APOLLO HEALTH AND LIFESTYLE LIMITED
Balance Sheet as at March 31, 2017
All amounts are in Rs unless otherwise stated

	Note No	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	5	483,464,135	441,184,975	546,717,158
(b) Capital work-in-progress	5	11,570,883	1,792,835	20,690,936
(c) Other Intangible assets	6	21,529,037	20,309,198	19,983,122
(d) Financial Assets				
(i) Investments				
a) Investments in Subsidiaries	7	6,159,310,647	832,928,042	541,564,440
b) Other investments	8	5,080,629	4,568,224	9,326,207
(ii) Loans	10	1,944,442	2,057,290,050	599,500,000
(iii) Other financial assets	11	80,749,572	72,564,734	90,451,647
(e) Other non-current assets	14	6,721,112	8,933,068	10,927,067
Total Non - Current Assets		**6,770,370,456**	**3,439,571,124**	**1,839,160,577**
Current assets				
(a) Inventories	12	40,323,227	23,954,507	11,872,226
(b) Financial assets				
(i) Trade receivables	9	125,042,766	215,622,194	184,061,243
(ii) Cash and cash equivalents	13	444,480,616	63,352,951	105,883,124
(iii) Other financial assets	11	17,662	161,296,791	10,547,261
(c) Current Tax Assets (Net)	23	238,255,845	154,190,836	111,718,329
(d) Other current assets	14	14,985,070	46,306,723	3,390,665
		863,105,186	**664,724,001**	**427,472,847**
Total assets		7,633,475,642	4,104,295,126	2,266,633,424
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	15	1,096,135,770	637,314,500	419,697,960
(b) Share application pending allotment money		-	-	10,395,460
(c) Other equity	16	5,353,806,417	298,735,144	253,720,972
Equity attributable to owners of the Company		6,449,942,187	936,049,644	683,814,392
Non-controlling interests		-	-	-
Total Equity		**6,449,942,187**	**936,049,644**	**683,814,392**
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	516,833,017	2,399,371,081	1,230,907,371
(b) Provisions	19	8,059,361	6,602,257	6,605,794
(c) Deferred tax liabilities (Net)	20	11,511,118	11,137,020	25,457,010
(d) Other non-current liabilities	21	-	-	-
Total Non - Current Liabilities		**536,403,496**	**2,417,110,358**	**1,262,970,175**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	17	-	-	-
(ii) Trade payables	22	616,445,091	632,138,028	281,556,588
(iii) Other financial liabilities	18	10,409,872	100,456,084	21,079,544
(b) Provisions	19	-	1,036,457	-
(c) Other current liabilities	21	20,274,996	17,504,555	17,212,725
		647,129,960	751,135,123	319,848,857
Total Liabilities		1,183,533,456	3,168,245,481	1,582,819,032
Total Equity and Liabilities		7,633,475,642	4,104,295,126	2,266,633,424

See accompanying notes to the financial statements

In terms of our report attached.
For Karra & Co.,
Chartered Accountants
ICAI Firm Regn No: 001749S

KARRA & CO. F.R.N. 001749S "ANUGRAHA" No. 28, Murray's Gate Rd, Alwarpet, Chennai-18. Chartered Accountants

V. Venkateswara Rao
Partner
Membership No: 022370

Place : Hyderabad
Date :

For and on behalf of the Board of Directors

Sangita Reddy
Managing Director

Krishnan Akhileswaran
Director

C V Ram
Chief Financial Officer

D V Sivaram
Company Secretary

Apollo Health and Lifestyle Limited

APOLLO HEALTH AND LIFESTYLE LIMITED
Statement of Profit and Loss for the year ended March 31, 2017
All amounts are in Rs unless otherwise stated

		Note No	Year ended 31 March 2017	Year ended 31 March 2016
I	Revenue from Operations	24	1,330,487,995	1,061,653,192
II	Other Income	25	229,903,016	428,689,212
III	**Total Income (I+II)**		**1,560,391,010**	**1,490,342,404**
IV	**Expenses**			
	Cost of materials consumed	26	255,412,785	211,935,083
	Cost of Services	27	407,133,092	347,551,912
	Employee benefits expense	28	490,842,082	373,438,136
	Finance costs	29	250,753,738	208,262,854
	Depreciation and amortisation expense	30	94,633,255	76,450,030
	Other expenses	31	513,121,135	443,776,469
	Total expenses (IV)		2,011,896,087	1,661,414,484
V	**Profit/(loss) before tax (III-IV)**		**(451,505,077)**	**(171,072,080)**
VI	Tax expense			
	Deferred tax	32	-	(14,319,990)
			-	(14,319,990)
VII	**Profit (Loss) for the period from continuing operations (V-VI)**		**(451,505,077)**	**(156,752,090)**
VIII	**Profit/(loss) from Discontinued operations (after tax)**		-	-
IX	**Profit/(loss) for the period (VII+VIII)**		**(451,505,077)**	**(156,752,090)**
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)		-	(715,049)
	(b) Equity instruments through other comprehensive income		512,405	(4,757,984)
			512,405	**(5,473,033)**
XI	**Total comprehensive income for the year (IX+X)**		**(450,992,672)**	**(162,225,123)**
	Earnings per equity share	34		
	Basic (in Rs.)		(6.02)	(3.28)
	Diluted (in Rs.)		(5.98)	(3.22)

See accompanying notes to the financial statements

In terms of our report attached
For Karra & Co.,
Chartered Accountants
ICAI Firm Regn No: 001749S

F.R.N. 001749S "ANUGRAHA" No. 28, Murray's Gate Rd, Alwarpet, Chennai-18. Karra & Co. Chartered Accountants

V. Venkateswara Rao
Partner
Membership No: 022370

Place : Hyderabad
Date :

For and on behalf of the Board of Directors

Sangita Reddy
Managing Director

Krishnan Akhileswaran
Director

C V Ram
Chief Financial Officer

D V Sivaram
Company Secretary

Apollo Health and Lifestyle Limited

APOLLO HEALTH AND LIFESTYLE LIMITED
Cash Flow Statement as on March 31, 2017
All amounts are in Rs unless otherwise stated

	Year ended 31 March 2017	Year ended 31 March 2016
Cash flows from operating activities		
Profit before tax for the year	(451,505,077)	(171,072,080)
Adjustments for:		
Income tax expense recognised in profit or loss		
Finance costs recognised in profit or loss	250,753,738	208,262,854
Investment income recognised in profit or loss	(210,952,140)	(163,569,100)
Depreciation and amortisation of non-current assets	94,633,255	76,450,030
Movements in working capital:		
Increase in trade and other receivables	90,579,428	(31,560,951)
(Increase)/decrease in inventories	(16,368,720)	(12,082,281)
(Increase)/decrease in other assets	110,850,466	(221,379,489)
(increase)/Decrease in trade and other payables	(15,692,937)	350,581,440
Increase/(decrease) in provisions	420,647	1,032,920
(Decrease)/increase in other liabilities	(87,275,770)	79,668,369
Deffered Tax Net of taxes	374,098	
Cash generated from operations	(234,183,011)	116,331,711
Income taxes paid	-	-
Net cash generated by operating activities	(234,183,011)	116,331,711
Cash flows from investing activities		
Interest received	210,952,140	163,569,100
Amounts advanced to related parties (Non Current)	2,055,345,608	(1,457,790,050)
Proceeds/Payment from property, plant and equipment	(136,912,414)	29,082,153
Proceed for Capital WIP	(9,778,049)	18,898,102
Increase in other Non Current Assets	2,211,956	1,993,999
Payments for intangible assets	(1,219,839)	(326,076)
Net cash outflow on investment	(5,410,610,841)	(524,830,419)
Net cash (used in)/generated by investing activities	(3,290,011,440)	(1,769,403,191)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	6,101,480,140	642,454,160
Payment for share issue costs	(51,854,286)	-
Proceeds from borrowings	1,117,500,000	2,396,350,000
Repayment of borrowings	(3,011,050,000)	(1,220,000,000)
Interest paid	(250,753,738)	(208,262,854)
Net cash used in financing activities	3,905,322,116	1,610,541,306
Net increase in cash and cash equivalents	381,127,665	(42,530,173)
Cash and cash equivalents at the beginning of the year	63,352,951	105,883,124
Cash and cash equivalents at the end of the year	444,480,616	63,352,951

In terms of our report attached
For Karra & Co.,
Chartered Accountants
ICAI Firm Regn No: 001749S

KARRA & CO. Chartered Accountants F.R.N. 001749S "ANUGRAHA" No. 28, Murray's Gate Rd, Alwarpet, Chennai-18.

V. Venkateswara Rao
Partner
Membership No: 022370

Place : Hyderabad
Date :

For and on behalf of the Board of Directors

Sangita Reddy
Managing Director

Krishnan Akhileswaran
Director

C V Ram
Chief Financial Officer

D V Sivaram
Company Secretary

Apollo Health and Lifestyle Limited

1 General Information

Apollo Health and lifestyle Limited ('the Company') is a public Company incorporated in India. The address of its registered office and principal place of business are disclosed in the introduction to the annual report. The main business of the Company is to enhance the quality of life of patients by providing comprehensive, high -quality healthcare services. The principal activities of the Company include operation of, clinics, diagnostic centres.

2 Application of new and revised Ind ASs

The financial statements of the company have been prepared in accordance with indian Accounting standard (Ind AS) notified under the Companies(Indian Accounting Standards) Rules 2015

3 Significant accounting policies

3.1 *Statement of compliance*

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015.

3.2 Basis of preparation and presentation

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

3.3 Revenue recognition

3.3.1 Rendering of services

Healthcare Services

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

The service revenues are presented net of related charges in cases where the company is not the primary obligor and does not have the pricing latitude.

Other Services

(i) Project Consultancy income is recognised as and when it becomes due, on percentage completion method, on achievement of milestones.
(ii) One time franchise fees is recognised based on the fullfillment of task and where ever bifurcation of total fee is absent over the period of the agreement.
(iii) Franchisee license fee is recognised on accrual basis as per contracts.
(iv) Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

3.3.2 Sale of Goods

Sale of goods are recognised when the risk and reward of ownership is passed to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates and loyalty points granted upon purchase and are stated net of returns and discounts wherever applicable

3.3.3 Loyalty Points

Sales of goods that result in award credits for customers, under the Company's Loyalty Points Schemes (Chronic card, Apollo One card, Apollo Hearts Schemes) are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value – the amount for which the award credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the award credits are redeemed and the Company's obligations have been fulfilled.

3.3.4 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.3.5 Rental income

The Company's policy for recognition of revenue from operating leases is described in note 3.3.7 below.

3.3.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.3.7 The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.3.8 The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.4 Foreign currencies

Foreign currency transactions are accounted at the excchange rate prevailling as on the date of invoice. Current Assets and Current Liabilities are converted at the rates prevailing as on the Balance sheet date

3.5 Borrowings and Borrowing costs

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

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

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.6 Employee benefits

3.6.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

The Company 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.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

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Apollo Health and Lifestyle Limited

3.6.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.7 Share-based payment arrangements

3.7.1 Share-based payment transactions of the Company

The company, have issued equity-settled share-based payments to employees and others providing similar services. These are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in notes to account.

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 Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company 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.

3.8 Taxation

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

3.8.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.8.2 Deferred tax

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.8.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.9 Property, plant and equipment

Land and buildings on lease mainly comprise hospitals,clinics and offices. Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Fixtures, plant and medical equipment are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred

No. 28, Murray's Gate Rd, Alwarpet, Chennai-18. Chartered Accountants

Apollo Health and Lifestyle Limited

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes all relevant costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Buildings (Leasehold)	Lease term or useful life whichever is lower
Medical Equipment	13 years
Equipment under finance lease	Lease term or useful life whichever is lower
Plant and Machinery	15 years
Electrical Installations & Equiment	10 years
Surgical Instruments	3 Years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers	3 years
Vehicles	8 - 10 years

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

For transition to Ind AS, the Company has elected to carrying value of the buildings, plant and equipment recognised as of April 1, 2015 as the deemed cost as of the transition date. For the other assets, it has applied Ind AS 16 retrospectively. The subsidiaries and other equity accounted entities within the Company have continued with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.
Accordingly, certain pre-operative costs have been charged off upon transition.

3.10 Intangible assets

3.10.1 Intangible assets acquired separately

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

3.10.2 Intangible assets acquired in a business combination

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

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

3.10.3 Derecognition of intangible assets

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

3.10.4 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Capitalised development	5 years
Patents	5 – 10 years
Trademarks	8 years
Software	3 years

3.10.5 Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

"ANUSHKA" No. 23, Murray's Gate Rd, Alwarpet, Chennai-18. Chartered Accountants

Apollo Health and Lifestyle Limited

3.11 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication, that the asset may be impaired.

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.

3.12 Inventories

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

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

3.13 Provisions

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

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

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

3.14 Other Provisions

Other provisions (including third-party payments for malpractice claims) which are not covered by insurance and other costs for legal claims are recognised based on legal opinions and management judgment.

3.15 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income 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 'Reserve for 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 Company 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 hedging instrument or a financial guarantee.

The Company has equity investments in two entities which are not held for trading. The Company has elected the FVTOCI irrevocable option for both of these investments (see note 12.1). Fair value is determined in the manner described.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

3.16 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, 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 Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.
The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

3.17 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.18 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

3.19 Financial liabilities and equity instruments

3.19.1 Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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3.19.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.
Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.19.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.
At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.
The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.
Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

3.19.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.
However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

3.19.5 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.
A financial liability is classified as held for trading if:

· it has been incurred principally for the purpose of repurchasing it in the near term; or
· on initial recognition it is part of a portfolio of identified financial instruments that the Company 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 hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

· such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
· the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
· it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.
Fair value is determined in the manner described in note 52.

3.19.6 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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3.19.7 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

3.19.8 *Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.20 First-time adoption – mandatory exceptions, optional exemptions

3.20.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

3.20.2 Deemed cost for property, plant and equipment, investment property, and intangible assets

For transition to Ind AS, the Company has elected to adopt carrying value of the Property, plant and equipment recognised as of April 1, 2015 as the deemed cost as of the transition date.

3.20.3 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

3.20.4 Equity investments at FVTOCI

The Company has designated investment in equity shares of Health Super Highway Limited as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

3.20.5 Share based payments – Fair value of the option as per the black scholes model is applied only on the unvested options as at the transition date

3.20.6 Investment in subsidiaries, associates and JV are taken at cost as at transition date by virtue of Ind AS 27

4 Key sources of estimation uncertainty

Accounting policies have been followed with respect to estimation uncertainty including impairment of goodwill, useful life of equipment and fair value measurements,etc., at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.1 Litigations

The Company has no ongoing litigtions, the results of which would significantly affect its operations and profitability.

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5 Property, plant and equipment and capital work-in-progress

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Carrying amounts of:			
Computer & Accessories	17,209,150	12,827,706	9,114,410
Electrical Installations	35,651,505	36,460,442	52,208,378
Buildings - Leasehold	213,812,746	175,623,426	197,403,351
Medical Equipment - Freehold	151,331,537	148,556,715	202,593,876
Plant & Equipment	7,515,368	8,309,316	17,231,073
Office Equipment	32,728,714	30,957,992	36,272,879
Furniture and Fixtures	24,877,733	27,779,986	30,063,436
Vehicles	337,381	669,392	1,829,755
	483,464,135	**441,184,975**	**546,717,158**
Capital work-in-progress	11,570,883	1,792,835	20,690,936
	495,035,018	**442,977,809**	**567,408,094**

Description of Assets	Computer & Accessories	Electrical Installations	Buildings - Leasehold	Medical Equipment - Freehold	Plant & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
Cost or deemed cost	36,726,834	67,349,336	278,013,675	255,032,078	21,539,481	52,825,706	38,508,629	3,438,737	**753,434,476**
As at 1 April, 2015	27,612,424	15,140,958	80,610,324	52,438,202	4,308,408	16,552,827	8,445,193	1,608,982	**206,717,318**
Deemed Cost as at 1 April, 2015	9,114,410	52,208,378	197,403,351	202,593,876	17,231,073	36,272,879	30,063,436	1,829,755	**546,717,158**
Additions	11,240,129	3,495,453	71,846,002	43,372,526	1,537,001	18,381,281	7,747,607	-	**157,619,999**
Disposals	(3,778,299)	(19,217,564)	(87,259,444)	(98,857,789)	(11,490,489)	(14,358,290)	(9,888,540)	(1,074,280)	**(245,924,695)**
Acquisitions through business combinations	1,271,402	2,506,922	-	8,213,065	-	1,870,034	3,760,139	-	**17,621,562**
Balance as at 31 March, 2016	**17,847,642**	**38,993,189**	**181,989,909**	**155,321,678**	**7,277,585**	**42,165,904**	**31,682,642**	**755,475**	476,034,024
Additions	13,421,980	7,296,018	78,644,303	24,593,824		14,741,454	5,086,460		**143,784,039**
Disposals	(215,356)	(2,498,320)	(16,204,144)	(6,027,280)		(1,091,904)	(1,290,120)	(1,560,828)	**(28,887,951)**
Others [describe]									-
Balance as at 31 March, 2017	**13,206,624**	**4,797,698**	**62,440,159**	**18,566,544**	-	**13,649,550**	**3,796,340**	**(1,560,828)**	114,896,087
II. Accumulated depreciation and impairment									
Balance as at 1 April, 2015									-
Eliminated on disposal of assets	(1,774,508)	(3,847,507)	(19,427,750)	(12,251,628)	(1,828,859)	(1,588,482)	(1,349,966)	(340,256)	**(42,408,955)**
Depreciation on BTA	1,196,676	962,848		2,977,781		1,707,123	1,660,769		**8,505,197**
Depreciation expense	5,597,768	5,417,405	25,794,233	16,038,810	797,128	11,089,271	3,591,853	426,338	**68,752,807**
Others [describe]									
Balance as at 31 March, 2016	**5,019,936**	**2,532,747**	**6,366,483**	**6,764,963**	**(1,031,731)**	**11,207,912**	**3,902,657**	**86,083**	34,849,049
Eliminated on disposal of assets	(16,168)	(913,541)	(6,353,154)	(2,948,361)	-	(534,340)	(633,511)	(1,560,828)	**(12,959,903)**
Depreciation expense	7,411,558	6,520,176	30,603,993	18,740,083	793,948	12,413,168	7,332,104	332,011	**84,147,040**
Others [describe]	1,429,790	-	-	-	-	-	-	-	**1,429,790**
Balance as at 31 March, 2017	**8,825,180**	**5,606,635**	**24,250,839**	**15,791,722**	**793,948**	**11,878,828**	**6,698,592**	**(1,228,817)**	72,616,928
Carrying Amount	-	-	-	-	-	-	-	-	-
Balance at April 1, 2015	9,114,410	52,208,378	197,403,351	202,593,876	17,231,073	36,272,879	30,063,436	1,829,755	546,717,158
Additions	11,240,129	3,495,453	71,846,002	43,372,526	1,537,001	18,381,281	7,747,607	-	157,619,999
Disposals	(3,778,299)	(19,217,564)	(87,259,444)	(98,857,789)	(11,490,489)	(14,358,290)	(9,888,540)	(1,074,280)	(245,924,695)
Acquisitions through Business Combinations	1,271,402	2,506,922	-	8,213,065	-	1,870,034	3,760,139	-	17,621,562
Depreciation Expense	(5,019,936)	(2,532,747)	(6,366,483)	(6,764,963)	1,031,731	(11,207,912)	(3,902,657)	(86,083)	(34,849,049)
Balance at March 31, 2016	12,827,706	36,460,442	175,623,426	148,556,715	8,309,316	30,957,992	27,779,986	669,392	441,184,975
Additions	13,421,980	7,296,018	78,644,303	24,593,824	-	14,741,454	5,086,460	-	143,784,039
Disposals	(215,356)	(2,498,320)	(16,204,144)	(6,027,280)	-	(1,091,904)	(1,290,120)	(1,560,828)	(28,887,951)
Acquisitions through Business Combinations	-	-	-	-	-	-	-	-	-
Depreciation Expense	(8,825,180)	(5,606,635)	(24,250,839)	(15,791,722)	(793,948)	(11,878,828)	(6,698,592)	1,228,817	(72,616,928)
Impairment losses recognised in profit or loss									
Balance at March 31, 2017	17,209,150	35,651,505	213,812,746	151,331,537	7,515,368	32,728,714	24,877,733	337,381	483,464,135

