

INDEPENDENT AUDITOR'S REPORT

To The Members of Apollo Health and Lifestyle Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Apollo Health and Lifestyle Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 45 of the consolidated financial statements, which describes Management's evaluation on assessment of recoverability of carrying value of its assets. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

Our report is not modified in respect of this matter.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group and in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material

misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets of Rs. 19,248 lakhs as at March 31, 2021, total revenues of Rs. 12,004 lakhs and net cash outflows amounting to Rs. 329 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company and subsidiary companies, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - ii. The Group did not have long-term contracts including derivative contracts for which there were no material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ganesh Balakrishnan
Partner
(Membership No. 201193)
(UDIN: 21201193AAAAE3153)

Place: Hyderabad
Date: June 09, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **Apollo Health and Lifestyle Limited** (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being

made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to eight subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Ganesh Balakrishnan
Partner
(Membership No. 201193)
(UDIN: 21201193AAAAE3153)

Place: Hyderabad
Date: June 09, 2021

	Notes	As at March 31, 2021	As at March 31, 2020
A ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	24,657	24,076
(b) Right-of-use of asset	33	36,746	32,500
(c) Capital work-in-progress		568	379
(d) Goodwill	4	2,700	2,465
(e) Other intangible assets	5	228	293
(f) Financial assets			
(i) Investments	6	18	18
(ii) Other financial assets	7	3,258	1,910
(g) Income tax assets (net)	9A	1,982	4,420
(h) Other non-current assets	10	1,105	509
Total non-current assets		71,262	66,570
Current assets			
(a) Inventories	11	2,112	1,485
(b) Financial assets			
(i) Other investments	6	-	727
(ii) Trade receivables	12	9,288	7,971
(iii) Cash and cash equivalents	13	4,210	3,694
(iv) Bank balances other than cash and cash equivalents	14	10,483	1,729
(v) Other financial assets	7	2,348	2,758
(c) Other current assets	10	1,504	1,186
Total current assets		29,945	19,550
TOTAL ASSETS		101,207	86,120
B EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	12,840	11,937
(b) Other equity	16	(10,468)	(15,155)
Equity attributable to owners of the Company		2,372	(3,218)
Non-controlling interests	17	631	419
Total equity		3,003	(2,799)
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	22,848	23,084
(ii) Lease liabilities	33	44,901	39,907
(iii) Other financial liabilities	19	354	828
(b) Provisions	20	606	393
(c) Deferred tax liabilities (net)	8	55	61
Total non-current liabilities		68,764	64,273
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	691	944
(ii) Lease liabilities	33	3,450	3,000
(iii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		145	118
Total outstanding dues of creditors other than micro enterprises and small		18,342	15,265
(iv) Other financial liabilities	19	4,464	3,259
(b) Provisions	20	311	164
(c) Income tax liabilities (net)	9B	3	-
(d) Other current liabilities	22	2,034	1,896
Total current liabilities		29,440	24,646
Total liabilities		98,204	88,919
TOTAL EQUITY AND LIABILITIES		101,207	86,120
Corporate information	1		
Significant accounting policies	2		

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No: 117366W/W-100018)

For and on behalf of the Board of Directors

Ganesh Balakrishnan
Partner

Place: Hyderabad
Date: June 09, 2021

Sangita Reddy
Managing Director
(DIN: 00006285)
Place: Hyderabad
Date: June 09, 2021

Krishnan Akhileswaran
Director
(DIN: 05299539)
Place: Chennai
Date: June 09, 2021

Chandra Sekhar Chivukula
Chief Executive Officer
Place: Hyderabad
Date: June 09, 2021

Prashant Jhaveri
Chief Financial Officer
Place: Hyderabad
Date: June 09, 2021

Kamal Saboo
Company Secretary
Place: Hyderabad
Date: June 09, 2021

Apollo Health and Lifestyle Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2021
(All amounts are in ₹ lakhs unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	23	68,178	69,643
II Other Income	24	2,450	1,318
III Total Income (I+II)		70,628	70,961
IV Expenses			
Cost of medical consumables	25	14,486	12,400
Cost of services	26	19,963	22,385
Employee benefits expense	27	15,663	15,943
Finance costs	28	6,689	6,727
Depreciation and amortisation expense	29	8,753	8,892
Other expenses	30	11,726	12,362
Total expenses (IV)		77,280	78,709
V Loss before tax (III-IV)		(6,652)	(7,748)
VI Tax expense			
(i) Current tax		5	-
(ii) Deferred tax		(18)	(51)
Total tax expenses		(13)	(51)
VII Loss for the year (V-VI)		(6,639)	(7,697)
VIII Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to statement of profit or loss			
(a) Remeasurements of the net defined benefit liabilities		(250)	61
(b) Equity instruments through other comprehensive income		-	(11)
(ii) income tax relating to items that will not be reclassified to statement of profit or loss		1	-
Total Other Comprehensive Income for the year		(249)	50
IX Total comprehensive loss for the year (VII+VIII)		(6,888)	(7,647)
Loss for the year attributable to:			
Owners of the Company		(6,482)	(7,569)
Non controlling interests		(157)	(128)
		(6,639)	(7,697)
Other comprehensive (loss)/ income for the year attributable to:			
Owners of the Company		(249)	49
Non controlling interests		- *	1
		(249)	50
Total comprehensive loss for the year attributable to:			
Owners of the Company		(6,730)	(7,520)
Non controlling interests		(158)	(127)
		(6,888)	(7,647)
Earnings per equity share of ₹ 10 each:	32		
Basic (in ₹)		(5.29)	(6.46)
Diluted (in ₹)		(5.29)	(6.46)
Corporate information	1		
Significant accounting policies	2		

* denotes amounts rounded off being less than rupees one lakh

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No: 117366W/W-100018)

For and on behalf of the Board of Directors

Ganesh Balakrishnan

Partner

Place: Hyderabad

Date: June 09, 2021

Sangita Reddy

Managing Director

(DIN: 00006285)

Place: Chennai

Date: June 09, 2021

Krishnan Akhileswaran

Director

(DIN: 05299539)

Place: Chennai

Date: June 09, 2021

Chandra Sekhar Chivukula

Chief Executive Officer

Place: Hyderabad

Date: June 09, 2021

Prashant Jhaveri

Chief Financial Officer

Place: Hyderabad

Date: June 09, 2021

Kamal Saboo

Company Secretary

Place: Hyderabad

Date: June 09, 2021

Apollo Health and Lifestyle Limited
Consolidated Statement of cash flow for the year ended March 31, 2021
(All amounts are in ₹ lakhs unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flows from operating activities		
Loss before tax	(6,652)	(7,748)
Adjustments for:		
Depreciation and amortisation expense	8,753	8,892
(Profit)/loss on sale of property, plant and equipment (net) / written off	(12)	8
Finance costs	6,230	6,727
Interest income	(558)	(610)
Net gain arising on financial assets designated as at FVTPL	(1)	(58)
Liabilities no longer required written back	(375)	(429)
Gain on forex fluctuation	- *	(1)
Rent expenses on termination of lease	(139)	(93)
Rent waiver and concessions	(1,192)	-
Provision for doubtful trade receivables	585	165
Provision for Share based Payments	343	-
Expenses recognized in respect of shares issued in exchange of consultancy services	(23)	70
	6,959	6,923
<u>Movements in working capital</u>		
<u>Adjustments for (increase)/decrease in operating assets:</u>		
- Trade receivables	(1,901)	(1,730)
- Inventories	(626)	(154)
- Other assets	(1,521)	(638)
- Balances held as margin money deposits	(30)	(73)
<u>Adjustments for increase/(decrease) in operating liabilities:</u>		
- Trade payables	3,459	2,757
- Other liabilities	133	563
- Provisions	107	353
	(379)	1,078
Cash generated from operating activities	6,580	8,001
Income taxes paid (net)	2,441	846
Net cash generated from operating activities [A]	9,021	8,847
B. Cash flows from investing activities		
Purchase of property, plant and equipment (Including capital work-in-progress)	(5,337)	(2,464)
Proceeds from disposal of property, plant and equipment	27	30
Net cash outflow on acquisition of shares of subsidiaries	(360)	(55)
Deposits placed with banks	(24,582)	(9,933)
Deposits matured / withdrawn from banks	15,858	8,476
Proceeds from sale of investments in mutual fund units	728	-
Interest received	473	673
Net cash used in investing activities (B)	(13,193)	(3,273)
C. Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	12,005	4,974
Application money received towards preference shares	-	474
Proceeds from issue of preference shares by subsidiary company	137	-
Proceeds from issue of shares by subsidiary company	2	4
Repayment of borrowings	(1,362)	(14,202)
Proceeds from borrowings	647	14,673
Interest paid	(4,617)	(6,655)
Payment of lease liabilities	(2,142)	(2,803)
Net cash flow from / (used in) financing activities (C)	4,670	(3,535)
Net increase in cash and cash equivalents (A+B+C)	498	2,039
Cash and cash equivalents at the beginning of the year	3,694	1,655
Cash balance acquired on the acquisition of subsidiary	18	-
Cash and cash equivalents at the end of the year (Refer Note 13)	4,210	3,694

* denotes amounts rounded off being less than rupees one lakh

Apollo Health and Lifestyle Limited
Consolidated Statement of cash flow for the year ended March 31, 2021

(All amounts are in ₹ lakhs unless otherwise stated)

Note:
Reconciliation of liabilities from financing activities

Particulars	As at March 31, 2020	Proceeds/ Impact of Ind AS 116	Repayments	Fair value changes & Other adjustments	As at March 31, 2021
Long term borrowings (including current portion)	24,398	647	937	1,230 *	25,338
Short term borrowings	944	-	425	172 ^	691
Lease liabilities	42,907	8,877	2,142	(1,291) #	48,351
Total Liabilities from financing activities	68,249	9,524	3,504	111	74,380

^ Interest on debentures of ₹ 172 Lakhs (Refer Note 28)

* Includes liability component of Non-cumulative non-convertible redeemable preference shares of ₹ 267 Lakhs and interest addition of ₹ 963 Lakhs to borrowings on account of moratorium.

includes adjustment of ₹ 677 Lakhs on account of lease modification and ₹ 614 Lakhs on account rent waivers and concessions.

Reconciliation of liabilities from financing activities

Particulars	As at March 31, 2019	Proceeds/ Impact of Ind AS 116	Repayments	Fair value changes & Other adjustments	As at March 31, 2020
Long term borrowings (including current portion)	22,889	14,673	13,164	-	24,398
Short term borrowings	1,982	-	1,038	-	944
Lease liabilities	-	46,141	2,803	(431) #	42,907
Total Liabilities from financing activities	24,871	60,814	17,005	(431)	68,249

includes adjustment on account of lease modification (Refer Note 33)

See accompanying notes forming part of the consolidated financial statements
In terms of our report attached

 For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No: 117366W/W-100018)

For and on behalf of the Board of Directors

Ganesh Balakrishnan
Partner

 Place: Hyderabad
Date: June 09, 2021

Sangita Reddy
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Chief Financial Officer
Place: Hyderabad
Date: June 09, 2021

Kamal Saboo
Company Secretary
Place: Hyderabad
Date: June 09, 2021

Apollo Health and Lifestyle Limited
Consolidated Statement of changes in equity as on March 31, 2021
(All amounts are in ₹ lakhs unless otherwise stated)

a. Equity share capital

	<u>No of shares</u>	<u>Amount</u>
Balance as at April 1, 2019	115,634,087	11,563
Changes in equity share capital during the year	3,740,085	374
Balance as at March 31, 2020	119,374,172	11,937
Changes in equity share capital during the year	9,026,350	903
Balance as at March 31, 2021	128,400,522	12,840

b. Other equity

	Reserve and surplus					Items of other comprehensive income	Non-controlling interests	Total
	Securities premium	Share options outstanding account	Capital reserve on common control transaction	Capital reserve	Retained earnings	Equity investments through other comprehensive income		
Balance as at April 1, 2019	75,991	368	(7,543)	-	(71,804)	(73)	642	(2,419)
Impact on adoption of Ind AS 116	-	-	-	-	(9,193)	-	(95)	(9,288)
Loss for the year	-	-	-	-	(7,569)	-	(128)	(7,697)
Other comprehensive income for the year, net of taxes	-	-	-	-	60	(11)	1	50
Total Comprehensive income for the year	-	-	-	-	(16,702)	(11)	(222)	(16,935)
Premium on shares issued during the year	4,600	-	-	-	-	-	-	4,600
Capital reserve on additional investment in subsidiary	-	-	-	(13)	-	-	(1)	(14)
Transferred from share options outstanding	-	(38)	-	-	-	-	- *	(38)
Expenses arising from share based payment transactions	-	70	-	-	-	-	-	70
Balance as at March 31, 2020	80,591	400	(7,543)	(13)	(88,506)	(84)	419	(14,736)
Loss for the year	-	-	-	-	(6,482)	-	(157)	(6,639)
Other comprehensive income for the year, net of taxes	-	-	-	-	(249)	-	- *	(249)
Total Comprehensive income for the year	-	-	-	-	(6,731)	-	(157)	(6,888)
Premium on shares issued during the year	11,102	-	-	-	-	-	-	11,102
Equity component of preference shares	-	-	-	-	-	-	373	373
Capital reserve on additional investment in subsidiary	-	-	-	(9)	-	-	(4)	(13)
Recognition of share-based payments	-	325	-	-	-	-	-	325
Balance as at March 31, 2021	91,693	725	(7,543)	(22)	(95,237)	(84)	631	(9,837)

* denotes amounts rounded off being less than rupees one lakh

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No: 117366W/W-100018)

For and on behalf of the Board of Directors

Ganesh Balakrishnan
Partner

Place: Hyderabad
Date: June 09, 2021

Sangita Reddy
Managing Director
(DIN: 00006285)
Place: Hyderabad
Date: June 09, 2021

Krishnan Akhileswaran
Director
(DIN: 5299539)
Place: Hyderabad
Date: June 09, 2021

Chandra Sekhar Chivukula
Chief Executive Officer
Place: Hyderabad
Date: June 09, 2021

Prashant Jhaveri
Chief Financial Officer
Place: Hyderabad
Date: June 09, 2021

Kamal Saboo
Company Secretary
Place: Hyderabad
Date: June 09, 2021

Apollo Health and Lifestyle Limited

Notes forming part of consolidated financial statements for the year ended March 31, 2021

(All amounts are in ₹ Lakhs unless otherwise stated)

1. Corporate Information

Apollo Health and Lifestyle Limited ('the Company') is a Public Company incorporated in India. The main business of the Company and its subsidiaries (together "the Group") is to provide comprehensive, high-quality healthcare services by establishing owned and franchisee clinics & hospitals across India. The principal activities of the Group include operation of Specialty hospitals, Maternity hospitals, Clinics, Diagnostic centers, Sugar clinics, Dental clinics and Dialysis centers. The parent Company is Apollo Hospitals Enterprise Limited.

