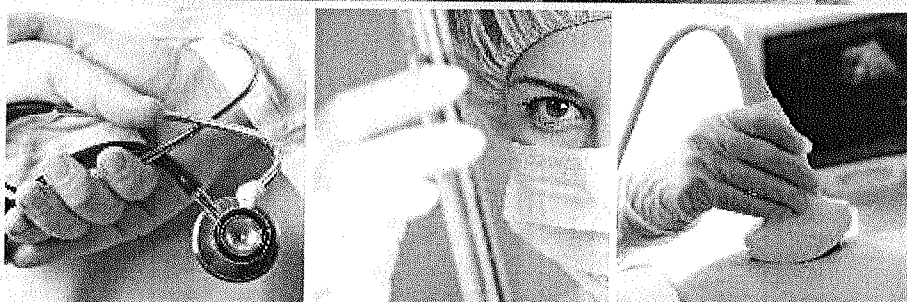


ANNUAL REPORT 2014 - 15



Apollo Clinic
Expertise. Closer to you.

Apollo Cradle
FOR WOMEN & CHILDREN

Apollo DIAGNOSTICS
Expertise. Empowering you.

Apollo Sugar
ASSURED CARE FOR DIABETES Clinics

APOLLO HEALTH AND LIFESTYLE LIMITED

No.1-10-60/62, 5th Floor, Ashoka Raghupathi Chambers, Begumpet, Hyderabad - 500 016

APOLLO HEALTH AND LIFESTYLE LIMITED

BOARD OF DIRECTORS

Dr. PRATAP C REDDY - CHAIRMAN

Ms. SANGITA REDDY

Mr. K PADMANABHAN

Mr. SUDHIR M DIGGIKAR

Dr. ANUPAM SIBAL

INDEPENDENT DIRECTORS

Mr.CHG KRISHNA MURTHY

Dr.ARUN RAI

BANKERS

YES BANK LTD

ICICI BANK LTD

HDFC BANK LTD

AUDITORS

KARRA & CO.,

CHARTERED ACCOUNTANTS

CHENNAI

REGISTERED OFFICE

19, BISHOP GARDENS,

R.A.PURAM, CHENNAI-600 028

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting ("AGM") of the members of Apollo Health and Lifestyle Limited will be held on Tuesday, June 30, 2015, at 12.00 P.M. IST at the Apollo Heart Centre, Greams Lane, Off: Greams Road, Chennai-600 006, Tamilnadu, India, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss for the period ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Anupam Sibal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

"RESOLVED that M/s. Karra & Co., Chartered Accountants, Chennai, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Auditors."

For and on behalf of the Board of Directors


Sudhir M. Diggikar
Director
DIN: 02589276

Place: Hyderabad
Date: May 25, 2015

NOTES

1. A member entitled to attend and vote at the 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 shall be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Members / proxies should bring duly filled Attendance Slips sent herewith for attending the meeting.
3. The Register of Directors' shareholding, maintained under Section 171 of the Companies Act, 2013, is available for inspection by the members at the AGM.

Directors' Report

**To,
The Members,**

Your Directors have pleasure in presenting their fourteenth annual report on the business and operations of your Company for the period ended March 31, 2015.

1. State of Company's Affairs

Financial Performance

(Rs. in million)

Particulars	Consolidated		Standalone	
	2014-15	2013-14	2014-15	2013-14
Revenue from Operations	1598	1131	1070	963
Other Income	66	18	47	21
Total Revenue	1664	1149	1118	983
EBIDTA	-283	-163	-159	-140
Profit/Loss before Tax	-282	-305	-99	-273
Total Tax Expense	-10	22	-14	26
Net Profit after tax & before prior period items	-272	-327	-86	-299
Earnings per share				
-Basic (Rs.)	-9.20	-12.92	-2.91	-11.82

Your Directors' have noted that the business is currently making losses but are satisfied with the plan presented by the management where a number of steps are being taken to reduce losses in the existing network of centres. While volume growth and ageing of the centres will be the primary drivers of improving profitability, specific actions for cost reduction are being taken in the area of lab outsourcing cots, control on consumables cost and consumption and right sizing of manpower at each centre. In addition, a few Clinics where a turnaround seems difficult are going to be discontinued.

2. Operational Performance

- ▶ 73 Clinics; (32 Franchisees and 41 Owned)
- ▶ 3 Cradles in Bangalore (Two through a subsidiary company)
- ▶ 1 Day Surgery center
- ▶ 1000+ employees
- ▶ 1200+ Doctors
- ▶ 4600+ walk-ins per day (1900+ from owned clinic)

3. Chairman's Report

Creating an integrated healthcare system that provides a continuum of care to our patients and communities we serve has been my vision. We believe that a multi-model system of healthcare, which takes healthcare delivery closer to the home of patients is the most efficient and convenient for patients. With this belief, your company has been developing its' multiple sets of offerings.

In addition, India as an emerging market is witnessing significant changes in customer expectations. We are committed to being ahead of the curve in providing healthcare solutions to the community, which leverage these trends. There are 5 mega-trends that we are tapping into

Convenience closer to home: Apollo Clinics
Specialisation: Apollo Sugar
Luxury and experience: Apollo Cradle
Time is at a premium: Apollo Day surgery / Apollo Spectra
Brand & Quality Conscious: Apollo Diagnostic

With this context, your company has built 2 broad verticals of businesses – Primary Care and Specialty Care

Primary Care:

Apollo Clinic

Expertise. Closer to you.

This represents a very large opportunity with the private primary care market estimated at Rs 900 bn. with 99% unorganised. There are no integrated care models currently even though these are well established in the U.S. The Apollo Clinic is a trusted neighbourhood healthcare partner for family medicine and primary care. It creates the bridge between patients and Apollo Hospitals. The Apollo Clinics will become a platform to address future healthcare challenges in India, particularly the growth of non-communicable diseases. Finally, we believe that the low penetration of preventive healthcare is a key area to address, driving adoption of preventive health checks and vaccination.

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

Apollo DIAGNOSTICS

Expertise. Empowering you.

The Diagnostis market represents a significant opportunity; the market is estimated at Rs 140 bn with the organised sector growing at > 30% pa. It is a fragmented market, with 85% still in the unorganised sector. Apart from being a large market, there is a strong synergy with the Apollo Clinics - 70% of clinical decisions are based on pathology inputs. There are currently 3 large national players, but they are primarily North & West focused.

Your company is focused on building a pathology lab business with a B2C model. The company will initially focus on the South & East India. The model will be to create owned labs with a frontend franchisee collection centre model ; building networks in the Top 4-5 towns per state. The aim is to build a network of ~ 2000 collection points in 5 years

Apollo Sugar

Clinics
Assured Care for Diabetics

India is expected to become the Diabetes capital of the world. There are more than 60 mn diabetic patients in India (4% prevalence) which translates into a Rs 200 bn. primary care market. This represents both a significant opportunity but also a responsibility on Apollo to work with the community to help address this disease burden.

Financially, healthcare for a diabetic provides a unique opportunity to Apollo as it enables it to leverage the Clinics, Labs and hospitals because the average annual spend by a

diabetic = Rs 30,000 ; 34% towards consulting & monitoring. Also, diabetics are 3X more likely to be hospitalized than non-diabetics

Your company has set itself a goal of “Make diabetes disease-free” through a comprehensive disease management program. This is built on the understanding the treatment for diabetes need to go beyond clinical care, and combine elements of lifestyle change, diet and nutrition, adherence programs. While there is no cure for diabetes, Apollo Sugar has demonstrated that through a holistic, 360 degree model, it is possible to control diabetes and its complications.

Apollo Sugar is building its model around a hub-and-spoke model, leveraging the hospital and clinic infrastructure. The comprehensive treatment covers medical management, lifestyle change, diet and behaviour modification. The program also focuses on early detection of diabetes and detection and treatment of complications of Diabetes.

Your company has also roped in Sanofi Synthelabo of France, a global leader in Diabetes, to partner with Apollo Sugar, to help strengthen patient management programs and the research agenda for the company. As part of this partnership, Sanofi has taken 20% of the equity of Apollo Sugar Clinics Limited, a subsidiary of your company.



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

India experiences one of the highest birth rates in the world with ~1 baby born per second in the country. Thus the maternal care industry is expected to have a CAGR of 15% and is estimated to touch ~Rs 480 bn in next five years. Studies have also revealed that 10-15% of deliveries happening in metropolitan cities such as Bangalore can afford Boutique birthing hospitals.

The company is successfully managing its three Apollo Cradles in Bangalore and continue to provide best in class experience to all its patients. The company is determined to be known for its clinical expertise and personalized service and establish market leadership position. This year, both the hospitals put together are expected to deliver close to 50% growth in revenue and 35% in volume.

One of the path breaking Initiatives taken up by Apollo Cradles was to promote Natural Child Birth. "Natural is Priceless" is the initiative to promote normal delivery where we make no distinction between the cost of a Natural birth and Caesarean birth.

Further, the clinical services have been enhanced by focusing on minimal access (Key Hole) Gynaecology Surgery. The coming year will see lot of activities to promote Fetal medicine and Uro Gynecology.

The company has a lot of confidence in this segment and will continue to invest in its growth by establishing centres in many more cities.



In India, the concept of short stay care is new and gaining gradual acceptance, with ~43% surgeries being conducted as day care / short stay surgeries currently. Day care surgeries, also known as ambulatory surgeries are those which do not require overnight hospital stay

whereas short stay surgeries are those surgeries that require lower length of stay (LOS). It is estimated that increasing number of surgeries would be conducted in India as day care / short stay surgeries over the coming years and in line with Global figures of 60%.

Short stay surgeries are conducted across multiple healthcare delivery formats –tertiary care multi-specialty hospitals, nursing homes, single-specialty hospitals and multiple specialty surgical centers. **Concept of short stay surgery is gradually gaining traction in India, with the market expected to grow at 10-year CAGR of 15% to reach USD 12 billion by 2022.**

There are various factors driving this demand:

- **Improved patient convenience:** Patients get discharged earlier and return to their normal daily routine sooner. Feeling of well-being persists due to faster treatment and early discharge
- **Less costly surgeries:** Lower LOS leads to reduced hospital expenses with patient recovery primarily occurring in familiar home setting
- **Reduced susceptibility to hospital-acquired infections:** Reduced time spent in the facility and absence of ICUs / medical cases reduces the risk of patients contracting incidental infections
- **Improved insurance coverage,** as an increasing number of insurers are covering short stay procedures in India (covered in detail in the following slide)

Given the immense potential and the need for quality healthcare delivery closer to the home, AHLL acquired Nova Specialty Hospitals. This acquisition has enabled AHLL to significantly expand its' footprint thrusting it into a leadership position in this segment of healthcare. We believe the format has strong potential and with the brand equity of Apollo, combined with the deep hospital expertise we bring to bear, AHLL will grow this business significantly in the next few years.

From the existing foot-print of 11 centers, AHLL will continue to grow the footprint with organic & in-organic routes. In the coming months, Apollo will continue to focus on delivering compassionate healthcare care the Apollo way. The Short Stay Surgery business is being rebranded as "Apollo Spectra Hospitals".

We also operate a small cosmetics business through Apollo Cosmetic Clinics Limited. Annual growth in the Indian beauty and cosmetics markets is pegged in the the range of 15-20% in the coming years. This will be double of the pace of growth compared to markets in US and Europe. Awareness and availability in India of the latest global beauty trends, rising consumerism and willingness to pay and the potential market numbers are prompting more international players to set up shop and increase their presence in India. Demand for skin whitening products by men as well as women, rising awareness about the safety of such products and procedures are the other driving factors. Cosmetic treatments alone are growing at the rate of 5 per cent. The hair and beauty industry is seeing a per capita annual spend of \$1.2 by existing and new players. This spend is only slated to grow. AHLL through its Apollo Cosmetic Center offers state of the art and latest treatment procedures under the supervision of qualified Surgeons and caring staff. This center has emerged as the center of choice for patients for their cosmetic needs. We are exploring the best way to scale up this business.

Your company is uniquely positioned to capture the rapidly growing opportunity across formats that address primary and specialty care needs of the community, offering healthcare solutions in convenient, neighbourhood centres. Also, the company will play a pivotal role in expanding Apollo's commitment of touching lives, and serving the population of this country.

Board Composition:

The following is the composition of Board of Directors of your Company:

- i). Dr. Pratap Chandra Reddy - Chairman
- ii). Ms. Sangita Reddy
- iii). Dr. Anupam Sibal
- iv). Mr. K. Padmanabhan
- v). Mr. Sudhir M Diggikar
- vi). Mr. Ch. G. Krishna Murthy – Independent Director
- vii). Dr. Arun Rai – Independent Director

Particulars of Committees:**1. Audit Committee:**

The following is the composition of Audit Committee of your Company:

- i). Mr. Ch.G. Krishna Murthy – Chairman
- ii). Dr. Arun Rai
- iii). Mr. Sudhir M Diggikar

2. Nomination and Remuneration Committee:

The following is the composition of Nomination and Remuneration Committee of your Company:

- i). Mr. Sudhir M Diggikar - Chairman
- ii). Mr. Ch.G. Krishna Murthy
- iii). Dr. Arun Rai
- iv). Dr. Anupam Sibal

4. Dividend

The Company has not declared any dividend during the year.

5. Extract of the Annual Return as per 92(3), Rule 12 in form MGT 9 – 134(3)(a)

Enclosed to the report as Annexure-I

6. Number of meetings of the Board of Directors

S. No.	Board Meeting Date	S. No.	Board Meeting Date
1	22-05-2014	6	05-01-2015
2	12-06-2014	7	28-01-2015
3	12-09-2014	8	12-02-2015
4	24-10-2014	9	27-03-2015
5	28-11-2014	-	-

7. Director's Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub section (3) of section 134 of the Companies Act, 2013, shall state that –

- a. in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors had selected such accounting policies and applied 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 as at March 31, 2015 and the statement of profit and loss for the Company for the period from 1st April 2014 to 31st March 2015;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The directors prepared the annual accounts on a going concern basis.
- e. The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. Statement on the Declaration given by the Independent Directors as per Section 149(6).