6 Other intangible Assets

	31-Mar-17	31-Mar-16	1-Apr-15
Carrying amounts of :			
Capitalised development	-	-	-
Computer software	21,497,638	16,165,439	11,727,003
Non compete Fee	-	-	-
Trademarks	31,399	4,143,759	8,256,119
Others	-	-	-
	21,529,037	**20,309,198**	**19,983,122**

	Computer Software	Non-Compete Fees	Trade Marks	Total
Deemed Cost as at 1 April, 2015	11,727,003	-	8,256,119	19,983,122
Additions	8,329,478	-	-	**8,329,478**
Disposals	(232,010)	-	-	**(232,010)**
Others (decribe)	-	-	-	-
Balance as at 31 March, 2016	19,824,471	-	8,256,119	28,080,590
Additions from separate acquisitions	10,335,733	-	-	**10,335,733**
Disposals or classified as held for sale	(60,970)	-	-	**(60,970)**
Others (decribe)	-	-	-	-
Balance as at 31 March, 2017	30,099,234	-	8,256,119	**38,355,353**
II. Accumulated depreciation and impairment				
Balance as at 1 April, 2015				
Amortisation expense for the year	3,584,863	-	4,112,360	**7,697,223**
Amortisation through BTA	146,229			**146,229**
Disposals	(72,060)	-	-	**(72,060)**
Others [describe]	-	-	-	-
Balance as at 31 March, 2016	3,659,032	-	4,112,360	7,771,392
Amortisation expense for the year	6,373,853	-	4,112,360	**10,486,213**
Disposals or classified as held for sale	(1,500)	-	-	**(1,500)**
Others [describe]	(1,429,789)	-	-	**(1,429,789)**
Balance as at 31 March, 2017	4,942,564	-	4,112,360	**9,054,924**
Carrying amount				
Balance at April 1, 2015	11,727,003	-	8,256,119	19,983,122
Additions	8,329,478	-	-	**8,329,478**
Disposals	(232,010)			**(232,010)**
Amortisation	(3,659,032)	-	(4,112,360)	**(7,771,392)**
Balance at March 31, 2016	16,165,439	-	4,143,759	20,309,198
Additions	10,335,733	-	-	10,335,733
Disposals	(60,970)	-	-	(60,970)
Amortisation	(4,942,564)	-	(4,112,360)	(9,054,924)
Amortisation expense	-	-	-	-
Balance at March 31, 2017	21,497,638	-	31,399	**21,529,037**

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7 Investments in subsidaries

Break-up of investments in subsidaries (carrying amount determined using the equity method of accounting)

Particular	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Qty	Amounts*	Qty	Amounts*	Qty	Amounts*
Unquoted Investments (all fully paid)	-	-	-	-	-	-
Apollo Koramangala Cradle Limited	-	-	-	-	1,963,546	191,860,000
Apollo Sugar Clinics Limited	2,934,340	238,861,520	2,934,340	238,861,520	2,934,340	238,861,520
Apollo Cosmetic Surgical Centre Pvt Ltd	-	-	4,098,360	48,309,198	2,851,412	28,514,120
Akeso Healthcare Private Limited	-	-	1,370,000	81,828,800	1,370,000	81,828,800
Alliance Dental Care Limited	2,647,614	468,419,542	2,647,606	394,919,538	-	-
Apollo Dialysis Private Limited	2,593,112	23,952,478	2,593,105	16,952,478	-	-
Apollo Specialty Hospitals Pvt Ltd	251,594	5,428,077,107	50,000	52,056,508	50,000	500,000
Total Aggregate Unquoted Investments	8,426,660	6,159,310,647	13,693,411	832,928,042	9,169,298	541,564,440

8 Other investments

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Qty	Amounts	Qty	Amounts	Qty	Amounts
Non-Current						
UnQuoted Investments (all fully paid)						
(a) Investments in Equity Instruments						
Health Super Hiway Pvt.Ltd.	201,000	5,078,853	201,000	4,566,448	201,000	9,324,431
Sunrise Medicare Pvt.Ltd	78	1,776	78	1,776	78	1,776
Debentures	-	-	-	-	-	-
Total Aggregate UnQuoted Investments (A)	**201,078**	**5,080,629**	**201,078**	**4,568,224**	**201,078**	**9,326,207**
Quoted Investments (all fully paid) (B)	-	-	-	-	-	-
Total Current Investments (A) + (B)	201,078	5,080,629	201,078	4,568,224	201,078	9,326,207

8.1 Category-wise other investments - as per Ind AS 109 classification

	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Financial Assets measured at FVTOCI(Equity investments)			
Equity instruments - Equity Shares	-	-	-
Health Super Hiway Pvt.Ltd.	5,078,853	4,566,448	9,324,431
Sunrise Medicare Pvt.Ltd	1,776	1,776	1,776
	5,080,629	4,568,224	9,326,207

9 Trade receivables

	31-Mar-17		31-Mar-16		1-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Unsecured, considered good	-	214,383,729	-	286,596,798	-	214,364,905
Doubtful	-	(89,340,963)	-	(70,974,604)	-	(30,303,662)
	-	125,042,766	-	215,622,194	-	184,061,243

i. Confirmations of balances from Debtors, Creditors are yet to be received in a few cases though the group has sent letters of confirmation to them. The balances adopted are as appearing in the books of accounts of the group.
ii. Sundry Debtors represent the debt outstanding on sale of pharmaceutical products, hospital services and project consultancy fees and is considered good. The group holds no other securities other than the personal security of the debtors.
iii. Advances and deposits represent the advances recoverable in case or in kind or for value to be realised. The amounts of these advances and deposits are considered good for which the group holds no security other than the personal security of the debtors.

Out of total Trade receivables of Rs. 125,042,766, Rs.42,619,265 is receivable from group companies. No interest is charged on the delayed receivables

10 Loans

	31-Mar-17		31-Mar-16		1-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
a) Loans to related parties						
Unsecured, considered good	1,944,442	-	2,057,290,050	-	599,500,000	-
Total	1,944,442	-	2,057,290,050	-	599,500,000	-

11 Other Financial Assets

	31-Mar-17		31-Mar-16		1-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Security deposits	80,749,572	-	72,564,734	-	90,451,647	
Accrued Interest receivable from Related parties	-	17,662		160,252,157		9,549,937
Accrued Interest on Bank deposits	-	-	-	1,044,634	-	997,324
	80,749,572	**17,662**	**72,564,734**	**161,296,791**	**90,451,647**	**10,547,261**

12 Inventories

	As at 3/31/2017	As at 3/31/2016	As at 4/1/2015
a) Inventories (lower of cost and net realisable value)			
Lab materials	40,323,227	23,954,507	11,872,226
	-	-	-
	40,323,227	23,954,507	11,872,226

The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs.255,412,785 (for the year ended March 31, 2016: Rs.211,935,083).

13 Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheet as follows:

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balances with Banks			
Balances with banks in deposit accounts	379,754,715	19,026,828	68,965,176
Balances with banks in current accounts	63,872,483	43,053,308	35,757,383
Cash on hand	853,418	1,272,815	1,160,565
Cash and cash equivalents as per balance sheet	444,480,616	63,352,951	105,883,124
Cash and cash equivalents as per consolidated statement of cash flows	444,480,616	63,352,951	105,883,124

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Specified bank notes disclosures(SBNs)
in accordance with MCA notification G.S.R (308E)dated March 30, 2017 deails of Specified Bank Notes(SBN) and other Denomination notes (ODN) held and transacted during the period from November 8, 2016 to December 31,2016 is given below:

	SBN	ODN	Total
Clossing cash on hand as on November 8, 2016	1,980,000	22,720	2,002,720
(+) Permitted Receipts	-	11,703,105	11,703,105
(-) Permitted payment			
(-) Amounts depoisted in banks	1,980,000	11,095,074	13,075,074
Clossing Cash on hand as on December 31, 2016	-	630,751	630,751

14 Other Assets

	31-Mar-17		31-Mar-16		1-Apr-15	
	Non Current	Current	Non Current	Current	Non Current	Current
Capital Advances	-	-	1,521,644		1,521,644	-
Balances with Statuory Authorities	6,020,208	-	6,020,208		6,035,208	-
Prepaid Expenses		5,379,346		4,821,487	1,052,979	1,142,257
Vendor Advances	700,904	7,558,024	1,391,216	39,416,812	2,317,236	-
Employee advances	-	2,047,698		2,068,425	-	2,248,408
	6,721,112	14,985,070	8,933,068	46,306,723	10,927,067	3,390,665

15 Equity Share Capital

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Equity share capital	-		
Authorised Share capital :	1,200,000,000	700,000,000	500,000,000
120,000,000 Equity Shares of Rs. 10 Eachfully paid equity shares of Re.10 each			
Issued and subscribed capital comprises:			
109,613,577 fully paid equity shares of Re.10 each (as at March 31, 2016: 63,731,450; as at April 1, 2015: 41,969,796)	1,096,135,770	637,314,500	419,697,960
	1,096,135,770	637,314,500	419,697,960

15.1 Fully paid equity shares

	Number of shares	Share capital (Amount)
Balance at April 1, 2015	41,969,796	419,697,960
Issued during the year	21,761,654	217,616,540
Balance at March 31, 2016	63,731,450	637,314,500
Issue of shares during the year	45,692,789	456,927,890
Issue of shares under the Company's employee share option plan (Refer Note 37)	189,338	1,893,380
Balance at March 31, 2017	109,613,577	1,096,135,770

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.
The fair value of shares issued for consulting services was determined by reference to the market rate for similar consulting services.

15.2 Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares						
Apollo Hospitals Enterprise Ltd	75,239,798	68.64	63,278,029	99.29	41,969,726	99.99
International Finance Corporation	16,865,510	15.39				
IFC EAF Apollo Investment Company	16,865,510	15.39				

16 Other equity excluding non-controlling interests

	Note	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Securities premium reserve	16.1	6,858,556,867	1,267,752,283	832,519,203
Reserve for comprehensive income	16.2	(4,960,628)	(5,473,033)	-
Deemed Capital Contribution from ASH		239,727,035	239,727,035	
Deemed Distribution to AHEL		(467,720,820)	(467,720,820)	
Retained earnings	16.3	(1,250,330,743)	(714,085,026)	(557,332,936)
Ind AS Translation Reserve		(21,465,295)	(21,465,295)	(21,465,295)
		5,353,806,417	298,735,144	253,720,972

16.1 Securities premium reserve

	Year ended 31 March 2017	Year ended 31 March 2016
Balance at beginning of year	1,267,752,283	832,519,203
Share premium on allotment of shares during the year	5,642,658,870	435,233,080
Less: Cost incurred for issue of shares	(51,854,286)	-
Balance at end of year	6,858,556,867	1,267,752,283

16.2 Reserve for equity instruments through other comprehensive income

	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at beginning of year	(5,473,033)	-
Net fair value gain on investments in debt instruments at FVTOCI	-	(4,757,984)
Remeasurements of the defined benefit liabilities / (asset)	512,405	(715,049)
Balance at end of year	(4,960,628)	(5,473,033)

16.3 Retained earnings

	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at beginning of year	(714,085,026)	(557,332,936)
Profit attributable to owners of the Company	(451,505,077)	(156,752,090)
Others	(84,740,640)	-
Balance at end of year	(1,250,330,743)	(714,085,026)

17 Borrowings

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Unsecured - at amortised cost						
(i) Bonds / debentures	8,800,000	-	9,550,000	-	-	-
(ii) Loans from related parties	-	-	645,800,000	-	829,000,000	
	-	-	-	-	-	-
Secured - at amortised cost			-	-	-	-
(ii) Term loans	-	-	-	-	-	-
from banks	510,000,000	-	1,757,000,000		407,000,000	-
Less: Unamortised borrowing costs	(1,966,983)		(12,978,919)		(5,092,629)	-
Total	516,833,017	-	2,399,371,081	-	1,230,907,371	-

17.1 Summary of borrowing arrangements

(i) The terms of repayment of term loans and other loans are stated below.

As at March 31, 2017

Particluars	Amount Outstanding	Terms of repayment	Rate of Interest
Borrowings from Related parties			
Apollo Hospitals Enterprise Limited	-		
Optionally convertible debentures (issued to the employees of the company with an option of convertible to equity shares)	8,800,000.00	issued to the Executive committee of the company	
Yes Bank Ltd (Against the Capex purchase, the interest rate on this loan is 9.60% as on March 31, 2017)	510,000,000	Tenure of 120 months with monitorium of 36 months from the date of 1st disbursement with repayment in 28 Quarterly Structured installments	9.60%

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As at March 31, 2016

Particluars	Amount Outstanding	Terms of repayment	Rate of Interest
Apollo Hosptials Enterprise Ltd	645,800,000	Bullet repayment at the end of 3 years unless converted earlier by the holder	11%
Optionally convertible debentures (issued to the employees of the company with an option of convertible to equity shares)	9,550,000	issued to the Executive committee of the company	
Yes Bank Ltd (Against the Capex purcahse the interest rate on this loan is 10.50%(Base rate 10.25% plus Margin 0.25%)	1,757,000,000	Tenure of 120 months with monitorium of 36 months from the date of 1st disbursement with repayment in 28 Quarterly Structured installments	10.50%

As at April 1, 2015

Particluars	Amount Outstanding	Terms of repayment	Rate of Interest
Apollo Hosptials Enterprise Ltd	829,000,000	Bullet repayment at the end of 5 years	11.00%
Yes Bank Ltd (Against the Capex purcahse the interest rate on this loan is 10.50%(Base rate 10.25% plus Margin 0.25%)	407,000,000	As per the sanction letter dated 22nd March 2016 the loan shall be repaid in 28 Quarterrly Structured installments after moratourium period of 36 months from the 1st disbursement	9.60% Previoous year 10.5%(Base rate of 10.25% Plus Margin 0.25%

18 Other financial liabilities

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Non-current						
a) Interest accrued	-	3,155,199	-	7,953,226	-	3,888,801
c) Application money received for allotment of securities to the extent refundable and interest accrued thereon	-	-	-	40	-	
Salaries and wages payable		7,254,673	-	574,392	-	5,442,291
Doctor Consultation payable		-	-	(26,734)	-	11,748,452
Other Deposits			-	-	-	-
Contingent consideration	-	-		-	-	-
Liability on right options			-	91,955,160	-	-
Financial guarantee contracts	-	-				
			-	-	-	-
Total	-	10,409,872	-	100,456,084	-	21,079,544

Notes
(i) During the year 2015-16, the group transferred 33% in Apollo Speciality Hospitals Limited to KKR Debt Funds. KKR Debt Funds hold an option to put back the said shares to IHCL at the end of a 2 year period at a guaranteed IRR of 18%p.a. The group holds a first right to buy these shares from KKR when the put/call option is excercised. The management intends to excercise this option and accordingly, the amount received from KKR upon the transfer of shares has been recognised as a financial liability carried at amortised cost.

19 Provisions

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Employee benefits (i)	8,059,361	-	6,602,257	1,036,457	6,605,794	-
Total	8,059,361	-	6,602,257	1,036,457	6,605,794	-

(i) The provision for employee benefits includes annual leave and vested long service leave and gratuity entitlements accrued and compensation claims made by employees.

