest Cost	6,378	20,996	13,506	22,060
Current services cost	121,209	20,964	22,385	19,538
Benefits Paid	-	-	-	-
Actuarial (gains)/Losses on Obligation	279,156	(224,682)	39,226	(148,514)
Closing Defined Benefit Obligation	486,470	79,727	243,946	168,829

Apollo Health and Lifestyle Limited

(a) Actuarial assumptions used:-

Particulars	Gratuity	Leave Encashment
Mortality	LIC(1994-96) Ult	LIC(1994-96) Ult
Discount Rate	8%	8%
Rate of Increase in compensation	4%	4%
Withdrawal rate	1%	1%
Expected average remaining service	24.05Yrs	24.05Yrs
Method used for present value of plan liability	Projected Unit Credit Method	Projected Unit Credit Method

(b)Present value of obligation taken to Profit & Loss Account & Balance Sheet as at 31st March 2009

(Amount in Rs)

Particulars	Gratuity		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
Opening Defined Benefit Obligation	1,152,196	811,106	381,139	-
Interest Cost	92,175	64,888	30,491	-
Current services cost	9,704	129,183	36,116	381,139
Benefits Paid	(887,717)	-	(327,308)	-
Acturial (gains)/Losses on Obligation	(69,315)	147,019	139,506	-
Closing Defined Benefit Obligation	330,904	1,152,196	259,944	381,139

Apollo Gleneagles PET-CT Private Limited

(a) Actuarial assumptions used:

Particulars	As at 31.03.09		As at 31.03.08	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Mortality	LIC(1994-96) Ult	LIC(1994-96) Ult	LIC(1994-96) Ult	LIC(1994-96) Ult
Discount Rate	8%	8%	8%	8%
Rate of Increase in compensation	4%	4%	4%	4%
Withdrawal rate	1%	1%	1%	1%
Expected average remaining service	24.34Yrs	37.64Yrs	24.05Yrs	20.36Yrs
Method used for present value of plan liability	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method

(b)Present value of obligation taken to Profit & Loss Account & Balance Sheet as at 31st March 2009

(Amount in Rs)

Particulars	Gratuity		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
Opening Defined Benefit Obligation	279,732	134,253	271,422	4,015
Interest Cost	22,379	10,740	21,714	321
Current services cost	18,915	37,978	31,063	32,313
Benefits Paid	-	-	-	-
Actuarial (gains)/Losses on Obligation	22,180	96,761	51,461	234,773
Closing Defined Benefit Obligation	343,206	279,732	375,660	271,422

Apollo Hospitals International Limited.

a. Gratuity

The Company has covered its gratuity liability under the LIC's group gratuity cum Life Assurance Scheme. The payments for the year amounts to Rs. 1,256,013/-. This was determined by the actuarial valuation by LIC.

b. Leave Encashment Benefits

Actuarial valuation was done to determine the liability of the Company for accumulated leave encashment and medical leave. Projected unit credit method was used to determine the liability.

Particulars	**2008-09**	**2007-08**
Number of Employees eligible for benefits	740	740
Average Gross Salary (Rs.)	4,933	8,507
Average Leave days	18 days	18 days
Average Age	29 years	28 years
Retirement Age	58 years	58 years
Future Salary Rise	7.00%	7.50%
Rate of Discounting	7.50%	8.00%
Present value of liability		
Leave Encashment (Rs.)	2,685,428	1,747,634
Medical Leave	199,974	174,276

Mortality Rate: As per LIC (1994-96) ultimate

Apollo Health Street Limited

Gratuity plan

The Company has an unfunded defined benefit gratuity plan for its Indian Entities (Apollo Health Street Limited, Heritage Websolutions Private Limited and Zavata India Private Limited). Employees are eligible for gratuity benefits on termination or retirement in accordance with Payment of Gratuity Act, 1972.

The following tables summaries the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

(A) Net employee benefit expenses (recognised in personnel expenses)

(Amount in Rs)

Particulars	**March 31, 2009**	**March 31, 2008**
Interest cost	951,771	504,130
Current service cost	4,997,292	4,284,000
Benefits Paid	(899,131)	(269,851)
Actuarial loss/ (gain)	(1434015)	(1,099,857)
Net employee benefit expenses	3,615,917	3,418,422

(B) Changes in the present value of the defined benefit obligation are as follows

(Amount in Rs)

Particulars	March 31, 2009	March 31, 2008
Opening defined benefit obligation	12,373,000	7,468,578
Adjustment to opening defined benefit obligation as per revised AS-15	-	-
Liability acquired on acquisition	-	1,485,943
Interest cost	951,771	504,130
Current service cost	4,997,292	4,284,000
Benefits paid	(951,741)	(269,801)
Actuarial loss/ (gain)	(1,434,015)	(1,099,857)
Closing defined benefit obligation	15,936,307	12,372,993

(C) Details of provision for gratuity

(Amount in Rs)

Particulars	March 31, 2009	March 31, 2008
Defined benefit obligations	15,936,307	12,372,993
Fair value of plan assets	Nil	Nil
Net Liability	15,936,307	12,372,993

The principal assumption used in determining gratuity obligations for the Company's plan is shown below

Particulars	March 31, 2009	March 31, 2008
Discount rate	8.00% p.a.	8.00% p.a.
Expected rate of return on plan assets	Not Applicable	Not Applicable
Salary escalation rate	12% p.a for first 5 years 10% p.a for next 5 years 8 % p.a for next 5 years 6% p.a thereafter	20% p.a for first 5 years 15% p.a for next 5 years 10% p.a for next 5 years 7% p.a thereafter
Attrition rate	Age 21-30 - 36% Age 31-34 - 25% Age 35-40 - 20% Age 41-44 - 15% Age 45-49 - 10% Age 50-57 - 05%	Age 21-30 - 36% Age 31-34 - 25% Age 35-40 - 20% Age 41-44 - 15% Age 45-49 - 10% Age 50-57 - 05%

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

Family Health Plan Limited

(a) Actuarial assumptions used:-

Particulars	Gratuity	Leave Encashment
Mortality	LIC(1994-96)	LIC(1994-96)
Discount Rate	8%	8%
Rate of Increase in compensation	12%	12%
Withdrawal rate	25%	25%
Expected average remaining service	5.50Yrs	5.50Yrs

(b)Present value of obligation taken to Profit & Loss Account & Balance Sheet as at 31st March 2009

(Amount in Rs)

Particulars	Gratuity		Leave Encashment	
	2008-09	2007-08	2008-09	2007-08
Opening Defined Benefit Obligation	2,872,174	2,211,550	835,531	739,289
Interest Cost	296,125	566,014	330,970	877,233
Current services cost	1,687,718	1,725,248	1,217,877	2,202,588
Benefits Paid	(702,668)	(139,755)	(491,132)	(652,543)
Actuarial (gains)/Losses on Obligation	(376,665)	(1,490,883)	(1,548,847)	(2,331,036)
Closing Defined Benefit Obligation	3,776,684	2,872,174	344,399	835,531

Apollo Gleneagles Hospitals Limited

Contribution to Defined Contribution Plan recognised for the year are as under

	Amount (Rs)	Amount (Rs)
Employer's contribution to Provident Fund	1,535,000	1,954,000
Employer's contribution to Pension Fund	3,417,000	3,039,000

Defined Benefit Obligation

Obligation in respect of employee's gratuity fund scheme managed by LIC of India is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner.

(Amount in Rs.)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2008-09	2007-08	2008-09	2007-08
A. Change in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:				
Opening Defined Benefit Obligation	8,646,000	7,048,000	5,524,000	5,787,000
Interest Cost	742,000	589,000	408,000	439,000
Current services cost	2,528,000	2,175,000	2,125,000	1,025,000
Benefits Paid	(573,000)	(929,000)	1,920,000	(483,000)
Actuarial (gain)/Loss on Obligation	(333,000)	(237,000)	(1,713,000)	(1,244,000)
Closing Defined Benefit Obligation	11,010,000	8,646,000	8,264,000	5,524,000
B. Changes in the fair value of Plan Asset representing reconciliation of opening and closing balances thereof are as follows				
Fair Value of Plan Assets as on 1st April, 2008	8,530,000	6,152,000	0.00	0.00
Expected return on plan assets	768,000	560,000	0.00	0.00
Contributions	2,461,000	1,919,000	0.00	0.00
Benefits paid	(333,000)	(237,000)	0.00	0.00

Actuarial gain / (loss)	190,000	136,000	0.00	0.00
Fair Value of Plan Assets as on 31st March, 2009	11,616,000	8,530,000	0.00	0.00
Total actuarial gain / (loss)	763,000	1,065,000	0.00	0.00
C. Actual return on plan assets:				
Expected return on plan assets	768,000	560,000	0.00	0.00
Actuarial (gain) / loss	190,000	136,000	0.00	0.00
Actual return on plan assets:	958,000	696,000	0.00	0.00
D. Amount recognised in the balance sheet				
Liability at the end of the year	11,010,000	8,646,000	8264,000	5,524,000
Fair value of plan assets at the end of the year	11,616,000	8,530,000	-	-
Amount recognised in the balance sheet	(606,000)	116,000	8,264,000	5,524,000
E. Expenses recognised in the Income Statement				
Current services cost	2,528,000	2,175,000	2,125,000	1,025,000
Interest Cost	742,000	589,000	408,000	439,000
Expected return on plan assets	(768,000)	(560,000)	-	-
Actuarial (gain) / loss	(763,000)	(1,065,000)	1,920,000	(483,000)
Expenses recognised in the Income Statement	1,739,000	1,139,000	4,453,000	981,000
F. Balance Sheet Reconciliation				
Opening Net Liability	116,000	896,000	5,524,000	5,787,000
Expenses as above	1,739,000	1,139,000	4,453,000	981,000
Employers Contribution	(2,461,000)	(1,919,000)	(1,713,000)	(1,244,000)
Amount recognised in the balance sheet	(606,000)	116,000	8,264,000	5,524,000
G. Actuarial assumptions used				
Discount Rate	8.10%	8.75%	8.10%	8.75%
Rate of return on plan assets	9.15%	8%	NA	-
H. Experience adjustments on plan liabilities (loss/(gain))	(14.8)	(6.25)	(12.52)	(2.99)
Experience adjustments on plan assets (loss/(gain))	1.90	1.36	-	-

Note

Assumptions relating to future salary increases, attrition, interest rate for discount and overall expected rate of return on assets have been considered based on relevant economic factors such as inflation, market growth & other factors applicable to the period over which the obligation is expected to be settled.