The Company has appointed Mr. CH. G. Krishna Murthy and Dr. Arun Rai, as Independent directors as per the provisions of section 149, 152, 160 and other applicable provisions if any and accordingly the Company has received declarations u/s 149 (6) of Companies Act, 2013 from them.

9. Company's Policy on Directors' Appointment & Remuneration, including the criteria for determining Qualifications, Positive Attributes, Independence of the Directors and others as per 178(3)

The Company appointed nomination and remuneration committee. The nomination and remuneration committee has been entrusted with the following responsibilities:

1. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommended to the Board their appointment and removal and shall carryout evaluation of every director's performance.
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to remuneration for the directors, key managerial personnel and other employees. The remuneration committee while formulating the policy shall ensure that –
 - i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

10.Explanation/ comments by the Board on every Qualifications, Reservations, Adverse Remarks or Disclaimers made by the Statutory Auditors & the Practicing Company Secretary in their Reports – There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors and hence, no explanation/comments by the Board.

11.Particulars of the Loans, Guarantees, Security or Investments and the purpose for which the Loan, Guarantee or Security is proposed to be utilised by the recipient as per section 186

The company has provided letter of comfort/shortfall undertaking to Yes Bank Limited to secure the credit facilities of upto INR 1500 million availed by Nova Speciality Hospitals Private Limited (Subsidiary Company).

12.Particulars of Contracts or Arrangements with the Related Parties along with the justification for entering into such transactions as per 188(1) – 134(3)(h)& Rule 8(2) – Enclosed as per Annexure-II

13.Amount proposed to be carried to Reserves

The company has not earned any profit during the Financial Year and as such no amount is proposed to be carried to General reserves.

14.Material changes & commitments, if any affecting the financial position of the company, occurred between the end of the financial year to which this financial statements relate and the date of the Report – There are no material changes & commitments affecting the financial position of the Company during the year.

15.Conservation of energy, Technology absorption, Foreign Exchange Earnings and Outgo

Since the Company is engaged in the activities of Service Sector, the Company is not required to furnish the particulars with respect to the Conservation of Energy and the particulars of Technology Absorption. However the Company is making necessary efforts to conserve the energy and absorb the latest Technology in all its activities

Foreign exchange earnings : Rs. 5,35,25,266

Outgo : Rs. Nil

16.Development and implementation of a Risk Management Policy, including the identification therein of the elements of risk, which in the opinion of the Board may threaten the existence of the Company – The Company has in place proper risk management policy which identifies and addresses the elements of risks.

16a. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The company has in place an Anti-Sexual Harassment Policy in line with the requirements The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during each calendar year.

No of complaints received : NIL

No of complaints disposed off : NA

17.Details of the policy developed and implemented on the CSR and the initiatives taken, Composition of CSR Committee – As per the provisions of Companies Act, 2013 the requirement of constitution of CSR committee is not applicable to the Company.

18.Performance & Financial Position of the Subsidiaries/ JVs/ Associate Companies –

The Company has the following subsidiary Companies as on 31st March, 2015.

1. Apollo Bangalore Cradle Limited
2. Apollo Sugar Clinics Limited
3. Apollo Cosmetic Surgical Center Pvt Ltd
4. Nova Specialty Hospitals Pvt Ltd
5. Akeso Healthcare Pvt Ltd

(Rs. In Million)

Particulars	ABCL	ASCL	ACSCPL	NSH	AHPL
Total Revenue	226.29	44.44	42.56	205.35	57.39
Profit/(loss) before tax	(34.90)	(50.76)	(1.35)	(108.87)	5.27
Provision for tax (including deferred tax)	-	-	0.31	-	2.92
Profit/(loss) after tax	(34.90)	(50.76)	(1.67)	(108.87)	2.35
Net worth	133.59	690.85	30.28	(108.55)	25.86

19.Change in the nature of business, if any – There is no change in the nature of business during the year.

20.Details of the Directors/ KMP – Appointed and Resigned – Rule 8(5)(iii)

Directors Appointed during the year:

Mr. CH.G. Krishna Murthy was appointed as an Independent Director of the Company on 13th March 2015 as per the provisions of Sections 149, 152,160 and other applicable provisions if any, of the Companies Act, 2013 for a period of five years i.e., from 13-03-2015 to 12-03-2020.

Directors Resigned during the year: During the year no director has resigned from the Board.

Key Management Personnel appointed during the year:

- i). Mr. Neeraj Garg – Chief Executive Officer, Appointment w.e.f. 28-11-2014
- ii). Mr. C.V. Ram – Chief Financial Officer, Appointment w.e.f. 28-11-2014

21.Names of the Companies which have ceased to be Subsidiaries/ JVs/ Associates – There are no Subsidiaries/JVs/Associates which have ceased.

22.Details of the Deposits as per the Chapter V– The Company doesn't have any deposits as per the Chapter V during the year.

23.Details of the Deposits not in compliance of requirements of Chapter V of the Act – The Company doesn't have any deposits during the year and hence, compliance of requirements of Chapter V is not applicable to the Company.

24.Details of the Significant & Material orders passed by the Regulators/ Courts/ Tribunals impacting the going concern status of Company's operations in future – There are no significant & material orders passed by the Regulators/Courts/ Tribunals impacting the going concern status of the Company's operations in future during the year.

25.Details in respect of the adequacy of Internal Financial Controls with reference to the Financial Statements – Rule 8(5)(viii)

The company maintains adequacy of internal financial controls with reference to the financial statements.

26.The fact of resignation of any Director – 168(1)

During the year, no director has resigned from the Board.

27.Disclosure regarding receipt of commission by a director from the holding or subsidiary of a company, in which such person is a managing or whole-time director – There is no director who has received commission from the holding, subsidiary of a company during the year.

28.Manner of Formal Annual Evaluation of Own Performance of the Board, Committees and Individual Directors-

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the nomination and remuneration committee. None of the independent directors are due for re-appointment.

Mechanism of evaluating Board Members:

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive/non-executive/independent directors through a peer-evaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamic and relationships, information flow, decision making of the directors, relationship to stakeholders, company performance, company strategy, and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the survey.

Independent directors are evaluated include:

- Ability to contribute to and monitor our corporate governance practices.
- Ability to contribute by introducing international best practices to address top management issues.
- Active participation in long-term strategic planning
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities; these include participation in Board and committee meetings.

29.Internal Audit – As per the provisions of section 138 of Companies Act, 2013 read with Rule-13 of Companies (Accounts) Rules 2014, internal audit is not applicable.

30.Statutory Auditors

The statutory auditors M/s. Karra & Co., Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed.

31.Employee's stock options

The details of Employee's Stock Options are disclosed in the notes to accounts (note no.3).

32.Particulars of Employees

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of Rs. 60 lakh or more, or employed for part of the year and in receipt of Rs. 5 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014, is enclosed as Annexure 3 to the board's report.

Acknowledgments

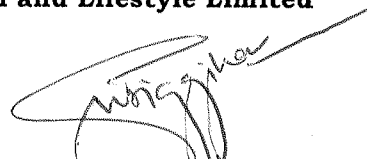
Your Directors thank the company clients, Vendors and Bankers for their continued support during the year. Your Directors thank the Central Government, State Government and other Government Agencies for their support and look forward for their continued support in future.

Your Directors place on record their appreciation of the contribution made by employees at all levels, who through their competence, hard work, solidarity, co-operation and support have enabled the company to achieve the growth.

**For and on behalf of the Board of Directors
Apollo Health and Lifestyle Limited**



Sangita Reddy
Director
DIN: 00006285



Sudhir M Diggikar
Director
DIN: 02589276

Place: Hyderabad
Date: May 25, 2015

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on 31st March, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management
and Administration) Rules, 2014]

i.	CIN	U85110TN2000PLC046089
ii.	Registration Date	10/11/2000
iii.	Name of the Company	Apollo Health and Lifestyle Limited
iv.	Category / Sub-Category of the Company	Company Limited by shares/ Indian Non-Government Company
v.	Address of the Registered office and contact details	19, Bishop Gardens, R.A.Puram, Chennai-600028, Tamilnadu.
vi.	Whether listed company (Yes/No)	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Hospital activities	86100	100%

Sl. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1	Apollo Hospitals Enterprise Ltd	L85110TN1979PLC008035	Holding Company	-	2(46)
2	Apollo Bangalore Cradle Ltd	U85110TG2011PLC077888	Subsidiary	81.17	2(87)
3	Apollo Sugar Clinics Ltd	U85110TG2012PLC081384	Subsidiary	80.00	2(87)
4	Apollo Cosmetic Surgical Center Pvt. Ltd.	U85110TG2007PTC098959	Subsidiary	69.40	2(87)
5	Nova Specialty Hospitals Pvt. Ltd.	U85100KA2009PTC049961	Subsidiary	100.00	2(87)
6	Akeso Healthcare Pvt. Ltd.	U85190KA2010PTC052055	Subsidiary	100.00	2(87)

[illegible]

Govt(s)									
d) bodies corp.	0	2,53,03,060	2,53,03,060	100%	0	4,19,69,726	4,19,69,726	100%	0
e) any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):-	0	2,53,03,130	2,53,03,130	100%	0	4,19,69,796	4,19,69,796	100%	0
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
Total shareholding of promoters (A)=(A)(1)+(A)(2)	0	2,53,03,130	2,53,03,130	100%	0	4,19,69,796	4,19,69,796	100%	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto	0	0	0	00	0	0	0	0	0

Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	2,53,03,130	2,53,03,130	100%	0	4,19,69,796	4,19,69,796	100%	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Dr. Prathap C Reddy	10	0	0	10	0	0	0
2	Mrs. Preetha Reddy	10	0	0	10	0	0	0
3	Mrs. Suneeta Reddy	10	0	0	10	0	0	0
4	Mrs. Sucharitha Reddy	10	0	0	10	0	0	0
5	Mr. K. Padmanabhan	10	0	0	10	0	0	0
6	Mr. P.B. Subramanian	10	0	0	10	0	0	0
7	Mr. S.K. Venkatraman Nivarthi	10	0	0	10	0	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)- No Change

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. Of shares	% of total shares of the company	No. Of shares	% of total shares of the company
A)					
1	At the beginning of the year				
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):				
3	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A)	Apollo Hospitals Enterprise Limited				
1	At the beginning of the year	2,53,03,060	100%	2,53,03,060	100%
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	Allotment of 1,33,33,333 Equity Shares on 23.12.2014 Allotment of 33,33,333 Equity Shares on 28.01.2015		On 23.12.2014 3,86,36,393 On 28.01.2015 4,19,69,726	
3	At the End of the year	4,19,69,726	100%	4,19,69,726	100%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A)	Dr. Prathap C Reddy				
1	At the beginning of the year	10	0.00	10	0.00
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the	0	0	0	0

	reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):				
3	At the End of the year	10	0.00	10	0.00
B)	Mr. K. Padmanabhan				
1	At the beginning of the year	10	0.00	10	0.00
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	0	0	0	0
3	At the End of the year	10	0.00	10	0.00

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	400,000,000	335,000,000	-	-
ii) Interest due but not paid	128,768	13,720,315	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	400,128,768	348,720,315	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	407,000,000	829,000,000	-	-
ii) Interest due but not paid	3,888,801	81,884,662	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	410,888,801	910,884,662	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/: Sudhir M Diggikar Manager	Total Amount
1.	Gross salary		88,39,800
	(a) Salary as per		

	provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Incometax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
	Total (A)					88,39,800
	Ceiling as per the Act					

B. Remuneration to other directors: NIL

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Independent Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 					
	Total (1)	-	-	-	-	-
2.	Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (Rs)	1,64,50,000	25,57,600	77,35,925	2,67,43,525
	(a) Salary as per				

	provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total	1,64,50,000	25,57,600	77,35,925	2,67,43,525

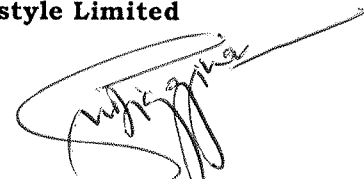
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty			-NIL -		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			-NIL-		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Apollo Health and Lifestyle Limited


Sangita Reddy
 Director


Sudhir M Diggikar
 Director

Place: Hyderabad
Date: 25-05-2015

FORM NO AOC - 2


(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)


Form for disclosure of particulars of contracts/agreements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies act 2013 including certain arms length transactions under third provision thereto

S No	Name of the Party	Nature Of relationship	Nature Of Contract	Duration of contract	Salient Terms of Contract	Justification for entering into such contracts	Board approval date	Amount paid as advance
1	Apollo Bangalore Cradle Limited	Subsidiary Company	Sale of Asset	-	Sale price at book value	Specialised equipment	27th March, 2015	NIL
2	Apollo Bangalore Cradle Limited	Subsidiary Company	Purchase of Asset	-	Purchase price at book value	Specialised equipment	27th March, 2015	NIL

Place: Hyderabad
Date: 25-05-2015

For and on behalf of the Board of Directors
Apollo Health and Lifestyle Limited


Sudhakar Reddy
Director


Sudhakar Reddy
Director

Annexure-3

i). Employed throughout the year and in receipt of remuneration of Rs. 60 Lakhs.


Employee Name	Designation	Educational Qualification	Age	Experience (in years)	Date of commencement of employment	Date of leaving	Gross remuneration (Rs.)	Previous Employment and Designation
Mr.C.V. Ram	CFO	CA	43	19	26-08-2008	-	77,35,925	Genpact , VP
Mr. Sudhir M Diggikar	Director	MBA	54	28	01-04-2013	-	88,39,800	Apollo Hospitals Enterprise Limited
Mr. Neeraj Garg	CEO	MBA	44	19	01-06-2013	-	1,64,50,000	Abbott India Limited


ii). Employed for part of the year with an average salary above Rs. 5 lakhs per month - NIL

If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company - NIL

Place: Hyderabad
Date: 25-05-2015

For and on behalf of the Board of Directors
Apollo Health and Lifestyle Limited


Sangita Reddy
Director


Sudhir M Diggikar
Director

APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Financial Statements for the year ended 31st March, 2015

1) Corporate information

Apollo Health and Lifestyle Limited ('AHLL' or the 'the Company') is wholly owned subsidiary of Apollo Hospital Enterprises Limited and was incorporated in India on November 10, 2000. The Company was formed to provide outpatient care thru neighbor-hood Family Clinics thru the brand 'The Apollo Clinic'. AHLL started operating Family Clinics through Franchisee network and from the year 2010 onwards AHLL also started establishing owned Clinics. In addition to the Family Clinics AHLL ventured into Day Care Surgery Centers, Cradles and Cosmetic Clinics, diagnostic centers and is in the process of setting up 3 cradles by 31.03.2016.