20 Deferred tax balances

	As at 3/31/2017	As at 3/31/2016	As at 4/1/2015
Deferred Tax Assets	-	-	-
Deferred Tax Liabilities	11,511,118	11,137,020	25,457,010
Total	11,511,118	11,137,020	25,457,010

21 Other Liabilities

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Others		1,961,814	-	40,500		520,710
Statutory Liabilities		18,313,182		17,464,055		16,692,015
Total	-	20,274,996	-	17,504,555	-	17,212,725

22 Trade Payables

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Trade payables	616,445,091	632,138,028	281,556,588
		-	-
Total	616,445,091	632,138,028	281,556,588

a) Above mentioned trade payables for all 3 years includes Rs.985,250/- which is to be transferred to Investor Education and Protection Fund.

23 Current tax assets and liabilities

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Current tax assets			
Tax refund receivable	238,255,845	154,190,836	115,198,380
	238,255,845	154,190,836	115,198,380
Current tax liabilities			
Income tax payable	-	-	3,480,052
	-	-	3,480,052
Total	238,255,845	154,190,836	111,718,329

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24 Revenue from Operations

The following is an analysis of the Company revenue for the year (excluding other income-see note 25)

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Revenue from rendering of Healthcare Services	1,225,297,131	953,562,373
b) Income from licence fees and consultancy services	105,190,864	108,090,819
	1,330,487,995	1,061,653,192

25 Other Income

a) Interest income

	Year ended March 31, 2017	Year ended March 31, 2016
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits	210,952,140	163,569,100
	210,952,140	163,569,100

b) Other non-operating income (net of expenses directly attributable to such income)

Rental income	6,167,367	6,698,916
Sale of Scrap	97,992	168,265
Commission on Pharmacy Revenue	13,488,719	10,781,616
Miscellanious income	14,317,140	20,651,146
	34,071,218	**38,299,943**

c) Other gains and losses

Gain/ (loss) on disposal of property, plant and equipment	(15,120,342)	(11,204,789)
Net gain/(loss) arising on financial assets	-	238,024,958
	(15,120,342)	226,820,169
Total Other Income (a+b+c)	**229,903,016**	**428,689,212**

26 Cost of Materials Consumed	Year ended March 31, 2017	Year ended March 31, 2016
Medical Consumables	227,667,522	188,980,006
Printing & Stationery	27,745,264	22,955,077
	255,412,785	**211,935,083**

27 Cost of Services

	Year ended March 31, 2017	Year ended March 31, 2016
Fees to Consultants	126,616,700	111,905,727
Franchisee Service Charges	15,731,627	3,406,233
Outsourcing Expenses	77,954,138	58,225,169
Camp Expenses	984,740	753,447
Corporate Purchases	118,581,727	113,653,338
Logistics Charges	24,849,074	10,068,660
Retainership Fee Doctors	36,344,253	41,197,013
Service Excellence	2,572,330	4,862,092
Call Centre Expenses	3,498,503	3,480,234
	407,133,092	**347,551,912**

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28 Employee benefits expense

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	452,021,432	339,119,221
Contribution to provident and other funds	24,147,236	17,390,277
Staff welfare expenses	14,673,414	16,928,638
	490,842,082	**373,438,136**

29 Finance costs

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Interest costs:		
Interest on bank overdrafts and loans (other than those from related parties)	150,942,176	58,140,943
Interest on loans from related parties	85,111,430	146,421,272
Bank Charges	14,700,132	3,700,639
	250,753,738	**208,262,854**

30 Depreciation and amortisation expense

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of property, plant and equipment and amortisation	**94,633,255**	**76,450,030**
Total depreciation and amortisation expense	**94,633,255**	**76,450,030**

31 Other expenses

	Year ended March 31, 2017	Year ended March 31, 2016
Power and fuel	40,230,726	36,632,841
House Keeping Expenses	35,311,129	33,831,939
Water Charges	2,296,818	2,464,630
Rent	175,107,098	138,387,917
Repairs to Buildings	4,095,610	2,676,600
Repairs to Machinery	42,747,058	40,361,835
Office Maintenance & Others	9,046,642	1,642,860
Insurance	4,766,585	2,697,428
Rates and Taxes, excluding taxes on income	4,541,426	4,760,821
Printing & Stationery	2,370,057	553,682
Postage & Telegram	5,895,258	4,830,925
Director Sitting Fees	804,800	171,500
Advertisement, Publicity & Marketing	77,069,683	54,760,328
Travelling & Conveyance	29,284,584	30,356,950
Security Charges	6,037,762	5,920,898
Legal & Professional Fees	31,919,214	22,089,680
Seminar Expenses	3,126,410	2,896,325
Recruitment Charges	2,972,782	7,961,735
Telephone Expenses	19,553,853	17,906,490
Bad Debts Written off	1,474,370	1,114,079
Write off of Cash & Card collections	-	387,802
Provision For Doubtful Advances	-	926,020
Provision For Doubtful Deposits	-	3,500,086
Provision For Doubtful Debts	10,954,429	24,100,234
Interest on delayed statutory payments	65,900	104,129
Miscellaneous expenses	2,614,041	2,078,736
	512,286,235	**443,116,469**

31.1 Payments to auditors

a) For audit	695,750	550,000
b) For taxation matters	139,150	110,000
	834,900	**660,000**

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32 Income taxes relating to continuing operations

32.1 Income tax recognised in profit or loss

	-	-
Current tax		
In respect of the current year	-	-
	-	-
Deferred tax		
In respect of the current year	-	(14,319,990)
	-	
	-	(14,319,990)
Total income tax expense recognised in the current year	-	(14,319,990)

33 Segment information

33.1 Products and services from which reportable segments derive their revenues

The Directors of the company identified Cheif Executive Offier(CEO) of the company as Chief Operting Decision Maker (CODM).
Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the model of healthcare services delivered. The directors of the Company have chosen to organise the company around differences in products and services. Accordingly, Clinics and Diagnostics have been identified as the operating segments. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Clinics segment includes franchise business, company owned clinics in various cities within India, each of which is separately reviewed by the CODM. For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment taking into account the following factors:

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

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:

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

b. Inter segment revenue and expenses are eliminated.

33.2 Segment revenues and results

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

	Segment Revenue		Segment Profit	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Clinics	1,065,130,692	1,006,776,340	(155,531,811)	(397,459,223)
Dignostics	538,729,037	292,830,532	(53,105,886)	11,516,322
Others	-	-	(222,016,657)	(5,481,028)
Total	**1,603,859,729**	**1,299,606,872**	**(430,654,355)**	**(391,423,929)**
Less: Inter Segment Revenue	(273,371,734)	(237,953,680)		
Total for continuing operations	**1,330,487,995**	**1,061,653,192**	**(430,654,355)**	**(391,423,929)**
Other income			229,903,016	428,689,212
Finance costs			250,753,738	208,337,363
Profit before tax (continuing operations)			(451,505,077)	(171,072,080)

33.3 Segment assets and liabilities

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Segment Assets			
Clinics	777,759,832	1,565,427,974	1,393,043,275
Dignostics	235,821,636	90,023,225	-
Head office	6,619,894,173	2,448,843,927	873,590,149
Total Segment Assets	7,633,475,642	4,104,295,126	2,266,633,424
Unallocated	-	-	-
Consolidated total assets	7,633,475,642	4,104,295,126	2,266,633,424
Segment liabilities			
Clinics	777,759,832	1,565,427,974	1,393,043,275
Dignostics	235,821,636	90,023,225	-
Head office	6,619,894,173	2,448,843,927	873,590,149
Total Segment liabilities	7,633,475,642	4,104,295,126	2,266,633,424
Unallocated	-	-	-
Consolidated total liabilities	7,633,475,642	4,104,295,126	2,266,633,424

For the purposes of monitoring segment performance and allocating resources between segments:

33.4 Other segment information

	Depreciation and Amortisation		Addition to Non Current Assets	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Clinics	82,582,139	72,830,778	89,945,290	126,622,818
Dignostics	12,051,116	3,619,252	64,174,482	56,948,221
	94,633,255	76,450,030	154,119,772	183,571,039

33.5 Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.	31-Mar-17	31-Mar-16
Health care	1,225,297,131	953,562,373
Consultancy charges	105,190,864	108,090,819
	1,330,487,995	1,061,653,192

33.6 Information about major customers

No single customers contributed 10% or more to the Company's revenue for both 2016-2017 and 2015-2016.

34 Earnings per Share

	31-Mar-17	31-Mar-16
Basic earnings per share	(6.02)	(3.28)
Diluted earnings per share	(5.98)	(3.22)

34.1 Basic earnings per share (6.02) (3.28)

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Profit for the year attributable to owners of the Company	(451,505,077)	(162,225,123)

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Weighted average number of equity shares for the purposes of basic earnings per share	75,031,267	49,503,309

34.2 **Diluted earnings per share**

Diluted earnings per share	(5.98)	(3.22)

The earnings used in the calculation of diluted earnings per share are as follows.

Earnings used in the calculation of basic earnings per share	(451,505,077)	(162,225,123)

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Weighted average number of equity shares used in thecalculation of basic earnings per share	75,031,267	49,503,309
Shares deemed to be issued		
- employee (Stock options & Convertible Debentures)	417,840	954,993
Weighted average number of equity shares used in the calculation of diluted earnings per share	75,449,107	50,458,302

35 Employee benefit plans

35.1 Defined benefit Plans(Gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017 by Mr.K.V.Y Sastry Fellow of the Institute of Actuaries of London.

The principal assumptions used for the purposes of the actuarial valuations were as follows.	Valuation as at		
	31-Mar-17	31-Mar-16	1-Apr-15
Discount rate(s)	8%	8%	8%
Expected rate(s) of salary increase	5%	5%	4%
Average longevity at retirement age for current beneficiaries of the plan (years)*	28.22	28.20	27.71

Amounts recognised in statement of profit and loss in respect of These defined benefit plans are as follows.	31-Mar-17	31-Mar-16
Service cost: •		
Current service cost	2,146,101	1,195,869
Past service cost and (gain)/loss from settlements	1,109,162	715,049
Net interest expense	234,707	75,772
Components of defined benefit costs recognised in profit or loss	**3,489,970**	**1,986,690**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss.
The remeasurement of the net defined benefit liability is included in other comprehensive income.

Movements in the present value of the defined benefit obligation are as follows.	31-Mar-17	31-Mar-16
Opening defined benefit obligation	2,933,838	947,148
Current service cost	2,146,101	75,772
Interest cost	234,707	1,195,869
Actuarial gains and losses arising from experience adjustments	1,109,162	715,049
Benefits paid	(1,207,097)	-
Closing defined benefit obligation	**5,216,711**	**2,933,838**

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36 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

36.1 Reconciliation of Level 3 fair value measurements

Particulars	Unlisted shares irrevocably designated as at FVTOCI	Others [describe]	Total
For the year ended March 31, 2017			
Opening balance	4,568,223	-	-
Total gains or losses:			-
- in other comprehensive income	512,405	-	-
		-	-
Closing balance	**5,080,628**	**-**	**-**
For the year ended March 31, 2016			
Opening balance	9,326,207	-	9,326,207
Total gains or losses:			-
- in profit or loss	-	-	-
- in other comprehensive income	(4,757,984)	-	(4,757,984)
Purchases	-	-	-
Issues	-	-	-
Disposals/settlements	-	-	-
Transfers out of level 3	-	-	-
			-
Closing balance	**4,568,223**	**-**	**4,568,223**

All gains and losses included in other comprehensive income relate to unlisted shares held at the end of the reporting period and are reported under "Equity instruments through other comprehensive income"

37 Share-based payments
Employee share option plan of the Company

Details of the employee share option plan of certain subsidiaries of the Company

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

Name of the Employee	ESOPs Granted	ESOPs Vested	ESOPs exercised	Exercise Price	Amount Paid
Mr. Sudhir M Diggikar	97,349	97,349	97,349	Rs.30	2,920,470
Mr.C.V. Ram	97,349	97,349	48,674	Rs.30	1,460,220
Total	**194,698**	**194,698**	**146,023**		**4,380,690**

Further Mr. Neeraj Garg, CEO of the Company has been granted Employee Stock Options of 3,30,000 (75% on time & 25% on performance) and 82,500 against the performance as per terms and conditions of his appointment letter dated 1st June 2013. Out of the ESOPs so granted the following table reflects the ESOPs granted, vested and exercised as on date:

Name of the Employee	ESOPs Granted [1]	ESOPs Vested	ESOPs exercised	Exercise Price	Amount Paid
Mr. Neeraj Garg	330,000	247,500	247,500	Rs.30	7,425,000
Mr. Neeraj Garg	82,500	82,500	82,500	Rs.30	2,475,000

1. 82,500 options out of 3,30,000 option will vest on June 1, 2017

38 Related party transactions
Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, are disclosed below.

38. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, are disclosed below.

Name of the party	Nature of relationship
Apollo Hospitals Enterprise Limited	Holding Company
Apollo Sugar Clinics Limited	Subsidiary Company
Alliance Dental Care Limited	Subsidiary Company
Apollo Dialysis Private Limited	Subsidiary Company
Apollo Specialty Hospitals Private Limited	Subsidiary Company
Apollo Bangalore Cradles Limited	Stepdown Subsidiary Company
Kshema Healthcare Private Limited	Stepdown Subsidiary Company
Faber Sindoori Management Services Pvt Ltd	Associate Company
Mr. Neeraj Garg	Chief Executive Officer
Ms Sangita Reddy	Managing Director

b) Transactions & Balances with related parties

Name of the Entity	Nature of tranaction			2016-17		2015-16	
				Transactions	Balances	Transactions	Balances
Akeso Health care Private Limited	Cost of Service		1,630,758	1,630,758	-	1,642,490	1,630,758
Akeso Healthcare Private Limited	Franchisee Fee received			-	-	2,758,206	-
Akeso Healthcare Private Limited	Management Consultancy services provided			-	-	12,000,000	-
Alliance Dental Care Limited	Unsecured loan repaid		14,000,000	14,000,000	-	-	14,000,000
Alliance Dental Care Limited	Investments made	73,500,004	445,488,395	73,500,004	468,419,542	840,407,933	840,407,933
Alliance Dental Care Limited	Interest on unsecured loan	1,651,923	1,819,183	1,651,923	-	456,439	167,260
Alliance Dental Care Limited	Consultant Fees	18,020,630	22,109,051	22,109,051	3,057,493	19,551,285	1,030,928
Alliance Dental Care Limited	Rental income	951,600	940,950	951,600	55,175	720,000	44,525
Alliance Dental Care Limited	Royalty charges	143,750	-	143,750	143,750	-	-
Apollo Bangalore Cradles Limited	Corporate Sales					385,005	-
Apollo Bangalore Cradles Limited	Lab outsourcing services provided		788,659	788,659	-	4,448,357	788,659
Apollo Dialysis Private Limited	Unsecured loan repaid	-	855,558	855,558	1,944,442	-	2,800,000
Apollo Dialysis Private Limited	Investments made	7,000,000	22,232,425	7,000,000	23,952,478	39,184,903	39,184,903
Apollo Dialysis Private Limited	Interest on unsecured loan	364,732	371,168	364,732	17,662	81,934	24,098
Apollo Dialysis Private Limited	Royalty charges	143,750	-	143,750	143,750	-	-
Apollo Hospitals Enterprise Limited	Unsecured loan taken		950,000,000	950,000,000	-	1,036,800,000	-
Apollo Hospitals Enterprise Limited	Unsecured loan repaid	1,595,800,000		1,595,800,000	-	1,220,000,000	645,800,000
Apollo Hospitals Enterprise Limited	Security Deposit	3,976,461		3,976,461	35,144,979	-	31,168,518
Apollo Hospitals Enterprise Limited	Purchase of medicines	64,978,435	31,113,517	31,113,517	5,544,826	26,767,434	39,409,745
Apollo Hospitals Enterprise Limited	Interest on unsecured loan	440,000	77,040,287	77,040,287	290,264,093	131,779,144	213,663,806
Apollo Hospitals Enterprise Limited	Lab Outsourcing services availed/rendered	35,770	8,500,000	8,500,000	8,464,230	4,448,357	-
Apollo Hospitals Enterprise Limited	Legal and Professiona Charges			-	-	521,250	-
Apollo Hospitals Enterprise Limited	Consultancy Fees	1,934,885	524,375	524,375	131,250		1,541,760
Apollo Hospitals Enterprise Limited	Commission on pharmcy	15,507,593	44,786,444	15,507,593	5,536,186	6,963,537	34,815,037
Apollo Specialty Hospitals Private Limited	Unsecured loan given	946,034,850	-	946,034,850	-	1,220,000,000	2,040,490,050
Apollo Specialty Hospitals Private Limited	Unsecured loan repaid	-	2,986,524,900	2,806,524,899	-	-	-
Apollo Specialty Hospitals Private Limited	Investments made	5,467,975,759	-	5,467,975,759	5,520,032,267	51,556,508	52,056,508
Apollo Specialty Hospitals Private Limited	Interest on unsecured loan	220,831,624	380,892,423	220,831,624	-	150,510,862	160,060,799
Apollo Specialty Hospitals Private Limited	Cost of Service	26,905,715	30,698,550	30,698,550	17,551,747	19,683,701	13,758,911
Apollo Specialty Hospitals Private Limited	Lab outsourcing services provided	80,617,571	58,988,407	80,617,571	26,049,208		4,420,044
Apollo Sugar Clinics Limited	Professional charges		6,268,045	6,268,045	6,268,045	-	-
Apollo Sugar Clinics Limited	IT sharing charges			1,750,000	-	1,870,000	-
Apollo Sugar Clinics Limited	Lab outsourcing services provided	3,462,690	4,587,202	23,304,474	1,645,375	3,053,251	-
Apollo Sugar Clinics Limited	CSA sharing charges	22,157,073	22,541,778	8,670,378	3,966,613	14,327,314	7,121,205
Faber Sindoori Management Services Pvt Ltd	Housekeeing and security services availed	29,906,575	32,059,706	32,059,706	11,159,387	30,042,844	9,006,256

39 Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Short-term benefits	33,127,116	17,654,700
Share-based payments	13,035,000	-
	46,162,116	17,654,700

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

40 Operating lease arrangements

40.1 The Company as lessee

Leasing arranangement

Operating leases relate to leases of land with lease terms of between 5-10 yrs . All operating lease contracts over 5 years contain clauses for 5-yearly market rental review .The company does not have an option to purchase the leased land at the expiry of the lease periods.