The Company expects to contribute Rs. 2,337,993/- to Gratuity fund in 2009-10.

Indraprastha Medical Corporation Limited

The summarised position of post employment benefits and long term benefits recognised in the Profit & Loss Account and the Balance Sheet as required in accordance with Accounting Standard 15 (Revised) is as under:

(Amount in Rs.)

Particulars	Gratuity funded		Leave Unfunded	
	2008-09	2007-08	2008-09	2007-08
(a) Expenses recognised in the Profit & Loss Account				
Current services cost	6,234,867	5,939,102	7,639,236	7,001,298
Interest Cost	2,802,399	1,798,288	1,788,260	1,099,343
Expected return on plan assets	(2,944,546)	(2,076,818)	-	-
Actuarial (gain) / loss	1,304,375	1,849,225	4,274,805	5,928,701
Expenses recognised in the Profit & Loss Account	7,397,095	7,509,797	13,702,301	14,029,342
(b) Amount recognised in the balance sheet				
Present value of obligation as at the end of the year	38,288,370	29,988,254	27,977,645	22,353,257
Fair value of plan assets at the end of the year	38,902,974	23,773,204	-	-
Unfunded net liability recognised in the balance sheet	(614,604)	6,215,050	27,977,645	22,353,257
(c) Change in the present value of obligations				
Present value of obligations at beginning of the year	29,988,254	22,478,604	22,353,257	13,741,788
Interest Cost	2,802,399	1,798,288	1,788,260	1,099,343
Current services cost	6,234,867	5,939,102	7,639,236	7,001,298
Benefits Paid	(2,386,267)	(2,076,965)	(8,077,913)	(5,417,873)
Actuarial (gains)/Losses on Obligation	1,649,117	1,849,225	4,274,805	5,928,701
Present value of obligations at the year end	38,288,370	29,988,254	27,977,645	22,353,257
(d) Change in fair value of plan assets				
Fair Value of Plan Assets as on 1st April, 2008	23,773,204	22,321,984	0.00	0.00
Expected return on plan assets	2,944,546	2,076,818	0.00	0.00
Employers Contribution	14,226,749	1,451,367	0.00	0.00
Benefits Paid	(2,386,267)	(2,076,965)	0.00	0.00
Fair value of plan assets at the end of the year	38,902,974	23,773,204	0.00	0.00

(e) Actuarial assumptions used (Expressed as weighted average)

Particulars	Gratuity		Leave Encashment
	2008-09	2007-08	
Discount Rate	7.75%	8%	8%
Expected rate of return on plan assets (in case of Gratuity Fund)	8%	8%	0
Expected Rate of Increase in compensation	5%	5.5%	5.5%
Method Used	Projected unit credit method		Projected unit credit method

(f) Contribution to Defined Contribution Plan recognized for the year are as under		
	Amount (Rs)	**Amount (Rs)**
Employer's contribution to Provident Fund	15,130,951	12,910,041
Employer's contribution to Pension Fund	11,906,330	11,309,305

Apollo DKV Insurance Company Limited

Gratuity Plan

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of actuarial valuation as per the projected unit credit method. The gratuity plan has been funded through a policy taken from LIC of India. Disclosure as per AS-15 (Revised) on 'Employee Benefits' is as under:

i. Assumptions Used

Particulars	**31.03.2009**	**31.03.2008**
Mortality	LIC (1994-96) Ult.	LIC (1994-96) Ult.
Discount Rate	8%	7%
Rate of increase in compensation	5%	8%
Withdrawal rate	10%	1%
Expected average remaining service	8.38 Yrs	29.57 Yrs

ii. Changes in benefit obligations

(Amount in Rs.)

Particulars	**31.03.2009**	**31.03.2008**
Present value of obligations at the beginning of Period	1,351,000	Nil
Interest cost	95,000	Nil
Current Service Cost	2,152,000	1,351,000
Benefits Paid	-	-
Actuarial (gain)/loss on obligation	(556,000)	-
Present value of obligations at end of period	3,042,000	1,351,000

iii. Fair Value of Plan Assets

(Amount in Rs.)

Particulars	**Year Ended 31.03.2009**	**Year Ended 31.03.2008**
Fair Value of Planned Assets at beginning of period	Nil	Nil
Contributions	2,177,000	Nil
Actual Return on Planned Assets	118,000	Nil
Fair Value of Planned Assets at end of period	2,295,000	Nil

iv. Amounts recognized in Profit & Loss Account

(Amount in Rs.)

Particulars	**Gratuity**	
	31.03.2009	**31.03.2008**
Current Service Cost	2,152,000	1,351,000
Interest Cost	95,000	Nil

Expected Return on Plan Assets	(87,000)	Nil
Actuarial (Gain)/loss on obligation	(587,000)	Nil
Amount recognized in Profit & loss Account	1,572,000	1,351,000

v. Amounts recognized in Balance Sheet

(Amount in Rs.)

Particulars	As at 31.03.2009	31.03.2008
Present value of obligations at end of period	3,042,000	1,351,000
Fair Value of Plan Assets at end of period	2,295,000	Nil
Funded Status	(747,000)	Nil
Net Asset/(Liability) recognized in the balance sheet	(747,000)	(1,351,000)

vi. Balance Sheet Reconciliation

(Amount in Rs.)

Particulars	Year Ended 31.03.2009	Year Ended 31.03.2008
Opening Net Liability	1,351,000	Nil
Expenses as above	1,572,000	Nil
Contribution Paid	(2,176,000)	Nil
Closing Net Liability	(747,000)	(1,351,000)

Note: As the Gratuity Fund is managed by Life Insurance Corporation of India (LIC), details of investments are not available with the Company.

Apollo Hospitals Enterprise Limited

During the year, the Foreign Exchange loss (the difference between the spot rates on the date of the transactions, and the actual rates at which the transactions are settled) amounting to Rs. 31,087,438/-(Foreign Exchange Gain of Rs. 18,807,335/-) has been adjusted to the Profit and Loss Account, which is in conformity to the Accounting Standard 11 on 'Accounting for the effects of changes in Foreign Exchange rates' issued by the Institute of Chartered Accountants of India. However the notification no. G.S.R. 225(E) issued by Ministry of Corporate Affairs on 31st March 2009, has not been considered in the books since the company does not have any Long-term foreign currency monetary items.

12. Leases

Finance leases

a. Apollo Health Street Limited

Fixed assets include vehicle, computers, office equipments, furniture and leasehold improvements obtained on finance lease arrangements. The finance lease term is for a period of eighteen to seventy two months. There is no escalation clause in any of the lease agreements. Some leases have purchase and renewal clauses. There are no restrictions imposed by lease arrangements. The minimum lease payments due are as under:

Particulars	March 31, 2009 (Rs.)	March 31, 2008 (Rs.)
Total minimum lease payments at the year end	41,123,959	81,874,946
Less: Unearned finance income	5,620,750	11,770,926
Present value of total minimum lease payments [Rate of Interest 0% to 13.74%]	34,990,040	70,104,022
Not later than one year [Present value Rs.12,921,891/- and Rs.36,946,986/- as on March 31, 2009 and 2008 respectively]	16,378,699	42,674,296
Later than one year but not later than 5 years [Present value Rs.22,067,997 /-and Rs.33,157,036/- as on March 31, 2009 and 2008 respectively]	24,745,259	39,199,850

b. British American Hospitals Enterprises Limited.

Particulars		Payments 31.12.2008	Interest 31.12.2008	Principle 31.12.2008	Payments 31.12.2007	Interest 31.12.2007	Principle 31.12.2007
Less than one year	MUR	227,866	100,357	127,509	465,141	110,677	354,464
	Rs.	379,784	167,265	212,519	666,189	158,515	507,674
Between one and five years	MUR	900,866	91,268	701,548	915,547	162,535	753,012
	Rs.	1,501,473	152,116	1,169,720	1,311,274	232,788	1,078,486

Non- cancellable Operating Leases

Lease payments recognised in the Profit & Loss Account is Rs. 292,054,832 /- (Rs. 209,078,611 /-)

Minimum Lease Payments	31.03.2009 (Rs.)	31.03.2008 (Rs.)
Not later than one year	453,886,281	316,859,807
Later than one year and not later than five years	1,068,892,479	878,287,971
Later than five years	1,522,694,324	930,793,994

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

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

Apollo Gleneagles Hospital Limited

The cost of leasehold land has not been amortised over the period of lease since the lease is intended to be renewed on the expiry of the stipulated period.

The Company has certain cancellable operating lease arrangements for residential accommodation and use of certain medical equipments with tenure extending upto one year. Form of certain lease arrangements include option for renewal on specified terms and conditions and payment of security deposit etc. Expenditure incurred on account of operating lease rentals during the year and recognised in the Profit & Loss Account amounts to Rs. 8,540,426/- (Rs. 6,256,727/-)

13. The 1,550,000 equity share warrants issued to Ms. Sangita Reddy during the year 2006-07 at the minimum price of Rs. 442.55 as fixed in accordance with the guidelines for preferential issues of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 has been converted into Equity shares of Rs. 10/- each fully paid on 22nd August 2008.

The 1,549,157 Share warrants issued to Dr.Prathap C. Reddy on 19th October 2007 was converted into Equity shares of Rs. 10/-each fully paid up at a price of Rs. 497.69 per Equity share including premium of Rs. 487.69/- per Equity Share on 18th April 2009.

14. The Company had issued 9,000,000 Global Depository Receipts during the year 2005-06. Total GDR's converted into underlying equity shares during the year is 171,910 (2007 - 08: 757,800) and total GDR's converted upto 31st March 2009 is 4,310,600 (2007 - 08 : 4,138,690).