Each of the Apollo Clinics is committed to providing consistently superior quality health care services to address the day-to-day health care needs of the family. To maximize convenience and comfort, The Apollo Clinic is an integrated model and offers all facilities under one roof for Specialist Consultation, Diagnostics, Preventive Health Checks and other outpatient care. The Clinic also pioneers in a range of value added services such as counseling on various lifestyle parameters.

The company through its subsidiary operates boutique birthing center branded "The Cradle" and also in the process of setting up cradles on its own. The Cradle has been conceived with the sole aim of providing expecting mothers a modern and complete facility specifically dedicated to serving the physical and emotional needs of mothers and child.

2) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (India GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013. The financial statements have been prepared on accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles that require 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.



Notes to Financial Statements for the year ended 31st March, 2015

Fixed Assets are stated at the cost of acquisition, less accumulated depreciation. Direct costs relating to acquisition of fixed assets are capitalized. The costs include freight, installation costs, duties and taxes, and other allocated expenses for bringing the assets to its working condition for its intended use.

i) Depreciation is provided using the straight-line method, pro rata for the period of use of the assets, at annual depreciation rates stipulated in Schedule II to the Indian Companies Act, 2013, or based on the estimated useful lives of the assets, whichever is higher.

Nature of asset	Useful Life	Deemed rate
Furniture and fittings	10	9.50%
Office equipment	5	19.00%
Air conditioners	5	19.00%
Electrical Installations and Equipment	10	9.50%
Desktops, laptops, etc.	3	31.67%
Broadband Connections	3	31.67%
Vehicles	8	11.88%
Medical Equipment	13	7.31%
Vehicles-Motor Vehicles	5	19.00%
Software's (without residual Value of 5%)	3	33.33%

ii) Lease hold improvements are depreciated over the primary period of lease or useful lives of the assets, whichever is shorter.

iii) Fixed assets not exceeding Rs.5000 are charged off in the year of purchase.

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



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Financial Statements for the year ended 31st March, 2015

d. Inventories

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

e. Foreign Currency Transactions

Foreign Currency transactions are accounted at the exchange rate prevailing as on the date of Invoice. Current Assets and Current Liabilities are converted at the rates prevailing as on the Balance Sheet date.

f. Leases

Leases where the lessor effectively retains substantially all the risks and the benefits of ownership of the leased assets over the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss account.

g. Provisions and contingent liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Claims against the company not acknowledged as Debts, represents the claims made by franchisees for refund of amounts which are pending in various courts amounting to approximately Rs.1.06 crores.

The company has provided letter of comfort/shortfall undertaking to Yes Bank Limited to secure the credit facilities of upto INR 1500 million availed by Nova Speciality Hospitals Private Limited (Subsidiary Company)

h. Investment

The Investments which are readily realizable and intended to be held for not more than one year from the date which such Investments are made are classified as current investments. All other investments are classified as long term investments

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Financial Statements for the year ended 31st March, 2015

The Company has recognized revenue as follows.

For Franchisee Business:

One time License Fee

With reference to clinics 100% of One Time License Fee is recognized in the year of signing the MOU

With reference to Cradle the One Time License fee is recognized based on percentage of completion method.

Operating License Fee:

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

Owned clinics operational income:

Owned clinics are recognizing the revenues on the basis of the services rendered on cash or on an accrual basis whichever is earlier.

Corporate services Fee:

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

Other Incomes

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

.Interest

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

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

j. Retirement & other employment benefits

i) Liability for gratuity which is defined benefit obligation and leave encashment is provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method (PUC).

ii) Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to statement of profit and loss for the year when the contributions are due. The company has no obligations, other than the contribution payable to the provident fund.

k. Cash and cash equivalents



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Financial Statements for the year ended 31st March, 2015

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

I. Segment reporting

Identification of segments:

The company operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services and also in different markets.

Inter segment transfers

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

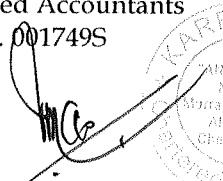
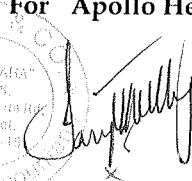
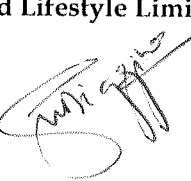

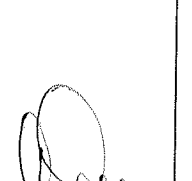
m. Income Tax

The Company has made provisions of Income Tax as per Income Tax Act, 1961.

n. Earnings per share

Basic Earnings per Share is determined by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

As per our report of even date

For Karra & Co Chartered Accountants Reg No. 001749S		By order of the Board For Apollo Health and Lifestyle Limited		
 Per V. Venkateswara Rao Partner ICAI Membership No: 22370 Date : 25th May 2015		 Sangita Reddy Director Place : Hyderabad Date: 25th May 2015	 Sudhir M Diggikar Director Place: Hyderabad Date: 25th May 2015	 C V Ram Chief Financial Officer Place: Hyderabad Date: 25th May 2015
				 D V Sivaram Company Secretary Place: Hyderabad Date: 25th May 2015



INDEPENDENT AUDITOR'S REPORT

To the Members of Apollo Health and Lifestyle Limited

Report on the Financial Statements

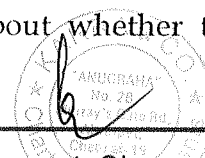
We have audited the accompanying financial statement of **Apollo Health And Lifestyle Limited**("the Company"), which comprise the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls that were operating effectively for ensuring accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the act, the accounting and the auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.





An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of risks of material misstatements of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

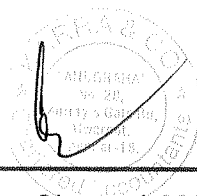
Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2015;
- (b) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- (c) In the case of the Cash flow Statement, of the Cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:





- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The balance sheet, statement of profit and loss, and cash flow statement dealt by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representation received from the Directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in auditors report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanation given to us;
 - i. The company does not have any pending litigations which would impact materially its financial position except as stated in 2(1) (g) of notes to accounts of the financial statements.
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses and
 - iii. There were no amounts which were required to be transferred to the investor education and protection fund by the company.

For Karra and Co.,
Chartered Accountants

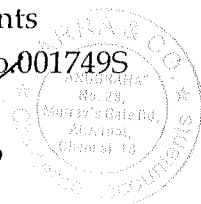
Firm Registration No. 001749S

V.Venkateswara Rao
Partner

Membership No. 022370

Place: Hyderabad

Date: 25/5/2015

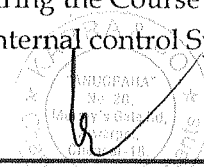




ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE

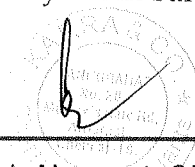
Re Apollo Health And Lifestyle Limited("the company")

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) The Company has a regular programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets;
- II. (a) The physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) According to the information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- III. (a) The Company has granted unsecured loans to companies, firms, or other parties covered in the Register maintained under section 189 of the companies Act,
- (b) The rate of Interest and other terms and conditions on the unsecured loans given by the company are not prima facie prejudicial to the interest of the company.
- (c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- IV. In our opinion according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of the business for the purchase of inventory and fixed assets and for the sale of goods and services. During the Course of our Audit, we have not observed any major weaknesses in the internal control Systems.





- v. The company has not accepted any deposits from the public. Therefore, the directives Issued by RBI and the provision of Sec 73 to 76 or any other provisions of the Companies Act, 2013 and the rules framed there under do not apply.
- VI. Maintenance of cost records has been prescribed by the Central Government under section 148 (1) of the Companies Act, for the activities of the company.
- VII. a) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Customs duty, Excise duty, Cess and any other statutory dues with the appropriate authorities 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 31 March, 2015 for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, there is no dispute in respect of Income tax/ Service Tax/ Sales Tax / Wealth Tax / Customs duty / Excise duty and Cess.
- c) According to the information and explanation given to us, no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder
- VIII. The company has incurred cash losses during the financial year and the immediately preceding financial year. The Companies accumulated losses for the year ended 31st March 2015 are not more than 50% of its network.
- IX. In our Opinion and according to the information and explanations given to us, the company has not defaulted in repayment of any dues to banks and financial institutions.
- X. According to the information and explanations given to us the company has given guarantee for loans taken by its subsidiary from bank .





KARRA & CO.
Chartered Accountants

- XI. The company has availed term loan facility from Banks and financial institutions during the financial year.
- XII. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year under audit.

For Karra and Co.,

Chartered Accountants

Firm Registration No. 001749S

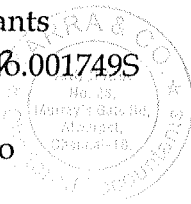
V. Venkateswara Rao

Partner

Membership No. 022370

Place: Hyderabad

Date: 20/5/2015



APOLLO HEALTH AND LIFESTYLE LIMITED
AUDITED BALANCE SHEET AS AT 31ST MARCH 2015

(Amount in Rs.)

Particulars	Note No	March 31, 2015	March 31, 2014
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	419,697,960	253,031,300
(b) Reserves and surplus	4	275,186,267	32,616,615
(c) Share Application Money Pending Allotment		10,395,460	100,000,000
2 Non-current liabilities			
(a) Long-term borrowings	5	1,236,000,000	735,000,000
(b) Deferred tax liabilities (Net)	6	25,457,010	38,969,737
(c) Long-term provisions	7	6,709,058	5,685,655
3 Current liabilities			
(a) Trade payables	8	96,616,203	62,358,970
(b) Other current liabilities	9	346,708,601	178,365,485
TOTAL		2,416,770,559	1,406,027,762
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	10	546,328,010	607,952,387
(ii) Intangible assets	11	20,372,270	20,623,275
(iii) Capital work-in-progress	12	20,690,936	4,511,029
(b) Non-current investments	13	543,576,216	207,085,296
(c) Long-term loans and advances	14	903,245,855	309,573,475
2 Current assets			
(a) Inventories	15	11,872,226	10,491,762
(b) Trade receivables	16	263,694,886	217,344,524
(c) Cash and cash equivalents	17	105,872,770	27,939,689
(d) Other current assets	18	1,117,390	506,325
TOTAL		2,416,770,559	1,406,027,762

Summary of significant accounting policies
the accompanying notes are an integral part of the financial statements

2

As per our report of even date

For Karra & Co
Chartered Accountants
For Karra & Co
Firm Regn.No:001749S

V.Venkateswara Rao
Partner
Membership No: 022370

Date : 25th May 2015
Place : Hyderabad



By order of the Board of Directors of
For Apollo Health and Lifestyle Limited

Sangita Reddy
Director

Sudhir M Diggikar
Director

C V Ram
Chief Financial Officer

D V Sivaram
Company Secretary

Date : 25th May 2015
Place : Hyderabad

APOLLO HEALTH AND LIFESTYLE LIMITED
CASH FLOW STATEMENT AS AT 31ST MARCH 2015

(Amount in Rs.)

Particulars		March 31, 2015		March 31, 2014	
A	Cash Flow from Operating Activities:				
	Net profit before tax and extraordinary items		(85,903,253)		(299,107,796)
	Adjustment for:				
	Depreciation & Amortisation	89,277,646		69,038,749	
	Interest paid	127,051,914		54,496,881	
	Loss on Sale of Assets	39,944,199		-	
	Short term Capital Gain	(396,729,040)		-	
	Interest on deposits	(27,767,178)	(168,222,459)	(8,868,090)	114,667,540
	Operating profit / (loss) before working capital changes		(254,125,712)		(184,440,256)
	Adjustment for:				
	Change in Sundry Debtors	(46,350,360)		(31,928,124)	
	Change in Loans & Advances (Asset)	(593,672,380)		6,176,967	
	Change in other current Assets	(18,171,435)		15,436,782	
	Change in Current Liabilities & Provisions	190,111,024	(468,083,151)	(237,510,933)	(247,825,308)
	Cash generated from / (used in) operating activities				
	Less: Taxes paid				
	Net Cash generated from / (used in) operating activities		(722,208,863)		(432,265,565)
B	Cash flow from Investing Activities:				
	Investments	(339,761,880)		(115,575,170)	
	Interest received	27,767,178		8,868,090	
	Proceeds from sale of Investments	400,000,000		-	
	Proceeds from sale of Assets	33,057,166		-	
	Fixed Assets	(105,264,043)		(73,696,731)	
	Net Cash from / (used in) Investing activities		15,798,421		(180,403,810)
C	Cash Flow from Financing Activities				
	Proceeds from Borrowings	501,000,000		535,000,000	
	Interest paid	(121,678,867)		(54,296,881)	
	Loan processing charges	(5,373,050)		(200,000)	
	Issue of Share Capital	499,999,980		-	
	Share Pending application allotment money	(89,604,540)		100,000,000	
	Net Cash Flow from Financing Activities		784,343,523		580,503,119
	Net increase / (decrease) in cash and cash equivalents		77,933,081		(32,166,256)
Add :	Opening Cash and Bank balances				
	Cash on hand	891,356		2,492,722	
	Balance with Banks	27,048,333		57,613,223	
		-	27,939,689	-	60,105,945
Less :	Closing Cash and Bank balances		105,872,770		27,939,689
	Cash on hand	1,150,613		891,356	
	Balance with Banks	104,722,157		27,048,333	
			105,872,770		27,939,689

As per our report of even date

For Karra & Co
Chartered Accountants
Firm Regn.No:001749S

V.Venkateshwar Rao
Partner
Membership No: 022370



Sangita Reddy
Director

By order of the Board of Directors of
For Apollo Health and Lifestyle Limited

Sudhir M Diggikar
Director

C V Ram
Chief Financial Officer

Mr. D V Sivaram
Company Secretary

Date : 25th May 2015
Place : Hyderabad

Date : 25th May 2015
Place : Hyderabad

APOLLO HEALTH AND LIFESTYLE LIMITED
AUDITED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

S.No:	Particulars	Note No	March 31, 2015	March 31, 2014
I.	Revenue from operations	19	1,070,374,018	962,648,297
II.	Other income	20	47,325,418	20,840,500
III.	Total Revenue (I + II)		1,117,699,436	983,488,797
IV.	Expenses:			
	Cost of materials consumed	21	137,864,108	123,905,644
	Cost of Services	22	410,940,308	397,344,947
	Employee benefits expense	23	342,440,127	290,819,955
	Finance costs	24	129,407,800	57,372,800
	Depreciation and amortization expense	25	89,277,646	69,038,749
	Other expenses	26	385,813,141	311,138,511
	Total expenses		1,495,743,130	1,249,620,606
V	Profit / (Loss) Before Tax and Extraordinary items (III-IV)		(378,043,694)	(266,131,809)
VI	Extraordinary Items		(278,627,714)	7,016,537
VII	Profit before tax (V- VI)		(99,415,980)	(273,148,346)
VIII	Tax expense:			
	(1) Current tax		-	
	(2) Deferred tax	6	13,512,727	(25,959,450)
IX	Profit (Loss) for the year from continuing operations (VII-VIII)		(85,903,253)	(299,107,796)
X	Profit/(loss) from discontinuing operations		-	
XI	Tax expense of discontinuing operations		-	
XII	Profit (Loss) for the year (IX-X-XI)		(85,903,253)	(299,107,796)
XIII	Earnings per equity share:			
	(1) Basic	27	(2.909)	(11.821)

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Karra & Co
Chartered Accountants
Firm Regn.No:001749S

Mr.V.Venkateswara Rao
Partner
Membership No: 022370



By order of the Board of Directors of
For Apollo Health and Lifestyle Limited

Sangita Reddy
Director

Sudhir M. Dighekar
Director

C V Ram
Chief Financial Officer

Mr. D V Sivaram
Company Secretary

Date : 25th May 2015
Place : Hyderabad

Date : 25th May 2015
Place : Hyderabad

APOLLO HEALTH AND LIFESTYLE LIMITED
Notes to Financial Statements for the Year ended March 31, 2015

Note 3

(Amount in Rs.)