Payments recognised as an expense

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Minimum lease payments	175,107,098	138,387,917
	175,107,098	138,387,917

Non-cancellable operating lease commitments

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Not later than 1 year	18,963,060	16,392,335	5,765,590
Later than 1 year and not later than 5 years	29,591,663	43,381,325	54,600,261
Later than 5 years	-	5,173,399	10,346,798
	48,554,724	64,947,059	70,712,649

41 Commitments

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	36,019,769	142,090,000	-

42 Contingent liabilities

The company doesn't have uncovered material labilites as on the date of balance sheet

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43 First-time Ind AS adoption reconciliations

43.1 Effect of Ind AS adoption on the consolidated balance sheet as at March 31, 2016 and April 1, 2015

Particulars	As at 31/03/2016 Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	As at 01/04/2015 Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current assets						
Property, Plant and Equipment	441,184,975		441,184,975	546,717,158	-	546,717,158
Capital work-in-progress	1,792,835		1,792,835	20,690,936	-	20,690,936
Investment Property	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Other Intangible assets	20,309,198		20,309,198	19,983,122	-	19,983,122
Intangible assets under development	-		-	-	-	-
Financial Assets	-		-			-
(i) Investments	-		-	-	-	-
a) Investments in Subsidiaries	1,300,648,862	(467,720,820)	832,928,042	541,564,440	-	541,564,440
b) Investments in joint ventures	-		-	-	-	-
d) Other investments	2,011,776	2,556,448	4,568,224	2,011,776	7,314,431	9,326,207
(ii) Trade receivables	-		-	-		-
(iii) Loans	2,057,290,050		2,057,290,050	599,500,000		599,500,000
(iv) Other financial assets			-			-
(v) Other financial assets	74,920,619	(2,355,885)	72,564,734	91,588,920	(1,137,273)	90,451,647
Deferred tax assets (net)	-		-	-	-	-
Other non-current assets	8,933,068		8,933,068	10,927,067	-	10,927,067
Total Non - Current Assets	**3,907,091,381**	**(467,520,257)**	**3,439,571,124**	**1,832,983,418**	**6,177,158**	**1,839,160,577**
Current assets						
Inventories	23,954,507	-	23,954,507	11,872,226	-	11,872,226
Financial assets	-	-	-			-
(i) Investments	-	-	-	-	-	-
(ii) Trade receivables	309,210,108	(93,587,914)	215,622,194	254,971,703	(70,910,460)	184,061,243
(iii) Cash and cash equivalents	63,352,951		63,352,951	105,883,124	-	105,883,124
(iv) Bank balances other than (iii) above	-		-	-	-	-
(v) Loans	-		-	-	-	-
(vi) Finance lease receivables	-		-	-	-	-
(vii) Other financial assets	161,296,791		161,296,791	10,547,261		10,547,261
Current Tax Assets (Net)	154,190,836		154,190,836	111,718,329	-	111,718,329
Other current assets	44,064,141	2,242,582	46,306,723	2,337,686	1,052,979	3,390,665
Assets classified as held for sale	-		-			-
Total current assets	**756,069,333**	**(91,345,332)**	**664,724,001**	**497,330,329**	**(69,857,481)**	**427,472,847**
Total assets	**4,663,160,714**	**(558,865,589)**	**4,104,295,125**	**2,330,313,747**	**(63,680,323)**	**2,266,633,424**
Equity						
Equity Share capital	637,314,500	-	637,314,500	419,697,960	-	419,697,960
Convertible non-participating preference share capital	-	-	-	-	-	-
Share application pending allotment money			-	10,395,460		10,395,460
Redeemable Preference Shares	-	-	-	-	-	-
Other equity	901,431,996	(602,696,852)	298,735,144	275,186,267	(21,465,295)	253,720,972
Equity attributable to owners of the Company	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-
Total Equity (Shareholders funds under previous GAAP)	**1,538,746,496**	**(602,696,852)**	**936,049,644**	**705,279,687**	**(21,465,295)**	**683,814,392**
Minority Interest (Previous GAAP)	-	-	-	-	-	-
Non-current liabilities						
Financial Liabilities						
(i) Borrowings	2,412,350,000	(12,978,919)	2,399,371,081	1,236,000,000	(5,092,629)	1,230,907,371
(ii) Trade payables	-	-	-	-	-	-
(iii) Other financial liabilities	-	-	-	-	-	-
Provisions	6,602,257	-	6,602,257	6,605,794	-	6,605,794
Deferred tax liabilities (Net)	11,137,020	-	11,137,020	25,457,010	-	25,457,010
Other non-current liabilities	-	-	-	-	-	-
Total Non - Current Liabilities	**2,430,089,277**	**(12,978,919)**	**2,417,110,358**	**1,268,062,804**	**(5,092,629)**	**1,262,970,175**
Current liabilities						
Financial Liabilities						
(i) Borrowings	-	-	-	-	-	-
(ii) Trade payables	632,138,028		632,138,028	281,556,588	-	281,556,588
(iii) Other financial liabilities	8,500,924	91,955,160	100,456,084	21,079,544	-	21,079,544
Provisions	1,036,457	-	1,036,457	-	-	-
Current Tax Liabilities (Net)	-	-	-	-	-	-
Other current liabilities	52,649,534	(35,144,979)	17,504,555	54,335,125	(37,122,400)	17,212,725
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-
Total Current Liabilities	**694,324,942**	**56,810,181**	**751,135,123**	**356,971,257**	**(37,122,400)**	**319,848,857**
Total Liabilities	**3,124,414,219**	**43,831,262**	**3,168,245,481**	**1,625,034,061**	**(42,215,029)**	**1,582,819,032**
Total Equity and Liabilities	4,663,160,716	(558,865,590)	4,104,295,126	2,330,313,748	(63,680,324)	2,266,633,424

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43.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Particulars	31-Mar-16	1-Apr-15
Total equity (shareholders' funds) under previous GAAP	901,438,621	275,186,276
Notional rent expenses on ammortisation of pre-paid rent	(300,565)	(84,294)
Interest income on unwinding of time value	271,556	
Recognition of time value of money in respect of lease deposits	-	
Impact of EIR computation on long term borrowings	7,886,290	5,092,629
Impairment of receivables - ECL model (reversal of transition date entry)	30,303,662	(30,303,662)
Impairment of receivables - ECL model (Cumulative provision as at mar'16)	(16,609,901)	
Additional impairement of Receivables as per ECL Model	(37,800,621)	
Disallowance provision in respect of corporate and TPA	(4,039,039)	
Disallowance provision in respect of corporate and TPA (Reversal of earlier provision)	3,484,398	(3,484,398)
Accounting of equity investments at FVTPL		7,314,431
Reversal of gain pertaining to sale of ASH shares to KKR	(331,682,195)	
Actuarial Gains and losses of long term employee obligation reclassed to OCI	715,049	
Income passed through OCI	(715,049)	
Fluctuation in fair Value of investment (OCI)	(4,757,984)	
Gain on Common Control transaction in between ASH And AHLL	239,727,035	
Deemed Distrubution on Account of ADCL and ADPL Acquistion	(467,720,820)	
	(21,465,294)	
Total adjustment to equity	**(602,703,477)**	**(21,465,294)**
Total Equity under Ind AS	**298,735,144**	**253,720,982**

43.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016

Particulars	Notes	31-Mar-16 Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations		1,143,919,005	(82,265,813)	1,061,653,192
Other Income		760,099,851	(331,410,639)	428,689,212
Total Income (A)		**1,904,018,856**	**(413,676,452)**	**1,490,342,404**
Expenses				
Cost of materials consumed		211,935,083	-	211,935,083
Cost of Services		429,263,084	(81,711,172)	347,551,912
Purchases of Stock-in-trade		-	-	-
Changes in stock of finished goods, work-in-progress and stock-in-trade		-	-	-
Excise duty on sale of goods		-	-	-
Employee benefit expense		374,153,185	(715,049)	373,438,136
Finance costs		216,149,144	(7,886,290)	208,262,854
Depreciation and amortisation expense		76,450,030	-	76,450,030
Impairment loss on financial assets		-	-	-
Reversal of impairment on financial assets		-	-	-
Other expenses		419,369,045	24,407,424	443,776,469
Total expenses (B)		**1,727,319,572**	**(65,905,087)**	**1,661,414,484**
Share of profit / (loss) of associates		-	-	-
Share of profit / (loss) of joint ventures		-	-	-
Profit/(loss) before tax (A+B+C+D)		**176,699,284**	**(347,771,365)**	**(171,072,080)**
Tax expense				
(1) Current tax		-	-	-
(2) Deferred tax		(14,319,990)	-	**(14,319,990)**
Profit for the period from continuing operations		-	-	-
Profit from discontinued operations before tax		-	-	-
Tax expense of discontinued operations		-	-	-
Profit from discontinued operations (after tax)		-	-	-
Share of minority interests (previous GAAP)		-	-	-
Profit for the period		**191,019,274**	**(347,771,365)**	**(156,752,090)**
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
(a) Changes in revaluation surplus		-	-	-
(b) Remeasurements of the defined benefit liabilities / (asset)			**(715,049)**	**(715,049)**
(c) Equity instruments through other comprehensive income			**(4,757,984)**	**(4,757,984)**
(e) Others (specify nature)		-	-	-
A (ii) Income tax relating to items that will not be reclassified to profit or loss			-	-
B (i) Items that will be reclassified to profit or loss				
(a) Exchange differences in translating the financial statements of foreign operations		-	-	-
(b) Debt instruments through other comprehensive income		-	-	-
(e)Others (specify nature)		-	-	-
(f) Share of other comprehensive income in associates and joint ventures, to the extent that may be reclassified to profit or loss		-	-	-
B (ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Total comprehensive income for the period (A (i-ii)+B(i-ii))		-	**(5,473,033)**	**(5,473,033)**
Total comprehensive income for the period		-	**(5,473,033)**	**(5,473,033)**

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43.4 Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	
Profit as per previous GAAP	-
Adjustments:	-
Remeasurement of defined benefit obligation recognised in other comprehensive income under Ind AS	(715,049)
Fair valuation of investments under Ind AS	(4,757,984)
Profit for the year as per Ind AS	(5,473,033)
Other comprehensive for the year	-
Total comprehensive income under Ind AS	**(5,473,033)**

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

KARRA & CO. Chartered Accountants F.R.N. 001749S "ANUGRAHA" No. 28, Murray's Gate Rd, Alwarpet, Chennai-18

Apollo Health and Lifestyle Limited

INDEPENDENT AUDITOR'S REPORT
To the Members of APOLLO HEALTH AND LIFE STYLES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **APOLLO HEALTH AND LIFE STYLES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, and the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

KARRA & CO. F.R.N. 001749S "ANUGRAHA" No. 28, Murray's Gate Rd, Alwarpet, Chennai-18. Chartered Accountants

Auditor's Responsibility
Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion:
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, loss and its cash flows and changes in equity for the year ended on that date.

KARRA & CO. Chartered Accountants F.R.N. 00174S "ANUGRAHA" No. 28, Murray's Gate Rd, Alwarpet, Chennai-18.

Report on other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (18 of 2013), we give in the "Annexure" a statement on the matters specified in paragraphs 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;

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

   c. The Balance sheet, Statement of Profit and Loss, Cash Flow Statement and the statement of changes in equity dealt by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   e. On the basis of written representation received from the Directors as on 31 March, 2017, and taken on record by the Board of Directors, none of the directors were disqualified as on March 31, 2017, 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

KARRA & CO. Chartered Accountants F.R.N. 001749S "ANUGRAHA" No. 28, Murray's Gate Rd, Alwarpet, Chennai-18.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2016, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company does not have any pending litigations on its financial position in its standalone Ind AS financial statements which would impact its financial position.

    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

    iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note -13

For Karra& Co.,
Chartered Accountants
Firm Registration Number: 001749S

V. Venkateswara Rao
Partner
Membership Number: 22370

KARRA & CO., F.R.N. 001749S "ANUGRAHA" No. 28, Murray's Gate Rd, Alwarpet, Chennai-18. Chartered Accountants

Place : Hyderabad
Date :

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under Report on other legal and regular requirements of the Independent Auditor's Report to the Members of **APOLLO HEALTH AND LIFE STYLES LIMITED** on the standalone Ind AS financial statements for the year ended 31st March 2017. We report as required under paragraph 3 and 4 of the order that:

i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

(b) The fixed Assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical assets have been noticed. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us the company does not have any immovable properties and hence the provisions of this clause are not applicable.

ii) The Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.

iii) The Company has granted loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of Companies Act 2013.

a) The rate of interest and other terms and conditions on the unsecured loans given by the company are not prima facie prejudicial to the interest of the company.

b) There are no overdue amounts of more than one Lakh rupees in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the act.

iv) This clause is not applicable since the Company has not granted any loan or advances or has provided any guarantee or security as per the Section 185 & 186 of the Companies Act,2013,

v) According to the information and explanation given to us, the Company has not accepted any deposits from the public under the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vi) The company is subject to cost audit and maintains records prescribed under section 148(1) of the companies act.

KARRA & CO.,
F.R.N. 001749S
"ANUGRAHA"
No. 28,
Murray's Gate Rd,
Alwarpet,
Chennai-18.
Chartered Accountants

vii) (a) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues applicable to the Company including provident fund, employees' state insurance, income-tax, cess and other statutory dues with the appropriate authorities during the financial year ended 31st March 2017. There are no undisputed amounts payable in respect of income tax, cess and other statutory dues which are outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.

(b) There are no dues in respect of income tax, service tax, cess and other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

viii) The company has borrowed term loans from banks, and there were no defaults in payments during period of audit.

ix) This clause is not applicable as the company has not raised moneys by way of initial public offering or further public offer (including debt instruments) however, the company has utilized the term loan for the purpose it was raised.

x) To the best of our knowledge and belief and according to the information and explanation given to us no fraud on or by the Company has been noticed or reported during the period under Audit. Hence disclosure of the nature and the amount involved in the fraud is not applicable.

xi) This clause is not applicable as no Managerial Remuneration has been paid / provided during the year.

xii) This clause is not applicable as the company is not a Nidhi Company.

xiii) All the transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

KARRA & CO. Chartered Accountants F.R.N. 001749S "ANUGRAHA" No. 28, Mahaveer's Gate Rd, Alwarpet, Chennai-18.

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year.

xv) The Company has not entered into any non-cash transactions with the directors or persons connected with them.

xvi) This clause is not applicable as the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Karra& Co.,
Chartered Accountants
Firm Registration Number: 001749S

V. Venkateswara Rao
Partner
Membership Number: 22370

Place : Hyderabad
Date :

ANNEXURE A

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **APOLLO HEALTH AND LIFE STYLES LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

KARRA & CO.
F.R.N. 001749S
"ANUGRAHA"
No. 28,
Murrey's Gate Rd,
Alwarpet,
Chennai-18.
Chartered Accountants

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Karra& Co.,
Chartered Accountants
Firm Registration Number: 001749S

V. Venkateswara Rao
Partner
Membership Number: 22370

Place : Hyderabad
Date :

Apollo Health and Lifestyle Limited
Consolidated Balance Sheet as at March 31, 2017
All amounts are in Rs unless otherwise stated

	Note No	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	5	2,770,770,873	2,531,020,085	1,980,439,587
(b) Capital work-in-progress	5	81,249,591	36,515,633	25,511,080
(c) Goodwill	6.1	222,076,157	287,388,286	287,388,286
(d) Other Intangible assets	6.2	85,604,167	100,023,935	76,650,848
(e) Financial Assets				
(i) Investments				
a) Investments in Subsidiaries	7	-	-	-
b) Other investments	8	5,080,629	4,568,224	9,326,207
(ii) Loans	10	-	-	1,000,000
(iii) Other financial assets	11	300,307,747	283,589,293	196,469,998
(f) Other non-current assets	14	10,977,269	15,548,205	18,090,893
Total Non - Current Assets		**3,476,066,433**	**3,258,653,661**	**2,594,876,900**
Current assets				
(a) Inventories	12	129,263,343	111,851,839	82,790,713
(b) Financial assets				
(i) Other investments	8	197,303,351	268,606,426	251,099,520
(ii) Trade receivables	9	378,139,278	218,526,345	256,069,901
(iii) Cash and cash equivalents	13	1,749,849,094	303,579,787	523,641,181
(iv) Loans	10	-	11,454,569	96,233,598
(v) Other financial assets	11	5,346,733	175,227,965	44,149,152
(c) Current Tax Assets (Net)	24	358,166,299	235,172,154	155,540,220
(d) Other current assets	14	200,707,295	447,896,840	45,259,032
Total current assets		**3,018,775,393**	**1,772,315,926**	**1,454,783,318**
Total assets		**6,494,841,826**	**5,030,969,587**	**4,049,660,218**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	15	1,096,135,770	637,314,500	419,697,960
(b) Share application pending allotment money		34,499,971	985,250	11,380,710
(c) Other equity	16	1,832,748,098	(468,325,427)	297,665,760
Equity attributable to owners of the Company		**2,963,383,839**	**169,974,323**	**728,744,430**
Non-controlling interests	17	106,943,162	(432,319,983)	236,789,897
Total Equity		**3,070,327,001**	**(262,345,660)**	**965,534,327**
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	1,940,568,535	3,641,082,650	2,025,500,572
(b) Provisions	20	16,316,065	16,111,599	16,005,947
(c) Deferred tax liabilities (Net)	21	36,233,478	40,766,634	33,166,883
(d) Other non-current liabilities	22	-	-	238,150,238
Total Non - Current Liabilities		**1,993,118,078**	**3,697,960,883**	**2,312,823,640**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	3,389,815	88,835,695	43,430,575
(ii) Trade payables	23	1,288,616,941	1,246,482,791	596,299,241
(iii) Other financial liabilities	19	64,659,419	173,516,392	86,124,245
(b) Provisions	20	7,658,911	3,890,236	5,373,754
(c) Other current liabilities	22	67,071,661	82,629,250	40,074,437
Total Current Liabilities		1,431,396,747	1,595,354,363	771,302,252
Total Liabilities		**3,424,514,825**	**5,293,315,246**	**3,084,125,892**
Total Equity and Liabilities		**6,494,841,826**	**5,030,969,587**	**4,049,660,218**