2. Significant accounting policies

A. Statement of compliance

The financial statements which comprise the Balance sheet, the Statement of Profit and Loss, the Cash flow statement and the Statement of changes in Equity ("Financial Statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has consistently applied accounting policies to all periods.

B. Basis of preparation and presentation

The Consolidated financial statements include accounts of Apollo Health and Lifestyle Limited ("the Company") and its subsidiaries Apollo Specialty Hospitals Private Limited, Apollo Bangalore Cradle Limited, Kshema Healthcare Private Limited, Apollo Sugar Clinics Limited, Alliance Dental Care Limited, Apollo Dialysis Private Limited, AHLL Risk Management Private Limited, AHLL Diagnostics Limited, Surya Fertility Centre Limited; all together referred to as "the Group".

The consolidated financial statements have been prepared on accrual basis and on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in Indian Rupees and all values are rounded off to the nearest lakh except otherwise stated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Apollo Health and Lifestyle Limited

Notes forming part of consolidated financial statements for the year ended March 31, 2021

(All amounts are in ₹ Lakhs unless otherwise stated)

C. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. The Consolidated financial statements comprise the financial statements of the group as of March 31, 2021 and March 31, 2020. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less

than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

D. Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires Management to make judgements, estimates and assumptions about the carrying amount of assets and liabilities, disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses for the periods presented. Actual results may differ from these estimates.

The Management believes that the estimates used in preparation of Financial Statements are prudent and reasonable.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimates that have been made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

a) Useful lives of Property, plant and equipment and intangible assets

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by Management at the time the asset is acquired and is reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. This reassessment may result in change in depreciation expense in future periods.

b) Fair value measurement of financial instruments

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Group also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

c) Income taxes

The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

d) Deferred tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

e) Share based payments

Share-based payments Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Black Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 39.

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ Lakhs unless otherwise stated)

f) Impairment of investments

The Company reviews its carrying value of investments annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections covering generally a period of five years (which are based on key assumptions such as margins, expected growth rates based on past experience and Management's expectations/ extrapolation of normal increase/ steady terminal growth rate) and appropriate discount rates that reflects current market assessments of time value of money and risks specific to these investments. The cash flow projections included estimates for five years developed using internal forecasts and terminal growth rate thereafter. The management believes that any reasonable possible change in key assumptions on which recoverable amount is based is not expected to cause the aggregate carrying amount to exceed the aggregate recoverable amount of the investments.

g) Defined benefit obligations

The Group uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine such employee benefit obligations.

h) Claims, provisions and contingent liabilities

The Group has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

i) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

j) Lease commitments - the Company as lessee

The Group has entered into leases for centers and office premises. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the office premises / centers and the fair value of the asset, that it does not retain significant risks and rewards of ownership of the land and the office premises and accounts for the contracts as operating leases. Further, refer note no. 33, for effect of transition to Ind AS 116, classification of leases and other disclosures relating to leases.

E. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Company, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes.

Apollo Health and Lifestyle Limited

Notes forming part of consolidated financial statements for the year ended March 31, 2021

(All amounts are in ₹ Lakhs unless otherwise stated)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

F. Goodwill

Goodwill arising on acquisition is recognised based on the difference between the purchase consideration and assets acquired during acquisition. The same is carried at cost as established at the date of acquisition less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

G. Revenue recognition

The Company earns revenue primarily by providing healthcare services operates through various multispecialty hospitals and clinics across India.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is reduced for rebates and loyalty points granted upon purchase and are stated net of discounts wherever applicable.

The Company assessed its revenue arrangements against specific criteria to determine it is acting as principal or agent. The service revenues are presented net of related doctor fee in cases where the Group is not the primary obligor and does not have the pricing latitude.

Rendering of services:

(a) Healthcare Services

Revenue primarily comprises fees charged for outpatient healthcare services. Services include charges for consultation for medical professional services and diagnostic services.

(b) Other Services

(i) Project Consultancy income is recognised based on the contractual terms as and when the services are rendered.

(ii) One-time franchise license fees is recognised based on achievement of the milestones as per the terms of the contract and where ever there is no bifurcation of total fee then over the period of the agreement.

(iii) Franchisee license fee is recognised on accrual basis as per the terms of the contracts.

(iv) Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

Loyalty Points

Sales of goods that result in award credits for customers, under the Group's loyalty points schemes are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value - the amount for which the award credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ Lakhs unless otherwise stated)

sale transaction - but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

Rental Income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the stand alone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Group receive payments from customers based upon contractual billing schedules and upon submission of requisite documentation; accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets includes amounts related to our contractual right to consideration for completed performance obligations not yet invoiced. Contract liabilities include payments received in advance of satisfying a performance obligation as per the terms of the contract. Revenue in this case shall be recognised based on the aforementioned accounting policy as applicable to that customer.

Use of significant judgements in revenue recognition

- The Group's contracts with customers could include promises to render multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also applied in the assessment of principal versus agent considerations with respect to contracts with customers and doctors which is determined based on the substance of the arrangement.

- Judgement is also applied to determine the transaction price of the contract. The transaction price shall include a fixed amount of customer consideration and components of variable consideration which constitutes amounts payable to customer, discounts, commissions, disallowances and redemption patterns of loyalty customers. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period.

Use of Practical expedients

Transaction price allocated to the remaining performance obligations

The Group has applied practical expedient with respect to non disclosure of information with respect of remaining performance obligations considering the fact that the company's performance obligations, i.e. the treatment in case of healthcare segment and the lab investigation segment has an original expected duration of one year or less.

Apollo Health and Lifestyle Limited

Notes forming part of consolidated financial statements for the year ended March 31, 2021

(All amounts are in ₹ Lakhs unless otherwise stated)

Significant financing component

The Group has applied the practical expedient with respect of non-adjustment of transaction price for the effects of significant financing components, since the company expects at the inception of the contract that the period between the receipt of consideration from the customer and the satisfaction of performance obligations will be one year or less.

Recognition of asset with respect to cost of obtaining a contract and cost to fulfil the contract.

The Group has applied practical expedient of recognizing the incremental costs of obtaining a contract as an expense when incurred since the company expects that the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

The impact of applying Ind AS 115 Revenue from contracts with customers instead of applying erstwhile Ind AS 18 Revenue is insignificant.

H. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and Right-of-Use of asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Further, refer note 33, for effect of transition to Ind AS 116, classification of leases and other disclosures relating to leases.

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ Lakhs unless otherwise stated)

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

I. Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of Profit and Loss in the period in which they are incurred.

J. Employee benefitsDefined contribution plan

Employee benefits in the form of provident fund, employees' state insurance fund and labour welfare fund are considered as defined contribution plan. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plan

In accordance with the Payment of Gratuity Act, 1972 as amended, the Group provides for gratuity, a defined benefit retirement plan ('the Gratuity plan') covering eligible employees. The Gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitations or termination of employment, of an amount based on the respective employee's salaries and tenure of employment with the Group. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the projected unit credit method.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ Lakhs unless otherwise stated)

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Remeasurement, comprising actuarial gains and losses, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and not reclassified to profit or loss.

Short-term and other long-term employee benefits

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Group measures the expected cost of compensated absences as the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Group fully contributes all ascertained liabilities to the fund maintained with the Insurer. The Group recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur.

K. Share-based payment transactions of the Group

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in notes to accounts.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

L. Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is determined as the amount of tax payable in respect of the taxable income for the year as determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961. Taxable profit differs from "Profit before tax" as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ Lakhs unless otherwise stated)

Deferred tax

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such, deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date.

Current and Deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

M. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure in making the asset ready for its intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

An item of Property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain/loss arising on the disposal or retirement of an item of Property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Depreciation

Depreciation on Property, plant and equipment is recognised on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

Estimated useful life is as follows:

Asset	Useful lives in years
Plant and equipment	5- 15 years
Medical equipment	13 years
Furniture and fixtures	10 years
Vehicles	8 years
Electrical installation	10 years
Office equipment	5 years
Computers	3 years

The estimated useful lives, residual values and depreciation method are periodically reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Leasehold improvements are amortised over the lower of estimated useful life and lease term.

Capital work in progress are items of Property, plant and equipment which are not yet ready for their intended use and are carried at cost, comprising direct cost and related incidental expenses.

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ Lakhs unless otherwise stated)

N. Intangible assets

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use. Intangible assets are amortised on the straight line method over their estimated useful life.

Amortisation

Amortisation on Intangible assets is recognised on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

Estimated useful life is as follows:

Asset	Useful lives in years
Computer software	3 years
Non-compete fees	Over the agreement period
Trademarks	Over the agreement period

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

O. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ Lakhs unless otherwise stated)

P. Inventories

The inventories comprise of medical consumables which are utilised in providing healthcare services dealt with by the Group are valued at lower of cost or net realisable value. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for applicable taxes wherever applicable, applying the First - In First - Out method.

Q. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle such obligation and a reliable estimate can be made of the amount of such obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be recovered and the amount of the receivable can be measured reliably.

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 embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

R. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of the Profit and Loss.

Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, loans and borrowings and payables are recognised net of directly attributable transaction costs.

For the purpose of subsequent measurement, financial instruments of the Group are classified in the following categories:

Non-derivative financial assets comprising amortised cost, investments in subsidiaries, equity instruments at fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) and non-derivative financial liabilities at amortised cost. Management determines the classification of its financial instruments at initial recognition.

The classification of financial instruments depends on the objective of the Group's business model for which it is held and on the substance of the contractual terms / arrangements.

Apollo Health and Lifestyle Limited

Notes forming part of consolidated financial statements for the year ended March 31, 2021

(All amounts are in ₹ Lakhs unless otherwise stated)

Non - derivative financial assets

- Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents and eligible current and non-current assets.

Cash comprises cash on hand, cash at bank, cheques on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

- Investments in subsidiaries

On initial recognition, these instruments are recognised at fair value plus any directly attributable transaction costs. Subsequently they are measured at cost.

- Investments in Equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by- instrument basis) to present the subsequent changes in fair value in other comprehensive income (OCI) pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the "equity instruments through other comprehensive income". The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedge instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss when the Group's right to receive the dividends is established and the amount of dividend can be measured reliably.

- Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. A financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition, the Group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets included within the FVTPL category are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

Apollo Health and Lifestyle Limited

Notes forming part of consolidated financial statements for the year ended March 31, 2021

(All amounts are in ₹ Lakhs unless otherwise stated)

De-recognition of financial assets

The Group de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset (except as mentioned above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received and receivable is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Non-derivative financial liabilities

- Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

- Financial liability subsequently measured at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liability

The Group de-recognises financial liabilities, when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liabilities de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

S. Cash flow statements

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ Lakhs unless otherwise stated)

T. Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its equity shares.

Basic earnings per share is computed by dividing the profit/ (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit / (loss) attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

U. Segment reporting

The Group uses the management approach for reporting information about segments in annual financial statements. The management approach is based on the way the Chief Operating Decision maker organises segment within a Group for making an operating decisions and assessing performance. Reportable segments are based on services, legal structure, management structure and any other manner in which management disaggregates a company. Based on the management approach model the Group has determined that its business model is comprised of Clinics, Diagnostics, Cradle, Spectra, Dialysis, Dental and Risk Management.