15. The Company has invested in Non-Convertible Debentures of Citicorp Finance (India) Limited. These debentures are secured by way of mortgage and charge over movable financial assets and immovable assets as identified by the Company.

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

17. Earnings in Foreign Exchange

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Hospital fees	561,151,634	360,459,991
Project Consultancy Services	134,736,152	82,461,688
Reimbursement of expenses	2,739,759	5,840,536
Pharmacy Sales*	219,787	949,965

*Pharmacy sales are sales made within India to in-patients who have paid in foreign currency.

18. Directors travelling included in travelling and conveyance amounts to Rs. 8,390,166/- (Rs. 16,285,633/-).

19. Unclaimed Dividend

Year	Amount in Rs.
2001-02	1,285,045
2002-03	1,444,028
2003-04	1,747,018
2004-05	1,980,388
2005-06	2,276,397
2006-07(*)	1,874,530
2006-07	1,265,598
2007-08	3,304,361
Total	15,177,365

(*) Interim Dividend

During the year, the amount transferred to Investors Education and Protection Fund of the Central Government as per the provisions of Section 205A and 205C of the Companies Act, 1956 is Rs. 1,668,843/- (Rs. 1,702,011/-) in aggregate which comprises of Rs. 1,386,843/- (Rs. 1,378,635/-) as unclaimed dividend and Rs. 282,000/- (Rs. 323,376/-) as unclaimed deposit.

20. Deferred Tax

The deferred tax for the year debited to the profit and loss account of the group comprises:

Particulars	2008-09 (Rs)	2007-08 (Rs)
Deferred Tax Liability for the year	53,991,247	32,230,882
Deferred Tax Asset for the year	67,688,801	101,428,363

The accumulated deferred tax liability/(asset) of the group as on 31.03.09 comprises:

Particulars	2008-09 (Rs)	2007-08 (Rs)
On account of depreciation	401,635,441	727,571,279
On account of Deferred Revenue Expenditure	(1,972,797)	(168,371,857)
On account of unabsorbed losses and depreciation (Deferred Tax Asset)	(109,360,906)	(10,748,115)

Apollo DKV Insurance Company Limited

There has been a net deferred tax asset amounting to Rs. 348,200,000/- on account of accumulated losses. However as a principle of prudence, the company has not recognised deferred tax asset in the financial statements for the year ended 31st March 2009.

21. Apollo Hospitals Enterprise Limited.

a. Bank of Bahrain and Kuwait BSC has granted a loan of USD 3 Million during 2003-04 to the company. The company had entered into a forward currency contract with HDFC Bank in Indian rupees at a fixed interest rate for hedging the foreign currency fluctuation risk and the interest rate risk. The tenure of this derivative contract matches the tenure of the loan. The outstanding unsettled contracts as on 31st March 2009 amounts to Nil. (Rs. 4,800,000/-).

b. The Company bears the withholding tax on the interest paid to Bank of Bahrain and Kuwait BSC and the same is treated as a part of finance cost in the books of accounts of the Company.

c. Gain/loss on currency swap transactions during the year on unsettled contracts as on 31st March 2009 accounted for in the Profit and Loss Account is Nil (Nil).

22. Apollo Health Street Limited

a. Impairment losses

The Company had taken a land on lease in Chennai from a government authority on which it was required to commence commercial operations by June 2008. However, as commercial activity is yet to commence, the Company has on conservative basis provided for the amounts already deployed towards the project. Recoverable amount of the asset has been considered as Nil for the purposes of impairment computations.

b. Initial Public Offering

The Company has incurred certain expenditure during the current year and previous year on Initial Public Offering (IPO) process undertaken in India. The Company filed Draft Red Herring Prospectus with stock exchanges; however IPO was subsequently withdrawn due to poor stock market conditions. Based on legal opinion, the Company has adjusted all expenses other than filing fees incurred in connection with proposed issue against securities premium account.

23. Sundry Debtors, Loans and Advances:

i. Confirmation of balances from Debtors, Creditors and for Deposits are yet to be received in a few cases though the company has sent letters of confirmation to them. The balances adopted are as appearing in the books of accounts of the Company.

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

iii. Advances and deposits represent the advances recoverable in cash or in kind or for value to be realised. The amounts of these advances and deposits are considered good for which the company holds no security other than the personal security of the debtors.

24. Prior period items

Apollo Health Street Limited

The erstwhile partners of Armanti Financial Services LLC sold their entire stake to Apollo Group effective August 1, 2006. The terms of the securities purchase agreement dated July 31, 2006 (including supplemental agreements thereto) required the acquirer to pay contingent consideration up to USD 15,000,000. During the current year the Company vide an amendment dated September 14, 2007 determined the final additional consideration to be USD 11,175,000 (Rs.569,366,250/-). The amount has been recorded as goodwill. Deferred payment liabilities of USD 5,468,333 (Rs.278,611,566/-) represents amount due to erstwhile partners. Of the amount due, USD 5,468,333 (Rs.278,611,566/-) is payable with in one year.

25. Power Generation

Apollo Hospitals Enterprise Limited

The Electricity charges incurred in respect of main hospital is net of Rs. 8,078,300 /- (Rs. 7,461,095/-) [units qualified KWH - 1,615,660 (1,492,219)], being the rebate received from TNEB for Wind Electric Generators owned & run by the Company.

26. Apollo Hospitals Enterprise Limited

The company has been exempted by the Ministry of Corporate Affairs, vide Order No: 46/69/2009 – CL-III, from publishing the quantitative particulars as per Para 3(ii) d of Part II of Schedule VI of the Companies Act, 1956 with respect to the total value of turnover, purchases, goods traded, sales, consumption of raw materials etc., for the financial year ended 31.03.2009 and hence the same is not disclosed for this financial year.

In the case of Indraprastha Medical Corporation Limited, materials consumed are of varied nature and include items of food, beverages, medical consumables etc., Therefore it is not feasible to give the details as required under part II of schedule VI to the Companies Act, 1956.

27. The Company has been exempted from publishing the financial statements for seven of its subsidiaries which are required to be attached to the company's accounts, under Sec.212(1) of the Companies Act, 1956 for the financial year ended 31.03.2009.

28. In the process of acquiring Apollo Gleneagles Hospitals Limited (AGHL) in Kolkata, Apollo Hospitals Enterprise Limited had initially invested Rs.3 crores [0.5 crores towards equity and Rs.2.5 crores to discharge other liabilities of AGHL , erstwhile Duncan Gleneagles Hospital Limited

(DGHL)] to acquire 50.26% holding in the DGHL (subsequently reduced to 49%,now increased to 50%). AGHL assigned an unsecured debt of Rs.17.6 crores existing in its books to Apollo Hospitals Enterprise Limited. As a measure of prudence, this amount is not recognized as an advance or investment in the books of Apollo Hospitals Enterprise Limited currently and will be accounted for as and when the amount(s) are received.

29. General Information

(a) Apollo Hospitals Enterprise Limited

On review of the operations of setting up the Hospital in Noida, the Company has re-assigned the lease agreement between itself and the lessor to its associate, Indraprastha Medical Corporation Limited by extinguishing its rights and privileges in the original lease deed dated 27.10.2001

(b) Pinakini Hospitals Limited

During the year the company has settled a claim of APIDC towards the overdue interest of Rs. 5,000,000/- on the term loans sanctioned and fully repaid under One Time Settlement Scheme. The entire amount of Rs. 5,000,000/- has been written off as expense as the same was not accounted in the earlier years.

(c) Western Hospitals Corporation Private Limited

The Company was incorporated on 16th October 2006. The Company has not commenced its commercial operations as at 31st March 2009. Hence no profit & loss account has been prepared. Instead a schedule of preoperative expenses has been prepared.

Joint Venture with Birla Wellness and Healthcare Private Limited

On 21st January 2008, the Company has entered into a 50:50 Joint Venture agreement with Birla Wellness and Healthcare Private Limited to set up a joint venture company, namely, Ashok Birla Apollo Hospital Private Limited, for setting up a super specialty hospital facility with a capacity of 200 beds in Thane, Maharashtra. In this regard, as per the JV agreement, the Company has to initially contribute an amount of Rs. 100,000,000/- towards the share capital. No amounts were contributed by the company to this proposed joint venture as at 31st March 2009. However, subsequent to the year end, an amount of Rs.5,000,000/- has been contributed towards Share capital during April 2009

(d) Apollo Health & Lifestyle Limited

Contrary to Clause (A) of policy E (Apollo Health & Lifestyle Limited) regarding 100% recognition of license fees on operational clinics, the Company in the year under review has recognized an income of Rs. 20.25 lakhs from unexpired obligations account. This amount being part of non refundable license fee for non-operational clinics now being time barred is recognized as income.

(e) Indraprastha Medical Corporation Limited

(i) The appeal filed by the company against assessment of property tax by MCD, has been decided by the Additional District Judge, Delhi on 17th April 2004 remanding the case to MCD for reassessment on the basis of directions set out in the said order.

The Company has provided Rs. 83,693,078/- (Rs. 83,693,078/-) against property tax liability up to 31st March 2004. The Company has been advised by their legal counsel that on the basis of facts and the directions given by the Honorable Judge, the Company's liability is not likely to exceed the amount provided for the said liability in the books of account.

Further the company has provided Rs.2,968,053/- (Rs.2,968,053/-) against property tax liability for the year ended 31st March 2009 as per unit area method of calculating the property tax.

(ii) Under the terms of the agreement between the Government of NCT of Delhi and the company, the Hospital project of the company has been put up on the land belonging to Government of NCT of Delhi. The Government of NCT of Delhi is committed to meet the expenditure to the extent of Rs. 154,780,000/- 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, 2009, the aforesaid fund, together with interest thereon amounting to Rs. 192,357,946/- 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.

a. The company had filed application for determination of question of law under section 84 of the Delhi Value Added Act, 2004 (VAT) before the Commissioner, Trade and Taxes, Delhi (CTT) regarding the applicability of VAT to the hospital, inter alia, in respect of medicines and consumables administered by the hospitals in the course of medical treatment to its patients.