Particulars	March 31, 2015		March 31, 2014	
	Number	Amount	Number	Amount
Share Capital				
Authorised				
50,000,000 Equity Shares of Rs. 10/- each	50,000,000	500,000,000	30,000,000	300,000,000
Issued				
4,19,69,796 Equity Shares of Rs. 10/- each	41,969,796	419,697,960	25,303,130	253,031,300
Subscribed and Paid up				
4,19,69,796 Equity Shares of Rs. 10/- each fully paid	41,969,796	419,697,960	25,303,130	253,031,300

(Amount in Rs.)

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year Apollo Hospitals Enterprise Limited	25,303,130	253,031,300
Shares Issued during the year	16,666,666	166,666,660
Shares bought back during the year	-	-
Shares outstanding at the end of the year	41,969,796	419,697,960

25,30,30,60 Equity Shares (Previous year) are held by Apollo Hospitals Enterprise Ltd., the holding company.

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Apollo Hospitals Enterprise Ltd.	41,969,726	99.9998	25,303,060	99.9997



SHARE APPLICATION MONEY PENDING ALLOTMENT

The share application money pending allotment is the result of the Employee Stock Options exercised by the employees of the Company as on 31.03.2015 as per the details given below:

Particulars	Amount
ESOPs of Mr. Sudhir M Diggikar & Mr. C.V. Ram	29,20,440
ESOPs of Mr. Neeraj Garg	24,75,000
Other Options of Mr. Neeraj Garg	50,00,000
Balance from the previous allotments (Rounding Off)	20
Total Share Application Money Pending Allotment	1,03,95,460

EMPLOYEE STOCK OPTIONS

The Board of Directors meeting held on 21st May 2012 approved and adopted the Employee Stock Option Plan - 2012 of the Company. Accordingly the Board of Directors granted Employee Stock Options (ESOPs) to the employees of the Company at an issue price of Rs. 30 per share. The vesting period involved is 4 years with the following vesting dates: 31.05.2013; 31.05.2014; 31.05.2015; 31.05.2016. Out of the ESOPs so granted the following table reflects the ESOPs granted, vested and exercised as on 31.03.2015:

A

Name of the Employee	ESOPs Granted	ESOPs Vested	ESOPs exercised	Exercise Price	Amount Paid
Mr. Sudhir M Diggikar	97,349	48,674	48,674	Rs.30	14,60,220
Mr. C.V. Ram	97,349	48,674	48,674	Rs.30	14,60,220
Total	1,94,698	97,348	97,348		29,20,440

Further Mr. Neeraj Garg, CEO of the Company has been granted Employee Stock Options of 3,30,000 (75% on time & 25% on performance) as per terms and conditions of his appointment letter dated 1st June 2013. The following are the vesting dates for the same. 01.06.2014; 01.06.2015; 01.06.2016; 01.06.2017 @ 82,500 ESOPs on each vesting date. Out of the ESOPs so granted the following table reflects the ESOPs granted, vested and exercised as on 31.03.2015:

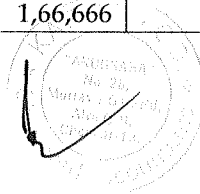
B

Name of the Employee	ESOPs Granted	ESOPs Vested	ESOPs exercised	Exercise Price	Amount Paid
Mr. Neeraj Garg	3,30,000	82,500	82,500	Rs.30	24,75,000

Additionally as per Clause 2 Paragraph 3 item iv of the letter of appointment dated 1st June 2013 Mr. Neeraj Garg has an option of investing Rs. 50,00,000 in the Equity Shares of the Company at the same price at which the next AHIL investment happens. The same has been exercised by Mr. Neeraj Garg on 31.03.2015.

C

Name of the Employee	Number of shares	Exercise Price	Amount Paid
Mr. Neeraj Garg	1,66,666	Rs.30	50,00,000



APOLLO HEALTH AND LIFESTYLE LIMITED
Notes to Financial Statements for the Year ended March 31, 2015

Note 4

Particulars	March 31, 2015	March 31, 2014
a. Securities Premium Account		
Opening Balance	499,185,883	499,185,883
Add : Securities premium credited on Share issue	333,333,320	-
Less : Premium Utilised	-	-
Closing Balance	832,519,203	499,185,883
b. Surplus		
Opening balance	(466,569,267)	(167,461,471)
(+) Net Profit/(Net Loss) For the current year	(85,903,253)	(299,107,796)
(-) Transfer to Depreciation Reserves	(4,860,416)	-
Closing Balance	(557,332,936)	(466,569,267)
Total	275,186,267	32,616,615

Note 5

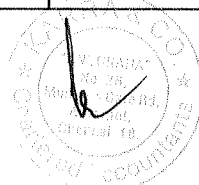
Particulars	March 31, 2015	March 31, 2014
Long Term Borrowings		
Unsecured Term Loan	829,000,000	335,000,000
Secured Term Loan (Exclusive charge on moveable fixed assets and current assets of the company)	407,000,000	400,000,000
Total	1,236,000,000	735,000,000

Note 6

Particulars	March 31, 2015	March 31, 2014
Opening balance of Deferred Tax Liability	38,969,737	13,010,287
Tangible & Intangible assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	(13,512,727)	25,959,450
Closing balance of Gross deferred tax liability	25,457,010	38,969,737

Note 7

Particulars	March 31, 2015	March 31, 2014
Long Term Provisions		
(a) Provision for employee benefits		
Gratuity	1,355,772	642,998
Provision for Bonus	1,109,124	1,109,124
Leave Encashment	764,110	452,981
(b) Others		
Taxation	3,480,052	3,480,552
Total	6,709,058	5,685,655



APOLLO HEALTH AND LIFESTYLE LIMITED
Notes to Financial Statements for the Year ended March 31, 2015

Note 8

Particulars	March 31, 2015	March 31, 2014
Trade payables		
Sundry Creditors	88,259,510	49,822,534
Others	8,356,693	12,536,436
Total	96,616,203	62,358,970

Note 9

Particulars	March 31, 2015	March 31, 2014
Other Current Liabilities		
(a) Income received in advance	-	2,520,113
(b) Other payables		
Retention Money on Capital Contracts	76,585	2,225,210
Dues to Group Companies	196,273,821	46,433,561
Doctor Consultations Payable	11,748,452	12,617,098
Gratuity Liability received from AHIL	4,275,164	3,915,547
Leave Encashment Liability received from AHIL	210,748	147,234
Duties & Taxes	14,101,840	12,130,404
Statutory Liabilities	2,592,177	2,079,761
Security Deposit	35,600,000	35,600,000
Security Deposit-Rental	1,522,400	922,400
Employee Outstanding	4,683,974	5,426,262
Other Deposits	520,710	529,177
Outstanding Expenses	75,102,730	53,818,718
Total	346,708,601	178,365,485




(Amount in Rs.)

Note 11

(ii) Intangible assets

(ii) Intangible assets



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Financial Statements for the Year ended March 31, 2015

Note 12

Particulars	March 31, 2015	March 31, 2014
Capital work-in-progress		
Work in Progress-Koramangla Lab	-	80,075
Work in Progress-Kondapur Cradle	3,548,404	-
Work in Progress Satellite City	1,896,528	-
Work in Progress Shivji Marg (Delhi Cradle)	10,922,490	-
Work in Progress Marathali Cradle BLR	4,323,514	4,430,954
Total	20,690,936	4,511,029



Note 13

(Amount in Rs.)		
Particulars	March 31, 2015	March 31, 2014
Non-current investments		
Investment in Equity instruments	543,576,216	207,085,296
Total (A)	543,576,216	207,085,296

A) Details of Other Investments

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Amount		Whether stated at Cost Yes/No
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Investment in Equity Instruments						
Apollo Koramangala Cradle Limited	Subsidiary	1,963,546	1,805,546	191,860,000	176,060,000	yes
Apollo Sugar Clinics Limited	Subsidiary	2,934,340	49,940	238,861,520	499,400	yes
Apollo Cosmetic Surgical Cntr Pvt Ltd	Subsidiary	2,851,412	2,851,412	28,514,120	28,514,120	yes
Akeso Healthcare Private Limited	Subsidiary	1,370,000	-	81,828,800	-	yes
Health Super Hiway Pvt.Ltd.	Others	201,000	201,000	2,010,000	2,010,000	yes
Nova Speciality Hospitals Private Limited	Subsidiary	50,000	-	500,000	-	yes
Sunrise Medicare Pvt.Ltd	Others	78	78	1,776	1,776	yes
Total		9,370,376	4,907,976	543,576,216	207,085,296	-

APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Financial Statements for the Year ended March 31, 2015

Note 14

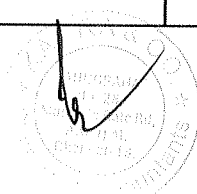
Particulars	March 31, 2015	March 31, 2014
Long Term Loans and Advances		
a. Capital Advances		
Unsecured, considered good	1,521,643	1,521,644
b. Security Deposits		
Unsecured, considered good	91,224,466	70,732,162
c. Loans and advances to related parties		
Unsecured, considered good	600,017,236	95,703,240
d. Other Loans and Advances		
Advance to Suppliers	83,346,146	17,358,213
Other Advances & Deposits	8,211,296	8,963,813
Prepaid Expenses	1,142,257	29,118,968
Tax deducted at source	115,196,685	83,611,535
Loans and advance to employees	2,586,126	2,563,900
Total	903,245,855	309,573,475

Note 15

Particulars	March 31, 2015	March 31, 2014
Inventories		
Lab & Diagnostic Consumables Valued at cost on FIFO basis.	11,872,226	10,491,762
Total	11,872,226	10,491,762

Note 16

Particulars	March 31, 2015	March 31, 2014
Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	150,580,719	144,361,036
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	130,038,492	77,167,233
Less: Provision for doubtful debts	16,924,325	4,183,745
Total	263,694,886	217,344,524



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Financial Statements for the Year ended March 31, 2015

Note 17

Particulars	March 31, 2015	March 31, 2014
Cash and cash equivalents		
a. Balances with banks	100,756,981	23,779,374
Margin money	3,965,176	3,268,959
b. Cash on hand	1,150,613	891,356
Total	105,872,770	27,939,689

Note 18

Particulars	March 31, 2015	March 31, 2014
Other Current Assets		
Service Tax & Vat Balances	120,066	120,066
Interest Accrued But Not Due	997,324	386,259
Total	1,117,390	506,325



APOLLO HEALTH AND LIFESTYLE LIMITED
Notes to Financial Statements for the Year ended March 31, 2015

Note 19

Particulars	March 31, 2015	March 31, 2014
Revenue from operations		
Income from Consultancy	21,616,377	-
Income from Operating License Fees	80,785,630	100,802,011
One Time License Fees	12,000,000	5,698,692
Inpatient Income	142,762,164	149,321,258
Outpatient Income	731,180,531	601,057,547
Health Services-Medical Centres	2,520,113	23,219,012
Corporate Sales	79,509,203	82,549,777
Total	1,070,374,018	962,648,297

Note 20

Particulars	March 31, 2015	March 31, 2014
Other Income		
Interest on deposits	27,767,178	8,868,090
Commision of Pharmacy Revenue	11,561,679	10,827,280
Other Miscellaneous Income	4,241,076	330
Rental Income	3,755,485	1,144,800
Total	47,325,418	20,840,500

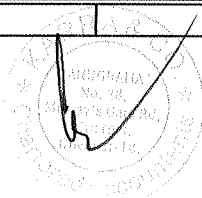
APOLLO HEALTH AND LIFESTYLE LIMITED
Notes to Financial Statements for the Year ended March 31, 2015

Note 21

Particulars	March 31, 2015	March 31, 2014
Cost of materials consumed		
Lab Consumables	116,420,986	88,953,687
Laboratory Expenses	680,514	-
Medical Consumables	1,244,710	6,477,411
Surgical Instruments	733,555	-
Printing & Stationery	20,032,085	15,075,067
Staff Welfare Uniform	-	988,457
X-Ray Films	132,722	3,479,308
Sub Total	139,244,572	114,973,930
Add: Opening Stock	10,491,762	19,423,476
Less: Closing Stock	11,872,226	10,491,762
Total	137,864,108	123,905,644

