

“  
guardians of health and well-being  
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THE APOLLO WAY

Annual Report 2016–2017

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

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

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

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

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

*We are Apollo and we believe that Life is Priceless. We will do all that we can to protect and sustain it. No short-cuts. No compromises. But the best differentiated care a hospital can possibly give its Valued patient. We are Apollo and we are proud that we Value Life.*

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

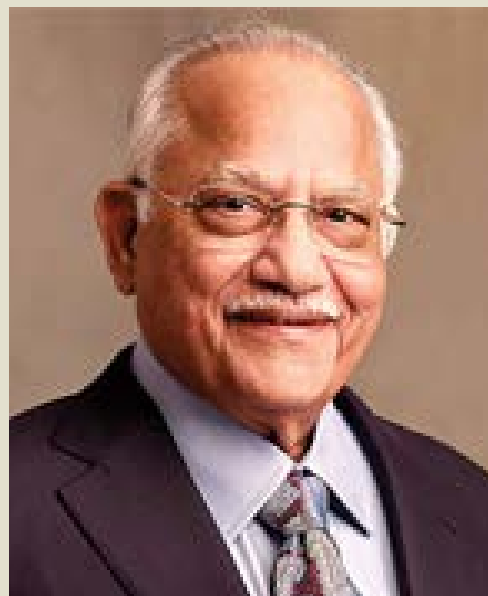
We could not have said it better ourselves. The words of Dr Blackwell, the first woman to receive a medical degree in the USA and the first woman on the UK medical register, aptly describe our mission- to touch lives with a passion for well-being so as to make 'every patient interaction clinically and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

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

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

\*Dr Elizabeth Blackwell, 1821 - 1910

## FROM THE CHAIRMAN



can overwhelm the general population and become a severe threat to the country's productivity and socio-economic progress. As India's leading health services provider, we believe we have a responsibility in fighting this menace. We have already differentiated ourselves at every touch point of the Patient Care cycle and our patient outcomes are comparable to the best in the world. We now want to revolutionize the healthcare eco-system through newer ways of reaching India's masses in order to put them on the road to wellness. We want to create and implement a strong digital strategy to enhance patient outreach and access, customer experience and loyalty. We want to deploy high-tech equipment to further improve outcomes while enabling patients to recover faster, thereby cutting short their stay in the hospital. We also want to strengthen consultant engagement, focus on specialty forays and achieve distinction through advanced medical treatments.

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

Moving forward with the conviction that our efforts at innovation, clinical expertise, medical excellence and tender loving care are not just restricted to treating a particular symptom, disease or patient but rather to holistically improving the overall health quotient of our patients, we have consolidated all our clinical assets in oncology into an independent integrated specialty practice under Apollo Cancer Institutes. These institutes

will function from a common platform based on standard protocols which will ensure uniform quality of care for patients while elevating the track record and knowledge bank for specialists across the network. We are also now well poised to become the first provider of the revolutionary Proton Beam Therapy treatment for cancer cure in India. The machine is with us and we will launch the centre in 2018. This will serve patients in the UK, Europe, the Middle East, Australia, Singapore, Malaysia, and other countries in South and South East Asia, as it will be the only one of its kind in this region. This initiative exemplifies our Mission and our commitment to provide the best possible healthcare to put people on the road to recovery.