The CTT has vide its order dated 17th March 2006 in this regard held that VAT would be applicable to the hospitals in respect of the aforesaid. The company has preferred an appeal against aforesaid order of the CTT before Delhi VAT Tribunal. The matter is now pending before the Delhi VAT Tribunal.

(f) Apollo Health Street Limited

i. Zavata Incorporated had entered into an agreement on December 28, 2007 with Saint Anthony Health center (SAHC) to purchase certain accounts receivables for USD 6 million (INR 305.70 million). During the year Zavata Incorporated had filed a law suit against SAHC stating that accounts receivables delivered by SAHC could never reasonably have been valued at USD 6million (INR 305.70 million) and has claimed the deference between USD 6 million (INR 305.70 million) and realizable value of accounts receivable at the time they were delivered. The Company is carrying USD 2.54 millions (INR 129.41million) as receivable in the books. Based on a legal opinion, the Company believes to obtain a judgment against SAHC and as such no provision has been made in the books of accounts.

ii. Employee stock option plan

(A) Employee stock option plan 2005

The Company had instituted an employee stock plan in the financial year 2005-06 and had granted stock options to certain employees. The shareholder and Board of Directors approved the plan on April 14, 2005. The options vest over a period of three years and would be settled by issue of fully paid equity shares.

a) Key features of Employee stock option plan

Grant date	April 14, 2005		
Exercise price	10		
Exercise period	5 years from date of vesting		
Vesting schedule	Date	Number of options	
		March 31, 2009	March 31, 2008
	September 30, 2005	28,700	28,700
	March 31, 2006	17,100	19,500
	March 31, 2007	65,400	67,200
	March 31, 2008	36,000	36,000
		147,200	151,400

Stock options

	March 31, 2009	**March 31,2008**
Outstanding at the beginning of the year	151,400	336,000
Granted during the year	Nil	Nil
Forfeited/ surrendered during the year	1,800	30,200
Exercised during the year	2400	154,400
Expired during the year	Nil	Nil
Exercisable at the end of the year	147,200	151,400
Outstanding at the end of the year	147,200	151,400
Weighted average remaining contractual life	2.84 years	3.82 years

b) Pricing of option

Fair value of option at grant date	2.53
Option pricing model used	Black Scholes Model
Inputs to the model:	
a) Average share price	10
b) Exercise price	10
c) Expected volatility- Unlisted Company	0%
d) Risk free interest rate	6%
e) Weighted average option life	5 years

The Company accounts for compensation cost in respect of its stock options using intrinsic value method. Had the Company accounted for its stock options using the fair value method, the employee compensation expense for the year ended March 31, 2009 would have been higher by Rs. Nil (March 31, 2008: Rs. Nil) and the profit for the year would have been lower by Rs.Nil (March 31,2008: Rs. Nil).

(B) Employee stock option plan 2006

The Company instituted employee stock option plan 2006. The shareholders and the board of directors approved the plan on October 20, 2006 which provided for the issue of 1,100,850 stock options to certain employees. The scheme follows a graded vesting schedule over a period of three years and would be settled by issue of fully paid equity shares.

a) Key features of employee stock option plan

Grant date	October 20, 2006		
Exercise price	98		
Exercise period	5 years from date of vesting		
Vesting schedule (A)			
	Date	Number of options	
		March 31,2009	March 31, 2008
	October 19, 2007	398,287	440,337
	October 19, 2008	194,542	226,970
	October 19, 2009	320,170	384,580
		912,999	1,051,887

Stock options

	March 31,2009	**March 31, 2008**
Outstanding at the beginning of the year	1,051,887	1,100,850
Granted during the year	Nil	Nil
Forfeited/ surrendered during the year	136,387	44,513
Exercised during the year	2,500	4,450
Expired during the year	Nil	Nil
Exercisable at the end of the year	592,829	440,337
Outstanding at the end of the year	912,999	1,051,887
Weighted average remaining contractual life	4.47 years	5.50 years

b) Pricing of option

	March 31,2009
Fair value of option at grant date	32.70
Option pricing model used	Black Scholes Model
Inputs to the model:	
a) Average share price	108
b) Exercise price	98
c) Expected volatility - Unlisted Company	0%
d) Risk free interest rate	6.81%
e) Weighted average option life	4 years

The Company accounts for compensation cost in respect of its stock options using intrinsic value method. Had the Company accounted for its stock options using the fair value method, the employee compensation expense for the year ended March 31,2009 would have been higher by Rs.2,372,339/- (March 31, 2008: Rs.10,887,688) and the profit for the year would have been lower by Rs.2,185,337(March 31, 2008: Loss would have been higher by Rs.10,887,688/-)

(C) Employee stock option plan 2006 - Plan II

The Company instituted employee stock option 2006 - Plan II. The shareholders and the board of directors approved the plan on March 16, 2007 which provided for the issue of 97,350 stock options to certain employees. The options vest over a period of three years and to be settled by issue of fully paid equity shares.

a) Key features of employee stock option plan

Grant date	March 16, 2007		
Exercise price	154		
Exercise period	5 years from date of vesting		
Vesting schedule			
	Date	No of options	
		March 31, 2009	March 31, 2008
	March 15, 2008	5,560	7,595
	March 15, 2009	11,120	15,190
	March 15, 2010	38,920	53,165
		55,600	75,950

Stock options

Particulars	March 31, 2009	March 31, 2008
Outstanding at the beginning of the year	75,950	97,350
Granted during the year	Nil	Nil
Forfeited/ surrendered during the year	20,350	21,400
Exercised during the year	Nil	Nil
Expired during the year	Nil	Nil
Exercisable at the end of the year	16,680	7,595
Outstanding at the end of the year	55,600	75,950
Weighted average remaining contractual life	5.56 years	6.56 years

b) Pricing of option

Particulars	March 31,2008
Fair value of option at grant date	40.81
Option pricing model used	Black Scholes Model
Inputs to the model:	
a) Average share price	154
b) Exercise price	154
c) Expected volatility - Unlisted Company	0%
d) Risk free interest rate	8%
e) Weighted average option life	4 years

The Company accounts for compensation cost in respect of its stock options using intrinsic value method. Had the Company accounted for its stock options using the fair value method, the employee compensation expense for the year ended March 31, 2009 would have been higher by Rs.765,036(March 31,2008: Rs.1,317,084) and the profit for the year would have been lower by Rs.765,036 (March 31, 2008: Loss would have been higher by Rs.1,317,084)

(D) Apollo Employees - Accelerated stock option plan

The Company instituted Apollo Employees – Accelerated stock option plan. The shareholders and the board of directors approved the plan on July 20, 2007 which provided for the issue of 325,000 stock options. The options vest over a period of one month and are to be settled by issue of fully paid equity shares.

a) Key features of employee stock option plan

Grant date	July 20,2007	
Exercise price	250	
Exercise period	5 years from date of vesting	
Vesting schedule	30 days from the date of grant	
Stock option		
	March 31, 2009	**March 31, 2008**
Outstanding at the beginning of the year	324,500	Nil
Granted during the year	Nil	325,000
Forfeited/ surrendered during the year	26,016	Nil
Exercised during the year	Nil	500
Expired during the year	Nil	Nil
Exercisable at the end of the year	298,484	324,500
Outstanding at the end of the year	298,484	324,500
Weighted average remaining contractual life	3.32 years	4.32 years

b) Pricing of option

Fair value of option at grant date	18.52
Option pricing model used	Black Scholes Model
Inputs to the model:	
a) Average share price	250
b) Exercise price	250
c) Expected volatility - Unlisted Company	0%
d) Risk free interest rate	8%
e) Weighted average option life	1 year

The Company accounts for compensation cost in respect of its stock options using intrinsic value method. Had the Company accounted for its stock options using the fair value method, the employee compensation expense for the year ended March 31, 2009 would have been higher by Rs.Nil (March 31, 2008: Rs.6,019,000) and the profit for the year would have been lower by Rs.Nil (March 31,2008: Loss would have been higher by Rs.6,019,000)

(E) Employee stock option plan 2007

The Company instituted employee stock option 2007. The shareholders and the board of directors approved the plan on August 14, 2007, which provided for the issue of 297,000 stock options to certain employees. The options vest over a period of three years and to be settled by issue of fully paid equity shares.

Grant date	March 16, 2007		
Exercise price	154		
Exercise period	5 years from date of vesting		
Vesting schedule			
	Date	**No of options**	
		March 31, 2009	**March 31, 2008**
	August 13 ,2008	127,000	127,000
	August 13, 2009	85,000	85,000
	August 13, 2010	85,000	85,000
		297,000	297,000

a) Key features of employee stock option plan

Stock options

Particulars	March 31, 2009	March 31, 2008
Outstanding at the beginning of the year	297,000	Nil
Granted during the year	Nil	297,000
Forfeited/ surrendered during the year	Nil	Nil
Exercised during the year	Nil	Nil
Expired during the year	Nil	Nil
Exercisable at the end of the year	127,000	Nil
Outstanding at the end of the year	297,000	297,000
Weighted average remaining contractual life	5.23 years	6.23 years

b) Pricing of option

Particulars	Vesting date		
	August 13, 2008	**August 13, 2009**	**August 13, 2010**
Fair value of option at grant date	117.97	127.75	136.81
Option pricing model used	Black Scholes	Black Scholes	Black Scholes
Inputs to the model:			
a) Average share price	250	250	250
b) Exercise price	154	154	154
c) Expected volatility - Unlisted Company	0%	0%	0%
d) Risk free interest rate	8%	8%	8%
e) Weighted average option life	2 years	3 years	4 years

The Company accounts for compensation cost in respect of its stock options using intrinsic value method. Had the Company accounted for its stock options using the fair value method, the employee compensation expense for the year ended March 31, 2009 would have been higher by Rs.3,551,764 (March 31, 2008: Rs.3,321,433) and the profit for the year would have been lower by Rs.3,551,764 (March 31,2008: Loss would have been higher by Rs.3,321,433)

(F) Proforma disclosures:

The Guidance Note on 'Accounting for employee share based payments' ('Guidance Note') issued by ICAI establishes financial accounting and reporting principles for employees share based payment plans. The Guidance Note applies to employee share based payments, the grant date in respect of which falls on or after April 1, 2005. The Company follows the intrinsic value method to account compensation expense arising from issuance of stock options to the employees. Had compensation cost been determined under the fair value approach described in the Guidance Note, using the Black Scholes pricing model, the Company's net income/(loss) and basic and diluted earnings per share (as restated) would have been reduced to the proforma amounts as set out below:

Particulars	Year ended March 31,2009	Year ended March 31,2008
Consolidated Net profit/(loss) as reported	156,757,250	(244,777,136)
Less: Employee stock compensation expense	(6,689,199)	(21,545,204)
Pro forma consolidated net profit/(loss)	150,068,051	(266,322,340)
Basic EPS		
-As reported	6.27	(11.36)
-Pro forma	6.00	(11.36)
Diluted EPS		
-As reported	5.56	(12.36)
-Pro forma	5.33	(12.36)

iii. Fringe Benefit on stock options:

Finance Act 2007 requires payment of Fringe Benefit Tax (FBT) on stock option benefits provided to employees. FBT is payable on the date when stock option is exercised by the employees based on the fair market value on the date of vesting. Management has computed FBT expense of Rs.97,076/- (March 31, 2008: Rs.4,065,566) for the current year allotments. However, as the money is recoverable from the employees, no provision has been made in the books.

iv. Derivative instruments

(i) As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS 11 and interest rate swaps, have been marked to market on a portfolio basis, and the net loss amounting to Rs.Nil (March 31, 2008: Rs.555,898/-) for the year ended March 31, 2009 is charged to profit and loss account.