Note 22

Particulars	March 31, 2015	March 31, 2014
Cost of Services		
Consultation Fee-OP	90,837,189	184,420,719
Consultation Fee-IP	51,340,300	-
Consultation Fee Retention	15,014,222	681,005
Consultation Procedure/Treatment Fee	57,413,786	-
Retainership Fee-Doctors	41,454,835	50,951,126
Discounts	9,772,905	11,272,483
Ambulance Service	10,573,684	16,848,572
Camp Exp	573,010	1,600,619
Credit/Debit Card Swiping Charges	4,158,596	3,363,463
Sample Collection	4,077,811	2,372,413
Lab Testing Charges	48,640,983	42,059,650
Laundry & Drycleaners	566,212	648,843
Patient Diet Expenses	1,614,918	1,583,535
Repairs & Maintenance-Lab	-	2,801
Corporate Purchases	74,901,857	81,539,718
Total	410,940,308	397,344,947



APOLLO HEALTH AND LIFESTYLE LIMITED
Notes to Financial Statements for the Year ended March 31, 2015

Note 23

Particulars	March 31, 2015	March 31, 2014
Employee Benefits Expense		
Salaries & Allowances	288,316,020	252,421,705
Gratuity	2,144,853	319,024
Staff Welfare Expenses	9,599,010	4,717,497
Leave Encashment	2,346,991	1,476,350
Consultancy Charges	17,018,677	10,833,237
Incentives & Bonus	5,784,633	6,998,653
Employee Insurance	2,694,025	1,295,228
Other expenses	11,043	11,262
Contribution to Statutory funds & Administration Charges	14,524,875	12,746,999
Total	342,440,127	290,819,955

Note 24

Particulars	March 31, 2015	March 31, 2014
Finance Cost		
Interest on Loan	121,678,867	54,296,881
Loan Processing Charges	5,373,050	200,000
Bank Charges	2,355,883	2,875,919
Total	129,407,800	57,372,800

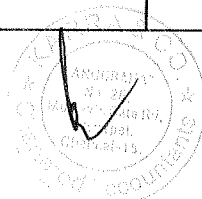
Note 25

Particulars	March 31, 2015	March 31, 2014
Depreciation		
Tangible Assets	82,387,844	60,392,677
Intangible Assets	6,889,802	8,646,072
Total	89,277,646	69,038,749

APOLLO HEALTH AND LIFESTYLE LIMITED
Notes to Financial Statements for the Year ended March 31, 2015

Note 26

Particulars	March 31, 2015	March 31, 2014
Other Expenses		
Audit Fee	600,000	500,000
Legal and Professional Expenses	4,528,989	4,180,979
Printing and Stationery Expenses	1,181,976	1,036,935
Annual Maintenance Charges	10,490,608	9,155,934
Biological Waste Management Expenses	1,078,040	1,189,299
Books & Periodicals	226,392	242,923
Car Rental Charges	273,327	668,838
Consultancy Charges-Others	11,163,767	3,176,501
Conference , Seminars , Training & Review Meetings	3,904,529	2,286,373
Electricity & Water Charges	34,704,288	36,108,198
Generator Maintenance Charges	181,959	508,348
House Keeping Charges	34,760,329	20,403,259
House Keeping Materials	7,651,368	3,334,065
Insurance Premium	894,809	426,556
Communication Expenses	14,165,573	11,757,196
Exchange Fluctuation Diff.	117,715	-
Local Conveyance	6,650,798	1,310,897
Maintenance Expenses	25,136,052	18,874,593
Miscellaneous Expenses	79,645	-
Rent,Rates & Taxes	144,967,145	136,516,385
Recruitment Charges	6,391,279	6,322,937
Relocation Exp	140,962	388,420
Shifting of Assets	38,250	-
Security Guard Services	9,422,116	11,530,289
Travelling Expenses	18,726,582	14,788,315
Provision For Doubtful Debts & Bad Debts Written off	12,740,580	4,033,152
Interest & Penalty on Late payment of Statutory Dues	207,897	331,292
Sub Total	350,424,975	289,071,684
Marketing Expenses		
Advertisement Expenses	29,707,157	19,421,560
Business Development Expenses	980,035	419,515
Marketing Expenses and Advertising	3,464,279	1,325,979
Sms Services	444,998	796,675
Printing-Advertisement	791,697	103,098
Sub Total	35,388,166	22,066,827
Grand total	385,813,141	311,138,511



APOLLO HEALTH AND LIFESTYLE LIMITED
Notes to Financial Statements for the Year ended March 31, 2015

Note 27

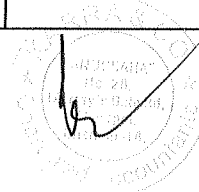
(Amount in Rs.)

Particulars	31 March 2015	31 March 2014
Earning per share (EPS)		
Total operations for the year		
Profit/(loss) after tax	(85,903,253)	(299,107,796)
Net profit/(loss) for calculation of basic EPS	(85,903,253)	(299,107,796)
Net profit as above	(85,903,253)	(299,107,796)
weighted average number of equity shares in calculating Basic EPS	29,528,925	25,303,130
Earning per share (EPS)		
Basic EPS	(2.909)	(11.821)

Note 28

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
Payment to auditor		
Audit fee	500,000	425,000
Tax audit fee	100,000	75,000
Total	600,000	500,000



Note 29

Related parties

a. Names of related parties

(i) Apollo Hospitals Enterprise Limited - Holding company

b. Transactions & Balances with related parties

S. No.	Name of the Party	Relationship with the Co.	Nature of Transactions	Balance as on 01.04.14	Additions (Debit)	Deductions (Credit)	Balance as on 31.03.2015
1	Apollo Hospitals Enterprise Hyderabad	Branch of Holding Company	Rent, Electricity and Consultancy Charges \	2,838,282	497,968	3,398,451	62,201 Dr
2	Apollo Hospitals Enterprise Limited, Chennai	Holding Company	Unsecured Loan	335,000,000	500,000,000	994,000,000	829,000,000 CR
3	Apollo Hospitals Enterprise Limited, Chennai	Holding Company	Interest on Unsecured Loan	13,720,315	-	68,164,347	81,884,662 CR
4	Health Super Hiway Pvt. Ltd.,	Common Directors	Consultancy Charges	2,058,093	-	8,199	2,049,894 DR
5	Indraprastha Medical Corp. Ltd.,	Associate Co to Holding Company	Consultancy Charges	5,810	-	-	5,810 DR
6	Apollo Hospitals Enterprise Ltd., - Projects	Holding Company	Consultancy Charges Payable	508,710	-	511,800	1,020,510 CR
7	Apollo Health Street Ltd	Common Directors	Consultancy charges	40,944	327,552	286,608	- CR
8	Apollo Hospitals Enterprise Ltd., Chennai	Holding Company	Corporate Health check Payable	47,982,127	21,166,808	57,878,152	11,270,784 DR
9	Health Super Hiway Ltd.,	Common Directors	Investment in Equity	2,010,000	-	-	2,010,000 DR
10	Alliance Medicoorp Ltd.,	Subsidiary Company to Holding Company	Consultancy Charges	2,585,368	-	2,585,368	- DR
11	Alliacne Dental Care Limited	Subsidiary Company to Holding Company	Rental Income	2,415,670	1,307,868	2,415,670	1,307,868 DR
12	Alliacne Dental Care Limited	Subsidiary Company to Holding Company	Consultancy charges	868,903	10,563,644	11,582,869	1,888,128 CR
13	Online Hospital Equipment Services Pvt. Ltd.,	Associate Co to Holding Company	Loans and Advance	517,236	-	-	517,236 DR
14	HealthNet Global Private Limited	Common Directors	Loans and Advance	1,000,000	287,816	287,816	1,000,000 DR
15	Lifetime Wellness Rx International Ltd	Subsidiary Company to Holding Company	(Corporate Health check Payable	5,173,656	4,396,160	3,552,825	6,016,991 DR
16	Alliance Dental Care Limited	Subsidiary Company to Holding Company	Rental/ Genset Deposit	922,400	-	-	922,400 CR
17	Apollo Sugar Clinics Limited	Subsidiary Company	Lab testing services & CSA Charges	-	10,339,126	5,944,308	4,394,818 Dr
18	Apollo Sugar Clinics Limited-BTA	Subsidiary Company	Business Transfer Agreement	-	30,446,175	28,492,524	1,953,651 Dr
19	Faber Sindoorti Management Services Pvt Ltd	Common Directors	Outsourcing services	121,125	23,405,799	24,790,688	1,506,014 CR
20	Apollo Hospitals Enterprise Ltd., - Pharmacy	Holding Company	Consumables debit note	18,571,148	5,399,786	27,002,230	40,173,592 CR
21	Apollo Bangalore Cradle Limited (HO)	Subsidiary Company	Consultancy Charges	959,216	-	18,106	941,110 DR
22	Nova Speciality Hospitals Pvt Ltd	Subsidiary Company	Unsecured Loan	-	504,500,000	-	504,500,000 DR
23	Nova Speciality Hospitals Pvt Ltd	Subsidiary Company	Interest on Unsecured Loan	-	9,549,937	-	9,549,937 DR
24	Nova Speciality Hospitals Pvt Ltd	Subsidiary Company	Debit Note	-	8,467,829	-	8,467,829 DR
25	Nova Speciality Hospitals Pvt Ltd	Subsidiary Company	Equity	-	500,000	-	500,000 DR
26	Apollo Sugar Clinics Limited	Subsidiary Company	Unsecured Loan	-	20,000,000	20,000,000	- Dr
27	Apollo Sugar Clinics Limited	Subsidiary Company	Interest on Unsecured Loan	-	682,192	682,192	- Dr
28	Apollo Sugar Clinics Limited	Subsidiary Company	Equity	499,400	-	-	- DR
29	Apollo Sugar Clinics Limited	Subsidiary Company	Deposit for Directors Appointment	-	241,633,080	3,270,960	238,861,520 DR
30	Apollo Cosmetic Surgical Center Private Limited	Subsidiary Company	Reimbursement of expenses	-	100,000	100,000	- DR
31	AKESO HEALTHCARE PRIVATE LIMITED	Subsidiary Company	Operating License Fee	-	24,398	-	24,398 DR
32	AKESO HEALTHCARE PRIVATE LIMITED	Subsidiary Company	Equity	1,964,624	13,567,008	3,459,814	12,071,818 DR
33	Apollo Cosmetic Surgical Center Private Limited	Subsidiary Company	Equity	-	81,828,800	-	81,828,800 DR
34	Apollo Bangalore Cradle Limited (Owned clinic)	Subsidiary Company	Equity with security Premium	28,514,120	-	-	28,514,120 DR
35	Apollo Bangalore Cradle Limited (Owned clinic)	Subsidiary Company	Unsecured Loan	176,060,000	15,800,000	-	191,860,000 DR
				94,000,000	-	-	94,000,000 DR



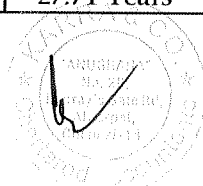
APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Financial Statements for the year ended March 31, 2015

Note 30

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
Gratuity		
Statement of Profit & Loss Account		
Net Employee Benefit expense recognised in employee cost :		
Current Service Cost	77,929	83,514
Interest Cost on benefit obligation	51,440	48,331
Expected return on plan assets	-	-
Net Actuarial (gain)/Loss	174,784	(92,989)
Past services cost	-	-
Net Benefit expense	304,153	38,856
Actual return on plan assets	-	-
Balance Sheet		
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	642,995	604,139
Interest cost	51,440	48,331
Current services cost	77,929	83,514
Benefits paid	-	-
Actuarial (gains)/losses	174,784	(92,989)
Closing defined benefit obligation	947,148	642,995
The principal assumptions used in determining gratuity liability		
Salary Rise	4%	4%
Discount rate	8%	8%
Attrition Rate	33%	5%
Average Balance Service	27.71 Years	27.97 Years

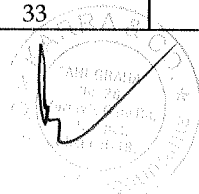


APOLLO HEALTH AND LIFESTYLE LIMITED
Notes to Financial Statements for the year ended March 31, 2015

Note 31

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
Leave Encashment		
Statement of Profit & Loss Account		
Current Service Cost	7,253	21,772
Interest Cost on benefit obligation	36,238	30,394
Expected return on plan assets		
Net Actuarial (gain). Loss recognized in the year	(19,152)	20,895
past services cost		
Net Benefit expense	24,339	73,061
Actual return on plan assets		
Balance Sheet		
a		
Details of provision for Leave		
Change in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	452,981	379,920
Interest cost	36,238	30,394
Current services cost	7,253	21,772
Benefits paid	Nil	Nil
Actuarial (gains)/losses on obligation	(19,152)	20,895
closing defined benefit obligation	477,320	452,981
The principal assumptions used in determining leave and post employment medical benefit obligations for the company's plans are shown below:		
Assumptions	%	%
Salary Rise	4	4
Discount rate	8	8
Attrition Rate	33	33



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Financial Statements for the year ended March 31, 2015

Note 32

Dues to micro, small, and medium enterprises

Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2015 or as at the end of the previous year. Therefore the question of any liability towards interest in terms of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 in the year under review or in the previous year does not arise. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors. Disclosures under Accounting Standard issued by the Institute of Chartered Accountants of India are restricted to those which are currently applicable to the Company.



APOLLO HEALTH AND LIFESTYLE LIMITEDNotes to Consolidated Financial Statements for the year ended 31st March 2015**Accounting Policies and Notes forming part of Consolidated Financial Statements of Apollo Health and Lifestyle Limited and its Subsidiaries.****1. Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (India GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013. The financial statements have been prepared on accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

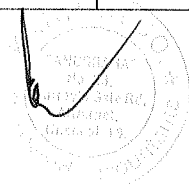
2. Basis of Consolidation

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 – 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India (ICAI).

Investment in Subsidiaries

The Subsidiary Companies considered for the purpose of consolidation are:

Name of the Subsidiary	Country of Incorporation	Percentage of holding on 31.03.14	Date of Acquisition
Apollo Koramangla Cradle Limited	India	81%	31.10.2013
Apollo Sugar Clinics Limited	India	80%	11.06.2012
Apollo Cosmetic Surgical Center Private Limited	India	69%	01.10.2013
Akeso Healthcare Private Limited	India	100%	01.07.2014
Nova Speciality Hospitals Private Limited	India	100%	01.01.2015



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Financial Statements of all the subsidiaries have been drawn up to 31st Mar, 2015.