See accompanying notes to the financial statements
In terms of our report attached.
For Karra & Co
Chartered Accountants
ICAI Firm Regn No: 001749S

KARRA & CO. F.R.N. 001749S "ANUGRAHA" No. 28, Murray's Gate Rd, Alwarpet, Chennai-18. Chartered Accountants

V Venkateswara Rao
Partner
Membership No. 022370

Place : Hyderabad
Date :

For and on behalf of the Board of Directors

Sangita Reddy
Managing Director

Krishnan Akhileswaran
Director

C V Ram
Chief Financial Officer

D V Sivaram
Company Secretary

Apollo Health and Lifestyle Limited

Apollo Health and Lifestyle Limited
Consolidated Statement of Profit and Loss for the year ended March 31, 2017
All amounts are in Rs unless otherwise stated

		Note No.	Year ended 31 March 2017	Year ended 31 March 2016
I	Revenue from Operations	25	3,820,432,705	2,947,660,385
II	Other Income	26	78,695,642	334,243,699
III	**Total Income (I+II)**		**3,899,128,347**	**3,281,904,084**
IV	**Expenses**			
	Cost of materials consumed	27	684,114,361	549,177,251
	Cost of Services	28	1,433,833,420	1,119,802,817
	Employee benefit expense	29	1,136,962,623	937,882,375
	Finance costs	30	407,615,555	356,318,098
	Depreciation and amortisation expense	31	364,845,486	347,849,304
	Other expenses	32	1,689,249,427	1,568,238,961
	Total expenses (IV)		5,716,620,872	4,879,268,806
V	**Profit/(loss) before tax (III-IV)**		**(1,817,492,525)**	**(1,597,364,722)**
VI	Tax expense			
	(1) Current tax			300,000
	(2) Deferred tax		(4,711,184)	7,907,949
			(4,711,184)	8,207,949
VII	**Profit (Loss) for the year from continuing operations (V-VI)**		**(1,812,781,342)**	**(1,605,572,671)**
VIII	Profit/(loss) from Discontinued operations (after tax)		-	-
IX	**Profit/(loss) for the year (VII+VIII)**		**(1,812,781,342)**	**(1,605,572,671)**
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)			1,453,445
	(b) Equity instruments through other comprehensive income		512,405	(4,757,984)
	Total Other comprehensive income for the year		**512,405**	**(3,304,539)**
XI	**Total comprehensive income for the year (IX+X)**		**(1,812,268,937)**	**(1,608,877,210)**
	Profit for the year attributable to:			
	Owners of the Company		(1,417,530,706)	(1,192,741,130)
	Non controlling interests		(394,738,231)	(416,136,080)
			(1,812,268,937)	(1,608,877,210)
	Earnings per equity share (for continuing operation):	36		
	Basic (in Rs.)		(18.89)	(24.09)
	Diluted (in Rs.)		(18.79)	(23.64)

See accompanying notes to the financial statements

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

KARRA & CO. F.R.N. 001749S "ANUGRAHA" No. 28, Murray's Gate Rd, Alwarpet, Chennai-18 Chartered Accountants

V Venkateswara Rao
Partner
Membership No. 022370

Place : Hyderabad
Date :

For and on behalf of the Board of Directors

Sangita Reddy
Managing Director

Krishnan Akhileswaran
Director

C V Ram
Chief Financial Officer

D V Sivaram
Company Secretary

Apollo Health and Lifestyle Limited

Apollo Health and lifestyle Limited
Consolidated Cash Flow Statement as on March 31, 2017
All amounts are in Rs unless otherwise stated

	Year ended 31 March 2017	Year ended 31 March 2016
Cash flows from operating activities		
Profit/(loss) before tax and monority interest for the year	(1,817,492,525)	(1,597,364,722)
Adjustments for:		
Finance costs recognised in profit or loss	407,615,555	356,318,098
Investment income recognised in profit or loss	22,369,310	33,330,597
(Gain)/Loss on disposal of property, plant and equipment	24,310,878	20,465,277
Depreciation and amortisation of non-current assets	364,845,486	347,849,304
Movements in working capital:		
Increase in trade and other receivables	(159,612,932)	37,543,556
(Increase)/decrease in inventories	(17,411,504)	(29,061,126)
(Increase)/decrease in other assets	124,195,400	(482,269,742)
(Increase)/decrease in other non Current assets	16,025,505	87,321,717
Decrease in trade and other payables	42,134,150	650,183,550
Increase/(decrease) in provisions	3,973,141	(1,377,866)
(Decrease)/increase in other liabilities	(128,947,718)	(100,603,526)
Cash generated from operations	**(1,117,995,255)**	**(677,664,883)**
Income taxes paid	-	-
Net cash generated by operating activities	**(1,117,995,255)**	**(677,664,883)**
Cash flows from investing activities		
Payments to acquire financial assets	153,162,778	(218,198,108)
Interest received	(22,369,310)	(33,330,597)
Payments for property, plant and equipment	(673,641,110)	(928,899,632)
Payments for investments	10,521,397	(265,923,269)
Payments for intangible assets	79,731,897	(23,373,087)
Net cash (used in)/generated by investing activities	**(452,594,348)**	**(1,469,724,693)**
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	6,134,994,861	642,454,160
Payment for share issue costs	(51,854,286)	-
Payment for purchase of Subsidiary shares	(872,706,115)	(19,795,078)
Proceeds from borrowings	1,456,068,779	2,752,142,598
Repayment of borrowings	(3,242,028,774)	(1,091,155,400)
Interest paid	(407,615,555)	(356,318,098)
Net cash used in financing activities	**3,016,858,910**	**1,927,328,182**
Net increase in cash and cash equivalents	1,446,269,307	(220,061,394)
Cash and cash equivalents at the beginning of the year	303,579,787	523,641,181
Cash and cash equivalents at the end of the year	**1,749,849,093**	**303,579,788**

See accompanying notes to the financial statements

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

KARRA & CO., F.R.N. 001749S "ANUGRAHA" No. 28, Murray's Gate Rd, Alwarpet, Chennai-18. Chartered Accountants

V Venkateswara Rao
Partner
Membership No. 022370

Place : Hyderabad
Date :

For and on behalf of the Board of Directors

Sangita Reddy
Managing Director

Krishnan Akhileswaran
Director

C V Ram
Chief Financial Officer

D V Sivaram
Company Secretary

Apollo Health and Lifestyle Limited

1 General Information

Apollo Health and lifestyle Limited ('the Company') is a public Company incorporated in India. The address of its registered office and principal place of business are disclosed in the introduction to the Annual Report. The main business of the Group is to enhance the quality of life of patients by providing comprehensive, high - quality healthcare services. The principal activities of the Company include operation of Speciality hospitals, maternity hospitals, clinics, diagnostic centres, Sugar clinics, dental clinics and dialysis centers.

2 Application of new and revised Ind ASs

The financial statements of the company have been prepared in accordance with indian Accounting standard (Ind AS) notified under the Companies(Indian Accounting Standards) Rules 2015

3 Significant accounting policies

3.1 *Statement of compliance*

The consolidated financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Group prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015.

3.2 Basis of preparation and presentation

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

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

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

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

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- potential voting rights held by the Company, other vote holders or other parties;

- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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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.

3.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.4 Business combinations

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

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

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

liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 *Share-based Payment* at the acquisition date (see note 3.12.1)

assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.
On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes.

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

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

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

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

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

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described at note 3.6 below.

3.6 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

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3.7 Revenue recognition

3.7.1 Rendering of services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient healthcare services. Services include charges for accommodation, theatre, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used. Revenue is recorded and recognised during the period in which the healthcare services provided, based upon the estimated amounts due from patients and/or medical funding entities. Unbilled revenue Is recorded for the service where the patients are not discharged and invoice is not raised for the service.

The service revenues are presented net of related and credit card charges in cases where the company is not the primary obligor and does not have the pricing latitude.

Other Services

(i) Project Consultancy income is recognised as and when it becomes due, on percentage completion method, on achievement of milestones.
(ii) One time franchise fees is recognised based on the fullfillment of task and where ever bifurcation of total fee is absent over the period of the agreement.
(iii) Franchisee license fee is recognised on accrual basis as per contracts.
(iv) Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

3.7.2 Loyalty Points

Sales of goods that result in award credits for customers, under the Group's Loyalty Points Schemes (Chronic card, Apollo One card, Apollo Hearts Schemes) are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value – the amount for which the award credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

3.7.3 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.7.4 Rental income

The Group's policy for recognition of revenue from operating leases is described in note 3.8.1 below.

3.8 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.8.1 The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.8.2 The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.9 Foreign currencies

Foreign currency transactions are accounted at the excchange rate prevailling as on the date of invoice. Current Assets and Current Liabilities are converted at the rates prevailing as on the Balance sheet date

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3.10 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the 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 profit or loss in the period in which they are incurred.

3.11 Employee benefits

3.11.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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

The 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.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.11.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.12 Share-based payment arrangements

3.12.1 Share-based payment transactions of the Company

The company, and some subsidiaries of the company have issued equity-settled share-based payments to employees and others providing similar services. These are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in notes to account.

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.

3.12.2 Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with Ind AS 102 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

3.13 Taxation

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

3.13.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.13.2 Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.13.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.14 Property, plant and equipment

Land and buildings on lease mainly comprise hospitals,clinics and offices. Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Fixtures, plant and medical equipment are stated at cost less accumulated depreciation and accumulated impairment losses. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes all relevant costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Buildings (Leasehold)	Lease term or useful life whichever is lower
Medical Equipment	13 years
Equipment under finance lease	Lease term or useful life whichever is lower
Plant and Machinery	15 years
Electrical Installations & Equiment	10 years
Surgical Instruments	3 Years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers	3 years
Vehicles	8 - 10 years

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

For transition to Ind AS, the parent has elected to adopt carrying value of the buildings, plant and equipment recognised as of April 1, 2015 as the deemed cost as of the transition date. For the other assets, it has applied Ind AS 16 retrospectively. The subsidiaries and other equity accounted entities within the group have continued with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.
Accordingly, certain pre-operative costs have been charged off upon transition.

3.15 Intangible assets

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

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

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

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

3.15.4 Useful lives of intangible assets
Estimated useful lives of the intangible assets are as follows:

Capitalised development	5 years
Patents	5 – 10 years
Trademarks	8 years
Software	3 years

3.15.5 Deemed cost on transition to Ind AS
For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.16 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). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication, that the asset may be impaired.

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.

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

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

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3.18 Provisions

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

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

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

3.18.1 Other Provisions

Other provisions (including third-party payments for malpractice claims) which are not covered by insurance and other costs for legal claims are recognised based on legal opinions and management judgment.

3.19 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.20 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

3.20.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

For the impairment policy on financial assets measured at amortised cost.
Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI
All other financial assets are subsequently measured at fair value.

3.20.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

3.20.3 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 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 'Reserve for 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:

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- 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 hedging instrument or a financial guarantee.

The Group has equity investments in two entities which are not held for trading. The Group has elected the FVTOCI irrevocable option for both of these investments Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

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

Investments in Mutual Funds are classified as at FVTPL. Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, 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 dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

3.20.5 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, 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.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

3.21 Financial liabilities and equity instruments

3.21.1 Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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3.21.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.21.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

3.21.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.
However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

3.21.4.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing 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 hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

3.21.4.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

F.R.N. 001495
"ANUGRAHA"
No. 28,
Murray's Gate Rd,
Alwarpet,
Chennai-18
Chartered Accountants

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3.21.4.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

3.21.4.4 *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.22 First-time adoption -- mandatory exceptions, optional exemptions

3.22.1 Overall principle

The Group has prepared the opening consolidated balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

3.22.2 Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The Group has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

3.22.3 Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

3.22.4 Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable

3.22.5 Past business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015. Consequently,

- The Group has kept the same classification for the past business combinations as in its previous GAAP financial statements;
- The Group has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the consolidated balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;
- The Group has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;
- The Group has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;
- The effects of the above adjustments have been given to the measurement of non-controlling interests and deferred tax.

The above exemption in respect of business combinations has also been applied to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103.

3.22.6 Deemed cost for property, plant and equipment, investment property, and intangible assets

For transition to Ind AS, the parent has elected to adopt carrying value of the Property, plant and equipment recognised as of April 1, 2015 as the deemed cost as of the transition date. For the other assets, it has applied Ind AS 16 retrospectively. The subsidiaries and other equity accounted entities within the group have elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.22.7 Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 *Determining whether an Arrangement contains a Lease* to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

3.22.8 Equity investments at FVTOCI

The Group has designated investment in equity shares of Health super highway Limited as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

3.22.9 Share based payments – Fair value of the option as per the black scholes model is applied only on the unvested options as at the transition date

3.22.10 Investment in subsidiaries, associates and JV are taken at cost as at transition date by virtue of Ind AS 27

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

4.1 Critical judgements in applying accounting policies

The following critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies wherever those have most significant effect on the amounts recognised in the consolidated financial statements.

4.1.1 Control over Apollo Speciality Hospitals Private Limited ('ASH')

ASH is a subsidiary of the Group even though the Group has 49% ownership interest and voting rights in ASH for a part period in FY 16 and FY 17. ASH is a Company registered under Companies Act 1956 and KKR and IHCL hold 17% and 33% respectively in ASH.
The directors of the Company assessed whether or not the Group has control over ASH based on whether the Group has the practical ability to direct the relevant activities of ASH unilaterally. In making their judgement, the directors considered that KKR's holds a put option on IHCL and the Group has a right to acquire KKR's shares. The directors have also considered all activities relating to revenue, opex & capex decisions of ASH and the Group's ability to direct such activities. After assessment, the directors concluded that the Group has control over ASH. However the company has 99.92% holding with effecct from 28th Deccember 2016

4.2 Key sources of estimation uncertainty

Accounting policies have been followed with respect to estimation uncertainty including impairment of goodwill, useful life of equipment and fair value measurements,etc., at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Litigations

The group has no ongoing litigtions, the results of which would significantly affect its operations and profitability.

5 Property, plant and equipment and capital work-in-progress

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Carrying amounts of:			
Buildings	1,237,536,037	1,044,713,559	695,483,031
Plant and equipment	1,132,486,723	1,059,531,168	963,945,201
Computer & Computer Equipemnt	30,032,183	31,261,641	30,100,612
Office Equipment	182,520,837	199,765,812	158,172,955
Furniture and Fixtures	185,447,466	192,028,017	213,505,681
Vehicles	2,747,628	3,719,888	4,153,591
	2,770,770,873	2,531,020,085	2,065,361,071
Capital work-in-progress	81,249,591	36,515,633	25,511,080
	2,852,020,464	2,567,535,718	2,090,872,151

Description of Assets	Computer & Accessories	Electrical Installations	Buildings - Leasehold	Medical Equipment - Freehold	Plant & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Deemed Cost as at 1 April, 2015	30,100,612	60,417,454	695,483,031	270,486,328	693,458,873	97,755,501	213,505,681	4,153,591	2,065,361,071
Additions	25,441,237	7,460,557	548,463,042	74,357,311	170,718,152	89,631,670	40,241,009	444,695	956,757,674
Disposals	(4,520,090)	(19,217,564)	(113,650,644)	(101,722,789)	(67,122,947)	(14,384,090)	(9,916,240)	(1,574,280)	(332,108,644)
Acquisitions through business combinations	5,372,400	2,506,922	31,525,774	8,213,065	164,603,731	30,615,214	12,908,269	2,578,649	258,324,024
Balance as at 31 March, 2016	**56,394,159**	**51,167,369**	**1,161,821,203**	**251,333,915**	**961,657,809**	**203,618,295**	**256,738,720**	**5,602,655**	**2,948,334,124**
Additions	18,938,518	14,901,405	330,561,996	195,144,109	7,251,670	27,165,414	24,361,749	-	618,324,860
Disposals	(1,385,530)	(4,326,866)	(29,312,240)	(9,789,505)	(743,829)	(8,551,473)	(1,741,093)	(1,560,828)	(57,411,364)
Others [describe]									-
Balance as at 31 March, 2017	17,552,987	10,574,539	301,249,756	185,354,605	6,507,841	18,613,941	22,620,656	(1,560,828)	560,913,497
II. Accumulated depreciation and impairment									
Balance as at 1 April, 2015	9,401,049	29,070	210,311	245,327	52,550,186	11,979,616	37,561,747	431,242	112,408,548
Eliminated on disposal of assets	(3,234,525)	(4,188,231)	(19,859,542)	(14,832,710)	(6,542,738)	(3,066,770)	(1,644,884)	(626,557)	(53,995,956)
Depreciation on BTA	3,939,435	962,848	6,428,849	2,977,781	23,153,306	9,640,798	3,595,507	897,425	51,595,949
Depreciation expense	15,026,559	7,419,771	130,328,026	82,972,500	19,671,707	32,242,749	25,198,332	1,180,657	314,040,301
Others [describe]					(6,734,803)				(6,734,803)
Balance as at 31 March, 2016	**25,132,518**	**4,223,458**	**117,107,644**	**71,362,898**	**82,097,658**	**50,796,393**	**64,710,703**	**1,882,767**	**417,314,039**
Eliminated on disposal of assets	(52,406)	(1,262,887)	(9,125,344)	(3,259,578)	-	(3,775,971)	(695,151)	(1,560,828)	(19,732,165)
Depreciation expense	16,975,382	10,329,771	117,552,622	89,797,840	20,676,200	41,142,542	29,896,358	972,260	327,342,975
Others [describe]	1,859,470	-	-	4,957,625	6,734,803	-	-	-	13,551,898
Balance as at 31 March, 2017	18,782,446	9,066,885	108,427,278	91,495,887	27,411,003	37,366,571	29,201,207	(588,568)	321,162,709
III. Carrying Amount									-
Balance at April 1, 2015	30,100,612	60,417,454	695,483,031	270,486,328	693,458,873	97,755,501	213,505,681	4,153,591	2,065,361,071
Additions	25,441,237	7,460,557	548,463,042	74,357,311	170,718,152	89,631,670	40,241,009	444,695	956,757,674
Disposals	(4,520,090)	(19,217,564)	(113,650,644)	(101,722,789)	(67,122,947)	(14,384,090)	(9,916,240)	(1,574,280)	(332,108,644)
Acquisitions through Business Combinations	5,372,400	2,506,922	31,525,774	8,213,065	164,603,731	30,615,214	12,908,269	2,578,649	258,324,024
Depreciation Expense	(25,132,518)	(4,223,458)	(117,107,644)	(71,362,898)	(82,097,658)	(50,796,393)	(64,710,703)	(1,882,767)	(417,314,039)
Balance at March 31, 2016	31,261,641	46,943,911	1,044,713,559	179,971,017	879,560,151	152,821,902	192,028,017	3,719,888	2,531,020,085
Additions	18,938,518	14,901,405	330,561,996	195,144,109	7,251,670	27,165,414	24,361,749	-	618,324,860
Disposals	(1,385,530)	(4,326,866)	(29,312,240)	(9,789,505)	(743,829)	(8,551,473)	(1,741,093)	(1,560,828)	(57,411,364)
Depreciation Expense	(18,782,446)	(9,066,885)	(108,427,278)	(91,495,887)	(27,411,003)	(37,366,571)	(29,201,207)	588,568	(321,162,709)
Balance at March 31, 2017	30,032,183	48,451,565	1,237,536,037	273,829,734	858,656,989	134,069,271	185,447,466	2,747,628	2,770,770,873