(ii) As on March 31, 2009 the Company's subsidiary Apollo Health Street Inc had certain open interest rate swaps arrangements with banks, which were entered into solely for the purpose of hedging against interest rate fluctuations on certain long-term borrowings of about $117 million (March 31, 2008: $125 million) with those banks. The borrowings are payable over a period of 5 years and the swap arrangements are also expected to subsist over the period. As on the balance sheet date, a "Marked to Market" valuation of the outstanding swaps indicates a notional loss of about $11.68 million approximately Rs.597.72 million (March 31, 2008: $ 8 million (approximately Rs.323.00 million)).

Management has after careful consideration concluded that no provision is required to be made for the Marked to Market loss of Rs.597.72 million as at the date of balance sheet since:

- The swap arrangements are purely for hedging purposes and not intended to be used for trading or speculative purposes;
- The loss on balance sheet date is entirely notional in nature, and does not require to be paid or settled as on that date.
- Being in the nature of interest rate hedge, the MTM on swaps are likely to have little or no impact on reported results over the period of the contracts.

(iii) Details of outstanding derivatives

Particulars of derivatives	Purpose	March 31, 2009	March 31, 2008
Forward cover contracts outstanding as at Balance Sheet date	Hedge against expected receivables	Nil	Sell USD 12,100,000

v. Interest rate swaps outstanding as at the balance sheet date:

The Company has entered into interest rate swaps to hedge its risks associated with interest rate fluctuations and the details of the same are mentioned below:

a) Hedge against exposure to variable interest outflow on loans.

Receive LIBOR plus spread of 2.75% and pay as per the terms mentioned below:

	March 31, 2009		March 31, 2008
	Payment rate %		
	From 29-Feb-2009 to termination date	29-May-2008 to 28-Feb-2009	From 29-Nov-07 to 28-May-2008
If LIBOR is less than or equal to 3.10%	-	-	5.10% plus spread of 2.75%
If LIBOR is less than or equal to barrier	5.10% plus spread of 3.75%	5.10% plus spread of 2.75%	-
If LIBOR is greater than 3.10% and less than or equal to 6.25%	-	-	LIBOR plus spread of 2.75%
If LIBOR is greater than barrier and less than or equal to 5.25%	LIBOR plus spread of 3.75%	LIBOR plus spread of 2.75%	LIBOR plus spread of 2.75%
If LIBOR is greater than 6.25%	-	-	6.25% plus spread of 2.75%
If LIBOR is greater than 5.25%	5.25% plus spread of 3.75%	5.25% plus spread of 2.75%	-

Notional amount and barrier Schedule:

From (and including)	To (but excluding)	Notional Amount	Barrier
29-Feb-08	29-Aug-08	40,000,000	2.20%
29-Aug-08	29-Nov-08	39,441,380	2.00%
28-Nov-08	28-Feb-09	38,882,785	2.00%
27-Feb-09	28-May-09	38,231,035	2.00%

b) Hedge against exposure to variable interest outflow on loans.

March 31, 2009		March 31, 2008
Pay: fixed rate of 7.6% from 20th September 2007 to August 29, 2008 and 8.10% thereafter and Receive: LIBOR plus spread of 2.75%.		Pay: fixed rate of 7.6% from 20th September 2007 to August 29, 2008 and Receive: LIBOR plus spread of 2.75%.
From (and including)	To (but excluding)	Notional Amt (USD)
20-Sep-07	29-Aug-08	22,500,000
29-Aug-08	28-Nov-08	17,185,776
28-Nov-08	27-Feb-09	16,871,552
27-Feb-09	28-May-09	16,504,957

c) Hedge against exposure to variable interest outflow on loans.

Receive LIBOR plus spread of 2.75% from BOI and pay BOI as per the terms mentioned below:

	March 31, 2009		**March 31, 2008**
	Payment rate %		
	From 29-Aug-2009 to termination date	**From 29-Nov-2007 to 29-Aug-2008**	**From 29-Nov-2007 to 29-Aug-2008**
If LIBOR is less than or equal to 3.10%	5.10% plus spread of 3.00%	5.10% plus spread of 2.75%	5.10% plus spread of 2.75%
If LIBOR is greater than 3.10% and less than or equal to 6.25%	LIBOR plus spread of 3.00%	LIBOR plus spread of 2.75%	LIBOR plus spread of 2.75%
If LIBOR greater than 6.25%	6.25% plus spread of 3.00%	6.25% plus spread of 2.75%	6.25% plus spread of 2.75%

Notional Amount

From (and including)	**To (but excluding)**	**Notional Amt (USD)**
29-Nov-07	29-Aug-08	40,000,000
29-Aug-08	29-Nov-08	34,441,380
29-Nov-08	28-Feb-09	33,882,758
28-Feb-09	28-May-09	33,231,035

d) Hedge against exposure to variable interest outflow on loans

March 31, 2009		March 31, 2008
Pay: fixed rate of 7.6% from 20th September 2007 to termination date and Receive: LIBOR plus spread of 2.75%.		Pay: fixed rate of 7.6% from 20th September 2007 to termination date and Receive: LIBOR plus spread of 2.75%.
From (and including)	To (but excluding)	Notional Amt (USD)
20-Sep-07	29-Aug-08	22,500,000
29-Aug-08	28-Nov-08	22,185,776
28-Nov-08	27-Feb-09	21,871,552
27-Feb-09	28-May-09	21,504,957

vi. Particulars of unhedged foreign currency exposure

As at March 31, 2009

	USD	Closing rate	Amount
Sundry debtors	1,964,889	50.75	708,798,498
Sundry creditors	303,077	51.19	28,805,477
Cash balances	31,024	50.75	1,574,747

	GBP	Closing rate	Amount
Sundry debtors	19,732	72.51	1,430,767
Sundry creditors	24,765	73.83	1,828,400
Cash balances	1,883	72.51	136,536

	EUR	Closing rate	Amount
Sundry debtors	24300	67.10	1,630,530
Sundry creditors	2627	68.32	179,477

As at March 31, 2008

	USD	Closing rate	Amount
Sundry creditors	361257	40.00	14,450,280
Cash balance	24,805	39.70	984,751
Other Advance	1,300	39.70	51,610

	GBP	Closing rate	Amount
Sundry creditors	20,527	79.84	1,638,876
Cash balances	18,918	78.96	1,493,765

(g) British American Hospitals Enterprise Limited

Financial instruments and associated risks:

Associated risks:

The main risks arising from the company's financial instruments are as follows:

1. Credit risk

2. Liquidity risk

3.Market risk (which includes currency risk and interest rate risk)

The directors reviews and agreed policies for managing each of these risks which are summarized below:

Credit risk:

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the company. The company's exposure to credit risk is monitored by management on an ongoing basis. The company does not have any significant concentration of credit risk.

Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligation as they fall due. The company's approach to managing liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liability when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to company's reputation.

The following are the contractual maturities of financial liabilities:

Particulars	Less than one year		Between one & five years	
	MUR	INR	MUR	INR
As at 31.12.2008				
Other payables	437,555,035	729,272,977	-	-
Borrowings	75,000	125,003	74,925,000	124,877,498
Obligation under finance lease	514,012	856,704	3,448,862	5,748,218
As at 31.12.2007				
Other payables	261,042,745	373,873,251	-	-
Borrowings	-	-	-	-
Obligation under finance lease	-	-	-	-

Interest rate risk:

The company's income and operating cash flows are substantially independent of changes in market interest rates. The company's only other significant interest- bearing financial assets and liabilities are cash at bank, interest bearing borrowings and obligations under finance lease. Interest income and expense may fluctuate in amount, in particular due to changes in interest rates.

(a) Cash at bank

Exposure

At 31.12.2008, the company's interest bearing financial instrument included cash at bank amounting to MUR 19,117,961 [Rs. 31,863,905/-] (2007: MUR 321,648; Rs. 460,674/-), which bear rate of interest between 0% and 0.25%. The rate may increase or decrease depending on the prime lending rate.

Sensitivity analysis

At 31.12.2008, if the prime-lending rate had been 1% higher or lower, profit after tax would have been MUR 162,503 [Rs. 251,793/-](2007: MUR 2734; Rs.3,783) higher/lower, mainly because of higher or lower interest expenses.

(b) Interest bearing borrowings

Exposure

At 31.12.2008, the company's interest bearing financial instrument included cash at bank amounting to MUR 75,000,000 [Rs. 125,002,500/-] (2007: Nil; Rs. Nil), which bear rate of interest at 12%. The rate may increase or decrease depending on the prime lending rate.