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 separate financial statements.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles that require 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. Fixed Assets

Fixed Assets are stated at the cost of acquisition, less accumulated depreciation. Direct costs relating to acquisition of fixed assets are capitalized. The costs include freight, installation costs, duties and taxes, and other allocated expenses for bringing the assets to its working condition for its intended use.

c. Depreciation/Amortization

i) Depreciation is provided using the straight-line method, pro rata for the period of use of the assets, at annual depreciation rates stipulated in Schedule II to the Indian Companies Act, 2013, or based on the estimated useful lives of the assets, whichever is higher.

ii) Lease hold improvements are depreciated over the primary period of lease or useful lives of the assets, whichever is shorter.

iii) Fixed assets not exceeding Rs.5000 are charged off in the year of purchase.

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

An amount of Rs. 1.65 crores is being directly attributable expenditure for setting up of new cradle which has commenced operations during the financial year have been capitalized.



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

d. Inventories

- e. Consumables are valued at lower of cost or net realizable value. Cost is determined on First in First out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

f. Foreign Currency Transactions

Foreign Currency transactions are accounted at the exchange rate prevailing as on the date of Invoice. Current Assets and Current Liabilities are converted at the rates prevailing as on the Balance Sheet date.

g. Leases

Leases where the lessor effectively retains substantially all the risks and the benefits of ownership of the leased assets over the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss account.

h. Provisions and contingent liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Claims against the company not acknowledged as Debts , represents the claims made by franchisees for refund of amounts which are pending in various courts amounting to Rs.1.06 crores.

i. Investment

The Investments which are readily realizable and intended to be held for not more than one year from the date which such Investments are made are classified as current investments. All other investments are classified as long term investments

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

j. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from services is recognized as per the standard terms with the customer when the related services are performed,

With Reference to Cradle the One Time License fee is recognized based on percentage of Completion method.

The Company has recognized revenue as follows.

For Franchisee Business:

One time License Fee

With reference to clinics 100% of One Time License Fee is recognized in the year of signing the MOU.

With reference to Cradle the One Time License fee is recognized based on percentage of completion method.

Operating License Fee:

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

Owned clinics operational income:

Owned clinics are recognizing the revenues on the basis of the services rendered on cash or on an accrual basis whichever is earlier.

Corporate services Fee:

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

Other Incomes

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

Interest

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

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



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

k. Retirement & other employment benefits

- i) Liability for gratuity which is defined benefit obligation and leave encashment is provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method (PUC).
- ii) Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to statement of profit and loss for the year when the contributions are due. The company has no obligations, other than the contribution payable to the provident fund.

l. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

m. Segment reporting

Identification of segments:

The company operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services and also different markets.

Inter segment transfers

The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

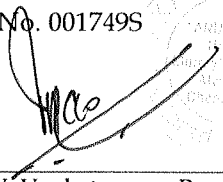
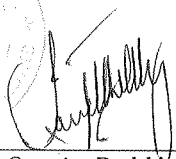
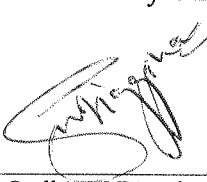
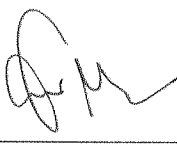
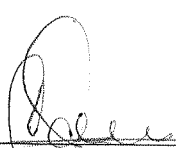
The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.



APOLLO HEALTH AND LIFESTYLE LIMITEDNotes to Consolidated Financial Statements for the year ended 31st March 2015**n. Earnings per share**

Basic Earnings per Share is determined by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

As per our report of even date

For Karra & Co Chartered Accountants Reg No. 001749S 		By order of the Board For Apollo Health and Lifestyle Limited    		
Per V. Venkateswara Rao Partner ICAI Membership No: 22370 Date : 25 th May 2015	Sangita Reddy Director Place : Hyderabad Date: 25 th May 2015	Sudhir M Diggikar Director Place: Hyderabad Date: 25 th May 2015	C V Ram Chief Financial Officer Place: Hyderabad Date: 25 th May 2015	D V Sivaram Company Secretary Place: Hyderabad Date: 25 th May 2015



INDEPENDENT AUDITOR'S REPORT

To the Members of Apollo Health and Lifestyle Limited on the Consolidated Financial Statements of Apollo Health and Lifestyle Limited.

Report on the Financial Statements

We have audited the accompanying Consolidated Balance Sheet of Apollo Health and Lifestyle Limited and its subsidiaries Apollo Bangalore Cradle Limited, Apollo Cosmetics Surgical Center Pvt Ltd, Apollo Sugar Clinics Limited, Nova Speciality Hospitals Private Limited and Akeso Health Care Private Limited, as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

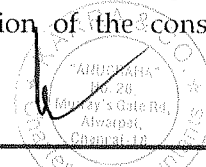
Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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





The financial statements of Subsidiaries which in the aggregate represent total assets (net) as at 31st March 2015 of Rs.133,24,74,118 and total revenue for the year ended on that date of Rs. 58,85,28,897 and loss of Rs.19,38,61,337 for the year has been audited by its statutory auditors whose reports have been furnished to us, and our opinion

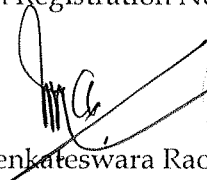
a. Insofar as it relates to the amounts includes in respect of the above subsidiaries is based solely on the report of the other independent auditors.

We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirement of accounting standard, "Consolidated financial statements" issued by the institute of Chartered Accountants of India.

Based on our audit and on consideration of independent auditor of the subsidiary companies on separate financial statements and on the other financial information and to the best of our information and according to the explanation given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Apollo Health and Lifestyle Limited and its Subsidiaries as at March 31, 2015;
- (b) In the case of the Consolidated Profit and Loss Account of the results of operations of Apollo Health and Lifestyle Limited and its Subsidiaries, for the year ended on that date; and
- (c) In the case of the Consolidated Cashflow Statement, of the Cash flows of Apollo Health and Lifestyle Limited and its Subsidiaries for the year ended on that date.

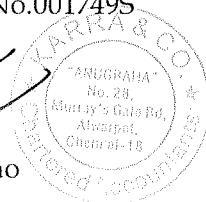
For Karra and Co.,
Chartered Accountants
Firm Registration No.0017495


V.Venkateswara Rao
Partner

Membership No. 022370

Place:Hyderabad

Date: 25/5/2015



APOLLO HEALTH AND LIFESTYLE LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

(Amount in Rs.)

Particulars	Note No	March 31, 2015	March 31, 2014
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	419,697,960	253,031,300
(b) Reserves and surplus	4	27,423,079	(29,256,435)
(c) Share Application Money pending Allotment		11,380,710	100,985,250
2 Minority Interest	5	542,531,723	43,212,031
3 Non-current liabilities			
(a) Long-term borrowings	6	1,865,000,000	735,000,000
(b) Deferred tax liabilities (Net)	7	26,513,404	39,333,129
(c) Long-term provisions	8	14,682,172	7,056,592
4 Current liabilities			
(a) Trade payables	9	314,452,948	87,204,733
(b) Other current liabilities	10	439,055,279	184,972,258
TOTAL		3,660,737,275	1,421,538,857
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	11	1,660,303,594	855,898,427
(ii) Intangible assets	12	304,182,939	24,635,728
(iii) Capital work-in-progress	13	20,759,936	4,511,029
(b) Non-current investments	14	253,111,296	2,011,776
(c) Long-term loans and advances	15	480,768,519	247,630,420
2 Current assets			
(a) Inventories	16	48,059,221	13,071,766
(b) Trade receivables	17	389,071,039	218,054,171
(c) Cash and cash equivalents	18	502,179,379	55,121,288
(d) Other current assets	19	2,301,352	604,250
TOTAL		3,660,737,275	1,421,538,856

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Karra & Co
Chartered Accountants

For Karra & Co
Firm Regn.No:0017495

V.Venkateswara Rao
Partner

Membership No: 022370



By order of the Board of Directors
For Apollo Health and Lifestyle Limited

Sangita Reddy
Director

Sudhir M Diggikar
Director

C V Ram
Chief Financial Officer

D V Sivaram
Company Secretary

Date : 25th May 2015
Place : Hyderabad

Date : 25th May 2015
Place : Hyderabad

APOLLO HEALTH AND LIFESTYLE LIMITED
CONSOLIDATED CASH FLOW STATEMENT AS AT 31ST MARCH 2015

(Amount in Rs.)

Particulars		March 31, 2015		March 31, 2014	
A	Cash Flow from Operating Activities:				
	Net profit before tax and extraordinary items		(271,613,397)		(326,962,896)
	Adjustment for:				
	Depreciation & Amortisation	142,379,412		83,590,137	
	Loss on Sale of Asset	-		-	
	Short term Capital Gain	(396,729,040)		-	
	Interest paid	146,998,141		54,496,880	
	Interest on deposits	(9,636,227)	(116,987,714)	(4,771,502)	133,315,515
	Operating profit / (loss) before working capital changes		(388,601,111)		(193,647,381)
	Adjustment for:				
	Change in Sundry Debtors	(171,016,862)		(24,388,862)	
	Change in Loans & Advances (Asset)	(233,138,099)		(66,723,595)	
	Change in other current Assets	(36,684,557)		16,349,311	
	Change in Current Liabilities & Provisions	475,976,906	35,137,388	(267,626,361)	(342,389,507)
	Cash generated from / (used in) operating activities				
	Less: Taxes paid				
	Net Cash generated from / (used in) operating activities		(353,463,723)		(536,036,888)
B	Cash flow from Investing Activities:				
	Investments	(267,348,427)		-	
	Proceeds from sales of Investments	400,000,000		-	
	Proceeds from sales of Assets	-		-	
	Interest received	9,636,227		4,771,502	
	Fixed Assets	(1,226,331,790)		(85,415,077)	
	Net Cash from / (used in) Investing activities		(1,084,043,990)		(80,643,575)
C	Cash Flow from Financing Activities				
	Proceeds from Borrowings	1,130,000,000		533,500,000	
	Repayment	-		-	
	Interest paid	(133,434,901)		(54,296,880)	
	Loan processing charges	(13,563,240)		(200,000)	
	Issue of Share Capital	991,168,484		25,661,850	
	Share Pending application allotment money	(89,604,540)		100,985,250	
	Net Cash Flow from Financing Activities		1,884,565,803		605,650,220
	Net increase / (decrease) in cash and cash equivalents		447,058,090		(11,030,243)
Add :	Opening Cash and Bank balances				
	Cash on hand	1,238,239		2,680,287	
	Balance with Banks	53,883,049		63,471,244	
			55,121,288		66,151,531
Less :	Closing Cash and Bank balances		502,179,378		55,121,288
	Cash on hand	2,847,935		1,238,239	
	Balance with Banks	499,331,443		53,883,049	
			502,179,378		55,121,288

As per our report of even date

For Karra & Co
Chartered Accountants

For Karra & Co
Firm Regn.No:001749S

V.Venkateswara Rao
Partner
Membership No: 022370



Sangita Reddy
Director

By order of the Board of Directors
For Apollo Health and Lifestyle Limited

Sudhir M Diggikar
Director

C V Ram
Chief Financial Officer

D V Sivaram
Company Secretary

Date : 25th May 2015
Place : Hyderabad

Date : 25th May 2015
Place : Hyderabad

APOLLO HEALTH AND LIFESTYLE LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(Amount in Rs.)

S.No:	Particulars	Note No	March 31, 2015	March 31, 2014
I.	Revenue from operations	20	1,598,026,517	1,131,368,325
II.	Other income	21	66,322,550	17,961,580
III.	Total Revenue (I + II)		1,664,349,067	1,149,329,905
IV.	Expenses:			
	Cost of materials consumed	22	223,743,275	141,023,768
	Cost of Services	23	658,685,149	474,564,645
	Employee benefits expense	24	448,758,415	327,037,805
	Finance costs	25	150,298,161	57,502,064
	Depreciation and amortization expense	26	142,379,412	83,590,137
	Other expenses	27	615,855,927	369,263,600
	Total expenses		2,239,720,339	1,452,982,019
V	Profit / (Loss) Before Tax and Extraordinary items (III-IV)		(575,371,272)	(303,652,113)
VI	Minority Interest		(8,151,188)	(6,429,340)
VII	Extraordinary Items		(285,333,190)	7,816,537
VIII	Profit before tax (V- VI)		(281,886,894)	(305,039,310)
IX	Tax expense:			
	(1) Current tax		(1,974,071)	-
	(2) Deferred tax	29	12,247,568	(21,923,585)
X	Profit (Loss) for the year from continuing operations (VII-VIII)		(271,613,397)	(326,962,895)
XI	Profit/(loss) from discontinuing operations			
XII	Tax expense of discontinuing operations			
XIII	Profit (Loss) for the year (IX-X-XI)		(271,613,397)	(326,962,895)
XIV	Earnings per equity share:			
	(1) Basic	28	(9.198)	(12.922)

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Karra & Co
Chartered Accountants
Firm Regn.No:001749S

V.Venkateswara Rao
Partner
Membership No: 022370



Sangita Reddy
Director

By order of the Board of Directors
For Apollo Health and Lifestyle Limited

Sudhir M. Diggaikar
Director

C V Ram
Chief Financial Officer

D V Sivaram
Company Secretary

Date : 25th May 2015
Place : Hyderabad

Date : 25th May 2015
Place : Hyderabad

APOLLO HEALTH AND LIFESTYLE LIMITED
Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 3

(Amount in Rs.)

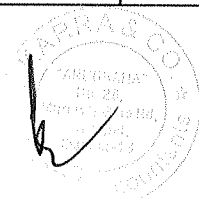
Particulars	March 31, 2015		March 31, 2014	
	Number	Amount	Number	Amount
Share Capital				
Authorised				
50,000,000 Equity Shares of Rs. 10/- each	50,000,000	500,000,000	30,000,000	300,000,000
Issued				
4,19,69,796 Equity Shares of Rs. 10/- each	41,969,796	419,697,960	25,303,130	253,031,300
Subscribed and Paid up				
4,19,69,796 Equity Shares of Rs. 10/- each fully paid	41,969,796	419,697,960	25,303,130	253,031,300

(Amount in Rs.)