Apollo Health and Lifestyle Limited
Notes forming part of consolidated financial statements for the year ended March 31, 2021

(All amounts are in ₹ lakhs unless otherwise stated)

Note 3: Property, plant and equipment and capital work-in-progress

	As at March 31, 2021	As at March 31, 2020
Carrying amounts of:		
Leasehold improvements	9,364	9,434
Medical equipment	9,485	8,532
Electrical installations	398	433
Office equipment	689	753
Computer	292	246
Furniture and fixtures	1,050	1,190
Plant and equipment	3,375	3,482
Vehicles	4	6
	24,657	24,076
Capital work-in-progress	568	379
	25,225	24,455

Description of Assets	Leasehold improvements	Medical equipment	Electrical installations	Office equipment	Computers	Furniture and fixtures	Plant and equipment	Vehicles	Total
I. Cost or deemed cost									
Balance as at April 1, 2019	17,135	13,788	1,027	2,376	953	2,689	4,032	50	42,050
Additions	694	1,345	41	259	127	139	26	-	2,631
Disposals	-	(83)	- *	(14)	-	-	(4)	-	(101)
Balance as at March 31, 2020	17,829	15,050	1,068	2,621	1,080	2,828	4,054	50	44,580
Additions on acquisition of subsidiary (Refer note 47)	-	139	-	2	1	32	-	-	174
Additions	1,518	2,382	76	213	198	115	99	-	4,601
Disposals	(630)	(2)	(6)	(14)	-	(66)	(37)	-	(755)
Balance as at March 31, 2021	18,717	17,569	1,138	2,822	1,279	2,909	4,116	50	48,600
II. Accumulated depreciation									
Balance as at April 1, 2019	6,595	5,140	495	1,559	679	1,380	382	39	16,269
Depreciation charge for the year	1,800	1,427	140	322	155	258	191	5	4,298
Disposal	-	(49)	-	(13)	-	-	(1)	-	(63)
Balance as at March 31, 2020	8,395	6,518	635	1,868	834	1,638	572	44	20,504
Depreciation on acquisition of subsidiary (Refer note 47)	-	26	-	- *	1	11	-	-	38
Depreciation charge for the year	1,588	1,540	111	278	152	272	198	2	4,141
Disposal	(630)	- *	(6)	(13)	-	(62)	(29)	-	(740)
Balance as at March 31, 2021	9,353	8,084	740	2,133	987	1,859	741	46	23,943
III. Carrying amount									
Balance as at March 31, 2020	9,434	8,532	433	753	246	1,190	3,482	6	24,076
Balance as at March 31, 2021	9,364	9,485	398	689	292	1,050	3,375	4	24,657

* denotes amounts rounded off being less than rupees one lakh

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ lakhs unless otherwise stated)

Note 4: Goodwill	As at	As at
	March 31, 2021	March 31, 2020
Carrying Amounts of:		
Good will	2,700	2,465
	Goodwill	Total
	Amount	Amount
I. Cost or deemed cost		
Balance as at April 1, 2019	2,482	2,482
Additional amounts recognised from business combinations/ subsidiary acquisition during the year	-	-
Balance as at March 31, 2020	2,482	2,482
Additional amounts recognised from business combinations/ subsidiary acquisition during the year	235	235
Balance as at March 31, 2021	2,717	2,717
II. Accumulated Impairment losses		
Balance as at April 1, 2019	17	17
Impairment loss recognised in the year	-	-
Balance as at March 31, 2020	17	17
Impairment loss recognised in the year	-	-
Balance as at March 31, 2021	17	17
III. Carrying amount		
Balance as at March 31, 2020	2,465	2,465
Balance as at March 31, 2021	2,700	2,700
Segment	As at	As at
	March 31, 2021	March 31, 2020
Sugars	1,845	1,845
Dental	368	368
Spectra	250	250
Dialysis	2	2
Surya Fertility (Refer note 47)	235	-
	2,700	2,465

Goodwill of ₹ 2,700 Lakhs (March 31, 2020 : ₹ 2,465 Lakhs) has been allocated to the Sugars, Dental, Spectra and Dialysis CGUs. The estimated value in use of this cash generating unit is based on future cash flows using a 5% annual growth rate for the periods subsequent to the forecast period of 6 years as the management believes this to be the most appropriate timescale for reviewing and considering annual performance before applying a fixed terminal value multiple to the final cash flows and terminal growth rate of 5% for subsequent periods. Discount rate of 15% is considered. Based on management assessment of discounted future cash flows no impairment triggers or indicators were identified. Consequently, no impairment provision is made.

Goodwill of ₹ 235 Lakhs (March 31, 2020: ₹ Nil) has been recorded on the acquisition of wholly owned subsidiary 'Surya Fertility Centre Private Limited' by Apollo Specialty Hospitals Private Limited during the year.

Apollo Health and Lifestyle Limited

Notes forming part of consolidated financial statements for the year ended March 31, 2021

(All amounts are in ₹ lakhs unless otherwise stated)

Note 5 Intangible Assets

	As at March 31, 2021	As at March 31, 2020
Computer software	228	293
Non-compete fee	-	-
Trademarks	-	-
	228	293

	Computer software	Non-compete fee	Trademarks	Total
I. Cost or deemed cost				
Balance as at April 1, 2019	792	472	80	1,344
Additions	271	-	-	271
Balance as at March 31, 2020	1,063	472	80	1,615
Additions	116	-	-	116
Balance as at March 31, 2021	1,179	472	80	1,731
II. Accumulated amortization				
Balance as at April 1, 2019	541	429	80	1,050
Amortisation expense for the year	229	43	-	272
Balance as at March 31, 2020	770	472	80	1,322
Amortisation expense for the year	181	-	-	181
Balance as at March 31, 2021	951	472	80	1,503
III. Carrying amount				
Balance as at March 31, 2020	293	-	-	293
Balance as at March 31, 2021	228	-	-	228

Note 6 Investments	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amounts	No of shares	Amounts
Non-current				
Investments in unquoted equity instruments				
Investments in equity instruments at FVTOCI				
Searchlight Health Private Limited (Refer note 48)	201,000	18	201,000	18
Sunrise Medicare Private Limited	78	- *	78	- *
Total non-current investments (A)		18		18
Current				
Quoted Investments in mutual funds				
Investments mandatorily measured at FVTPL				
Reliance Income Fund	-	-	453	1
Reliance Short term Fund	-	-	14,201	5
Birla Sun Life	-	-	263,856	88
ICICI Prudential	-	-	1,502,066	633
Total current investments		-		727
Aggregate market value of quoted investments		-		727
Aggregate carrying value of unquoted investments		18		18

* denotes amounts rounded off being less than rupees one lakh

Note 7 Other financial assets	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
Financial assets carried at amortised cost:				
Security deposits	3,258	507	1,910	1,573
Interest accrued:				
- from bank deposits	-	55	-	18
Unbilled revenue	-	1,654	-	1,035
Tender deposits	-	27	-	40
Other receivable	-	105	-	92
Total	3,258	2,348	1,910	2,758

Note 8 Deferred tax balances	As at		As at	
	March 31, 2021		March 31, 2020	
Deferred tax assets	-	-	-	-
Deferred tax liabilities	55	61	55	61
Total	55	61	55	61

2020-21	Opening balance	Recognised in profit or loss	Recognised on acquisition of subsidiary	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Property, plant and equipment	(72)	13	(13)	-	(72)
Financial assets measured at FVTOCI	(1)	-	-	-	(1)
Provision for employee benefits	12	5	-	1	18
	(61)	18	(13)	1	(55)
2019-20	Opening balance	Recognised in profit or loss	Recognised on acquisition of subsidiary	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Property, plant and equipment	(109)	37	-	-	(72)
Financial assets measured at FVTOCI	(1)	-	-	-	(1)
Provision for employee benefits	(9)	21	-	-	12
others	7	(7)	-	-	-
	(112)	51	-	-	(61)

Note 9A Income tax assets (net)	As at		As at	
	March 31, 2021		March 31, 2020	
Advance tax/ TDS receivable	1,982	4,420	1,982	4,420
Total	1,982	4,420	1,982	4,420

Note 9B Income tax liabilities (net)	As at		As at	
	March 31, 2021		March 31, 2020	
Provision for Income tax	3	-	3	-
Total	3	-	3	-

Note 10 Other assets	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
Capital advances	755	-	175	-
Balances with statutory / government authorities (VAT, GST, etc.)	200	- *	165	6
Less: Provision for credit impaired advances	20	-	20	-
	180	-	145	6
Prepaid expenses	32	221	44	190
Advance contribution for gratuity (Refer Note 37)	-	2	-	-
Advance to employees	-	161	-	155
Advances to suppliers				
- Considered good	43	1,120	54	835
- Considered credit impaired	-	29	-	29
	43	1,149	54	864
Less: Provision for credit impaired advances	-	29	-	29
	43	1,120	54	835
Other deposits (telephone, electricity deposits, for other utility, etc.)	95	-	91	-
Total	1,105	1,504	509	1,186

* denotes amounts rounded off being less than rupees one lakh

Note 11 Inventories (valued at lower of cost and net realisable value.)	As at March 31, 2021	As at March 31, 2020
Medical consumables and others	2,112	1,485
Total	2,112	1,485

Note 12 Trade receivables	As at March 31, 2021	As at March 31, 2020
- Unsecured, considered good	9,288	7,971
- Credit impaired	2,342	1,901
	11,630	9,872
Allowances for credit impaired	(2,342)	(1,901)
Total	9,288	7,971

Notes:

i. The credit period on sale of services generally ranges between 30-60 days.

ii. In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

iii. Trade receivables are unsecured and are derived from revenue earned from providing healthcare services. No interest is charged on the outstanding balance, regardless of the age of the balance. No single customer represents 10% or more of company's total revenue during the year ended March 31, 2021 and March 31, 2020.

iv. The Company maintains an allowance for impairment of doubtful accounts based on aging of receivables, historical experience of collections. Accordingly, the Company creates provisions for past due receivables, based on certain percentages. Besides, based on the expected credit loss model, the Company also provides for allowance for doubtful debts based on the provision matrix as follows:

Ageing	Expected credit allowance %
0-1 year	upto 35%
1-2 year	upto 54%
2-3 year	upto 80%
> 3 year	100%

v. Includes Trade receivables from related parties ₹ 3,637 Lakhs (March 31, 2020: ₹ 2,510 Lakhs). (Refer Note 38)

vi. Movement in the expected credit loss allowance.

	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at beginning of the year	1,901	1,736
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses (net)	585	165
Less: Provision released	(144)	-
Balance at end of the year	2,342	1,901

Note 13 Cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
(a) Balances with banks		
- in current accounts	3,115	3,203
(b) Cash on hand	330	182
(c) in deposit accounts		
- Original maturity less than 3 months	765	309
Total	4,210	3,694

Note 14 Bank balances other than Cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
(a) in deposit accounts		
- Original maturity more than 3 months	10,356	1,632
(b) in earmarked accounts		
- Balances held as margin money against guarantees given*	127	97
Total	10,483	1,729

*Deposits with a carrying amount of ₹ 127 Lakhs (March 31, 2020: ₹ 97 Lakhs) are towards margin money given for bank guarantee.

Note 15	Equity share capital	As at	As at
		March 31, 2021	March 31, 2020
	Authorised Share capital :		
	150,000,000 Equity Shares (March 31, 2020: 120,000,000) of ₹ 10 each	15,000	12,000
	Issued, subscribed and fully paid up :		
	128,400,522 fully paid (as at March 31, 2020: 119,374,172) of ₹ 10 each	12,840	11,937
		12,840	11,937

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

	Number of shares	Share capital (Amount)
Balance as at April 1, 2019	115,634,087	11,563
Issued during the year	3,740,085	374
Balance at March 31, 2020	119,374,172	11,937
Issued during the year	9,026,350	903
Balance at March 31, 2021	128,400,522	12,840

(ii) Rights, preferences and restrictions attached to the equity shares:

The Company has only one class of shares referred to as equity shares having a face value of ₹ 10/- each. Each holder of equity share is eligible for one vote per share held. In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by the shareholders. The dividend proposed by the Board of Directors is subject to the approval of shareholders at the ensuing Annual General Meeting, except in the case of interim dividend.

As per the terms of "Shareholders agreement and Subscription agreement" dated October 26, 2016 entered into amongst International Finance Corporation (IFC), the Company and Apollo Hospitals Enterprise Limited (AHEL), holding company. IFC has the right to exercise put option on shares from the end of 8th year till the end of 12th year of subscription either on the Company or on the parent entity i.e., Apollo Hospitals Enterprise Limited at

- principal amount (initial investment by investors) plus 2% IRR per annum on AHEL or
 - fair market value on exercise date on AHLL
- (Refer Note 50)

(iii) Details of shares held by the holding company:

	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	Amount	Number of shares held	Amount
Apollo Hospitals Enterprise Limited	87,636,943	8,764	83,877,545	8,388

(iv) Details of shares held by each shareholder holding more than 5% of the equity shares:

	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Apollo Hospitals Enterprise Limited	87,636,943	68.25%	83,877,545	70.26%
International Finance Corporation	20,045,405	15.61%	17,413,827	14.59%
IFC EAF Apollo Investment Company	20,045,405	15.61%	17,413,827	14.59%

Note 16 Other equity excluding non-controlling interests

	As at	As at
	March 31, 2021	March 31, 2020
(i) Securities premium	91,693	80,591
(ii) Reserve for equity instruments through other comprehensive income	(84)	(84)
(iii) Share options outstanding account	725	400
(iv) Capital reserve on common control transactions	(7,543)	(7,543)
(v) Capital reserve	(22)	(13)
(vi) Retained earnings	(95,237)	(88,506)
	(10,468)	(15,155)

Notes:

(i) Securities premium

	As at	As at
	March 31, 2021	March 31, 2020
Balance at beginning of year	80,591	75,991
Issue of shares during the year	11,102	4,600
Balance at end of the year	91,693	80,591

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Reserves for equity instruments through other comprehensive income

	As at	As at
	March 31, 2021	March 31, 2020
Balance at beginning of year	(84)	(73)
Net fair value changes on investments in equity instruments at FVTOCI	-	(11)
Balance at end of the year	(84)	(84)

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

(iii) Share options outstanding account

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	400	368
Arising on share-based payments	344	70
Shares allotted during the year	-	(38)
Reversed during the year	(19)	-
Balance at end of the year	725	400

Share options outstanding account relates to share options granted by the Company to its employees under its employee share option plan. These will be transferred to retained earnings after the exercise of the underlying options.

(iv) Capital reserve on common control transactions

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	(7,543)	(7,543)
Contribution during the year	-	-
Balance at end of the year	(7,543)	(7,543)

This represents loss on common control transaction arising on purchase of investments in Alliance Dental Care Limited and Apollo Dialysis Private Limited from Apollo Hospitals Enterprise

(v) Capital Reserve

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	(13)	-
Contribution during the year	2	(13)
Equity component of compound financial instruments	(11)	-
Balance at end of the year	(22)	(13)

(vi) Retained earnings

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	(88,506)	(71,804)
Impact of adoption of Ind AS 116	-	(9,193)
Loss attributable to owners of the Company	(6,482)	(7,569)
Other comprehensive income arising out of remeasurement of defined benefit obligation (Net of taxes)	(249)	60
Balance at end of the year	(95,237)	(88,506)

Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Companies Act, 2013.

Note 17 Non-controlling interests

	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	419	642
Impact on Ind AS 116	-	(95)
Share of profit for the year	(157)	(128)
Share of non-controlling interest on issue of share capital by subsidiary	(4)	(1)
Equity component of compound financial instruments	373	-
Other comprehensive income	-	1
Balance at end of the year	631	419

* denotes amounts rounded off being less than rupees one lakh

Note 17.1 Details of non-wholly owned subsidiaries of the Group that have material non controlling interests:

The table shows details of non-wholly owned subsidiaries of the Group that have material non controlling interests:

Name of the Subsidiaries	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non controlling interests		Accumulated non-controlling interests	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Apollo Dialysis Private Limited	30.94%	30.78%	(13)	(53)	357	(4)
Alliance Dental Care Limited	30.91%	30.76%	(150)	(148)	(365)	(215)
Apollo Sugar Clinics Limited	20.00%	20.00%	6	(21)	639	638
			(157)	(222)	631	419

Note 18 Borrowings

	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
Unsecured - at amortised cost				
(i) Debentures	-	222	-	55
(ii) 0.1% Non-cumulative, non-convertible redeemable preference shares	267	-	-	-
Secured - at amortised cost				
Long term loans from banks	22,600	2,498	23,112	1,323
Less: Unamortised borrowing costs	19	8	28	9
	22,581	2,490	23,084	1,314
Loan repayable on demand from banks	-	469	-	889
Less: Current maturities of long term borrowings disclosed under Note 19 - Other financial liabilities - Current	-	2,490	-	1,314
Total	22,848	691	23,084	944

Summary of borrowing arrangements

(i) The Company has issued zero% Optionally Convertible Debentures for ₹ 9,550,000 on March 29, 2016. These OCD's are convertible into equity shares at the option of the holder and repayable on after 5 years or upon leaving.

	As at March 31, 2021	As at March 31, 2020
Face value of debentures issued	55	75
Lapsed during the year	(5)	(20)
Net debentures issued	50	55
Less: Equity component of convertible debentures - value of conversion rights*	-	-
Interest expense	172	-
Current portion of outstanding Debentures	222	55

* As per the agreement, there is an option given to the debenture holders to convert the debentures into equity. Till previous year based on the internal assessment and considering the valuations, as the Company is in losses and as per the valuations, the same is resulting in out of money to the debenture holders, and as such on the expiry date, the option excisable by the holders is remote. Hence, the instrument has been treated as financial liability at amortised cost and the equity component has been considered as Nil.

As per the agreement the OCD's are either redeemable or convertible into equity shares in April 2021 and the Company has recognised the difference between the fair value of the equity shares and the consideration received as interest expense as at March 31, 2021.

(ii) During the year the Company has issued 894,340 0.01% Non-cumulative Non-convertible Redeemable Preference Shares (NCRPS) of ₹ 10 per NCRPS (₹ 89 Lakhs) at a premium of ₹ 43 per NCRPS (₹ 385 Lakhs), totalling to ₹ 474 Lakhs and 82,542 0.01% Non-cumulative Non-convertible Redeemable Preference Shares (NCRPS) of ₹ 10 per NCRPS (₹ 8 Lakhs) at a premium of ₹ 156.14 per NCRPS (₹ 129 Lakhs), totalling to ₹ 137 Lakhs. The company has determined the liability component to ₹ 240 Lakhs which is disclosed as a financial liability under "Borrowings" and balance of ₹ 362 Lakhs is classified as capital contribution under "Other equity".

(iii) Term loan from Yes Bank of ₹ 1,982 Lakhs (March 31, 2020: ₹ 1,889 Lakhs) is secured by first pari passu charge on movable fixed assets and letter of comfort from Apollo Hospitals Enterprises Limited. The loan is repayable in 28 structured quarterly instalments with an interest rate of 0.15% p.a. over and above yearly MCLR interest payable on monthly basis, after moratorium period of 36 months from the date of disbursement to the Company. On the account of the COVID Pandemic RBI has granted moratorium of loan principal and interest for six months which is availed by the company and the loan is increased by the six months interest of ₹ 95 Lakhs. The company has obtained the waiver of covenants for the year.

(iv) Term loan from HDFC Bank of ₹ 4,839 Lakhs (March 31, 2020: ₹ 4,816 Lakhs) is secured by first pari passu charge on movable fixed assets, current assets and letter of comfort from Apollo Hospitals Enterprise Limited. The loan is repayable in 28 structured quarterly instalments with an interest rate of 0.15% p.a. over and above yearly MCLR, interest payable on monthly basis, after a moratorium period of 36 months from the date of disbursement to the Company. On the account of the COVID Pandemic RBI has granted moratorium of loan principal and interest for six months which is availed by the company and the loan is increased by the six months interest of ₹ 212 Lakhs. The company has obtained the waiver of covenants for the year.

(v) Term loan from HDFC Bank of ₹ 3,089 Lakhs (March 31, 2020: ₹ 3,000 Lakhs) is secured by charge on movable fixed assets, current assets and letter of comfort from Apollo Health and Lifestyle Limited. The loan is repayable in 28 structured quarterly instalments with an interest rate of 0.20% p.a. over and above yearly MCLR, interest payable on monthly basis, after a moratorium period of 36 months from the date of disbursement to the Company. On the account of the COVID Pandemic RBI has granted moratorium of loan principal and interest for six months which is availed by the company and the loan is increased by the six months interest of ₹ 89 Lakhs. The company has obtained the waiver of covenants for the year.

(vi) Term loan from HDFC Bank of ₹ 2,089 Lakhs (March 31, 2020: ₹ 2,000 Lakhs) is secured by charge on movable fixed assets, current assets and letter of comfort from Apollo Hospitals Enterprises Limited. The loan is repayable in 28 structured quarterly instalments with an interest rate of 0.30% p.a. over and above yearly MCLR, interest payable on monthly basis, after a moratorium period of 36 months from the date of disbursement to the Company. On the account of the COVID Pandemic RBI has granted moratorium of loan principal and interest for six months which is availed by the company and the loan is increased by the six months interest of ₹ 126 Lakhs. The company has obtained the waiver of covenants for the year.

(vii) Term loan from HDFC Bank of ₹ 6,987 Lakhs (March 31, 2020: ₹ 7,083 Lakhs) is secured by First Pari-passu charge on movable fixed assets, current assets and letter of comfort for 20% of the loan value from Apollo Hospitals Enterprises Limited and Letter of Guarantee for 80% of loan value from Apollo Health and Lifestyle Limited. The loan is repayable in 28 structured quarterly instalments with an interest rate of 0.30% p.a. over and above yearly MCLR, interest payable on monthly basis from the date of 1st disbursement. On the account of the COVID Pandemic RBI has granted moratorium of loan principal and interest for six months which is availed by the company and the loan is increased by the six months interest of ₹ 321 Lakhs. The company has obtained the waiver of covenants for the year.

(viii) Term loan from Federal Bank of ₹ 3,488 Lakhs (March 31, 2020: ₹ 3,541 Lakhs) is secured by First Pari-passu charge on movable fixed assets, current assets and letter of comfort for 20% of the loan value from Apollo Hospitals Enterprises Limited and Letter of Guarantee for 80% of loan value from Apollo Health and Lifestyle Limited. The loan is repayable in 28 structured quarterly instalments with an interest rate of 0.30% p.a. over and above yearly MCLR, interest payable on monthly basis from the date of 1st disbursement. On the account of the COVID Pandemic RBI has granted moratorium of loan principal and interest for six months which is availed by the company and the loan is increased by the six months interest of ₹ 164 Lakhs. The company has obtained the waiver of covenants for the year.

(ix) Term loan from HDFC Bank of ₹ 36 Lakhs (March 31, 2020: ₹ 54 Lakhs) is secured by credit card receivables, movable fixed assets and current assets. The loan is repayable in 60 Equal monthly instalments, with an interest rate of 1.95% p.a. over and above yearly MCLR interest payable on monthly basis, after moratorium period of 3 months from the date of disbursement to the Company

(x) Term loan from HDFC Bank of ₹ 304 Lakhs (March 31, 2020: ₹ 290 Lakhs) is secured by exclusive charge on current assets and movable fixed assets (present and future) of the company. Corporate guarantee of Apollo Health and Lifestyle Limited to the extent of Rs.21Mn and Personal guarantee of Dr. GSK Velu to the extent of Rs.0.90 Mn. The loan is repayable in 20 structured quarterly instalments with an interest rate of 1.55% p.a. over and above yearly MCLR interest payable on monthly basis, after moratorium period of 2 years from the date of disbursement to the Company. On the account of the COVID Pandemic RBI has granted moratorium of loan principal and interest for six months which is availed by the company and the loan is increased by the six months interest of ₹ 14 Lakhs.

(xi) Term loan from ICICI Bank of ₹ 1,784 Lakhs (March 31, 2020: ₹ 1,762 Lakhs) is secured by charge on movable fixed assets, current assets and letter of comfort from Apollo Hospitals Enterprise Limited. The loan is repayable in 28 structured quarterly instalments, with an interest rate of 0.40% p.a. over and above yearly MCLR interest payable on monthly basis, after a moratorium period of 36 months from date of disbursement to the Company. On the account of the COVID Pandemic RBI has granted moratorium of loan principal and interest for six months which is availed by the company and the loan is increased by the six months interest of ₹ 78 Lakhs.

(xii) Term loan from ICICI Bank of ₹ 500 Lakhs (March 31, 2020: ₹ NIL) is secured by extension of second ranking charge over all the existing securities (including mortgage) created in favour of ICICI Bank for the existing facility. The loan is repayable in 36 equal monthly instalments, with an interest rate of 0.40% p.a. over and above yearly MCLR interest payable on monthly basis after a Moratorium Period of 12 months from the date of disbursement to the Company.

(xiii) The Group has availed and utilised overdraft facilities of ₹ 410 Lakhs (March 31, 2020: ₹ 889 Lakhs) from ICICI Bank with an interest rate of 0.90% & 0.40% p.a. and above 6 months MCLR interest payable on monthly basis.

(xiv) The Group has availed and utilised overdraft facilities of ₹ 59 Lakhs (March 31, 2020: ₹ Nil) from HDFC Bank with an interest rate of 1.95% p.a. over and above yearly MCLR interest payable on monthly basis.