Sensitivity analysis

At 31.12.2008, if the prime lending rate had been 1% higher or lower, profit after tax would have been MUR 1,718 [Rs. 2,662/-](2007: Nil; Rs. Nil) higher/lower, mainly because of higher or lower interest expenses.

(c) Obligation under finance lease

Exposure

At 31.12.2008, the company's interest bearing financial instrument included cash at bank amounting to MUR 3,962,874 [Rs. 6,604,922] (2007: Nil; Rs. Nil), which bear rate of interest at 13%. The rate may increase or decrease depending on the prime-lending rate.

Sensitivity analysis

At 31.12.2008, if the prime-lending rate had been 1% higher or lower, profit after tax would have been MUR 77 Rs. 119/-(2007: Nil; Rs. Nil) higher/ lower, mainly because of higher or lower interest expenses.

Currency Risk

The company is exposed to the risk that the exchange rate to the currencies listed below that may change in a manner which have some material effect on the reported values of the company's assets and liabilities which are denominated in these currencies.

Particulars		Financial Assets 2008	Financial Liabilities 2008	Financial Assets 2007	Financial Liabilities 2007
USD	MUR	873,912	-	6,905	-
	Rs.	1,456,549	-	9,890	-
MUR	MUR	18,244,049	516,517,909	314,743	261,042,745
	Rs.	30,407,356	860,880,398	450,784	373,873,251

Sensitivity analysis

As at 31.12.2008 had the MUR strengthened by 5% in relation to USD, with all variables held constant, profit after tax would have decreased by the amount shown below..

All amount stated in Mauritian rupee

Currency		2008	2007
USD	MUR	37,141	293
	Rs.	61,903	420

A 5% weakening of the MUR against the above currency would have resulted in an equal but opposite effect on the above financial statement amounts to the amounts shown above, on the basis that all other variables remain constant.

Capital Risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optional capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debt.

The company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current borrowings) less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt.

Particulars	2008 MUR	2008 Rs.	2007 MUR
Total borrowings	78,962,874	131,607,422	-
Net debt	59,844,913	99,743,516	-
Total equity	643,640,244	1,072,755,195	-
Total capital	703,485,157	1,172,498,711	-
Gearing ratio	8.5%	8.5%	-

h. In case of Unique Home Healthcare Limited and Western Hospitals Corporation Private Limited. The Company is still in the process of appointing the whole time Managing Director and whole time Company Secretary, which is mandatory as per sec. 269 and sec. 383A of the Companies Act, 1956.

i. Family Health Plan Limited

- The expenditure on the development of leasehold assets represents expenditure incurred by the company towards interior and temporary structure in the leased accommodation. The same is being written off over the primary period of lease.
- Float fund closing bank balances as on 31.03.09 in various float fund accounts jointly with FHPL and respective insurance companies is Rs. 125.00 lakhs (Previous Year Rs. 135.00 Lakhs) has been considered in the books for the purpose of accounting as balances held in trust.

j. Apollo Gleneagles Hospital Limited

- In view of the nature of activities carried out by the Company, it is not practicable to furnish quantitative and other details other than those given above in respect of consumption, purchase, sales as required in terms of Para

3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956.

- The Company has substantial accumulated losses at the year end. However these accounts have been prepared on the assumption that it will be able to continue as a going concern considering the financial and technical support from its promoters, expected growth in its performance and profitability in future years.

- The Company runs a diagnostic centre (the centre) independent of its hospital and therefore both the hospital as well as the centre has been considered by the management as two separate cash generating units (CGUs) for the purpose of determination of impairment in value of fixed assets. As required by Accounting Standard 28 on 'Impairment of Assets', the Company has carried out an assessment at the Balance Sheet date for ascertaining indications, if any, of other impairment loss/reversal of impairment loss recognised in earlier years. In view of the management no such indications exist as on 31st March 2009.

- Buildings of Rs. 19,589,883/- (Net) [Previous year 20,009,778/- (Net)] pertaining to diagnostic center at Gariahat include the cost of land pending allocation/ ascertainment of cost attributable there against.

- In the opinion of the Board of Directors, unless otherwise stated, the current assets and loans and advances have the value at least equal to the amount at which these are stated in the balance sheet, if realized in the ordinary course of the business, and adequate provisions for all known liabilities have been made and are not in excess of the amount reasonably required in this respect.

- Certain debit and credit balances including debtors, creditors including deposits, unsecured loans from body corporate, bank balances and loans and advances etc are subject to confirmation and reconciliation and consequential adjustments, if any, arising there from.

- Plant & Machinery includes Rs. 26,15,163/- being contribution towards cost of service line (owned by electricity service provider) which is amortised on straight line basis over a period of 36 months.

k. Apollo DKV Insurance Company Limited

The company is in the business of health insurance. During the year, the company has launched general insurance products in travel and personal accident. The company has obtained certificate of renewal of registration dated 13, March 2009. The renewed registration is valid upto 31, March 2010.

(i) Encumbrances

The company has all the assets within India and assets are free from encumbrances except deposits in banks amounting to Rs. 13,00,000/-

(ii) Commitments made and outstanding for

(Amount in Rs.)

Particulars	As at 31.03.09	As at 31.03.08
Loans	Nil	Nil
Investments	Nil	Nil
Fixed Assets	11,588,000	1,116,000

(iii) Claims, less reinsurance paid to claimants

Class of Business	In India		Outside India	
	As at 31.03.09	As at 31.03.08	As at 31.03.09	As at 31.03.08
Miscellaneous	166,644,000	322,000	360,000	Nil

(iv) Age-wise breakup of claims outstanding:

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	As at 31.03.09	As at 31.03.08	As at 31.03.09	As at 31.03.08
Miscellaneous	140,000	Nil	50,125,000	804,000

(v) Claims Settled and remaining unpaid for a period of more than six months

Class of Business	As at 31.03.09	As at 31.03.08
Miscellaneous	Nil	Nil

(vi) Premium less reinsurance written during the year

Class of Business	In India		Outside India	
	Year ended 31.03.09	Year ended 31.03.08	Year ended 31.03.09	Year ended 31.03.08
Miscellaneous	414,252,000	25,222,000	Nil	Nil

No premium income is recognized on "varying risk pattern" basis.

(vii) Extent of risk retained and reinsured

Class of Business	Risk Retained		Risk Reinsured	
	Year ended 31.03.09	Year ended 31.03.08	Year ended 31.03.09	Year ended 31.03.08
Miscellaneous	85%	85%	15%	15%

(viii) Value of Contracts in relation to Investments

Amount in Rs.

Particulars	As at 31.03.09 Rs.	As at 31.03.08 Rs.
Purchase where deliveries are pending	Nil	20,000,000
Sales where payments are overdue	Nil	Nil

(ix) All the investments held by the Company are performing assets.

(x) The Company does not have any investment property as at March 31, 2009.

(xi) The investments as at year-end have not been allocated into Policy Holders & Shareholders as the same are not earmarked separately.

(xii) The historical cost of investments in mutual funds, which have been valued on fair value basis, is Rs. 49,417 thousand (Previous Year: Nil)

(xiii) Expenses relating to outsourcing, business development and marketing support are given below

Operating expenses	Year ended 31.03.09	Year ended 31.03.08
Outsourcing Expenses	86,249,000	1,743,000
Marketing Support	101,516,000	58,475,000
Business Promotion	20,114,000	1,211,000

(xiv) Sector wise business

Disclosure of Sector wise business based on gross direct written premium (GWP) is as under:

Business Sector	Year ended 31.03.09			Year ended 31.03.08		
	GWP Rs.	No. of Lives	% of GWP	GWP Rs.	No. of Lives	% of GWP
Rural	291,000	1057	0.06%	N.A	N.A	N.A
Social	296,000	207	0.06%	N.A	N.A	N.A
Urban	480,861,000	516,838	99.88%	N.A	N.A	N.A

(xv) Disclosure of Fire and Marine Revenue accounts:

As the company operates in single business segment viz. Miscellaneous Insurance Business, the reporting requirements as prescribed by IRDA with respect to presentation of Fire and Marine Insurance revenue accounts are not applicable.

(xvi) Summary of Financial Statements is provided as under:

Amount in Rs.

S. No.	Particulars	2008-2009	2007-2008
	Operating Results:		
1.	Gross Premium Written	489,793,000	29,673,000
2.	Net Earned Premium Income	216,392,000	2,814,000
3.	Income from Investments (net)	9,617,000	100,000
4.	Other Income	-	-
5.	Total Income	226,009,000	2,914,000
6.	Commission (Net of Reinsurance)	35,903,000	3,329,000
7.	Brokerage	33,652,000	1,858,000
8.	Operating Expenses	723,781,000	316,793,000
9.	Claims Incurred	247,289,000	2,474,000
10.	Operating Profit/Loss	(780,964,000)	(319,682,000)
11.	Total Income under Shareholders Account	62,721,000	38,223,000
12.	Profit /(Loss) before tax	(718,243,000)	(281,459,000)
13.	Provision for Tax	(3,591,000)	(1,958,000)
14.	Profit/(Loss) after tax	(721,834,000)	(283,417,000)
	Miscellaneous:		
15.	Policy holders' Account: Total Fund Total Investments Yield on investments	Not applicable being General Insurance Co.	
16	Shareholders' Account: Total Fund Total Investments Yield on investments	Not applicable being General Insurance Co.	
17.	Paid Up Equity Capital	1,073,700,000	1,005,548,000
18.	Net Worth	960,437,000	719,659,000
19.	Total Assets	1,453,943,000	862,318,000
20.	Yield on total investments	10.69%	8.49%

21.	Earning Per Share (Rs.)	(7.09)	(3.76)
22.	Book value per Share(Rs.)	8.95	7.16
23.	Total Dividend	Nil	Nil
24.	Dividend Per share	Nil	Nil

(xvii) Accounting Ratios are provided as under:

Performance Ratios	**2008-2009 (in times)**	**2007-2008 (in times)**
Gross Premium Growth Rate	16.51	N.A
Gross Premium to Shareholders Funds Ratio	0.51	0.04
Growth Rate of Shareholders Funds	1.33	365.92
Net Retention Ratio	0.85	0.85
Net Commission Ratio	0.09	0.13
Expenses of Management to Gross Direct Premium	1.50	10.68
Combined Ratio	1.89	10.87
Technical Reserves to Net Premium Ratio	0.73	0.97
Underwriting Balance Ratios	(1.89)	(12.67)
Operating Profit Ratio	(1.73)	(11.03)
Liquid Assets to Liability Ratio	0.79	5.22
Net Earnings Ratio	(1.74)	(11.24)
Return on Net Worth	(0.75)	(0.79)
Reinsurance Ratio	0.15	0.15

30. Managerial Remuneration

Apollo Hospitals Enterprise Limited

Particulars	**31.03.2009 (Rs.)**	**31.03.2008 (Rs.)**
Profit before Managerial Remuneration	1,873,262,672	1,571,739,349
Add: Provision for Bad debts	4,620,050	3,832,000
Add: Loss on sale of Assets and Investments	6,256,304	6,331,976
Add: Wealth Tax	1,120,996	899,376
Less: Profit on sale of assets & investment	10,092,109	81,852,095
Divisible Profit to Managerial Remuneration	1,875,167,912	1,500,950,606
Remuneration		
Chairman (5% of profits)	86,214,617	69,009,223
Managing Director (2% of profits)	34,485,847	27,603,689
Executive Director - Finance (1.25% of profits)	21,553,654	17,252,306
Executive Director - Operations (0.50% of profits)	8,621,462	6,900,922
Commission to Non Executive Directors	5,417,808	5,182,192

Name of the Company	2008-2009 (Rs)	2007-2008 (Rs)
Imperial Hospital & Research Centre Limited	1,375,000	1,320,000
Apollo Gleneagles Hospitals Limited	3,129,000	3,487,000
Indraprastha Medical Corporation Limited	6,134,043	9,558,700
Apollo DKV Insurance Company Limited	4,800,000	1,547,000

31. Earnings per Share

Particulars	31.03.2009 (Rs.)	31.03.2008 (Rs.)
Profit before extraordinary items attributable to equity share-holders (Amount Rs.) (A1)	1,051,465,723	771,635,061
Weighted Average Equity shares outstanding during the year. (Nos) - (B1)	59,628,442	54,669,810
Basic earnings per share before extra- ordinary item - (A1/ B1)	17.63	14.11
Convertible Equity Warrants issued (C1)	-	3,099,157
Weighted Average Equity Shares outstanding for Diluted Earnings per Share. (Nos) (D1)	61,784,859	56,915,869
Diluted earnings per share before extra- ordinary item - (A1/ D1)	17.02	13.56
Profit after extraordinary items attributable to equity shareholders (Amount Rs.) (A)	1,024,937,278	771,635,061
Weighted Average Equity shares outstanding during the year. (Nos) - (B)	59,628,442	54,669,810
Basic earnings per share after extra- ordinary item - (A/B)	17.19	14.11
Convertible Equity Warrants issued during the year (C)	-	3,099,157
Weighted Average No of Shares for Diluted Earnings per Share. (Nos) (D)	61,784,859	56,915,869
Diluted earnings per share after extra- ordinary item - (A/ D)	16.59	13.56

32. Consumption of Materials

Particulars	2008-2009		2007-2008	
	Value (Rs.)	%	Value (Rs.)	%
Total Consumption of Materials	7,916,716,539	100.00	5,850,134,090	100.00
Indigenous Materials	7,860,507,852	99.29	5,808,013,125	99.28
Imported Materials	56,208,687	0.71	42,120,965	0.72

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

33. Audit Expenses

Particulars	2008-09 (Rs)	2007-08 (Rs)
Audit Fees@	8,757,405	10,309,799
Tax Audit@	685,950	660,972
Other Services@	760,200	770,710
Other Expenses	347,920	313,800
Total	10,551,475	12,057,280

@ Inclusive of service tax

34. In respect of the Income Tax claims of Rs. 2648.06 Lakhs (Rs. 2968.06 Lakhs) by the Income Tax Department, the amount is under contest.

In case of Apollo Hospitals Enterprise Limited, Rs. 1400.91 Lakhs has been adjusted by the Income Tax Department from the various amounts refundable to the Company.

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

36. Consolidated Segment Reporting

Particulars	(Rs.in Million)	
	31.03.2009	31.03.2008
1.Segment Revenue		
(Net sales / Income from each Segment)		
a) Hospitals	12,884	10,294
b) Retail Pharmacy	3,345	2,020
c) Others	144	110
Sub - Total	16,373	12,424
Less: Intersegment Revenue	23	24
Net sales / Income from operations	**16,350**	**12,400**
2. Segment Results		
(Profit / (Loss) before Tax and interest		
from each segment)		
a) Hospitals	2,398	1,816
b) Retail Pharmacy	(223)	(88)
c) Others	(173)	(31)
Sub - Total	2,002	1,697
Less:		
(i) Interest (Net)	459	382
(ii) Other un-allocable expenditure net of		
Un-allocable income	159	126
Profit Before Tax and Extraordinary item	1,384	1,189
Add: Extra Ordinary Item	40	-
Profit Before Tax	1,344	1,189
Less:		
(i) Current tax	484	385
(ii) Tax for earlier years (net)	(0)	14
(iii) Deferred tax liability	33	19
(iv) Fringe Benefit tax	29	24
Add:		
Deferred Tax Asset	(55)	(68)
Profit After Tax before Minority Interest	**854**	**814**
Less : Mionority Interest	(56)	(39)
Add : Share of Associates' Profits	115	(83)

Net Profit Relating to the Group	**1,025**	**771**
3. Segment assets		
a) Hospitals	21,356	19,310
b) Retail Pharmacy	1,563	907
c) Others	974	586
Total	**23,893**	**20,803**
Unallocated Corporate Assets	2,261	1,314
Goodwill on consolidation	294	237
Deferred Tax Asset	0	143
Miscellaneous Expenditure	0	3
Total Assets as per Balance Sheet	**26,449**	**22,499**
4.Segment liabilities		
a) Hospitals	9,017	7,403
b) Retail Pharmacy	66	25
c) Others	212	65
Total	**9,295**	**7,493**
Unallocated Corporate Liabilities	1,548	1,063
Shareholders Funds	14,689	12,992
Minority Interest	265	338
Deferred Tax Liability	652	613
Total Liabilities as per Balance Sheet	26,449	22,499
5.Segment capital employed		
a) Hospitals	12,339	11,907
b) Retail Pharmacy	1,497	882
c) Others	762	520
Total	**14,598**	**13,310**
6.Segment capital expenditure incurred		
a) Hospitals	1,608	2,879
b) Retail Pharmacy	323	201
c) Others	25	30
Total	**1,956**	**3,111**
7.Segment Depreciation		
a) Hospitals	583	393
b) Retail Pharmacy	39	20
c) Others	11	6
Total	**633**	**419**
8.Segment Non-cash expenditure		
(excluding Depreciation)		
a) Hospitals	7	23
b) Retail Pharmacy	-	-
c) Others	-	-
Total	**7**	**23**

37. Western Hospitals Corporation Private Limited

Change in Authorised Share Capital

The Shareholders of the Company have passed a resolution at the Extraordinary General Meeting held on 17 December 2008 for increasing the Authorised Share Capital of the Company from 50,000,000 Equity Shares of Rs. 10 each aggregating to Rs. 500,000,000 to 100,000,000 Equity Shares of Rs. 10 each aggregating to Rs. 1,000,000,000/-. However the Company has not filed the required forms for increasing the Authorised Share Capital with the ROC as at 31st march 2009 along with the amended Memorandum of Association for giving effect to the aforesaid change, for approval/confirmation from the ROC. Hence, the Authorised Share Capital of the Company as at 31 March 2009 remains the same as that of 31 March 2008.

38. The Company has no suppliers who fall into the category of Micro, Small and Medium Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006". Hence there is no amount due to Micro, Small and Medium Enterprises for the financial year ended 31st March 2009 (Nil).

Indraprastha Medical Corporation Limited

The Company is in the process of identifying the creditors, which are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Pending such determination, the amount due to any such enterprise including interest thereon has not been separately ascertained and thereby not disclosed in the Balance Sheet.

39. In the case of Apollo DKV Insurance Company limited, the financial statements have been rounded off to the nearest rupees and the same has been considered for consolidation.

40. The figures relating British American Hospitals Enterprise Limited, Mauritius are translated to Indian Rupees. Exchange rate adopted for conversion of Assets and Liabilities is Rs. 1.66670/MUR, which is the closing rate as on 31.12.2008 (Rs.1.43223/MUR as on 31.12.2007) Income and expenses for the above period are converted using the average rate which is 1.5495 MUR (1.3863 MUR for the period 2006-07)

41. Figures of the current period and previous year have been rounded off to the nearest rupee.

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

43. Previous year figures have been regrouped and reclassified wherever necessary to conform to current years classification.

44. Where disclosures have not been made by subsidiaries, associates or joint ventures in their independent Notes, the figures relate to those of the parent company alone.

As per our report annexed

For and on behalf of the Board of Directors

For **M/s S Viswanathan**
Chartered Accountants

V C Krishnan
Partner (Membership No. 22167)
17, Bishop Wallers Avenue (West)
CIT Colony, Mylapore, Chennai - 600 004

Place : Chennai
Dated : 29th June 2009

S K Venkataraman
Chief Financial Officer
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Executive Director - Finance

Consolidated Cash Flow Statement
for the year ended 31st March 2009

	31.03.2009 Rs.	Rs.	31.03.2008 Rs.	Rs.
A Cash Flow from operating activities				
Net profit before tax and extraordinary items		1,383,905,820		1,189,715,049
Adjustment for:				
Depreciation	632,171,257		516,753,401	
Profit on sale of assets	4,124,625		(83,863,367)	
Profit on sale of investments	(10,092,109)		2,888,056	
Loss on sale of assets	17,321,070		386,708,371	
Interest paid	427,702,675		11,747	
Foreight Exchange Loss	31,087,438		-	
Misc.Exp.written off	6,714,486		22,882,577	
Investment written off	0		5,048,000	
Gratuity provision written back	0		0	
Provision for bad debts	17,223,978		4,461,212	
Interest & Dividend received	(211,190,788)		(171,473,580)	
Bad debts written off	35,904,087		39,438,211	
Liability & sundry balances Written back	(5,284,849)		(4,954,631)	
		945,681,871		717,899,997
Operating profit before working capital changes		2,329,587,690		1,907,615,046
Adjustment for:				
Trade or other receivables	(502,217,675)		(442,559,928)	
Inventories	(297,942,243)		(271,855,096)	
Trade payables	371,154,752		45,753,717	
Others	(360,387,795)		(297,698,916)	
		(789,392,960)		(966,360,223)
Cash generated from operations		1,540,194,730		941,254,823
Foreign Echange loss		(30,941,734)		18,565,505
Taxes paid		(594,529,034)		(481,577,035)
Cash flow before extraordinary items		914,723,962		478,243,293
Adjustments for Misc.Exp.written off		(3,191,626)		(3,988,137)
Net cash from operating activities		911,532,336		474,255,156
B Cash flow from Investing activities				
Purchase of fixed assets (including capital work-in-progress)#		(3,723,937,612)		(2,244,037,458)
Pre-operative expenses		(5,887,042)		(2,104,731)
Purchase of investments		(6,920,385,072)		(15,437,602,224)
Sale of investments		7,683,330,972		12,022,005,180
Sale of fixed assets		85,709,816		3,673,677
Interest received		46,008,544		193,650,809
Dividend received		167,281,373		
Cash flow before extraordinary item				
Extraordinary Item: Arbitrage paid (Refer clause 8 of Schedule J)		(40,188,525)		
Net cash used in Investing activities		(2,708,067,546)		(5,464,414,747)
C Cash flow from financing activities				
Membership fees		-		91,500

	31.03.2009		31.03.2008	
	Rs.	Rs.	Rs.	Rs.
Proceeds from issue of share premium		783,348,709		4,094,022,687
Proceeds from issue of share capital		27,660,377		72,015,277
Proceeds from advance against share capital		0		77,099,995
Proceeds from long term borrowings		1,410,344,964		1,906,655,490
Proceeds from short term borrowings		36,685,023		2,100,654,556
Repayment of finance/lease liabilities		(113,062,584)		(2,273,572,177)
Interest paid		(398,769,798)		
Dividend paid		(352,114,212)		(480,918,337)
Net cash from financing activities		1,394,092,479		5,496,048,991
Net increase in cash and cash equivalents (A+B+C)		(402,442,731)		505,889,400
Cash and cash equivalents (opening balance)		1,278,487,535		776,878,775
Cash and cash equivalents (Closing balance)		876,044,804		1,282,768,175
Cash and Cash Equivalents Comprise of:				
1) Cash Balances		37,157,835		34,444,582
2) Bank Balances				
i) Available with the company for day-to-day operations		816,848,604		1,227,710,759
ii) Amount available unpaid devidend and unpaid deposit payment accounts		22,038,365		20,612,834
Total		**876,044,804**		**1,282,768,175**

Notes:

1. Previos year figureshave been regrouped wherever necessary.
2. Figures in bracket represent outflow.

Purchase of fixed assets includes and interest paid excludes Rs. 254,643,471/- (previous year : Rs. 27,852,702/-) of interest capitalised.

As per our report annexed

For and on behalf of the Board of Directors

For **M/s S Viswanathan**
Chartered Accountants

V C Krishnan
Partner (Membership No. 22167)
17, Bishop Wallers Avenue (West)
CIT Colony, Mylapore
Chennai - 600 004

Place : Chennai
Dated : 29th June 2009

S K Venkataraman
Chief Financial Officer
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Executive Director - Finance

Statement pursuant
to Section 212 of the Companies Act, 1956, relating to the Subsidiary Companies

Name of the Subsidiary Company	Unique Home Healthcare Limited	AB Medical Centres Limited	Samudra Health care Enterprises Limited	Apollo Hospital (UK) Ltd	Apollo Health and Lifestyle Limited	Imperial Hospital & Research Centre Ltd	Pinakini Hospitals Limited
Financial Year of the subsidiary ended on	31-Mar-09	31-Mar-09	31-Mar-09	31-Mar-09	31-Mar-09	31-Mar-09	31-Mar-09
Date from which it become subsidiary	5-Sep-98	19-Jul-01	29-Nov-05	8-Aug-05	12-Dec-02	18-Jan-06	18-Jun-08
Shares of subsidiary company held on the above date and extent of holding							
i) Equity Shares	29,823,012	16,800	8,887,934	5,000	6,451,723	15,271,000	855,228
ii) Extent of Holding (%)	100	100	100	100	87	51	74.94
Net aggregate amount of profits/(losses) of the subsidiary for the above financial year so far as they concern members of Apollo Hospitals Enterprise Limited							
i) Dealt with	NA	NA	NA	NA	NA	NA	NA
ii) Not Dealth with	4,232,890	3,777,707	14,542,316	£ (5,108) (INR 393,020)	(22,913,161)	(104,559,365)	(6,755,214)
Net aggregate amount of profits/(losses) of the subsidiary for previous financial years as far as it concerns members of Apollo Hospitals Enterprise Limited							
i) Dealt With	NA	NA	NA	NA	NA	NA	NA
ii) Not Dealt With	5,005,469	4,438,881	6,305,031	£(5,017) INR (425,755)	18,980,000	(84,349,622)	NA

for and on behalf of the Board of Directors

S K Venkataraman
Chief Financial Officer
& Company Secretary

Dr. Prathap C Reddy
Executive Chairman

Preetha Reddy
Managing Director

Suneeta Reddy
Executive Director - Finance

Place : Chennai
Dated : 29th June 2009

Disclosure of Information Relating to Subsidiary Companies

(Pursuant to approval by Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 for the year ended 31st March 2009)

PARTICULARS	UHHCL	ABMCL	SHEL	AHUKL	AHLL	IHRCL	PHL
Financial year ended	31-Mar-09	31-Mar-09	31-Mar-09	31-Mar-09	31-Mar-09	31-Mar-09	31-Mar-09
Country of Incorporation	India	India	India	UK	India	India	India
Share Capital	298,230,120	16,800,000	88,879,340	INR 370,790 £ 5,000	74,198,000	299,450,000	11,412,000
Share Application Money	-	-	149,500,000	-	-	-	57,402,687
Reserves	3,052,530	5,736,206	-	-	161,817,915	398,000,000	
Loan Funds	84,391,934	6,840,715	-	-	32,419,943	1,130,785,813	-
Current Liabilities & Provisions	3,529,129	4,798,090	42,765,557	INR 1,135,581 £ 15,313	28,657,415	342,242,331	348,964
Deferred Tax Liability	199,857	1,515	25,085,145	-	-	-	-
Total Liabilites	**389,403,570**	**34,176,526**	**306,230,042**	**INR 1,506,371 £ 20,313**	**297,093,273**	**2,170,478,144**	**69,163,651**
Net Fixed Assets	2,476,173	28,433,137	184,832,262	-	17,959,589	1,649,743,761	14,449,986
Capital work in progress	-	-	-	-	-	-	-
Net Intangible Assets	-	-	-	-	25,223,735	-	-
Investments	370,791,375	-	-	-	2,500,000	-	-
Current Assets, Loans & Advances	15,485,238	5,743,389	62,899,334	INR 391,258 £ 5,276	224,304,898	232,713,981	348,652
Debit Balance in Profit & Loss A/c.	650,784	-	58,387,695	INR 1,115,113 £ 15,037	19,366,722	188,908,987	54,365,013
Deferred Tax Asset	-	-	-	-	7,712,868	96,497,309	-
Miscellaneous Expenditure	-	-	110,751	-	25,462	2,614,106	-
Total Assets	**389,403,570**	**34,176,526**	**306,230,042**	**INR 1,506,371 £ 20,313**	**297,093,273**	**2,170,478,144**	**69,163,651**
Revenue / Income	10,609,876	6,527,652	161,853,852	**INR 7,002 £ 91**	68,782,124	576,500,208	70,439
Profit / (Loss) before Taxation	**4,924,164**	**5,125,944**	**18,593,821**	**(INR 393,020) £ (5,108)**	**(28,706,923)**	**(157,156,952)**	**(6,755,214)**
Deferred Tax Asset	-	-	-	-	-	-	-
Provision for Taxation - Current	655,417	1,425,000	1,662,965	-	-	-	-
- Deferred	(15,691)	(76,763)	2,193,872	-	(6,170,385)	53,417,648	
Fringe Benefit Tax	51,548	-	194,668	-	376,622	(820,061)	
Profit / (Loss) After Taxation	**4,232,890**	**3,777,707**	**14,542,316**	**(INR 393,020) £ (5,108)**	**(22,913,161)**	**(104,559,365)**	**(6,755,214)**
Proposed Dividend		-	-	-	-	-	-
Details of Investments		-	-	-	-	-	-
Quoted - Non Trade - Current		-	-	-	-	-	-
Quoted - Non Trade - Long Term	85,782,480	-	-	-	-	-	-
Unquoted - Subsidiaries	-	-	-	-	-	-	-
Unquoted Non Trade Others	285,008,895	-	-	-	2,500,000	-	-
Total Investments	**370,791,375**	**-**	**-**	**-**	**2,500,000**	**-**	**-**

Legend:

UHHCL: Unique Home Health Care Ltd
ABMCL: AB Medical Centres Ltd
PHL-Pinakini Hospitals Limited
SHEL: Samudra Healthcare Enterprises Ltd
AHUKL : Apollo Hospital (UK) Ltd
AHLL: Apollo Health & Lifestyle Ltd
IHRCL: Imperial Hospitals & Research Centre Ltd

Note : In respect of Apollo Hospitals (UK) Limited, the assets and liabilities are translated at closing rate of the reported period and Income and Expenses are translated at the average rate of the above reported period.

FOR THE KIND ATTENTION OF SHAREHOLDERS

a. Shareholders / Proxy holders attending the meeting should bring the attendance slip to the meeting and hand over the same at the etrance duly signed.

b. Shareholders / Proxy holders attending the meeting are requested to bring the copy of the Annual Report for the reference at the meeting.

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