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year Apollo Hospitals Enterprise Limited	25,303,130	253,031,300
Shares Issued during the year	16,666,666	166,666,660
Shares bought back during the year	-	-
Shares outstanding at the end of the year	41,969,796	419,697,960

2,53,03,060 Equity Shares (Previous year) are held by Apollo Hospitals Enterprise Ltd., the holding company.

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Apollo Hospitals Enterprise Ltd.	41,969,726	99.9998	25,303,060	99.9997



SHARE APPLICATION MONEY PENDING ALLOTMENT

The share application money pending allotment is the result of the Employee Stock Options exercised by the employees of the Company as on 31.03.2015 as per the details given below:

Particulars	Amount
ESOPs of Mr. Sudhir M Diggikar & Mr. C.V. Ram	29,20,440
ESOPs of Mr. Neeraj Garg	24,75,000
Other Options of Mr. Neeraj Garg	50,00,000
Balance from the previous allotments (Rounding Off)	20
Share Application Money pending allotment from Apollo Cosmetic Surgical Center Private Limited	9,85,250
Total Share Application Money Pending Allotment	1,13,80,710

EMPLOYEE STOCK OPTIONS

The Board of Directors meeting held on 21st May 2012 approved and adopted the Employee Stock Option Plan - 2012 of the Company. Accordingly the Board of Directors granted Employee Stock Options (ESOPs) to the employees of the Company at an issue price of Rs. 30 per share. The vesting period involved is 4 years with the following vesting dates: 31.05.2013; 31.05.2014; 31.05.2015; 31.05.2016. Out of the ESOPs so granted the following table reflects the ESOPs granted, vested and exercised as on 31.03.2015:

A

Name of the Employee	ESOPs Granted	ESOPs Vested	ESOPs exercised	Exercise Price	Amount Paid
Mr. Sudhir M Diggikar	97,349	48,674	48,674	Rs.30	14,60,220
Mr. C.V. Ram	97,349	48,674	48,674	Rs.30	14,60,220
Total	1,94,698	97,348	97,348		29,20,440

Further Mr. Neeraj Garg, CEO of the Company has been granted Employee Stock Options of 3,30,000 (75% on time & 25% on performance) as per terms and conditions of his appointment letter dated 1st June 2013. The following are the vesting dates for the same. 01.06.2014; 01.06.2015; 01.06.2016; 01.06.2017 @ 82,500 ESOPs on each vesting date. Out of the ESOPs so granted the following table reflects the ESOPs granted, vested and exercised as on 31.03.2015:

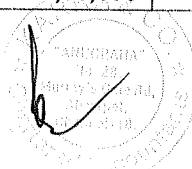
B

Name of the Employee	ESOPs Granted	ESOPs Vested	ESOPs exercised	Exercise Price	Amount Paid
Mr. Neeraj Garg	3,30,000	82,500	82,500	Rs.30	24,75,000

Additionally as per Clause 2 Paragraph 3 item iv of the letter of appointment dated 1st June 2013 Mr. Neeraj Garg has an option of investing Rs. 50,00,000 in the Equity Shares of the Company at the same price at which the next AHIL investment happens. The same has been exercised by Mr. Neeraj Garg on 31.03.2015.

C

Name of the Employee	Number of shares	Exercise Price	Amount Paid
Mr. Neeraj Garg	1,66,666	Rs.30	50,00,000



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 4

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
Reserves and surplus		
a. Securities Premium Account		
Opening Balance	499,185,883	499,185,883
Add : Securities premium credited on Share issue	333,333,320	-
Less : Premium Utilised	146,626	146,626
Closing Balance	832,372,577	499,039,257
b. Surplus		
Opening balance	(528,295,692)	(201,332,796)
(+) Net Profit/(Net Loss) of New Subsidiaries Op Bal	49,967	-
(+) Net Profit/(Net Loss) For the current year	(271,613,397)	(326,962,895)
(-) Transfer to Depreciation Reserves	(5,090,376)	-
Closing Balance	(804,949,498)	(528,295,692)
Total	27,423,079	(29,256,435)

Note 5

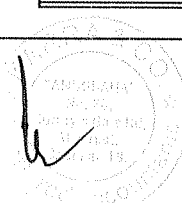
Particulars	March 31, 2015	March 31, 2014
Minority Interest		
Minority Share holders share in Share Capital	526,372,402	33,555,409
Minority Share holders share in Losses	16,159,321	9,656,622
Total	542,531,723	43,212,031

Note 6

Particulars	March 31, 2015	March 31, 2014
Long Term Borrowings		
Unsecured Term Loan	829,000,000	335,000,000
Secured Term Loan (Exclusive charge on moveable fixed assets and current assets of the company)	1,036,000,000	400,000,000
Total	1,865,000,000	735,000,000

Note 7

Particulars	March 31, 2015	March 31, 2014
Deferred tax liabilities (Net)		
Opening balance of Deferred Tax Liability	39,333,129	17,409,544
Tangible & Intangible assets : Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	(12,819,725)	21,923,585
Closing balance of Gross deferred tax liability	26,513,404	39,333,129



Note 8

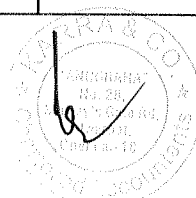
Particulars	March 31, 2015	March 31, 2014
Long Term Provisions		
(a) Provision for employee benefits		
Gratuity	6,884,469	1,611,848
Provision for Bonus	1,273,342	1,377,508
Leave Encashment	1,070,238	586,684
(b) Others	-	-
Taxation	5,454,123	3,480,552
Total	14,682,172	7,056,592

Note 9

Particulars	March 31, 2015	March 31, 2014
Trade payables		
Sundry Creditors	231,331,454	52,169,733
Others	83,121,494	35,035,000
Total	314,452,948	87,204,733

Note 10


Particulars	March 31, 2015	March 31, 2014
Other Current Liabilities		
(a) Income received in advance	-	2,520,113
(b) Other payables		
Retention Money on Capital Contracts	205,161	2,571,258
Dues to Holding Company	156,838,132	46,433,561
Dues to Group Companies	17,751,632	-
Doctor Consultations Payable	13,868,729	12,617,100
Gratuity Liability received from AHIL	4,275,164	3,915,540
Leave Encashment Liability received from AHIL	210,748	147,234
Duties & Taxes	31,196,731	14,232,014
Statutory Liabilities	3,030,283	2,458,704
Security Deposit	38,303,520	35,600,000
Security Deposit-Rental	1,522,400	922,400
Employee Outstanding	7,097,194	5,826,651
Other Deposits	3,022,246	1,642,135
Other Liabilities	48,920,780	-
Outstanding Expenses	112,812,559	56,085,548
Total	439,055,279	184,972,258



Note 11

Note 12

Note 12



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 13

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
Capital work-in-progress		
Work In Progress- Kondapur Cradle	3,548,404	-
Work in Progress-Koramangla Lab	-	80,075
Work in Progress Shivji Marg (Delhi Cradle)	10,922,490	-
Work in Progress Satellite City	1,896,528	-
Work in Progress Marathali Cradle BLR	4,323,514	4,430,954
CWIP - Computer Equipments	69,000	-
Total	20,759,936	4,511,029

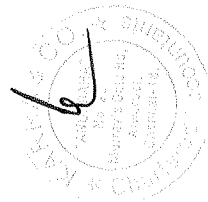


(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
Non-current investments		
Investment in Equity instruments	253,111,296	2,011,776
Total (A)	253,111,296	2,011,776

(Amount in Rs.)

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Amount		Whether stated at Cost Yes/No
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Investment in Equity Instruments						
Investment in Mutual Funds						
Health Super Hiway Pvt.Ltd.	Others	-	-	251,099,520	-	yes
Sunrise Medicare Pvt.Ltd	Others	201,000	201,000	2,010,000	2,010,000	yes
	Others	78	78	1,776	1,776	yes
Total		201,078	201,078	253,111,296	2,011,776	-



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 15

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
	AHLL Consol	AHLL Consol
Long Term Loans and Advances		
a. Capital Advances		
Unsecured, considered good	3,346,862	1,521,644
b. Security Deposits		
Unsecured, considered good	214,554,097	99,003,419
c. Loans and advances to related parties		
Unsecured, considered good	1,517,236	1,703,240
d. Other Loans and Advances		
Advance to Suppliers	95,072,499	20,540,804
Other Advances	12,561,748	2,978,757
Prepaid Expenses	17,572,871	29,865,425
Tax deducted at source-Receiveable	133,782,057	89,156,721
Loans and advance to employees	2,361,149	2,860,410
Total	480,768,519	247,630,420

Note 16

Particulars	March 31, 2015	March 31, 2014
Inventories		
Lab & Diagnostic Consumables		
Valued at cost on FIFO basis.	48,059,221	13,071,766
Total	48,059,221	13,071,766

Note 17

Particulars	March 31, 2015	March 31, 2014
Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	286,696,928	196,445,131
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	131,519,082	25,792,785
Less: Provision for doubtful debts	29,144,970	4,183,745
Total	389,071,039	218,054,171



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

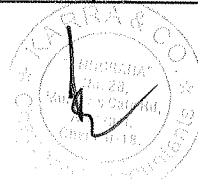
Note 18

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
Cash and cash equivalents		
a. Balances with banks	495,366,268	50,614,090
Margin money	3,965,176	3,268,959
Bank deposits with more than 12 months maturity	-	-
b. Cash on hand	2,847,935	1,238,239
	-	
Total	502,179,379	55,121,288

Note 19

Particulars	March 31, 2015	March 31, 2014
Other Current Assets		
Service Tax & VAT Balances	120,066	197,110
Interest Receivable	2,181,286	407,140
Total	2,301,352	604,250



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

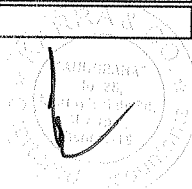
Note 20

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
Revenue from operations		
Income from Consultancy	23,266,377	-
Income from Operating License Fees	80,785,631	100,802,011
One Time License Fees	12,000,000	5,698,691
Inpatient Income	515,088,422	293,290,477
Outpatient Income	884,856,771	625,808,357
Health Services-Medical Centres	2,520,113	23,219,012
Corporate Sales	79,509,203	82,549,777
Total	1,598,026,517	1,131,368,325

Note 21

Particulars	March 31, 2015	March 31, 2014
Other Income		
Interest on deposits	9,636,227	4,771,501
Commision of Pharmacy Revenue	14,195,188	12,044,796
Other Miscellaneous Income	38,735,650	483
Rental Income	3,755,485	1,144,800
Total	66,322,550	17,961,580



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 22

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
<u>Cost of materials consumed</u>		
Lab Consumables	156,985,350	89,606,288
Medical Consumables	14,119,813	11,501,740
Other Consumables	41,362,257	1,437,360
Laboratory Expenses	6,377,787	788,176
Printing & Stationery	23,972,323	16,236,333
Purchase - Housekeeping Consumables	1,086,931	527,375
Medical Oxygen	192,996	237,244
Purchase of Medicines	13,699,144	5,907,860
Staff Welfare Uniform	977	1,176,139
X-Ray Films	132,722	3,479,308
Sub Total	257,930,300	130,897,823
Add: Opening Stock	13,872,196	23,197,711
Less: Closing Stock	48,059,221	13,071,766
Total	223,743,275	141,023,768

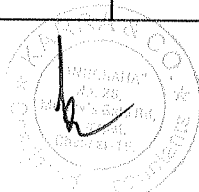


APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 23

Particulars	March 31, 2015	March 31, 2014
Cost of Services		
Consultation Fee-OP	263,893,387	237,944,074
Consultation Fee-IP	69,661,921	-
Consultation Procedure/Treatment Fee	57,413,786	-
Discounts	25,597,279	12,813,645
Ambulance Service	12,490,246	18,061,580
Camp Exp	573,010	1,600,620
Credit/Debit Card Swiping Charges	6,113,187	4,252,019
Dental Clinic Expenses	13,946	67,200
Sample Collection	4,077,811	2,372,413
Lab Testing Charges	73,630,799	49,630,528
Laundry & Drycleaners	1,485,685	1,541,697
Patient Diet Expenses	7,013,924	4,493,018
Repairs & Maintenance-Lab	-	2,801
Retainership Fee-Doctors	61,818,310	62,326,432
Corporate Purchases	74,901,857	81,539,718
Total	658,685,149	476,645,745



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 24

(Amount in Rs.)