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

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

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

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

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

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

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

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

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

With warm personal regards,

**Dr. Prathap C Reddy**  
Executive Chairman  
Apollo Hospitals Group



## THE APOLLO WAY

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

**experience  
unparalleled  
in India**

### experience

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

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



**70 hospitals**



**55 specialties**



**7500+ clinicians**



**10000+ nurses**



**4600 paramedics**

**unmatched edge  
in multispecialty  
collaboration for  
achieving exceptional  
clinical outcomes**

## expertise

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

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

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



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

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

## SIX REASONS TO BELIEVE

A PIONEER HEALTHCARE ORGANIZATION  
**Premium Quality**

Outstanding

• **TECHNOLOGY** • **DOCTORS** • **PROCESSES** •

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

**WORLD-CLASS HEALTHCARE  
AT A FRACTION OF  
THE COST OVERSEAS**

**END-TO-END SERVICES—  
a differentiator  
from peers**

**PRACTICES FOUNDED ON  
RELENTLESS RESEARCH &  
INNOVATION**

**CARING  
AND  
COMPASSIONATE**

## EARNING THE TRUST

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

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

## THE PATIENT CARE JOURNEY

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

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

### comprehensive consult review

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

### smoothing the patient flow seamless scheduling

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

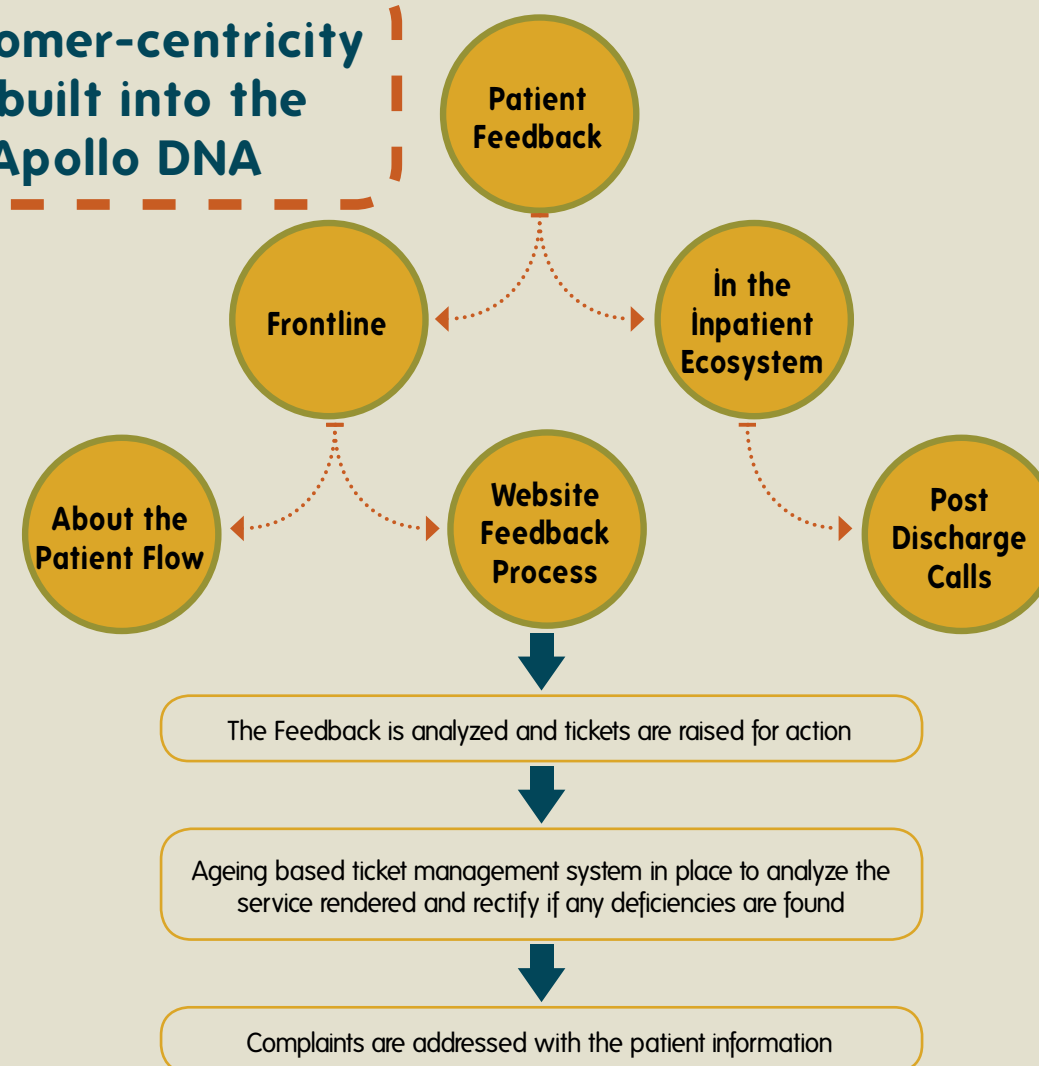
## superior diagnostics

Accurate diagnosis is critical for ensuring the most effective treatment.

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

## service differentiators

**Customer-centricity is built into the Apollo DNA**



## leveraging technology

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

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

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

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

### Telemedicine

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

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

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

Medmantra enables the following:

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

### Impact on Patients

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

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

**Ask Apollo**, is a robust clinical delivery engine. It is a patient-centric service that allows patients the freedom to login and book online consultations with Apollo Doctors across all specialties and super specialties through an interactive Website (askapollo.com).

Ask Apollo is a single address for running the following services: 24x7 Family Physician Online consultations; Apollo Specialty and Super Specialty consultations; Multispecialty Board consultations; Online Physical appointment booking; Health Check booking; Patient Health Records; and locating a hospital or clinic. The consultations can be scheduled as a video conference, voice call or on e-mail. Users can share their medical reports with the doctor for a review before consultation and can manage all their records online. Ask Apollo comes with Zero setup cost and can be accessed anywhere around the globe. The Ask Apollo website has a simple user interface making it easy to navigate. It promotes reduced health costs for an individual without compromising on the quality of healthcare.



## tender loving care

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

### WARD as a Unit

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

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

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

### Benefits for the Patient

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

### Benefits for the Organization

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



# OUR PRACTICES

## engaging consultants

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

### Go for Gold program

A weekly initiative involving consultants as champions of Quality improvement.

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

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

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

## clinical excellence



### patient centeredness

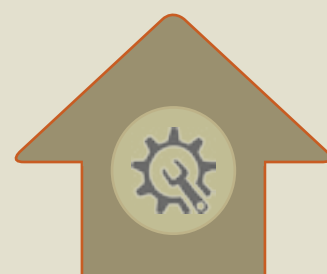
We believe in offering Patient-centered care to anyone that comes to our hospitals. We are respectful of and responsive to our patients' individual needs and see them as an equal partner while planning, developing and monitoring their care. We are compassionate and empathetic to our patients and believe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

### usage of evidence based guidelines

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



Involving Physicians in Data Sharing



Status Report on Raised Concerns



Felicitating Consultants for their Exemplary Service

## patient safety



### Safety through Systems and Protocols

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

#### Joint Commission International (JCI)

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



#### National Accreditation Board for Hospitals and Healthcare Providers (NABH)

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



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

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