Notes:
1. Opening balance values as on April 1, 2015 are regrouped for common control interest and other reporting purposes

6 Intangible Assets

6.1 Goodwill

A reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

Goodwill	31-Mar-17	31-Mar-16	1-Apr-15
Cost or deemed cost	287,388,286	287,388,286	222,076,157
Movement for the year	(65,312,129)	-	65,312,129
	222,076,157	287,388,286	287,388,286

6.2 Other intangible Assets

	31-Mar-17	31-Mar-16	1-Apr-15
Carrying amounts of :			
Computer software	**26,846,397**	**18,869,138**	**17,530,179**
Non compete Fee	**33,666,573**	**51,951,240**	**44,274,947**
Trademarks	**25,091,197**	**29,203,557**	**33,315,917**
Others	-	-	-
	85,604,167	100,023,935	95,121,043

	Computer Software	Non-Compete Fees	Other Intangible	Total
Cost				
Balance as at 1 April, 2015	17,530,179	44,274,947	33,315,917	**95,121,043**
Additions through business combination	8,870,515	-	-	**8,870,515**
Additions from separate acquisitions	1,564,778	50,000,000	-	**51,564,778**
Disposals or classified as held for sale	(232,010)	-	-	**(232,010)**
Balance as at 31 March, 2016	27,733,462	94,274,947	33,315,917	**155,324,326**
Additions through business combination	-	-	-	-
Additions from separate acquisitions	11,626,153	-	-	**11,626,153**
Disposals or classified as held for sale	(60,970)	-	-	**(60,970)**
Others (decribe)	2,687,874	-	-	**2,687,874**
Balance as at 31 March, 2017	41,986,519	94,274,947	33,315,917	**169,577,383**
				-
II. Accumulated depreciation and impairment				-
Balance as at 1 April, 2015	2,962,424	-	-	**2,962,424**
Amortisation expense for the year	6,589,222	16,376,130	4,112,360	**27,077,712**
Amortisation through BTA	384,315			**384,315**
Disposals or classified as held for sale	(72,060)	-	-	**(72,060)**
Impairment losses recognised / (Reversed) in Statement of Profit and Loss	-	25,947,577	-	**25,947,577**
Reversals of impairment losses recognised in profit or loss	-	-	-	-
Others [describe]	(999,577)	-	-	**(999,577)**
Balance as at 31 March, 2016	8,864,324	42,323,707	4,112,360	**55,300,391**
				-
Amortisation expense for the year	8,136,710	18,284,667	4,112,360	**30,533,737**
Disposals or classified as held for sale	(1,500)	-	-	**(1,500)**
Others [describe]	(1,859,412)	-	-	**(1,859,412)**
Balance as at 31 March, 2017	6,275,798	18,284,667	4,112,360	**28,672,825**
				-
Carrying amount				-
Balance at April 1, 2015	17,530,179	44,274,947	33,315,917	**95,121,043**
Additions	10,435,293	50,000,000	-	**60,435,293**
Disposals	(232,010)	-	-	**(232,010)**
Amortisation expense	(8,864,324)	(42,323,707)	(4,112,360)	**(55,300,391)**
Balance at March 31, 2016	18,869,138	51,951,240	29,203,557	100,023,935
Additions	14,253,057	-	-	14,253,057
Disposals				
Amortisation expense	6,275,798	18,284,667	4,112,360	**28,672,825**
Balance at March 31, 2017	26,846,397	33,666,573	25,091,197	**85,604,167**

Notes:
1. Opening balance values as on April 1, 2015 are regrouped for common control interest and other reporting purposes

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7 Investments in subsidaries

Investments in subsidiaries are eliminated as part of consolidation.

8 Other investments

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-Current			
UnQuoted Investments (all fully paid)			
(a) Investments in Equity Instruments			
Health Super Hiway Pvt.Ltd.	5,078,853	4,566,448	9,324,431
Sunrise Medicare Pvt.Ltd	1,776	1,776	1,776
Total Aggregate Un Quoted Investments(A)	**5,080,629**	**4,568,224**	**9,326,207**
UnQuoted Investments (all fully paid)			
(a) Investments in Mutual Funds			
Total Non Current Investments (A) + (B)	5,080,629	4,568,224	9,326,207
Current			
Quoted investments			
(a) Investments in Equity Instruments			
Relaince Income Fund	8,679,513	52,782,441	50,120,926
Reliance Short term Fund	10,098,911	54,266,968	50,290,541
Birla SunLife	59,680,363	54,144,587	50,242,759
HDFC High interest Fund	58,921,307	53,053,190	50,167,824
ICICI Prudend	59,923,257	54,359,241	50,277,470
(b) Investments in debentures or bonds		-	-
Total Aggregate Quoted Investments (A)	197,303,351	268,606,426	251,099,520

8.1 Category-wise other investments - as per Ind AS 109 classification

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets carried at fair value through profit or loss (FVOCI)			
Investments carried at Fair Value through OCI at FVTPL (Un Quoted equity shares)			
Health Super Hiway Pvt.Ltd.	5,078,853	4,566,448	9,324,431
Sunrise Medicare Pvt.Ltd	1,776	1,776	1,776
	5,080,629	**4,568,224**	**9,326,207**

9 Trade receivables

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables			
Secured, considered good			
Unsecured, considered good	378,139,278	218,526,345	256,069,901
Doubtful	116,594,993	94,885,450	43,028,287
	494,734,271	313,411,795	299,098,189
Allowance for doubtful debts (expected credit loss allowance)	(116,594,993)	(94,885,450)	(43,028,287)
	378,139,278	218,526,345	256,069,901

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i. Confirmations of balances from Debtors, Creditors are yet to be received in a few cases though the group has sent letters of confirmation to them. The balances adopted are as appearing in the books of accounts of the group.
ii. Sundry Debtors represent the debt outstanding for hospital services provided and project consultancy fees and is considered good. The group holds no other securities other than the personal security of the debtors.
iii. Advances and deposits represent the advances recoverable in case or in kind or for value to be realised. The amounts of these advances and deposits are considered good for which the group holds no security other than the personal security of the debtors.
iv.Out of total Trade receivables, Rs.69,990,445 is receivable from group companies. No interest is charged on the delayed receivables

10 Loans

	31 March 2017		31 March 2016		01 April 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
a) Loans to related parties						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	-	-	(0)	11,454,569	1,000,000	96,233,598
Doubtful	-	-	-	-	-	-
Total	-	-	-	11,454,569	1,000,000	96,233,598

11 Other Financial Assets

	31 March 2017		31 March 2016		01 April 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Security deposits	300,307,746	3,897,177	283,644,792	10,208,000	196,469,998	31,605,528
Accrued Interest receivable from Related parties	-	440,182	-	161,059,883	-	9,549,937
Accrued Interest on Bank deposits	-	1,009,374	-	3,960,081	-	1,266,590
Deferred Revenue	-	-	(55,500)	-	-	1,727,097
	300,307,746	**5,346,732**	**283,589,292**	**175,227,964**	**196,469,998**	**44,149,152**

12 Inventories

	31 March 2017		31 March 2016		01 April 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Inventories (lower of cost and net realisable value)						
Medical & Lab consumables	-	129,263,343	-	111,851,839	-	82,790,713
	-	**129,263,343**	-	**111,851,839**	-	**82,790,713**

13 Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheet as follows:

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balances with Banks			
Balances with banks to the extent held as margin money	-	133,000,973	30,500,000
Balances with banks in deposit accounts	1,585,198,108	19,026,828	283,680,434
Balances with banks in current accounts	158,353,016	148,639,147	205,209,366
Cheques, drafts on hand	-	-	-
Cash on hand	6,297,970	2,912,839	4,251,381
Cash and cash equivalents as per balance sheet	1,749,849,094	303,579,787	523,641,181
Bank overdrafts	-	-	-
	1,749,849,094	303,579,787	523,641,181
Cash and bank balances included in a disposal group held for sale	-	-	-
Cash and cash equivalents as per consolidated statement of cash flows	1,749,849,094	303,579,787	523,641,181

14 Other Assets

	31 March 2017		31 March 2016		01 April 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Capital Advances	-	61,092,686	3,880,624	267,709,776	2,150,580	1,569,259
Advances paid to vendors and contractors					-	
Unsecured Considered Good	4,161,157	1,263,768	4,161,157	1,249,614	4,161,157	1,251,875
Doubtful	-	-	-	-	-	-
Advances to related parties	-	3,164,924	-	883,145	-	512,434
Advance income tax and tax deducted at source (net of pr	-	105,000	-	98,249	-	-
Balances with Statuory Authorities	6,115,208	-	6,115,208	1,800,000	7,556,110	-
Prepaid Expenses(Rent & Others)	-	53,777,813	-	61,052,707	1,210,317	18,648,988
Accrued Interest receivable	-	14,978	-	2,990,518	695,493	2,322,272
Vendor Advances	700,904	63,249,574	1,391,216	91,592,950	2,317,236	4,715,942
Employee advances	-	4,017,453	-	2,386,508	-	2,651,204
Other Receivables	-	13,101,921	-	14,153,911	-	13,587,058
Inter unit receivable	-	919,178	-	3,979,464	-	-
	10,977,269	200,707,294	15,548,205	447,896,840	18,090,893	45,259,032

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15 Equity Share Capital

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Equity share capital			
Authorised Share capital :			
120.000,000 Equity Shares of Rs. 10 equity shares of Re.10 each	1,200,000,000	700,000,000	500,000,000
Issued and subscribed capital comprises:			
109,613,577 fully paid equity shares of Re.10 each (as at March 31, 2016: 63,731,450; as at April 1, 2015: 41,969,796)	1,096,135,770	637,314,500	419,697,960
	1,096,135,770	637,314,500	419,697,960

15.1 Fully paid equity shares

	No of shares	Share Capital
Balance at April 1, 2015	41,969,796	419,697,960
Issued during the year	21,761,654	217,616,540
Balance at March 31, 2016	63,731,450	637,314,500
Issue of shares during the year	45,692,789	456,927,890
Issue of shares under the Company's employee share option plan	189,338	1,893,380
Balance at March 31, 2017	109,613,577	1,096,135,770

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.
The fair value of shares issued for consulting services was determined by reference to the market rate for similar consulting services.
The shares bought back in the current year were cancelled immediately.

15.2 Details of number of shares held by the holding company, its subsidiaries and associates

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
As at March 1, 2017			
Group Apollo Health and Lifestyle Limited, the holding company			
Apollo specialty Hospitals Private Limited	251,594	35,810	50,000
Apllo Banglore Cradle Limited			1,963,546
Alliance Dental Care Limited	2,647,606	2,647,606	2,647,606
Apollo Dialysis Private Limited	2,593,103	2,593,103	2,593,103

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15.3 **Details of shares held by each shareholder holding more than 5% shares**

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares						
Apollo Hospitals Enterprise Ltd	75,239,798	68.64%	63,278,029	99.29%	41,969,796	100.0%
International Finance Corporation	16,865,510	15.39%				
IFC EAF Apollo Investment Company	16,865,510	15.39%				

16 **Other equity excluding non-controlling interests**

	Note	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Securities premium reserve	16.1	6,538,067,126	2,357,908,267	1,233,954,467
Reserve for equity instruments through other comprehensive income		(4,960,628)	(5,473,033)	-
Remeasurements of the defined benefit liabilities / (asset)		2,168,494	2,168,494	-
Deemed Capital Contribution from ASH		-	-	-
Deemed Distribution to AHEL		-	-	-
Share options outstanding account	16.2	14,787,095	8,335,179	1,263,304
Capital Reserve on common control transactions		(754,287,220)	(754,287,220)	(683,991,200)
Retained earnings	16.3	(3,948,824,782)	(2,062,775,127)	(878,607,944)
Share Suspense		-	-	639,249,120
Ind AS Translation Reserve		(14,201,987)	(14,201,988)	(14,201,988)
		1,832,748,098	(468,325,427)	297,665,760

16.1 **Securities premium reserve**

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balance at beginning of year	2,357,908,267	1,233,954,467	1,233,954,467
share premium on issue of shares during the year	4,232,013,146	1,123,953,800	-
Share issue expenses	(51,854,286)	-	-
Balance at end of year	6,538,067,126	2,357,908,267	1,233,954,467

16.2 **Share options outstanding account**

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balance at beginning of year	8,335,179	1,263,304	-
Arising on share-based payments	6,451,916	7,071,874	1,263,304
Balance at end of year	14,787,095	8,335,179	1,263,304

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out.

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16.3 Retained earnings

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balance at beginning of year	(2,062,775,127)	(878,607,944)	(878,607,944)
Profit attributable to owners of the Company	(1,418,043,113)	(1,184,167,183)	-
Others	(468,006,543)	-	-
Balance at end of year	(3,948,824,782)	(2,062,775,127)	(878,607,944)

17 Non-controlling interests

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balance at beginning of year	106,943,162	(432,319,983)	236,789,897
Balance at end of year	106,943,162	(432,319,983)	236,789,897

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18 Borrowings

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Unsecured - at amortised cost						
(i) Bonds / debentures	8,800,000	-	9,550,000	-	-	-
(ii) Deposits	100,000	-	-	100,000	-	-
(iii) Loans from related parties	-	722,226	722,074,358	8,000,052	735,000,000	-
Secured - at amortised cost						
(i) Term loans	-		-	-	-	-
from banks	1,938,136,863	2,667,589	2,929,038,896	80,735,643	1,302,748,878	43,430,575
Less: Unamortised borrowing costs	(6,468,328)	-	(19,580,604)	-	(12,248,306)	-
Total	1,940,568,535	3,389,815	3,641,082,650	88,835,695	2,025,500,572	43,430,575

19 Other financial liabilities

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Non-current						
a) Interest accrued	-	10,578,514	-	9,326,680	-	23,873,353
c) Application money received for allotment of securities to the extent refundable and interest accrued thereon	-	-	-	-	-	-
Dues payable to related parties	-	6,004,634	-	32,886,765	-	8,980,263
Salaries and wages payable	-	22,130,217	-	15,101,372	-	18,992,334
Doctor Consultation payable	-	16,401,084	-	16,268,376	-	27,755,924
Other Deposits	-	-	-	-	-	6,522,371
Retention Money Payable	-	6,741,771	-	7,808,417	-	-
Security Deposit received - Others	-	2,803,199	-	169,622	-	-
Liability on Written Put options (Refer note (i) and (ii) below)	-	-	-	91,955,160	-	-
Total	-	64,659,419	-	173,516,392	-	86,124,245

Notes

(i) During the year 2015-16, the group transferred 33% in Apollo Speciality Hospitals Limited to KKR Debt Funds. KKR Debt Funds hold an option to put back the said shares to IHCL at the end of a 2 year period at a guaranteed IRR of 18%p.a. The group holds a first right to buy these shares from KKR when the put/call option is excercised. The management intends to excercise this option and accordingly, the amount received from KKR upon the transfer of shares has been recognised as a financial liability carried at amortised cost.

20 Provisions

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
	-	-	-	-		
Employee benefits	16,316,065	2,868,816	16,111,599	3,890,236	16,005,947	5,373,754
Other provisions	-	4,790,093	-	-	-	-
Total	16,316,065	7,658,909	16,111,599	3,890,236	16,005,947	5,373,754

21 Deferred tax balances

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Deferred Tax Assets	(4,422,022)	-	-	-	-	-
Deferred Tax Liabilities	40,655,500	-	40,766,634	-	33,166,883	-
			-	-	-	-
Total	36,233,478	-	40,766,634	-	33,166,883	-

22 Other Liabilities

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Deferred revenue arising from Revenue from Sale of Long Term Pack	-	6,312,713	-	4,612,530	-	-
Statutory Liabilities	-	57,381,110	-	76,003,598	-	37,042,191
Others	-	3,377,838	-	2,013,122	238,150,238	3,032,246
Total	-	67,071,661	-	82,629,250	238,150,238	40,074,437

23 Trade Payables

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Trade payables	-	1,288,616,941	-	1,246,482,791		596,299,241
	-	-	-	-	-	-
Total	-	1,288,616,941	-	1,246,482,791	-	596,299,241

a) Above mentioned trade payables for all 3 years includes Rs.985,250/- which is to be transferred to Investor Education and Protection Fund.