Note 19	Other financial liabilities	As at March 31, 2021		As at March 31, 2020	
		Non Current	Current	Non Current	Current
	Financial liabilities measured at amortised cost:				
	Current maturities of long term borrowings (Refer note 18)	-	2,490	-	1,314
	0.1% Non-cumulative, non-convertible redeemable preference shares pending for allotment	-	-	474	-
	Interest accrued but not due on borrowings	-	129	-	247
	Other liabilities				
	- Payables on purchase of property, plant and equipment	-	1,723	-	1,557
	- Retention money payable	-	25	-	41
	- Security deposit	354	24	354	19
	- Others	-	73	-	81
	Total	354	4,464	828	3,259
Note 20	Provisions	As at March 31, 2021		As at March 31, 2020	
		Non Current	Current	Non Current	Current
	Employee benefits				
	- Compensated absences (Refer note 37)	198	137	190	95
	- Gratuity (Refer note 37)	408	174	203	69
	Total	606	311	393	164
Note 21	Trade Payables	As at March 31, 2021		As at March 31, 2020	
	Trade Payables				
	-Total outstanding dues of micro enterprises and small enterprises (Refer note 35)			145	118
	-Total outstanding dues of creditors other than micro enterprises and small enterprises*			18,342	15,265
	Total			18,487	15,383
	* includes amount payable to related parties (Refer Note 38)				
Note 22	Other current liabilities	As at March 31, 2021		As at March 31, 2020	
	Deferred revenue			59	130
	Advances from customer			591	349
	Statutory remittances (TDS, GST, etc.)			1,138	1,231
	Customer loyalty programme			246	186
	Total			2,034	1,896

Note 23	Revenue from operations	For the year ended	For the year ended
		March 31 , 2021	March 31 , 2020
	(a) Sale of services (Refer Note 40)	63,689	66,047
	(b) Other operating revenues		
	- Commission on pharmacy revenue	261	358
	- Franchisee fee	2,336	2,484
	- Others	1,892	754
	Total	68,178	69,643
Note 24	Other income	For the year ended	For the year ended
		March 31 , 2021	March 31 , 2020
	a) Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
	Interest on		
	- bank deposits	251	134
	- income tax refund	259	421
	- other financial assets carried at amortised cost	48	54
		558	609
	b) Others		
	- Rental income	1	1
	- Liabilities no longer required written back	375	429
	- Provision for doubtful trade receivables written back	-	156
	- Rent waiver and concessions (Refer note 33)	1,192	-
	- Others (one time settlement from franchisee and etc.,)	171	64
		1,739	650
	c) Other gains and losses		
	- Gain/loss on sale of assets	13	-
	- Gain/loss on forex fluctuations	- *	1
	- Gain/loss on termination of leases	139	-
	- Net gain/(loss) arising on financial assets designated as at FVTPL	1	58
		153	59
	Total [a+b+c]	2,450	1,318
	* denotes amounts rounded off being less than rupees one lakh		
Note 25	Cost of medical consumables	For the year ended	For the year ended
		March 31 , 2021	March 31 , 2020
	Medical consumables	12,807	10,345
	Implant cost	1,328	1,605
	Printing and stationery	351	450
	Total	14,486	12,400
	Note: Includes ₹ 5,557 Lakhs (March 31, 2020 - ₹ 2,686 Lakhs) cost of reagents chemicals, surgicals and laboratory supplies consumed.		
Note 26	Cost of services	For the year ended	For the year ended
		March 31 , 2021	March 31 , 2020
	Professional fee to doctors	15,828	18,293
	Expenses recognised in respect of shares issued in exchange of services	-	70
	Laboratory tests and ambulance charges	2,249	1,219
	Franchisee service charges	331	932
	Sample transportation charges	745	655
	Others (Patient diet expenses, Bio medical wastage etc.,)	810	1,216
	Total	19,963	22,385

Apollo Health and Lifestyle Limited
Notes forming part of consolidated financial statements for the year ended March 31, 2021

(All amounts are in ₹ lakhs unless otherwise stated)

Note 27	Employee benefits expense	For the year ended	For the year ended
		March 31 , 2021	March 31 , 2020
	Salaries and wages	13,715	13,871
	Contribution to provident and other funds	705	1,150
	Gratuity expenses (Refer note 37)	163	257
	Share based payments (Refer note 39)	344	-
	Staff welfare expenses	736	665
	Total	15,663	15,943
Note 28	Finance costs	For the year ended	For the year ended
		March 31 , 2021	March 31 , 2020
	Interest on		
	- bank overdrafts and loans	2,181	2,439
	- debentures	172	-
	- loans to related parties	-	31
	- Lease Liability (Refer note 33)	3,811	3,631
	- Others	48	171
	- Fair valuation of financial liability	18	-
	Bank and other finance charges	459	455
	Total	6,689	6,727
Note 29	Depreciation and amortisation expense	For the year ended	For the year ended
		March 31 , 2021	March 31 , 2020
	Depreciation of property, plant and equipment (Refer Note 3)	4,141	4,298
	Amortisation of intangible assets (Refer Note 5)	181	271
	Depreciation on right-of-use of assets (Refer Note 33)	4,431	4,323
	Total	8,753	8,892
Note 30	Other expenses	For the year ended	For the year ended
		March 31 , 2021	March 31 , 2020
	Power and fuel	1,701	2,045
	House keeping expenses	1,554	1,452
	Rent	1,415	1,324
	Repairs and maintenance		
	- Building	211	171
	- Machinery	427	507
	- Others	1,113	1,204
	Communication expenses	397	461
	Office maintenance expenses	515	446
	Insurance	82	67
	Rates and taxes	156	174
	Printing and stationery	63	92
	Recruitment charges	30	29
	Advertisement and sales promotion	1,632	2,121
	Travelling and conveyance	516	843
	Legal and professional charges	1,081	889
	Payment to auditors (Refer note below)	104	76
	Seminar expenses	23	17
	Credit impaired trade receivables and advances written off	144	-
	Less: Provision released	(144)	-
	Bad debts and advances written off	-	-
	Impairment loss recognized under expected credit loss model	585	321
	Loss on sale of property, plant and equipment (net)/ written off	1	8
	Miscellaneous expenses	120	115
	Total	11,726	12,362
	Note: Payment to Auditors (excluding GST)		
	- Statutory audit fee	63	56
	-Other services	38	17
	-Reimbursement of expenses	3	3
		104	76

Note 31: Contingent liabilities and commitments

		As at March 31, 2021	As at March 31, 2020
A Contingent liabilities			
(i) Claims against the Company not acknowledged as debt			
- Provident fund [#]		-	-
- Income tax*		903	903
- Service tax**		-	-
- Other (in respect of compensation demanded by the patients / their relatives). The cases are pending with various Consumer Disputes Redressal Commission. Based on expert opinion obtained, the management believes that the Company has good chance of success in these cases.		938	433
(ii) Guarantees excluding financial guarantees			
- Corporate Guarantee to a related party (Refer Note 38)		9,210	9,210
<p>[#] During the FY 2018-19, the parent Company received an order from Provident Fund authorities regarding Provident Fund (PF) payments on certain allowances given by the company to its employees for the period April 2014 to April 2016 aggregating to ₹ 140 lakhs excluding interest and penalties. The Parent Company has deposited a sum of ₹ 104 lakhs under protest against this demand and based on the legal opinion the demand has been considered as contingent in previous year. During the previous year the amount as per the demand is fully provided for.</p> <p>* During the FY 2018-19, the Parent Company has received an order from income tax department for the Assessment year 2016-17. The Parent Company has filed an appeal against the said order and contending that no additional provision for tax expenses is necessary in the financial statements.</p> <p>** During the year, the group has received a showcause notice from Service tax department against the audit carried on by the department for the period Oct-2014 to June 2017 aggregating to ₹ 35 lakhs excluding interest and penalties. The Company has deposited a sum of ₹ 35 lakhs under protest against this demand and based on the legal opinion the demand has been considered as contingent.</p>			
B Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)		2,530	399

Note 32 Earnings per share

		For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Loss for the year attributable to the owners of the Company	A	(6,482)	(7,569)
Basic			
(ii) Weighted average number of equity shares of ₹ 10/- each outstanding during the year	B	122,432,657	117,115,815
Dilution			
(iii) Effect of potential equity shares on employees stock option outstanding		166,667	183,332
(iv) Weighted average number of equity shares of ₹ 10/- each outstanding during the year	C	122,599,324	117,299,147
Earnings per equity share of ₹ 10/- each			
(v) Basic (in ₹) - [A/B]		(5.29)	(6.46)
(vi) Diluted (in ₹) - [A/C] *		(5.29)	(6.46)

*The effect of dilution on account of convertible instruments being anti-dilutive, diluted EPS is restricted to basic EPS as per para 43 of the Ind AS - 33 Earnings per share.

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ lakhs unless otherwise stated)

Note 33 Leases

Effective April 1, 2019, the Company adopted Ind AS 116, Leases using the modified retrospective method. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 33,283 lakhs and a lease liability of ₹ 42,282 lakhs.

Following are the changes in the carrying value of right of use assets for the year ended

Particulars	March 31, 2021	March 31, 2020
Recognition on adoption of Ind AS 116	-	33,283
Opening Balance	32,500	-
Additions	9,216	3,876
Deletions	(539)	(336)
Depreciation	(4,431)	(4,323)
Closing Balance	36,746	32,500

The following is the movement in lease liabilities during the year ended

Particulars	March 31, 2021	March 31, 2020
Recognition on adoption of Ind AS 116		42,282
Opening Balance	42,907	-
Additions	8,877	3,859
Deletions	(677)	(431)
Finance cost accrued during the year	3,811	3,631
Rent waivers and concessions (Refer note below)	(1,192)	-
Payment of lease liabilities	(5,375)	(6,434)
Closing Balance	48,351	42,907

The following is the break-up of current and non-current lease liabilities as at

Particulars	March 31, 2021	March 31, 2020
Non-current lease liabilities	44,901	39,907
Current lease liabilities	3,450	3,000
Total	48,351	42,907

The table below provides details regarding the contractual maturities of lease liabilities on discounted basis

Particulars	March 31, 2021	March 31, 2020
Within one year	3,450	3,000
After one year but not more than five years	13,849	10,494
More than five years	31,052	29,413
	48,351	42,907

Note:

The MCA issued amendments to Ind AS 116, "Leases", provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments allowed the expedient to be applied to COVID-19-related rent concessions to payments originally due on or before June 30, 2021 and also require disclosure of the amount recognised in profit or loss to reflect changes in lease payments that arise from COVID-19-related rent concessions. The reporting period in which a lessee first applies the amendment, it is not required to disclose certain quantitative information required under Ind AS 8. Accordingly, the group recognised ₹ 1,192 lakhs as a benefit in the statement of profit and loss for the year ended March 31, 2021.

Note 34 Segment information

(i) Products and services from which reportable segments derive their revenues

The Directors of the company identified Chief Executive Officer(CEO) of the company as Chief Operating Decision Maker (CODM). The segments includes a number of speciality hospitals/ clinics/diagnostic/surgery care centre formats in various cities within India, each of which is separately reviewed by the CODM. For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

The group operates mainly in India. Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in the financial statements.

- these operating segments have similar long-term gross profit margins;
- the nature of the products and production processes are similar; and
- the methods used to distribute the products to the customers are the same.

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

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

The Company has disclosed this Segment Reporting in Consolidated Financial Statements as per Ind AS 108

(ii) Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Segment Revenue		Segment Profit	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Clinics	10,682	14,564	(331)	16
Diagnostics	17,486	11,852	1,855	309
Spectra	15,625	20,737	(1,623)	(77)
Cradle	20,560	19,092	835	102
Sugar	1,787	2,808	(26)	(30)
Dialysis	4,117	2,474	18	(37)
Dental	1,555	2,873	(352)	(106)
Risk management	5	1	(52)	(28)
Total	71,817	74,401	324	149
Less: Inter Segment Revenue	(3,639)	(4,758)	15	-
Total	68,178	69,643	339	149

Other income		2,450	1,336
Unallocated expenses		(2,752)	(2,506)
Finance costs		(6,689)	(6,727)
Loss before tax		(6,652)	(7,748)

(iii) Segment assets and liabilities

	As at March 31, 2021	As at March 31, 2020
Segment Assets		
Clinics	10,329	13,817
Diagnostics	13,131	7,730
Spectra	17,585	12,314
Cradle	40,786	37,417
Sugar	4,654	4,418
Dialysis	4,867	4,127
Dental	3,024	3,654
Risk management	65	61
Total Segment Assets	94,441	83,538
Unallocated assets	81,051	71,249
Elimination	(74,285)	(68,667)
Consolidated total assets	101,207	86,120

Segment liabilities		
Clinics	11,114	12,722
Diagnostics	9,139	5,224
Spectra	11,147	8,306
Cradle	36,379	32,743
Sugar	1,462	1,228
Dialysis	3,714	4,139
Dental	4,204	4,353
Risk management	82	26
Total Segment liabilities	77,241	68,741
Unallocated liabilities	22,799	22,473
Elimination	(1,836)	(2,295)
Consolidated total liabilities	98,204	88,919

(iv) Other segment information

	Depreciation and Amortisation		Addition to Non Current Assets	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Clinics	1,554	1,642	395	517
Diagnostics	922	868	654	595
Spectra	2,291	2,649	110	320
Cradle	2,999	2,767	2,643	365
Sugar	193	223	3	22
Dialysis	421	317	998	1,242
Dental	373	426	104	37
Total	8,753	8,892	4,907	3,098

Note 35 Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount due to suppliers under MSMED Act, as at the end of the year	145	118
(ii) Interest accrued and due to suppliers under MSMED Act on the above amount as at the end of the year	7	8
(iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi) Interest due and payable to suppliers under MSMED Act, for payments	-	-
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (iv)	7	8

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 36: List of subsidiaries considered for consolidation

March 31, 2021

Name of the company	Relationship	Country of incorporation	Percentage of voting power as at March 31, 2021	Share of Net assets		Share in profit/(Loss)		Share in other comprehensive income		Share in total comprehensive income	
				March 31, 2021		March 31, 2021		March 31, 2021		March 31, 2021	
				% of consolidated net assets	Amount	% of consolidated net assets	Amount	% of consolidated net assets	Amount	% of consolidated net assets	Amount
Apollo Health and Lifestyle Limited	Parent	India		2400%	72,080	34%	(2,260)	40%	(99)	34.25%	(2,359)
Apollo Specialty Hospitals Private Limited	Subsidiary	India	100.00%	-25%	(760)	67%	(4,417)	59%	(147)	66.26%	(4,564)
Apollo Bangalore Cradle Limited	Step down Subsidiary	India	100.00%	13%	383	-9%	578	0%	- *	-8.39%	578
Surya Fertility Centre Private Limited	Step down Subsidiary	India	100.00%	5%	141		12	0%	-	-0.17%	12
Kshema Healthcare Private Limited	Step down Subsidiary	India	100.00%	15%	455	0%	-	0%	-	0.00%	-
AHLL Diagnostics Limited	Subsidiary	India	100.00%	0%	3	0%	- *	0%	- *	0.00%	- *
AHLL Risk Management Private Limited	Subsidiary	India	100.00%	-1%	(17)	1%	(52)	0%	-	0.75%	(52)
Apollo Dialysis Private Limited	Subsidiary	India	69.06%	27%	797	0%	(30)	1%	(2)	0.45%	(31)
Alliance Dental Care Limited	Subsidiary	India	69.09%	-27%	(815)	5%	(336)	-1%	2	4.85%	(334)
Apollo Sugar Clinics Limited	Subsidiary	India	80.00%	85%	2,554	0%	23	1%	(3)	-0.29%	20
Eliminations				-2413%	(72,448)		-			0.00%	-
Minority Interest in all subsidiaries											
Indian											
Apollo Dialysis Private Limited			30.94%	12%	357	0%	(13)	0%	- *	-	(14)
Alliance Dental Care Limited			30.91%	-12%	(365)	2%	(150)	0%	1	-	(149)
Apollo Sugar Clinics Limited			20.00%	21%	638	0%	6	0%	(1)	-	5
				100%	3,003	100%	(6,639)	100%	(249)		(6,888)

* denotes amounts rounded off being less than rupees one lakh

March 31, 2020

Name of the company	Relationship	Country of incorporation	Percentage of voting power as at March 31, 2020	Share of Net assets		Share in profit/(Loss)		Share in other comprehensive		Share in total comprehensive	
				March 31, 2020		March 31, 2020		March 31, 2020		March 31, 2020	
				% of consolidated net assets	Amount	% of consolidated net assets	Amount	% of consolidated net assets	Amount	% of consolidated net assets	Amount
Apollo Health and Lifestyle Limited	Parent	India		-2221%	62,144	45%	(3,485)	18%	9	45.46%	(3,476)
Apollo Specialty Hospitals Private Limited	Subsidiary	India	100.00%	48%	(1,349)	49%	(3,807)	82%	40	49.26%	(3,767)
Apollo Bangalore Cradle Limited	Step down Subsidiary	India	100.00%	7%	(195)	-1%	58	-10%	(5)	-0.69%	53
Kshema Healthcare Private Limited	Step down Subsidiary	India	100.00%	-16%	455	0%	-	0%	-	0.00%	-
AHLL Diagnostics Limited	Subsidiary	India	100.00%	0%	4	0%	(1)	0%	-	0.01%	(1)
AHLL Risk Management Private Limited	Subsidiary	India	100.00%	-1%	35	0%	(28)	0%	-	0.37%	(28)
Apollo Dialysis Private Limited	Subsidiary	India	69.22%	0%	(8)	2%	(121)	3%	2	1.56%	(119)
Alliance Dental Care Limited	Subsidiary	India	69.24%	17%	(484)	2%	(148)	-5%	(2)	1.96%	(150)
Apollo Sugar Clinics Limited	Subsidiary	India	80.00%	-91%	2,552	0%	(37)	10%	5	0.42%	(32)
Eliminations				2372%	(66,372)		-		-	0.00%	-
Minority Interest in all subsidiaries											
Indian											
Apollo Dialysis Private Limited			30.78%	0%	(4)	1%	(54)	-1%	(0)	0.70%	(54)
Alliance Dental Care Limited			30.76%	8%	(215)	1%	(65)	0%	0 *	0.85%	(65)
Apollo Sugar Clinics Limited			20.00%	-23%	638	0%	(9)	2%	1	0.11%	(8)
				100%	(2,799)	100%	(7,697)	100%	49	100%	(7,647)

* denotes amounts rounded off being less than rupees one lakh

Note 37: Employee benefits

a. Defined contribution plans

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. The Company Recognised ₹ 705 Lakhs (Year ended March 31, 2020: ₹ 717 Lakhs) for provident fund contributions in the Statement of Profit and loss.

b. Defined benefit plans

The Company provides to the eligible employees defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service. The measurement date used for determining retirement benefits for gratuity is March 31.

(i) Balance Sheet

The liabilities position of the defined benefit plans at the Balance Sheet date were:

	As at March 31, 2021	As at March 31, 2020
Present value of obligation	696	382
Fair Value of plan assets	(114)	(110)
(Asset)/Liability recognised in the Balance Sheet	582	272

(ii) Movements in Present Value of Obligation and Fair Value of Plan Assets

	Plan Assets	Plan Obligation	Total
As at April 1, 2019	103	240	(137)
Current service cost	-	239	(239)
Interest cost	-	18	(18)
Interest Income	7	-	7
Actuarial gain/(loss) arising from changes in demographic assumptions	-	(1)	1
Actuarial gain/(loss) arising from changes in financial assumptions	-	4	(4)
Actuarial gain/(loss) arising from experience adjustments	-	(64)	64
Remeasurement - Return on Assets (Excluding Interest Income)	- *	-	- *
Benefit Paid	-	(54)	54
As at March 31, 2020	110	382	(272)
Current service cost	-	147	(147)
Past Service cost	-	1	(1)
Interest cost	-	22	(22)
Interest Income	7	-	7
Actuarial gain/(loss) arising from changes in financial assumptions	-	(2)	2
Actuarial gain/(loss) arising from experience adjustments	-	251	(251)
Remeasurement - Return on Assets (Excluding Interest Income)	(1)	-	(1)
Benefit Paid	-	(105)	105
Other Adjustments	(2)	-	(2)
As at March 31, 2021	114	696	(582)

(iii) Statement of Profit and Loss

The charge to the Statement of Profit and Loss comprises:

	Year ended March 31, 2021	Year ended March 31, 2020
Employee Benefit Expenses		
Current service cost	(147)	(239)
Past service cost	(1)	-
Interest cost	(22)	(18)
Interest Income	7	-
Net impact on profit before tax	(163)	(257)
Remeasurement of the net defined benefit plans:		
Actuarial gain/(loss) arising from changes in demographic assumptions	-	1
Actuarial gain/(loss) arising from changes in financial assumptions	2	(4)
Actuarial gain/(loss) arising from experience adjustments	(251)	64
Return on Plan Assets(Excluding Interest Income)	(1)	- *
Net impact on other comprehensive income before tax	(250)	61

Apollo Health and Lifestyle Limited
Notes forming part of consolidated financial statements for the year ended March 31, 2021
(All amounts are in ₹ lakhs unless otherwise stated)

(v) Assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.88% - 6.92%	6.5% - 7.00%
Attrition rate	3.00%- 35.00%	5.00%- 35.00%
Salary escalation rate	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate table	Indian Assured Lives Mortality (2012-14) Ultimate table

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(v) Sensitivity analysis

The sensitivity of the overall plan obligations to changes in the weighted key assumptions are:

	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	678	716	374	392
Attrition rate (1% movement)	695	698	383	383
Salary escalation rate (1% movement)	720	673	395	371

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the Balance Sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

(v) Maturity analysis

Maturity profile of defined benefit obligation:

	As at March 31, 2021	As at March 31, 2020
Within 1 year	181	117
1-2 year	157	92
2-3 year	129	68
3-4 year	105	51
4-5 year	81	37
5-10 year	171	81

c. Long term benefit plans

The Group pay Leave encashment benefits to employees as an when claimed subject to the policies of the Group. The significant actuarial assumptions used for the purpose of the actuarial valuation were as follows:

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.88% - 6.91%	6.74% - 6.80%
Attrition rate	35.00%	35.00%
Salary escalation rate	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate table	Indian Assured Lives Mortality (2012-14) Ultimate table

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ lakhs unless otherwise stated)

Note 38: Related party transactions**a) Names of related parties and their relationship:**

Name of the party	Nature of relationship
Apollo Hospitals Enterprise Limited	Holding Company
Apollo Pharmacies Limited	Entities in Which KMP/Directors or their relatives are interested
Air India Limited	Entities in Which KMP/Directors or their relatives are interested
Apollo Health Resources Limited	Entities in Which KMP/Directors or their relatives are interested
Apollo Munich Health Insurance Company Limited	Entities in Which KMP/Directors or their relatives are interested
Apollo Sindoori Hotels Limited	Entities in Which KMP/Directors or their relatives are interested
Crisil Risk And Infrastructure Solutions Limited	Entities in Which KMP/Directors or their relatives are interested
Faber Sindoori Management Services Private Limited	Entities in Which KMP/Directors or their relatives are interested
Family Health Plan Insurance TPA Limited	Entities in Which KMP/Directors or their relatives are interested
Franklin Templeton Asset Management (India) Private Limited	Entities in Which KMP/Directors or their relatives are interested
Healthnet Global Limited	Entities in Which KMP/Directors or their relatives are interested
Hero Motorcorp Limited	Entities in Which KMP/Directors or their relatives are interested
Indian Hospitex Private Limited	Entities in Which KMP/Directors or their relatives are interested
Lifetime Wellness Rx International Limited	Entities in Which KMP/Directors or their relatives are interested
Medihauxe Healthcare Private Limited	Entities in Which KMP/Directors or their relatives are interested
Medsmart Logistics Private Limited	Entities in Which KMP/Directors or their relatives are interested
Medvarsity Online Limited	Entities in Which KMP/Directors or their relatives are interested
Meher Distributors Private Limited	Entities in Which KMP/Directors or their relatives are interested
Piramal Enterprises Limited	Entities in Which KMP/Directors or their relatives are interested
Indo National Limited	Entities in Which KMP/Directors or their relatives are interested
P Obul Reddy and Sons	Entities in Which KMP/Directors or their relatives are interested
Searchlight Health Private Limited	Entities in Which KMP/Directors or their relatives are interested
Stemcyte India Therapeutics Private Limited	Entities in Which KMP/Directors or their relatives are interested
Trivitron Healthcare Private Limited	Entities in Which KMP/Directors or their relatives are interested
Wipro GE Healthcare Private Limited	Entities in Which KMP/Directors or their relatives are interested
ACC Limited	Entities in Which KMP/Directors or their relatives are interested
Wipro Limited	Entities in Which KMP/Directors or their relatives are interested
Apollo Gleneagles Hospitals Limited	Entities in Which KMP/Directors or their relatives are interested
Imperial Hospitals and Research Centre Limited	Entities in Which KMP/Directors or their relatives are interested
Indraprastha Medical Corporation Limited	Entities in Which KMP/Directors or their relatives are interested
Maxivision Laser Centre Private Limited	Entities in Which KMP/Directors or their relatives are interested
Sanofi Synethelabo (India) Private Limited	Entities in Which KMP/Directors or their relatives are interested
Together against Diabetic Foundation Trust	Entities in Which KMP/Directors or their relatives are interested
Apollo Telehealth Services Private Limited	Entities in Which KMP/Directors or their relatives are interested
Apollo Shine Foundation	Entities in Which KMP/Directors or their relatives are interested
Apollo Rajshree Hospitals Private Limited	Entities in Which KMP/Directors or their relatives are interested
Apollo Hospitals International Limited	Entities in Which KMP/Directors or their relatives are interested
Hdfc Ergo General Insurance Company Limited	Entities in Which KMP/Directors or their relatives are interested
Mrs Sangita Reddy	KMP (Managing Director)
Mr.Krishnan Akhileswaran	Director
Mr. Chandra Sekhar Chivukula	KMP (Chief Executive Officer)
Mr. Prashant Jhaveri	KMP (Chief Business Officer - from February 16, 2021 Chief Financial Officer from June 09, 2021)
Mr. Lalit Nagpal	KMP (Chief Financial Officer) upto March 12, 2021
Mr. Sivaram	KMP (Company secretary) till February 15, 2020
Kamal Saboo	KMP (Company secretary) from August 13, 2020
Anandith Reddy Konda	Director
Mukesh Sabharwal	Director upto March 20, 2021
Mr.Narotham Reddy	Director
Dr.Chandramohan Raju	Director
Dr.Shafath Ahmed	Director
Dr.Sanketh Kethi Reddy	Director
Dr.Sabitha MR	Director
Dr. Arun Chittaranjan	Director
Dr.K V Arun	Director
Mr.Anupam Sibal	Director
Dr. G.S.K. Velu	Director