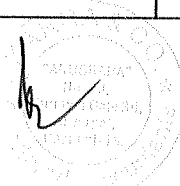
Particulars	March 31, 2015	March 31, 2014
Employee Benefits Expense		
Salaries & Allowances	382,980,657	285,006,291
Gratuity	2,754,430	618,401
Staff Welfare Expenses	11,365,084	10,562,356
Leave Encashment	2,905,258	1,526,847
Consultancy Charges	19,176,804	11,918,646
Incentives & Bonus	6,112,467	2,438,561
Employee Insurance	700,096	267,654
Other expenses	2,637,609	129,235
Contribution to Statutory funds & Administration Charges	20,126,011	14,569,814
Total	448,758,415	327,037,805

Note 25

Particulars	March 31, 2015	March 31, 2014
Finance Cost		
Interest on Loan	133,434,901	54,296,881
Loan Processing Charges	13,563,240	200,000
Bank Charges	3,300,020	3,005,183
Total	150,298,161	57,502,064

Note 26

Particulars	March 31, 2015	March 31, 2014
Depreciation		
Tangible Assets	133,194,536	75,105,197
Intangible Assets	9,184,876	8,484,940
Total	142,379,412	83,590,137



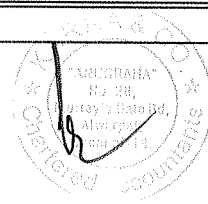
APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 27

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
Other Expenses		
Audit Fee	1,181,912	799,776
Legal and Professional Expenses	16,974,911	5,255,052
Printing and Stationery Expenses	3,567,378	1,096,679
Annual Maintenance Charges	13,071,754	10,876,859
Biological Wastemanagement Expenses	1,229,339	1,311,544
Books & Periodicals	289,353	272,290
Car Rental Charges	881,280	1,692,835
Consultancy Charges-Others	15,175,689	3,284,358
Conference , Seminars , Training & Review Meetings	4,616,440	2,286,373
Electricity Charges	45,818,715	37,640,730
Genarator Diesel Exp	2,689,546	4,076,661
Generator Maintenance Charges	181,959	508,348
House Keeping Charges	47,978,985	25,369,925
House Keeping Materials	7,859,755	3,334,065
Insurance Premium	2,859,695	552,407
Communication Expenses	18,283,671	12,559,829
Local Conveyance	7,751,821	4,871,176
Exchange Fluctuation Diff.	118,924	-
Maintenance Expenses	40,781,063	22,701,950
Pre operative Expenses Written Off	23,301,691	-
Shifting of Assets	38,250	-
Rent,Rates & Taxes	234,592,661	170,441,393
Recruitment Charges	7,434,743	6,664,843
Relocation Exp	746,635	388,420
Security Guard Services	14,468,442	13,333,251
Travelling Expenses	22,233,936	11,114,871
Bad Debts	716,741	-
Provision For Doubtful Debts & Bad Debts Written off	24,961,225	4,033,152
Interest & Penalty on Late payment of Statutory Dues	225,524	344,222
Sub Total	560,032,038	344,811,009
Marketing Expenses		
Advertisement Expenses	37,806,567	21,405,111
Business Development Expenses	3,434,819	564,132
Marketing Expenses and Advertising	13,538,219	2,206,062
Printing-Advertisement	1,044,284	277,286
Sub Total	55,823,889	24,452,591
Grand total	615,855,927	369,263,600



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 28

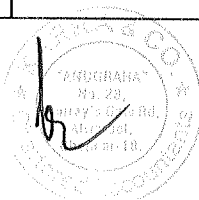
(Amount in Rs.)

Particulars	31 March 2015	31 March 2014
Earning per share (EPS)		
Total operations for the year		
Profit/(loss) after tax	(271,613,397)	(326,962,895)
Net profit/(loss) for calculation of basic EPS	(271,613,397)	(326,962,895)
Net profit as above	(271,613,397)	(326,962,895)
weighted average number of equity shares in calculating Basic EPS	29,528,925	25,303,130
Earning per share (EPS)		
Basic EPS	(9.198)	(12.922)

Note 29

(Amount in Rs.)

Particulars	31 March 2015	31 March 2014
Deferred Tax Expense		
Amount to be debited to P and L	(12,247,568)	21,923,585
Total of Deferred Tax Expense	(12,247,568)	21,923,585



Note 30

Related parties

a. Names of related parties

(i) Apollo Hospitals Enterprise Limited - Holding company

b. Transactions & Balances with related parties

S. No.	Name of the Party	Relationship with the Co.	Nature of Transactions	Balance as on 01.04.14	Additions (Debit)	Deductions (Credit)	Balance as on 31.03.2015
1	Apollo Hospitals Enterprise Hyderabad	Branch of Holding Company	Rent, Electricity and Consultancy Charges	2,838,282	497,968	3,398,451	62,201
2	Apollo Hospitals Enterprise Limited, Chennai	Holding Company	Unsecured Loan	335,000,000	500,000,000	994,000,000	829,000,000
3	Apollo Hospitals Enterprise Limited, Chennai	Holding Company	Interest on Unsecured Loan	13,720,315	-	68,164,347	81,884,662
4	Health Super Hiway Pvt. Ltd.,	Common Directors	Consultancy Charges	2,058,093	-	8,199	2,049,894
5	Indraprastha Medical Corp. Ltd.,	Associate Co to Holding Company	Consultancy Charges	5,810	-	-	5,810
6	Apollo Hospitals Enterprise Ltd., - Projects	Holding Company	Consultancy Charges Payable	508,710	-	511,800	1,020,510
7	Apollo Health Street Ltd	Common Directors	Consultancy Charges	40,944	327,552	286,608	-
8	Apollo Hospitals Enterprise Ltd., Chennai	Holding Company	Corporate Health check Payable	47,982,127	21,166,808	57,878,152	11,270,784
9	Health Super Hiway Ltd.,	Common Directors	Investment in Equity	2,010,000	-	-	2,010,000
10	Alliance Medcorp Ltd.,	Common Directors	Consultancy Charges	2,585,368	-	2,585,368	-
11	Alliance Dental Care Limited	Subsidiary Company to Holding Company	Rental Income	2,415,670	1,307,868	2,415,670	1,307,868
12	Alliance Dental Care Limited	Subsidiary Company to Holding Company	Consultancy charges	868,903	10,563,644	11,582,869	1,888,128
13	Online Hospital Equipment Services Pvt. Ltd.,	Associate Co to Holding Company	Loans and Advance	517,236	-	-	517,236
14	HealthNet Global Private Limited	Common Directors	Loans and Advance	1,000,000	287,816	287,816	1,000,000
15	Lifetime Wellness Rx International Ltd	Subsidiary Company to Holding Company	Corporate Health check Payable	5,173,656	4,396,160	3,552,825	6,016,991
16	Alliance Dental Care Limited	Subsidiary Company to Holding Company	Rental/ Genset Deposit	922,400	-	-	922,400
17	Faber Sindoorti Management Services Pvt Ltd	Common Directors	Outsourcing services	121,125	23,405,799	24,790,688	1,506,014
18	Apollo Hospitals Enterprise Ltd., - Pharmacy	Holding Company	Consumables debit note	18,571,148	5,399,786	27,002,230	40,173,592
19	Apollo Hospitals Enterprise Ltd., Chennai	Holding Company	Lab testing services	10,777,000	-	12,859,960	23,636,960
20	Apollo Hospitals Enterprise Ltd., Chennai	Holding Company	Equity	253,031,300	-	166,666,660	419,697,960
21	Apollo Hospitals Enterprise Ltd., Chennai	Holding Company	Security Premium	499,185,883	-	333,333,320	832,519,203
22	Apollo Hospitals Enterprise Ltd., - Pharmacy	Holding Company	Share Application money pending allotment	100,000,000	1,093,999,980	994,000,000	20
23	Apollo Hospitals Enterprise Limited	Holding Company	Commission charges	12,220,796	15,546,302	1,391,926	26,375,172
24	Apollo Hospitals Enterprise Limited	Ultimate Holding Company	Rental Charges	-	2,831,773	1,769,550	1,062,223
25	Apollo Hospitals Enterprise Limited	Ultimate Holding Company	Lab Cost	-	18,947,290	12,662,512	6,284,778
26	Apollo Hospitals Enterprise Limited	Ultimate Holding Company	Revenue from Operations	-	30,929,806	20,830,194	10,099,612
27	Apollo Hospitals Enterprise Limited	Ultimate Holding Company	IT Service Charges	-	394,086	-	394,086
28	Apollo Hospitals Enterprise Limited	Ultimate Holding Company	Operational Expenses	-	5,654,886	4,483,726	1,171,160
29	Apollo Hospitals Enterprise Limited	Ultimate Holding Company	Business Purchase	-	185,200,000	185,200,000	-
30	Imperial Hospital & Research Centre Ltd.,	Subsidiary of Ultimate Holding Company	Revenue from Operations	-	2,536,315	1,406,585	1,129,731
31	Imperial Hospital & Research Centre Ltd.,	Subsidiary of Ultimate Holding Company	Lab Cost	-	622,517	424,264	198,253
32	Imperial Hospital & Research Centre Ltd.,	Subsidiary of Ultimate Holding Company	Rental Charges	-	312,366	223,528	88,838
33	Imperial Hospital & Research Centre Ltd.,	Subsidiary of Ultimate Holding Company	Doctor Payments	-	700,720	406,431	294,289
34	Imperial Hospital & Research Centre Ltd.,	Subsidiary of Ultimate Holding Company	Business Purchase	-	1,700,000	1,700,000	-
35	Sanofi Synthelabo (India) Limited	Common Directors	Investment in Equity	-	7,336,000	-	7,336,000
36	Sanofi Synthelabo (India) Limited	Common Directors	Security Premium	-	495,934,880	-	495,934,880
37	Sanofi Synthelabo (India) Limited	Common Directors	Event Fees	-	2,000,000	2,000,000	-
38	Indraprastha Medical Corporation Limited	Associate Company to Ultimate Holding Company	Management fees	-	1,011,240	-	1,011,240
39	Indraprastha Medical Corporation Limited	Associate Company to Ultimate Holding Company	Marketing & development	-	861,406	-	861,406
40	Apollo Gleneagles Hospitals Limited	Joint Venture of Ultimate Holding Company	Marketing & development	-	800,000	-	800,000
41	Apollo Gleneagles Hospitals Limited	Joint Venture of Ultimate Holding Company	Management fees	-	842,700	337,080	505,620
42	Healthnet Global Limited	Common Directors	Marketing & development	-	750,936	685,367	65,569
43	Health Super Hiway Private Limited	Common Directors	Marketing & development	-	767,126	716,520	50,606
44	Imperial Hospital and Research Centre Ltd	Subsidiary to Ultimate Holding company	Lab Investigations	203,758	701,619	497,861	-
45	Apollo Hospitals Enterprises Ltd	Holding to Holding Company	Reimbursement of expenses	-	334,595	-	334,595
46	Apollo Hospitals Enterprises Ltd	Holding to Holding Company	Commission Charges	1,883,780	1,882,763	-	3,766,543
47	Apollo Hospitals Enterprises Ltd	Holding to Holding Company	Purchase of Pharmacy Consumables	5,916,230	2,032,450	13,420,409	17,304,189
48	Dr. Suresh Gurumalliah	Director of Subsidiary Company	Remuneration	-	2,400,000	2,400,000	-
49	Dr. Suresh Gurumalliah	Director of Subsidiary Company	Reimbursement of expenses	-	33,241	-	33,241
50	Apollo Hospitals Enterprise Ltd	Holding to Holding Company	Pharmacy License fee	77,638	1,024,023	1,027,843	73,818
51	Apollo Hospitals Enterprise Ltd	Holding to Holding Company	Reimbursements	10,175	24,000	32,175	2,000
52	Apollo Health and Lifestyle Ltd	Holding to Holding Company	Reimbursements	12,920	279,054	-	266,134

APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 31

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
Gratuity		
Statement of Profit & Loss Account		
Net Employee Benefit expense recognised in employee cost :	-	-
Current Service Cost	1,344,138	223,167
Interest Cost on benefit obligation	139,214	101,889
Expected return on plan assets	-	-
Net Actuarial (gain)/Loss	3,615,787	13,177
Past services cost	-	-
Net Benefit expense	5,099,139	338,233
Actual return on plan assets		
Balance Sheet		
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	1,740,166	1,273,614
Interest cost	139,214	101,889
Current services cost	1,344,138	223,167
Benefits paid	-	-
Actuarial (gains)/losses	3,615,787	13,177
	-	-
Closing defined benefit obligation	6,839,305	1,611,847



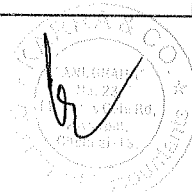
APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 32

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
	CON AHLL	CON AHLL
Leave Encashment		
Statement of Profit & Loss Account		
Current Service Cost	310,636	35,014
Interest Cost on benefit obligation	55,140	37,535
Expected return on plan assets	31,281	-
Net Actuarial (gain). Loss recognized in the year	701,595	44,948
past services cost		
Net Benefit expense	1,098,652	117,497
Actual return on plan assets		
Balance Sheet		
a		
Details of provision for Leave		
Change in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	689,260	469,187
Interest cost	55,140	37,535
Current services cost	310,636	35,014
Benefits paid	-	-
Actuarial (gains)/losses on obligation	676,627	44,948
closing defined benefit obligation	1,731,663	586,684



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 33

Segmental Reporting

(Amount in Rs.)

PARTICULARS	CLINICS	DIABETIC	DAY CARE	CRADLE	TOTAL
REVENUE					
Operating Revenue	939,591,053	39,179,317	394,764,916	224,491,231	1,598,026,517
Other income	22,418,883	5,258,740	36,504,331	2,140,596	66,322,550
Total Revenue	962,009,936	44,438,058	431,269,247	226,631,826	1,664,349,067
SEGMENT RESULT	(4,579,174)	(50,763,323)	(160,218,237)	(66,326,161)	(281,886,895)
Net Profit	6,013,227	(50,763,323)	(160,537,141)	(66,326,161)	(271,613,398)
CAPITAL EMPLOYED					
Tangible assets	350,056,644	34,320,720	944,040,412	255,506,549	1,583,924,325
Intangible assets	126,603,717	185,131,717	68,227,756	599,014	380,562,204
CWIP	-	-	69,000	20,690,936	20,759,936
Current Assets	375,318,324	246,204,236	282,829,270	37,259,161	941,610,991
Investments	2,011,776	251,099,520	-	-	253,111,296
Long term Loans & Advances	309,812,076	7,509,455	126,435,777	37,011,209	480,768,518
Total Assets	1,163,802,537	724,265,649	1,421,602,215	351,066,870	3,660,737,270
SEGMENT LIABILITIES					
Share holder funds	(288,647,266)	1,192,982,343	(68,017,904)	164,716,295	1,001,033,468
Non Current Liabilities	672,118,812	-	1,138,522,274	95,554,490	1,906,195,576
Other Current liabilities	451,559,703	27,069,968	224,826,758	50,051,801	753,508,231
TOTAL LIABILITIES	835,031,250	1,220,052,311	1,295,331,128	310,322,586	3,660,737,275
Depreciation	78,348,787	1,200,816	42,833,595	19,996,215	142,379,412
Total Depreciation	78,348,787	1,200,816	42,833,595	19,996,215	142,379,412



APOLLO HEALTH AND LIFESTYLE LIMITED

Notes to Consolidated Financial Statements for the year ended 31st March 2015

Note 34

Dues to micro, small, and medium enterprises

Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2014 or as at the end of the previous year. Therefore the question of any liability towards interest in terms of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 in the year under review or in the previous year does not arise. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors. Disclosures under Accounting Standard issued by the Institute of Chartered Accountants of India are restricted to those which are currently applicable to the Company.