24 Current tax assets and liabilities

Current tax assets						
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	-	-	-	-	-
Tax refund receivable	-	358,166,299	-	235,172,154	-	159,020,272
Others [describe]	-	-	-	-	-	-
	-	358,166,299	-	235,172,154	-	159,020,272
Current tax liabilities	-		-	-	-	-
Income tax payable	-		-	-	-	3,480,052
			-	-	-	3,480,052
Total	-	358,166,299	-	235,172,154	-	155,540,220

25 Revenue from Operations

The following is an analysis of the group's revenue for the year

	Year ended March 31, 2017	Year ended March 31, 2016
(a) Revenue from rendering of Healthcare Services	3,705,548,227	2,831,512,908
(b) Income from project consultancy services	105,190,864	116,147,477
(c) Other operating revenues	9,693,614	-
	3,820,432,705	2,947,660,385

26 Other Income

a) Interest income

	Year ended March 31, 2017	Year ended March 31, 2016
		-
Interest income earned on financial assets that are not designated as at fair value through profit or loss		-
Bank deposits (at amortised cost)	22,369,310	33,330,597
	22,369,310	33,330,597

b) Other non-operating income (net of expenses directly attributable to such income)

	Year ended March 31, 2017	Year ended March 31, 2016
Rental income	6,919,812	9,369,370
Sale of Scrap	148,017	728,876
Commission on Pharmacy Revenue	27,650,257	21,432,940
Liabilities / provisions no longer required written back	-	10,000,000
Miscellanious income	19,706,814	24,315,328
	54,424,900	65,846,514

c) Other gains and losses

	Year ended March 31, 2017	Year ended March 31, 2016
Gain/ (loss) on disposal of property, plant and equipment	(24,310,878)	(20,465,277)
Net foreign exchange gains/ (losses)	15,385	-
Net gain/(loss) arising on financial assets designated as at FVTPL	26,196,924	255,531,865
	1,901,431	235,066,588
Other Income (a+b+c)	**78,695,641**	**334,243,699**

27 Cost of Materials Consumed

	Year ended March 31, 2017	Year ended March 31, 2016
Lab Consumables	127,051,663	155,601,926
Medical Consumables	402,209,388	297,469,026
Implant Cost	110,863,841	68,125,474
Printing & Stationery	43,989,470	27,980,825
	684,114,362	549,177,251

28 Cost of Services

	Year ended March 31, 2017	Year ended March 31, 2016
Fees to Consultants	359,862,199	452,590,415
Ambulance Service	7,160,299	4,587,969
Franchisee Service Charges	15,731,627	44,606,950
Outsourcing Expenses	77,954,138	12,741,526
Credit / Debit Card Service Charges	-	452,910
Camp Expenses	1,927,304	1,815,483
Lab Testing Charges	1,301,294	58,668,433
Laundry & Drycleaners	5,770,583	4,752,102
Patient Diet Expenses	29,317,991	16,973,569
OT Charges	1,354,584	3,781,942
Food & Beverages	5,585,780	3,647,923
Corporate Purchases	119,160,737	114,363,323
Logistics Charges	24,849,074	10,068,660
Retainership Fee Doctors	776,594,857	382,409,284
Service Excellence	2,572,330	4,862,092
Call Centre Expenses	3,498,503	3,480,234
Others	1,192,120	-
	1,433,833,420	**1,119,802,815**

29 Employee benefits expense

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and wages	1,016,939,617	828,974,576
Contribution to provident and other funds	61,421,995	42,480,247
Staff welfare expenses	26,945,459	30,558,569
Incentives, Bonus & Other expenses	30,561,751	34,575,444
Reimbursements	1,093,801	1,293,538
	1,136,962,623	**937,882,374**

30 Finance costs

	Year ended March 31, 2017	Year ended March 31, 2016
Continuing operations		
(a) Interest costs :-	-	-
Interest on bank overdrafts and loans (other than those from related parties)	182,982,169	129,244,777
Interest on loans from related parties	197,380,594	212,832,955
Bank Charges	27,252,791	14,240,367
Total interest expense for financial liabilities not classified as at FVTPL	407,615,555	356,318,098
Less: amounts included in the cost of qualifying assets	-	-
	407,615,555	**356,318,098**

31 Depreciation and amortisation expense

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of property, plant and equipment pertaining to continuing operations	340,089,123	319,489,678
Amortisation of intangible assets	24,756,363	28,359,625
Total depreciation and amortisation pertaining to continuing operations	**364,845,486**	**347,849,304**
Total depreciation and amortisation expense	**364,845,486**	**347,849,304**

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32 Other expenses

	Year ended March 31, 2017	Year ended March 31, 2016
Power and fuel	144,263,956	128,807,249
House Keeping Expenses	128,232,257	97,002,140
Water Charges	14,032,715	8,440,638
Rent	720,447,084	611,059,792
Repairs to Buildings	8,612,098	7,521,426
Repairs to Machinery	105,021,326	107,458,710
Repairs to Vehicles	145,318	719,970
Office Maintenance & Others	27,487,355	23,988,729
Insurance	13,990,518	10,498,491
Rates and Taxes, excluding taxes on income	13,954,128	19,153,066
Printing & Stationery	20,207,161	18,660,475
Postage & Telegram	10,084,973	7,759,373
Director Sitting Fees	804,800	171,500
Advertisement, Publicity & Marketing	201,184,153	200,547,517
Travelling & Conveyance	59,140,691	64,038,778
Subscriptions	40,458	2,280
Security Charges	41,137,594	30,907,688
Legal & Professional Fees	63,776,799	77,135,135
Audit Fee	1,797,986	1,758,114
Tax Audit Fee	368,150	163,304
Other Services	116,991	72,800
Hiring Charges	18,420,069	19,067,940
Seminar Expenses	3,376,284	3,223,372
Recruitment Charges	11,480,267	19,292,311
Telephone Expenses	39,353,070	36,698,286
Books & Periodicals	358,729	324,189
Donations	-	1,000
Bad Debts Written off	1,474,370	1,114,079
Write off of Cash & Card collections	-	387,802
Provision for Bad Debts	5,403,165	36,343
Provision For Doubtful Advances	4,790,093	926,020
Provision For Doubtful Deposits	-	3,500,086
Provision For Doubtful Debts	8,693,784	37,796,585
Outsourcing Expenses	6,743,619	4,948,253
Interest on delayed statutory payments	178,652	270,546
Loss on Sale of Asset	199,479	63,699
Loss on sale Investment	-	-
Preliminary Expenses	-	5,391,787
Miscellaneous expenses	13,931,335	19,329,488
	1,689,249,427	**1,568,238,961**

32.1 Payments to auditors (Included in other expenses above)

a) For audit	1,797,986	1,758,114
b) For taxation matters	368,150	163,304
c) For other services	116,991	72,800
	2,283,127	1,994,218

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33 Segment information

33.1 Products and services from which reportable segments derive their revenues

The Directors of the company identified Cheif Executive Offier(CEO) of the company as Chief Operting Decision Maker (CODM).
Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the model of healthcare services delivered. The directors of the Company have chosen to organise the company around differences in products and services. Accordingly, Clinics and Diagnostics meternity hospitals ,cradlesm dental , Sugars and Dailysis Clinics have been identified as the operating segments. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The segments includes a number of speciality hospitals/ clincs/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:

- 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:

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

b. Inter segment revenue and expenses are eliminated.
The Company has disclosed this Segment Reporting in Consolidated Financial Statements as per Ind AS 108

33.2 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	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Clinics	791,758,958	768,822,660	(141,052,033)	(400,997,597)
Dignostics	538,729,037	292,830,532	(54,096,946)	11,441,813
Spectra	1,242,485,411	1,049,158,843	(431,495,112)	(595,347,917)
Cradle	829,655,247	301,113,670	(463,829,246)	(375,856,933)
Sugar	173,770,056	90,617,832	(123,895,976)	(180,652,080)
Dialysis	55,124,558	51,818,646	(4,110,871)	(5,771,592)
Dental	335,218,781	382,344,308	(48,075,771)	(32,351,537)
AKESO	-	45,384,894		(2,167,107)
COSMETICS	-	12,238,874		(2,426,335)
Total	**3,966,742,048**	**2,994,330,259**	**(1,266,555,955)**	**(1,584,129,285)**
Less: Inter Segment Revenue	(146,309,343)	(46,669,874)		
Total for continuing operations	**3,820,432,705**	**2,947,660,384**	**(1,266,555,955)**	**(1,584,129,285)**
Share of profit / (loss) of Minority	-	-	(394,738,231)	(416,136,080)
Share of profit of joint ventures	-	-	-	-
Other income	-	-	78,695,642	334,243,699
Central administration costs and directors' salaries	-	-	222,016,657	(8,838,962)
Finance costs	-	-	407,615,555	356,318,098
Profit before tax (continuing operations)	-	-	(1,422,754,294)	(1,181,228,642)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profit of associates, share of profit of joint ventures, other income, as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

33.3 Segment assets and liabilities

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Segment Assets			
Clinics	777,759,832	1,565,427,974	1,393,043,275
Dignostics	235,821,636	90,023,225	-
HO	6,619,894,173	2,448,843,927	1,750,989,509
Spectra	2,564,581,260	1,430,516,469	1,281,395,271
Cradle	1,534,846,216	1,357,092,826	281,294,662
Sugar	497,093,892	582,944,105	723,145,885
Dialysis	55,726,178	46,604,804	47,280,137
Dental	409,594,867	449,210,808	480,308,700
Akeso	-	40,585,024	47,172,173
Cosmetics	-	21,434,289	36,617,964
Total Segment Assets	12,695,318,055	8,032,683,449	6,041,247,576
	-	-	-
Unallocated	(6,221,080,500)	(3,001,713,864)	(1,991,587,357)
Consolidated total assets	6,474,237,555	5,030,969,585	4,049,660,218
Segment liabilities			
Clinics	777,759,832	1,565,427,974	1,393,043,275
Dignostics	235,821,636	90,023,225	-
HO	6,619,894,173	2,448,843,927	1,750,989,507
Spectra	2,564,581,260	1,430,516,469	1,281,395,270
Cradle	1,534,846,216	1,357,092,826	281,294,663
Sugar	497,093,891	582,944,105	723,145,885
Dialysis	55,726,178	46,604,802	47,280,135
Dental	409,594,871	449,210,809	480,308,702
Akeso	-	40,585,025	47,172,173
Cosmetics	-	21,434,289	36,617,964
Total Segment liabilities	12,695,318,058	8,032,683,450	6,041,247,574
	-	-	-
Unallocated	(6,221,080,497)	(3,001,713,861)	(1,991,587,356)
Consolidated total liabilities	6,474,237,560	5,030,969,589	4,049,660,219

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than investments in associates, investments in joint ventures, other investments, loans, other financial assets and current and deferred tax assets. Goodwill is allocated to reportable segments .. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- all liabilities are allocated to reportable segments other than borrowings, other financial liabilities,current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

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No. 28,
Murray's Gate Rd,
Alwarpet,
Chennai-18.
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33.4 Other segment information

	Depreciation and Amortisation		Addition to Non Current Assets	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Clinics	82,582,139	72,830,778	89,945,290	126,622,818
Dignostics	12,051,115	3,619,252	64,174,482	56,948,221
Spectra	119,511,482	154,166,417	33,786,066	462,806,120
Cradle	105,965,319	67,501,818	419,575,147	549,758,053
Sugar	9,013,222	6,813,732	13,702,077	60,005,082
Dialysis	2,710,686	7,378,514	4,055,432	4,377,958
Dental	33,011,522	32,307,248	7,400,394	14,998,739
AKESO	-	1,182,827		
COSMETICS	-	2,048,718		
Total	364,845,486	347,849,304	632,638,888	1,275,516,991

34 Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	31-Mar-17	31-Mar-16
Health care Services	3,705,548,227	2,831,512,908
Project consultancy	105,190,864	116,147,477
Other operative Revenue	9,693,614	
	3,820,432,705	2,947,660,385

35 Information about major customers

No single customers contributed 10% or more to the Group's revenue for both 2016-2017 and 2015-2016.

36 Earnings per Share

	31-Mar-17	31-Mar-16
Basic earnings per share		
From continuing operations	(18.89)	(24.09)
From discontinued operations	-	-
Total basic earnings per share	(18.89)	(24.09)
Diluted earnings per share		
From continuing operations	(18.79)	(23.64)
From discontinued operations	-	-
Total diluted earnings per share	(18.79)	(23.64)

36.1 Basic earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Profit for the year attributable to owners of the Company	(1,417,530,706)	(1,192,741,130)
Dividends paid on convertible non-participating preference Shares	-	-
Earnings used in the calculation of basic earnings per share	(1,417,530,706)	(1,192,741,130)
Profit for the year from discontinued operations attributable to owners of the Company	-	-
Others [describe]	-	-
Earnings used in the calculation of basic earnings per share from continuing operations	(1,417,530,706)	(1,192,741,130)
Weighted average number of equity shares for the purposes of basic earnings per share	75,031,267	49,503,309

36.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.		
Earnings used in the calculation of basic earnings per share	(1,417,530,706)	(1,192,741,130)
Interest on convertible notes (after tax at 30%)	-	-
Earnings used in the calculation of diluted earnings per share Profit for the year from discontinued operations attributable	(1,417,530,706)	(1,192,741,130)
Others [describe]	-	-
Earnings used in the calculation of diluted earnings pershare from continuing operations	(1,417,530,706)	(1,192,741,130)

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Weighted average number of equity shares used in thecalculation of basic earnings per share	75,031,267	49,503,309
Shares deemed to be issued for no consideration in respect of:	417,840	954,993
- employee options		
Weighted average number of equity shares used in the calculation of diluted earnings per share	75,449,107	50,458,302

37 Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows

Name of the subsidary	Prinicipal activity	Place of Incorporation and Operation	Proportion of ownership interest and Voting Power Held By The		
			31-Mar-17	31-Mar-16	1-Apr-15
Apollo Bangalore Cradle Limited	Healthcare services in relation to Mother and child	Bangalore, Karnataka	-	-	81.37%
Apollo Sugar Clinics Limited	Healthcare services in the area of Daibatology	Hyderabad, Telanagana	80.0%	80.0%	80.0%
Alliance Dental Care Limited	Specialised Dental Care services	Chennai	70.0%	70.0%	-
Apollo Dialysis Private Limited	Specialised Dialysis Services	Chennai	70.0%	70.0%	-
Apollo Specialty Hospitals Pvt Ltd	Specialty health care	Bangalore, Karnataka	99.92%	48.6%	100.0%
Apollo Cosmetic Surgical Centre Pvt Ltd	Healthcare- Cosmetic & Surgical car	Bangalore, Karnataka	-	100.0%	69.4%
Akeso Healthcare Private Limited	Healthcare Clinic Services	Bangalore, Karnataka	-	100.0%	100.0%

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38 Employee benefit plans

38.1 Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017 by Mr.K.V.Y Sastry Fellow of the

The principal assumptions used for the purposes of the actuarial valuations were as follows.	Valuation as at		
	31-Mar-17	31-Mar-16	1-Apr-15
Discount rate(s)	8%	8%	8%
Expected rate(s) of salary increase	5%	5%	5%

* Based on India's standard mortality table with modification to reflect expected changes in mortality/ others (please describe).

Amounts recognised in consolidated statement of profit and loss in respect of These defined benefit plans are as follows.	31-Mar-17	31-Mar-16
Service cost: •		
Current service cost	6,189,676	4,796,104
Past service cost and (gain)/loss from settlements	341,476	(2,708,794)
Net interest expense	786,692	846,341
Components of defined benefit costs recognised in profit or loss	7,317,844	2,933,651

Movements in the present value of the defined benefit obligation are as follows.	31-Mar-17	31-Mar-16
Opening defined benefit obligation	9,577,068	10,604,685
Current service cost	5,350,815	3,393,966
Interest cost	749,934	1,969,071
Remeasurement (gains)/losses:	(797,055)	(3,395,774)
Actuarial gains and losses arising from experience adjustments	1,491,172	333,412
Benefits paid	(3,096,412)	(3,328,292)
Closing defined benefit obligation	13,275,522	9,577,068

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39 Reconciliation of Level 3 fair value measurements

Particulars	Unlisted shares irrevocably designated as at FVTOCI	Others [describe]	Total
For the year ended March 31, 2017			
Opening balance	4,568,223	-	4,568,223
Total gains or losses:			-
- in profit or loss			
- in other comprehensive income	512,405	-	512,405
Purchases	-	-	-
Issues	-	-	-
Disposals/settlements	-	-	-
Transfers out of level 3	-	-	-
			-
Closing balance	**5,080,628**	**-**	**5,080,628**
For the year ended March 31, 2016			
Opening balance	9,326,207	-	9,326,207
Total gains or losses:			-
- in profit or loss	-	-	-
- in other comprehensive income	(4,757,984)	-	(4,757,984)
Purchases	-	-	-
Issues	-	-	-
Disposals/settlements	-	-	-
Transfers out of level 3	-	-	-
			-
Closing balance	**4,568,223**	**-**	**4,568,223**

All gains and losses included in other comprehensive income relate to unlisted shares held at the end of the reporting period and are reported under "Equity instruments through other comprehensive income"

40 Share-based payments

40.1 **Employee share option plan of the Company**

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

Name of the Employee	ESOPs Granted	ESOPs Vested	ESOPs exercised	Exercise Price	Amount Paid
Mr. Sudhir M Diggikar	97,349	97,349	97,349	Rs.30	2,920,470
Mr.C.V. Ram	97,349	97,349	48,674	Rs.30	1,460,220
Total	**194,698**	**194,698**	**146,023**		**4,380,690**

Further Mr. Neeraj Garg, CEO of the Company has been granted Employee Stock Options of 3,30,000 (75% on time & 25% on performance) and 82,500 against the performance. as per terms and conditions of his appointment letter dated 1st June 2013. Out of the ESOPs so granted the following table reflects the ESOPs granted, vested and exercised as on date:

Name of the Employee	ESOPs Granted [1]	ESOPs Vested	ESOPs exercised	Exercise Price	Amount Paid
Mr. Neeraj Garg	330,000	247,500	247,500	Rs.30	7,425,000
Mr. Neeraj Garg	82,500	82,500	82,500	Rs.30	2,475,000

1. 82,500 options out of 3,30,000 option will vest on June 1, 2017

40.2 **Apollo Specialty Hospitals Limited (ASH)**

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

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

The following share based payment arrangemnts were in existence during the current and prior years:

FCD Issued to	Date of Issue	Vesting Date	Value of FCD (Rs.)	No. of Options issuable	Exercise Price	Fair value on date of Grant
Dr. Rohit Pandya	01-Jan-15	31-Dec-20	2,750,000	107	-	25,764
Pandya Hospital and Research	01-Jan-15	31-Dec-20	2,500,000	97	-	25,764
Dr. Renuka Pandya	01-Jan-15	31-Dec-20	2,750,000	107	-	25,764
Excel Hospital Pvt Ltd	01-Jan-15	31-Dec-20	10,600,000	411	-	25,764
Dr Vinay Sabrawal	01-Jan-15	31-Dec-20	6,250,000	243	-	25,764
Dr Malvika Sabrawal	01-Jan-15	31-Dec-20	6,250,000	243	-	25,764
Dr Mahesh Reddy	01-Jul-15	30-Jun-19	10,000,000	388	-	25,764
			41,100,000	1,595		

41 Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are annexed.