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ lakhs unless otherwise stated)

b) Transactions with the above related parties during the year:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of services		
Stemcyte India Therapeutics Private Limited	62	-
Apollo Gleneagles Hospitals Limited	35	158
Imperial Hospitals and Research Centre Limited	177	265
Indraprastha Medical Corporation Limited	130	419
Maxivision Laser Centre Private Limited	-	5
Apollo Hospitals Enterprise Limited	5,091	4,391
Apollo Pharmacies Limited	11	-
Medversity Online Limited	-	6
Lifetime Wellness Rx International Limited	5	189
Sanofi Synthelabo (India) Private Limited	-	7
Hero Motorcorp Limited	4	3
Apollo Munich Health Insurance Company Limited	-	626
Apollo Telehealth Services Private Limited	24	48
Air India Limited	4	3
Franklin Templeton Asset Management (India) Private Limited	1	1
Indo National Limited	- *	- *
Hdfc Ergo General Insurance Company Limited	601	-
Apollo Health Resources Limited	8	15
Family Health Plan Insurance TPA Limited	1,302	1,289
Commission on pharmacy revenue		
Apollo Hospitals Enterprise Limited	106	269
Apollo Pharmacies Limited	124	-
Other operating income - consultancy		
Apollo Hospitals Enterprise Limited	-	164
Other operating income - others		
Stemcyte India Therapeutics Private Limited	138	85
Apollo Hospitals Enterprise Limited	175	-
Other Income Royalty fees		
Apollo Hospitals Enterprise Limited	16	-
Purchase of medical consumables		
Apollo Pharmacies Limited	1,111	-
Apollo Hospitals Enterprise Limited	1,237	2,016
Medsmart Logistics Private Limited	1,345	1,203
Trivitron Healthcare Private Limited	15	24
Apollo Hospitals International Limited	2	-
Apollo Rajshree Hospitals Private Limited	3	-
Laboratory test		
Apollo Hospitals Enterprise Limited	485	72
Imperial Hospitals and Research Centre Limited	-	2
Apollo Gleneagles Hospitals Limited	45	-
Rent		
Apollo Hospitals Enterprise Limited	146	147
Imperial Hospitals and Research Centre Limited	7	7
Purchase of asset		
Wipro GE Healthcare Private Limited	201	-
Trivitron Healthcare Private Limited	19	-
Blue Star Limited	30	-
Revenue sharing expenses		
Lifetime Wellness Rx International Limited	5	30
Indraprastha Medical Corporation Limited	96	-
Health Record Services		
Searchlight Health Private Limited	-	5

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ lakhs unless otherwise stated)

IT Charges

Apollo Hospitals Enterprise Limited	14	14
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Professional charges

Crisil Risk And Infrastructure Solutions Limited	4	4
Apollo Hospitals Enterprise Limited	6	3

Loan repaid to

Dr. G.S.K. Velu	-	329
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Loan taken from

Dr. G.S.K. Velu	-	87
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Professional fee to doctors and others

Apollo Hospitals Enterprise Limited	8	31
Imperial Hospitals and Research Centre Limited	19	34
Dr.Shafath Ahmed	6	10
Dr.Sanketh Kethi Reddy	16	25
Dr.K V Arun	7	11

Consultancy charges

Mr.Krishnan Akhileswaran	10	8
Mr.Narotham Reddy	10	8
Mr.Anupam Sibal	5	11

Cost of services - others

Apollo Telehealth Services Private Limited	3	1
Healthnet Global Limited	150	87
Searchlight Health Private Limited	12	-
Faber Sindoori Management Services Private Limited	42	-

House keeping expenses

Faber Sindoori Management Services Private Limited	118	121
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Repairs and maintenance - others

Wipro GE Healthcare Private Limited	84	-
Faber Sindoori Management Services Private Limited	1	4
Apollo Sindoori Hotels Limited	- *	9
Searchlight Health Private Limited	6	6

Staff welfare expenses

Apollo Munich Health Insurance Company Limited	-	132
Apollo Sindoori Hotels Limited	20	84
Crisil Risk And Infrastructure Solutions Limited	- *	-

Miscellaneous expenses

Together Against Diabetic Foundation Trust	-	3
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Availing of services

Faber Sindoori Management Services Private Limited	7	-
Searchlight Health Private Limited	3	-
Healthnet Global Limited	1	-
Apollo Sindoori Hotels Limited	57	-
Wipro Limited	1	-
Blue Star Limited	4	-

Interest paid on loans

Dr. G.S.K. Velu	-	31
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Managerial Remuneration

Key Managerial Personnel	361	522
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Share Based Payments

Key Managerial Personnel	-	2
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Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ lakhs unless otherwise stated)

c) Balances receivable from/payable to related parties are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
Apollo Hospitals Enterprise Limited	2,337	1,528
Apollo Pharmacies Limited	11	-
Lifetime Wellness Rx International Limited	102	232
Stemcyte India Therapeutics Private Limited	188	57
Apollo Gleneagles Hospitals Limited	29	29
Imperial Hospitals and Research Centre Limited	25	53
Indraprastha Medical Corporation Limited	50	16
Maxivision Laser Centre Private Limited	7	5
Medvarsity Online Limited	1	1
Together Against Diabetic Foundation Trust	19	19
Air India Limited	8	5
Family Health Plan Insurance TPA Limited	731	456
Apollo Health Resources Limited	-13	-5
Apollo Munich Health Insurance Company Limited	-	74
Apollo Telehealth Services Private Limited	16	38
Piramal Enterprises Limited	- *	-
Indo National Limited	- *	- *
Hero Motorcorp Limited	1	-
Franklin Templeton Asset Management (India) Private Limited	- *	1
Medsmart Logistics Private Limited	-	- *
Hdfc Ergo General Insurance Company Limited	125	-
Unbilled Revenue		
Apollo Hospitals Enterprise Limited	78	62
Apollo Pharmacies Limited	44	-
Lifetime Wellness Rx International Limited	1	1
Imperial Hospitals and Research Centre Limited	13	-
Indraprastha Medical Corporation Limited	10	-
Apollo Gleneagles Hospitals Limited	11	-
Air India Limited	1	- *
Family Health Plan Insurance TPA Limited	3	3
Apollo Health Resources Limited	7	1
Apollo Munich Health Insurance Company Limited	-	- *
Apollo Telehealth Services Private Limited	27	- *
Indo National Limited	- *	-
Franklin Templeton Asset Management (India) Private Limited	- *	- *
Stemcyte India Therapeutics Private Limited	34	-
Trade payables		
Apollo Hospitals Enterprise Limited	2,691	4,215
Apollo Pharmacies Limited	2,689	-
Faber Sindoori Management Services Private Limited	105	101
Searchlight Health Private Limited	13	27
Apollo Hospitals International Limited	2	4
Imperial Hospitals and Research Centre Limited	-	5
Lifetime Wellness Rx International Limited	34	29
Apollo Munich Health Insurance Company Limited	- *	1
Apollo Sindoori Hotels Limited	12	31
Trivitron Healthcare Private Limited	20	18
Maxivision Laser Centre Private Limited	- *	1
Medsmart Logistics Private Limited	383	415
Healthnet Global Limited	23	72
Indian Hospitex Private Limited	1	36
Apollo Telehealth Services Private Limited	3	1
Apollo Rajshree Hospitals Private Limited	-	2
Wipro Limited	35	-
Wipro GE Healthcare Private Limited	9	-
Apollo Gleneagles Hospitals Limited	- *	-
Indraprastha Medical Corporation Limited	47	-

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ lakhs unless otherwise stated)

Deposit payable		
Apollo Pharmacies Limited	351	351
Financial Guarantee Due		
Dr. G.S.K. Velu	90	90
Interest Payable		
Apollo Hospitals Enterprise Limited	-	3
Preference Share Capital		
Dr. G.S.K. Velu	611	-
Prepaid Expenses		
Apollo Munich Health Insurance Company Limited	-	43
Letter of comfort taken from		
Apollo Hospitals Enterprise Limited	20,310	20,310

* denotes amounts rounded off being less than rupees one lakh

Note 39 Share-based payments

A Employee stock appreciation rights

Board of Directors in the meeting held on August 6, 2019, approved the grant of equity settled SARs to eligible employees of the Company (AHLL and ASHPL) with the grant date of April 1, 2020. 4,314,656 SAR's issued to the eligible employees on August 6, 2019 with a grant date of April 1, 2020 having a vesting period of 3- 4 years from the date of issue of such letters. Portion of the ESARs vest based on BU's performance and the remaining based on AHLL consol performance.

Number of ESAR outstanding as at March 31, 2021 for active employees is 3,347,354

The SARs provide the employees with the right to receive shares upon liquidity event as defined in the scheme, having a market value equal to the market appreciation since the grant date of the rights. Nomination and Remuneration committee in their meeting held on September 02, 2020, assessed EBDITA achievement for YE March 31, 2020 as 98% of AOP due to COVID.

The Company elects to adopt recognizing expense basis Fair Market Value of SARs over vesting period. Accordingly, as of March 31, 2021 Company has recognized the following amounts related to the March 31, 2021 grants.

	March 31, 2021
Clinics	75
Diagnostics	35
Spectra	33
Cradle	21
Corporate	180
	344

Summary of stock options

	No. of stock options	
	For the year 2020-21	For the year 2019-20
Options outstanding on April 1	-	-
Options granted during the year	4,314,656	-
Options forfeited/lapsed during the year	967,302	-
Options exercised during the year	-	-
Options outstanding on March 31	3,347,354	-
Options vested but not exercised on March 31	3,347,354	-

B Employee share option plan of the Company

- (a) The Company has granted 412,500 Ordinary (Equity) Shares of ₹ 10 each during the year ended 31st March, 2014 to the eligible employees of the Company. Options are granted under Employee Stock Option Plan - 2013 ("the Scheme") which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

Summary of stock options

	No. of stock options	
	For the year 2020-21	For the year 2019-20
Options outstanding on April 1	-	82,500
Options granted during the year	-	-
Options forfeited/lapsed during the year	-	82,500
Options exercised during the year	-	-
Options outstanding on March 31	-	-
Options vested but not exercised on March 31	-	-

Exercise price is ₹ 30

Management has estimated the fair values of options granted at ₹ 30.

The Employees Stock Option Plan - 2013 was completed and closed in the previous year.

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ lakhs unless otherwise stated)

- (b) The Company by virtue of service and subscription agreement entered into with the doctors for continuance of services with Apollo Specialty Hospitals Private Limited (ASH) inline with the scheme implemented by the erstwhile company (i.e. Nova Specialty Hospitals Private Limited) has agreed to issue Fully Convertible Debentures (FCD) for a value calculated in accordance with performance based formulae at the time of acquisition.

These FCD are issued in respect of the future services which will be rendered by the doctors' and hence is in the nature of share based payment in terms of Ind AS 102. These FCD issued would be convertible upon the expiry of service requirement and other conditions as stipulated by the respective agreements.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

Summary of stock options

	No. of stock options	
	For the year 2020-21	For the year 2019-20
Options outstanding on April 1	1,595	1,595
Options granted during the year	-	-
Options forfeited/lapsed during the year	-	-
Options exercised during the year	-	-
Options outstanding on March 31	1,595	1,595
Options vested but not exercised on March 31	-	-

Exercise price is ₹ Nil

Management has estimated the fair values of options granted at ₹ 25,764.

(iii) Apollo Sugar Clinics Limited

The Company has granted 44,370 Ordinary (Equity) Shares of ₹ 10 each during the year ended 31st March, 2018 to the eligible employees of the Company. Options are granted under ASCL Employee Stock Option Plan - 2017 ("ESOP 2017") which vest over a period of three years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

Summary of stock options

	No. of stock options	
	For the year 2020-21	For the year 2019-20
Options outstanding on April 1	44,370	44,370
Options granted during the year	-	-
Options forfeited/lapsed during the year	44,370	-
Options exercised during the year	-	-
Options outstanding on March 31	-	44,370
Options vested but not exercised on March 31	-	-

Exercise price is ₹ 89.42

Management has estimated the fair values of options granted at ₹ 275.70.

The Employees Stock Option Plan - 2017 was completed and closed during the year.

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ lakhs unless otherwise stated)

(v) Alliance Dental Care Limited

The Company has granted 56,735 Ordinary (Equity) Shares of ₹ 10 each during the year ended 31st March, 2017 to the directors and eligible employees of the Company. Options are granted under Alliance Dental ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

Summary of stock options

	No. of stock options	
	For the year 2020-21	For the year 2019-20
Options outstanding on April 1	9,456	28,368
Options granted during the year	-	-
Options forfeited/lapsed during the year	-	-
Options exercised during the year	9,456	18,912
Options outstanding on March 31	-	9,456
Options vested but not exercised on March 31	-	9,456

Exercise price is ₹ 10

Management has estimated the fair values of options granted at ₹ 194.

With the allotment of 6,000 Equity Shares in June 2020, the Employees Stock Option Plan - 2017 was completed and closed.

(vi) Apollo Dialysis Private Limited

The Company has granted 55,566 Ordinary (Equity) Shares of ₹ 10 each during the year ended 31st March, 2017 to the directors of holding company and directors and eligible employees of the Company. Options are granted under Apollo Dialysis ESOP Scheme 2016, which vest over a period of four years commencing from the respective date of grant.

The compensation costs of stock options granted to employees are accounted by the Company over the vesting period.

Summary of stock options

	No. of stock options	
	For the year 2020-21	For the year 2019-20
Options outstanding on April 1	9,261	27,783
Options granted during the year	-	-
Options forfeited/lapsed during the year	-	-
Options exercised during the year	9,261	18,522
Options outstanding on March 31	-	9,261
Options vested but not exercised on March 31	-	9,261

Exercise price is ₹ 10

Management has estimated the fair values of options granted at ₹ 27.

With the allotment of 9,261 Equity Shares in June 2020, the Apollo Dialysis ESOP Scheme 2016 was completed and closed.

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ lakhs unless otherwise stated)

Note 40: Revenue from contracts with customers

The Group earns revenue primarily by providing healthcare services operates through various multispecialty clinics, diagnostics, spectra, cradle, sugar, dental and dialysis centers across India. Other sources of revenue include revenue earned through Operation and Management (O&M) contracts, brand license agreements and contracts for clinical trials.

Revenues for the year ended March 31, 2021 and March 31, 2020 are as follows:

Disaggregation of revenue

The following table provides information about disaggregated revenue by geographical market, major service line, timing of revenue recognition and category of customer.

The spread of operation of the Group are only in India and so the below table summaries the region wise revenue within India.

Healthcare services

Region	For the year ended March 31, 2021	For the year ended March 31, 2020
Tamilnadu	10,925	12,697
Telangana	10,155	10,915
Karnataka	16,906	16,491
Delhi	9,460	9,865
Maharashtra	3,357	3,291
Others	18,844	18,103
Inter company eliminations	(1,469)	(1,719)
Total revenue from contracts with customers	68,178	69,643

Category of Customer	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash	39,909	41,643
Credit	29,738	29,719
Inter company eliminations	(1,469)	(1,719)
Total revenue from contracts with customers	68,178	69,643

Nature of treatment*	For the year ended March 31, 2021	For the year ended March 31, 2020
In-Patient	29,135	32,543
Out-Patient	40,512	38,819
Inter company eliminations	(1,469)	(1,719)
Total revenue from contracts with customers	68,178	69,643

* this disclosure pertain to healthcare services segment only

Timing of revenue recognition	For the year ended March 31, 2021	For the year ended March 31, 2020
Services transferred at point in time	68,312	69,407
Services transferred over a period of time	1,335	1,955
Inter company eliminations	(1,469)	(1,719)
Total revenue from contracts with customers	68,178	69,643

Contract liability

Changes in advance received from customers are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning of the year	348	364
Additions(on account of advance received from the customer during the year)	15,300	13,979
Revenue recognized that was included in advance received from customers balance at beginning of the year	15,057	13,995
Balance at the end of the year	591	348

The total of disaggregated revenue of healthcare disclosed above would agree to the disclosures made in the operating segment.

Apollo Health and Lifestyle Limited**Notes forming part of consolidated financial statements for the year ended March 31, 2021**

(All amounts are in ₹ lakhs unless otherwise stated)

Reconciliation of revenue recognised with the contract price is as follows:**Healthcare Services**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract price (as reflected in the invoice raised on the customer as per the terms of the contract with customer)	76,873	80,632
Reduction towards amounts payable to customer	-	-
Reduction towards variable components:		
-Discounts granted to customers	3,696	3,881
-Customer loyalty points given to customers	35	91
Reduction towards monies received on behalf of :		
-Fee for Service Consultants	3,083	4,766
- Revenue sharing	412	532
Reduction towards Inter-company eliminations	1,469	1,719
Revenue recognised in the profit & loss account	68,178	69,643

Note 41 Financial instruments

(i) Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the company is based on management's judgement of its strategic day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital to shareholders. The Company may take appropriate steps in order to maintain, or is necessary, adjust its capital structure.

(ii) Financial risk management

The Company's business activities are exposed to a variety of financial risks, namely Interest rate risk, credit risk and liquidity risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are overseen by the Board of Directors of the Company.

A Interest risk management

The Company is exposed to interest rate risk because Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

Loss for the year ended March 31, 2021 would decrease/increase by ₹ 124 Lakhs (for the year ended March 31, 2020: decrease / increase by ₹ 127 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

B Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company takes due care while extending any credit as per the approval matrix approved by Board of Directors.

Trade receivables

Concentration of credit risk with respect to trade receivables are limited, due to Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a monthly basis.

Historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets. The Company does not have significant credit risk exposure to any single counter party.

Other financial assets

The Company maintain exposure in cash and cash equivalent, term deposits with banks. The Company's maximum exposure of credit risk as at March 31, 2021 and March 31, 2020 is the carrying value of each class of financial assets.

C Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has unutilised credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2021 and March 31, 2020. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

The Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing short term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021 and March 31, 2020

Particulars	March 31, 2021			
	Trade payables	Lease Liabilities	Other financial liabilities	Borrowings
Less than 1 year	18,487	7,139	1,974	3,180
More than 1 year and less than 5 year		26,178	-	18,599
More than 5 year		56,106	354	4,249

Particulars	March 31, 2020			
	Trade payables	Lease Liabilities	Other financial liabilities	Borrowings
Less than 1 year	15,382	6,208	1,945	2,258
More than 1 year and less than 5 year	-	21,663	-	16,515
More than 5 year	-	58,483	828	6,569

Note 42 Category-wise classification of Financial Instruments

The carrying and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

Particulars	Fair value Hierarchy	Carrying value		Fair value	
		As at	As at	As at	As at
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets					
Measured at Amortised cost					
(i) Cash and cash equivalents	Level 2	4,210	3,694	4,210	3,694
(ii) Bank balances other than cash and cash equivalents	Level 2	10,483	1,729	10,483	1,729
(iii) Trade receivables	Level 2	9,288	7,971	9,288	7,971
(iv) Other financial assets *	Level 2	5,606	4,668	5,606	4,668
Measured at FVTOCI					
(i) Investment in equity instruments	Level 3	18	18	18	18
Measured at FVTPL					
(a) Mandatorily measured:					
(i) Current investments - Mutual funds	Level 1	-	727	-	727
Total Financial assets		29,605	18,807	29,605	18,807
Financial liabilities					
Measured at Amortised cost					
(i) Borrowings	Level 2	23,539	24,028	23,539	24,028
(ii) Trade payables	Level 2	18,487	15,383	18,487	15,383
(iii) Other financial liabilities **	Level 2	4,818	4,087	4,818	4,087
(iv) Lease liabilities	Level 2	48,351	42,907	48,351	42,907
Total Financial liabilities		95,195	86,405	95,195	86,405

* Other financial assets includes Security deposits with the vendors, interest receivable from related parties and banks, unbilled revenue.

** Other financial liabilities includes interest accrued on the long term debt, security deposits received from customers and payable on purchase of fixed assets, excluding current maturities of long term debt.

Note 43 Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2020.

Financial assets and liabilities measured at fair value as at balance sheet date.

The fair values of investments in unquoted equity investments has been estimated using a discounted cash flow model under income approach. The valuation requires management to make certain assumptions about model inputs, including forecast cash flows, discount rate and credit risk, the probabilities of the various estimates within range can be reasonably assessed and are used in management estimate of fair value for these unquoted investments.

Note 44 The Board of Directors of the Company in its meeting held on August 17, 2018 has given an approval to the "Scheme of arrangement" of the business. Pursuant to the restructuring plan, a new wholly owned subsidiary AHLL Diagnostics Limited has been formed and the Diagnostics division of the Company will be sold by way of a slump sale to the newly incorporated Wholly owned subsidiary.

The Company is in the process of obtaining regulatory approval from National Company Law Tribunal for the restructuring plan. Based on the present status, Management is of the opinion that the procedural formalities will take 1 to 1.5 years, for the restructuring plan to be take place. Hence the transaction is not considered for disclosure under Ind AS- 105 – Non-Current Assets held for sale and Discontinued Operations.

Note 45 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

COVID-19 is the infectious disease caused by the coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of the employees and ensure business continuity with minimal disruption. The Company has considered the possible effects that may result from COVID - 19 in the preparation of these financial statement including on the recoverability of the carrying amounts of financial and non-financial assets, more particularly assessment of impairment of Investments in subsidiaries, Inventories, receivables and other current assets, which may result from the COVID 19 pandemic. The Company has used the elements of prudence in applying the judgments and assumptions, including sensitivity analysis and based on current estimates, the company expects the carrying amount of these assets will be recovered. As a result of uncertainties resulting from COVID-19, the impact of this pandemic may be different from those estimated as on the date of approval of these financial results and the Company will continue to monitor any changes to the future economic conditions and will recognize the Impact if any, prospectively in future periods.

Note 46 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 47 During the year ended March 31, 2021, the group acquired 100 % shares of Surya Fertility Center Private Limited, for a consideration of ₹ 360 lakhs. Surya Fertility Center Private Limited became the subsidiary w.e.f. November 1, 2020. Business combinations are accounted for using the purchase (acquisition) method as per the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed. The Company recorded a Goodwill amount of ₹ 235 lakhs.

Note 48 Fair value hierarchy

The fair value of financial instruments as referred to in Note 42 above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

- Level 1: Quoted prices for identified instruments in an active market.
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at the fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and other inputs used).

Financial assets/ Financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique and key input	Significant unobservable input	Relationship of unobservable inputs to fair value
	March 31, 2021	March 31, 2020				
Investments in equity instrument at FVTOCI (unquoted) (Note iii)	2.59% of equity investment in M/s. Searchlight Health Private Limited engaged in providing infrastructure facilities to hospitals and others and domiciled in India ₹ 18	2.59% of equity investment in M/s. Searchlight Health Private Limited engaged in providing infrastructure facilities to hospitals and others and domiciled in India ₹ 18	Level 3	Discounted cash flow model under income approach was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee.	Long term growth rates, taking into account management's experience and knowledge of market conditions of the specific industry at 1.00%. Weighted average cost of capital (WACC) as determined ranging from 16.11% (As at March 31, 2020: 16.11%)	A slight increase in long term revenue growth rates used in isolation would result in increase in the fair value (Refer Note i below) A slight increase in the WACC used in isolation would result in decrease in the fair value (Refer Note ii below)

- Notes
- (i) If the Long-term growth rates used were 1% higher / lower while all other variables were held constant, the carrying amount of the shares would increase / (decrease) by ₹ 128,061 and ₹ (108,525) respectively.
- (ii) A 1% increase / (decrease) in WACC or discount rate used while holding all other variables constant would (decrease) / increase the carrying amount of the unquoted equity investments by ₹ (96493) and ₹ 114,234 respectively.
- (iii): These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. Upon the application of Ind AS 109, the company has chosen to designate these investments in equity instruments as at FVTOCI irrevocably as the Management believes that this provides a more meaningful presentation for long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

Note 49 The Group elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961, w.e.f. April 1, 2021, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has re-measured its Deferred tax liabilities (net) based on the rate prescribed in the said Ordinance. The impact (if any) of this change has been assessed and appropriately taken in the statement of profit and loss and other comprehensive income, during the year ended March 31, 2021.

Note 50 As per the Put option agreement entered into with International Finance Corporation (IFC) dated October 26, 2016, IFC has the right to exercise the put option on shares from the end of 8th year till the end of 12th year of the subscription either on Apollo Hospitals Enterprise Limited (the parent company) or on Apollo Health and Lifestyle Limited. The management based on its assessment of the potential exercise of the options and per valuation of the Company, has assessed that these options, if exercised will be on the parent company, as the parent is a listed company, and accordingly, has determined the fair value of the option to be nil and as such, the instrument has been considered as equity.

Note 51 The financial statements are approved for issue by the Board of Directors on June 9, 2021.

For and on behalf of the Board of Directors

Sangita Reddy
Managing Director
(DIN: 00006285)
Place: Hyderabad
Date: June 09, 2021

Krishnan Akhileswaran
Director
(DIN: 05299539)
Place: Chennai
Date: June 09, 2021

Chandra Sekhar Chivukula
Chief Executive Officer
Place: Hyderabad
Date: June 09, 2021

Prashant Jhaveri
Chief Financial Officer
Place: Hyderabad
Date: June 09, 2021

Kamal Saboo
Company Secretary
Place: Hyderabad
Date: June 09, 2021