42 Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

Particulars	**Year ended 31-Mar-17**	**Year ended 31-Mar-16**
Short-term benefits	52,220,347	17,654,700
Share-based payments	14,957,702	-
	67,178,049	17,654,700

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

43 Operating lease arrangements
43.1 The Group as lessee
Leasing arranangement

Operating leases relate to leases of land with lease terms of between 5-10 yrs . All operating lease contracts over 5 years contain clauses for 5-yearly market rental review .The Group does not have an option to purchase the leased land at the expiry of the lease periods.

Payments recognised as an expense

Particulars	**Year ended 31-Mar-17**	**Year ended 31-Mar-16**
Minimum lease payments	720,447,084	611,059,792
	720,447,084	611,059,792

Non-cancellable operating lease commitments

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
Not later than 1 year	197,958,283	406,669,085	237,451,591
Later than 1 year and not later than 5 years	274,895,227	1,697,210,939	796,491,726
Later than 5 years	-	5,173,399	10,346,798
	472,853,511	**2,109,053,423**	**1,044,290,115**

44 Commitments

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
(a) Estimated amount of contracts remaining to be executed on purchase of Property and equipment	202,032,680	312,756,825	2,823,891

45 Contingent liabilities
Particulars

The company doesn't have uncovered meterial labilites as on the date of balance sheet

46 Approval of financial statements

The financial statements were approved for issue by the board of directors on June 29, 2017

47 First-time Ind AS adoption reconciliations

47.1 Effect of Ind AS adoption on the consolidated balance sheet as at March 31, 2016 and April 1, 2015

Particulars	As at 31/03/2016			As at 01/04/2015		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current assets						
Property, Plant and Equipment	800,176,811	(1,730,843,274)	2,531,020,085	1,660,303,586	(320,136,001)	1,980,439,587
Capital work-in-progress	2,346,562	(34,169,071)	36,515,633	20,690,936	(4,820,144)	25,511,080
Investment Property	-	-	-	-	-	-
Goodwill	1,008,812,318	721,424,032	287,388,286	250,443,846	(36,944,440)	287,388,286
Other Intangible assets	41,254,673	(58,769,263)	100,023,935	53,739,093	(22,911,755)	76,650,848
Intangible assets under development	-	-	-	-	-	-
Financial Assets	-	-	-	-	-	-
(i) Investments	-	-	-	-	-	-
a) Investments in associates	-	-	-	-	-	-
b) Investments in joint ventures	-	-	-	-		
c) Other investments	2,011,776	(2,556,448)	4,568,224	2,011,776	(7,314,431)	9,326,207
(ii) Trade receivables	-	-		-		
(iii) Loans	-	-	-	1,000,000	-	1,000,000
(iv) Finance lease receivables	-	-	-	-	-	
(v) Other financial assets	98,311,704	(185,277,589)	283,589,293	195,913,965	(556,033)	196,469,998
Deferred tax assets (net)	-	-	-	-	-	
Other non-current assets	13,094,225	(2,453,980)	15,548,205	13,300,800	(4,790,093)	18,090,893
Total Non - Current Assets	**1,966,008,068**	**(1,292,645,593)**	**3,258,653,661**	**2,197,404,002**	**(397,472,898)**	**2,594,876,900**
Current assets						
Inventories	56,616,938	(55,234,901)	111,851,839	48,056,319	(34,734,394)	82,790,713
Financial assets	-	-	-	-	-	-
(i) Investments	268,606,426	-	268,606,426	251,099,520	-	251,099,520
(ii) Trade receivables	180,012,847	(38,513,498)	218,526,345	250,958,901	(5,111,001)	256,069,901
(iii) Cash and cash equivalents	194,993,702	(108,586,085)	303,579,787	502,629,598	(21,011,583)	523,641,181
(iv) Bank balances other than (iii) above	-	-	-	-	-	-
(v) Loans	-	(11,454,569)	11,454,569	96,233,598	-	96,233,598
(vi) Finance lease receivables	-	-	-	-	-	-
(vii) Other financial assets	234,432,329	59,204,364	175,227,965	31,680,927	(12,468,225)	44,149,152
Current Tax Assets (Net)	191,778,923	(43,393,231)	235,172,154	127,830,069	(27,710,151)	155,540,220
Other current assets	9,047,247	(438,849,593)	447,896,840	31,155,169	(14,103,863)	45,259,032
Assets classified as held for sale	-	-	-	-	-	-
Total current assets	**1,135,488,412**	**(636,827,513)**	**1,772,315,926**	**1,339,644,101**	**(115,139,217)**	**1,454,783,318**
Total assets	3,101,496,481	(1,929,473,106)	5,030,969,587	3,537,048,103	(512,612,115)	4,049,660,218
Equity						
Equity Share capital	637,314,500	-	637,314,500	419,697,960	-	419,697,960
Convertible non-participating preference share capital	-	-	-	-	-	-
(c) Share application pending allotment money	985,250	-	985,250	11,380,710		11,380,710
Redeemable Preference Shares	-	-	-	-	-	
Other equity	1,587,718,988	2,056,044,416	(468,325,427)	27,423,076	(270,242,684)	297,665,760
Equity attributable to owners of the Company	-	-	-	-	-	
Non-controlling interests	(452,020,618)	(19,700,635)	(432,319,983)	542,531,723	305,741,826	236,789,897
Total Equity (Shareholders funds under previous GAAP)	**1,773,998,121**	**2,036,343,781**	**(262,345,660)**	**1,001,033,469**	**35,499,142**	**965,534,327**
Minority Interest (Previous GAAP)	-	-	-	-	-	-
Non-current liabilities						
Financial Liabilities						
(i) Borrowings	541,653,905	(3,099,428,745)	3,641,082,650	1,865,000,000	(160,500,572)	2,025,500,572
(ii) Trade payables	-	-	-	-	-	-
(iii) Other financial liabilities	-	-	-	-	-	-
Provisions	10,243,457	(5,868,142)	16,111,599	15,563,665	(442,282)	16,005,947
Deferred tax liabilities (Net)	20,626,838	(20,139,796)	40,766,634	26,139,306	(7,027,577)	33,166,883
Other non-current liabilities	-	-	-	-	(238,150,238)	238,150,238
Total Non - Current Liabilities	**572,524,200**	**(3,125,436,683)**	**3,697,960,883**	**1,906,702,971**	**(406,120,669)**	**2,312,823,640**
Current liabilities						
Financial Liabilities						
(i) Borrowings	88,835,695	-	88,835,695	-	(43,430,575)	43,430,575
(ii) Trade payables	563,713,881	(682,768,909)	1,246,482,790	529,299,571	(66,999,670)	596,299,241
(iii) Other financial liabilities	31,440,608	(142,075,784)	173,516,392	62,394,256	(23,729,989)	86,124,245
Provisions	3,729,760	(160,476)	3,890,236	310,408	(5,063,346)	5,373,754
Current Tax Liabilities (Net)	-	-	-	-	-	-
Other current liabilities	67,254,216	(15,375,035)	82,629,250	37,307,428	(2,767,009)	40,074,437
Liabilities directly associated with assets classified as held for sale	-	-	-	-	-	-
Total Current Liabilities	754,974,160	(840,380,204)	1,595,354,363	629,311,663	(141,990,589)	771,302,252
Total Liabilities	1,327,498,360	(3,965,816,887)	5,293,315,246	2,536,014,634	(548,111,258)	3,084,125,892
Total Equity and Liabilities	3,101,496,481	(1,929,473,106)	5,030,969,586	3,537,048,103	(512,612,115)	4,049,660,218

47.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

Particulars	31-Mar-16	1-Apr-15
Total equity (shareholders' funds) under previous GAAP	1,270,932,810	458,501,747
Impact on transition Reserve	(14,201,987)	
Recognisition of time value of Money in case of interest free deposits		(1,497,372)
Recognision of Effective interest (EIR) impact on borrowings	7,880,469	11,212,569
Impact of EIR computation on long term borrowings		
Fair value of equity instruments (Health super Highway)		7,314,431
Provision for Trade reecivables under ECL model(more than 180 days provided 100%)	(24,655,000)	(35,923,068)
Cost of business combinations written off		(7,762,177)
Net impact of incorporation of ESOP accounting and reversal of earlier balancces in case of FCD issued to doctors		13,716,935
Proportionate ESOP expenses accrued during the vesting period	(7,071,874)	(1,263,304)
Adjustment Recognised as Ind as transition Reserve		**(14,201,987)**
Increase in ESOP Reserve	8,335,179	1,263,304
impact due to presentation of common control transaction in opening balance sheet		639,249,120
incorporation of share suspense represents shares issued to AHEL in spet 15		(683,991,200)
Losses of ADPL & ADCCL as on March 31, 2015		(43,220,026)
Correction of minority interest computation (ASCL & ABCL)		371,143,472
Reversal of Goodwill Ammortisation	18,460,588	
Movement in OCI - Remeasurement of equity investment	(4,757,984)	
Movement in OCI - Actuarial Gains & Losses	1,453,445	
Net Gain on actuarial gains reclassed to OCI	(1,453,445)	
Reversal of gain pertaining to KKR & IHCL	(91,955,160)	
Elimination of securities premium, since as per Ind AS 103 the identity of General reserve need to be retained.		
Share Application money earlier disclosed in other liabilities	985,250	
Adjustments on Consolidation		
Cosmetics Adjustment	(7,254,096)	
Elimination of cosmetic investment in ASH	(5,284,224)	
Rectification of ASCL Minority. Higher minority has been shared by deniting equity, this is now credited back to equity.	363,831,825	
Rectification of ADCL minority from IGAAP. Earlier lesser value of reserves are considered for computation of minority which is corrected now.	(10,294,116)	
Net impact on consolidation of ASH	(571,189,607)	
Ind AS adjsutments earlier considered under transition reserve now included in above numbers	(9,500,530)	
Common control transactions - Goodwill earlier recognised on account of ADPL & ADCL transaction is now transferred to capital reserve	(754,287,220)	
	-	-
Total Equity under Ind AS	**169,974,323**	**728,744,430**

47.3 Effect of Ind AS adoption on the consolidated statement of profit and loss for the year ended March 31, 2016

Particulars	Notes	31-Mar-16 Previous GAAP	31-Mar-16 Effect of transition to Ind AS	31-Mar-16 Ind AS
Revenue from Operations		1,677,172,635	(1,270,487,750)	2,947,660,385
Other Income		621,132,703	286,889,004	334,243,699
Total Income (A)		**2,298,305,338**	**(983,598,746)**	**3,281,904,084**
Expenses				
Cost of materials consumed		359,474,512	(201,547,875)	561,022,387
Purchases of Stock-in-trade		544,514,403	(566,946,088)	1,111,460,491
Changes in stock of finished goods, work-in-progress and stock-in-trade		(11,845,136)	-	(11,845,136)
Excise duty on sale of goods			-	
Employee benefit expense		566,555,787	(371,326,588)	937,882,375
Finance costs		93,717,693	(262,600,405)	356,318,098
Depreciation and amortisation expense		144,731,813	(203,117,491)	347,849,304
Impairment loss on financial assets		-	-	
Reversal of impairment on financial assets		-	-	
Other expenses		672,781,077	(903,800,210)	1,576,581,287
Total expenses (B)		**2,369,930,148**	**(2,509,338,657)**	**4,879,268,806**
Share of profit / (loss) of associates				
Share of profit / (loss) of joint ventures		-	-	-
Profit/(loss) before tax (A+B+C+D)		**(71,624,811)**	**1,525,739,911**	**(1,597,364,722)**
Tax expense				
(1) Current tax		**300,000**	(2,088,143)	**2,388,143**
(2) Deferred tax		**(12,231,847)**	(18,051,653)	**5,819,806**
Profit for the period from continuing operations		**(59,692,964)**	**1,545,879,707**	**(1,605,572,671)**
Profit from discontinued operations before tax		-	-	-
Tax expense of discontinued operations		-	-	-
Profit from discontinued operations (after tax)		-	-	-
Share of minority interests (previous GAAP)		**2,837,318**	(413,298,761)	**416,136,080**
Profit for the period		**(56,855,646)**	**1,132,580,946**	**(1,189,436,592)**
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
(a) Changes in revaluation surplus		-	-	-
(b) Remeasurements of the defined benefit liabilities / (asset)		-	-	**1,453,445**
(c) Equity instruments through other comprehensive income		-	-	**(4,757,984)**
(e) Others (specify nature)		-	-	-
A (ii) Income tax relating to items that will not be reclassified to profit or loss				
B (i) Items that will be reclassified to profit or loss				
(a) Exchange differences in translating the financial statements of foreign operations		-	-	-
(b) Debt instruments through other comprehensive income		-	-	-
(e)Others (specify nature)		-	-	-
(f) Share of other comprehensive income in associates and joint ventures, to the extent that may be reclassified to profit or loss		-	-	-
B (ii) Income tax relating to items that will be reclassified to profit or loss			-	-
Total comprehensive income for the period (A (i-ii)+B(i-ii))			-	**(3,304,539)**
Total comprehensive income for the period			-	**(3,304,539)**

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Apollo Health and Lifestyle Limited

INDEPENENT AUDITOR'S REPORT

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

Report on the Consolidated Ind AS Financial Statements.

We have audited the accompanying Consolidated Ind AS Financial Statements of **Apollo Health and Lifestyle Limited** ("the Company") and its subsidiaries, Apollo Specialty Hospitals Limited, Apollo Sugar Clinics Limited, Alliance Dental care limited and Apollo Dialysis private limited (The Holding Company and its subsidiaries together referred to as the "Group"),which comprise the Consolidated Balance Sheet as at March 31, 2017, 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. (Hereinafter referred to as "the consolidated Ind AS financial statements")

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS Financial statements in terms of the requirements of the Companies Act, 2013(hereinafter referred to as "The Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows & consolidated changes in Equity of the Group including its Associates and Jointly Controlled entities in accordance with accounting principles generally accepted in India, including the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2016. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS Financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their reports referred to in the Other Matters, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS of the consolidated Financial Position of the Group, its associates and jointly controlled entities as at 31st March 2017 & It's consolidated Financial performance including other comprehensive income, it's consolidated cash flows & the consolidated changes in Equity for the year ended on that date.

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Other Matters

Financial statements of subsidiaries which reflect total net assets of Rs. 2,779,695,462 as at 31st March 2017, Total Revenue of Rs.2,699,720,398 as 31st March 2017 and loss amounting to Rs. 1,361,276,266 for the year ended on that date.

We did not audit the financial statements and other financial information, in respect of one subsidiary whose Ind AS financial statements include total net assets of Rs.43,08,33,221 as at march 31, 2017, and total revenues of Rs.191,053,236 and loss amounting to Rs. 107,554,006 for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's report has been furnished to us by the management. The accompanying consolidated Ind AS financial statements include net assets of Rs.2,348,862,241 as at March 31, 2017, and total revenues Rs. 2,508,667,162 and loss amounting to Rs.1,253,722,260 for the year ended on that date, in respect of subsidiaries, which have been audited by us. The above financial information is before giving effect to any consolidation adjustments. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 1,417,530,706 for the year ended March 31, 2017. Our opinion, in so far relates to the affairs of such subsidiary is based solely on the report of other auditor. Our opinion is not modified in respect of this matter.

These financial statements have been audited by us and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books of accounts.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the consolidated statement of Cash Flow & Consolidated statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

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(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group's companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Group does not have any pending litigations which would impact its financial position.

(ii) The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For Karra and Co.,
Chartered Accountants
Firm Registration No.001749S

V.Venkateswara Rao
Partner
Membership No. 022370
Place: Hyderabad
Date:

KARRA & CO., Chartered Accountants
F.R.N. 001749S "ANUGRAHA" No. 28, Murray's Gate Rd, Alwarpet, Chennai-18.

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Apollo Health & Lifestyle Limited ("the Holding Company") 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 Holding Company 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

KARRA & CO.
F.R.N. 001749S
"ANUGRAHA"
No. 28,
Murray's Gate Rd,
Alwarpet,
Chennai-18.
Chartered Accountants

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

KARRA & CO.
F.R.N. 001749S
ANUGRAHA
No. 28,
Murray's Gate Rd,
Alwarpet,
Chennai-18.
Chartered Accountants

Opinion

In our opinion, the Holding Company 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 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Karra and Co.,
Chartered Accountants
Firm Registration No.001749S

KARRA & CO., F.R.N. 001749S "ANUGRAHA" No. 28, Murray's Gate Rd, Alwarpet, Chennai-18. Chartered Accountants

V.Venkateswara Rao
Partner
Membership No. 022370
Place:Hyderabad
Date: