

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
M/s APOLLO NELLORE HOSPITALS LIMITED**

We have audited the accompanying standalone Ind AS financial statements of **APOLLO NELLORE HOSPITALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, Statement of changes in equity, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, 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 the accounting principles generally accepted in India, including the Ind AS of the state of affairs of the Company as at 31st March, 2019, and its **profit** and its cash flows for the year ended on that date.

Basis for Opinion.

We conducted our audit on the standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the Provisions of the Companies Act, 2013 and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.



Information Other than the Financial Statements and Auditor's Report thereon:

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report Corporate Governance and Shareholder's information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regards.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.



The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Ind AS Financial Statements:

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Sec.143(3)(i) of the Act, we are also
- Responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to our audit's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

- 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.
- 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with 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 Rule 7 of the Companies (Accounts) Rules, 2014.



- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 B and
- 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, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations which impact the Standalone Ind AS financial statements.
 - ii. The Company does not foresee any material losses in any long term contracts.

**For V.CHANDRASEKHARAN & ASSOCIATES
CHARTERED ACCOUNTANTS.(FRN.591S)**

V. Ce

**V.CHANDRASEKHARAN
PARTNER.(M.No.024187)**



Place: Chennai

Date: *15/5/2019*

APOLLO NELLORE HOSPITALS LIMITED
Standalone Financial Statements for the year ended 31st. March 2019
BALANCE SHEET AS AT 31.03.2019

	NOTES	As at 31.03.2019	As at 31.3.2018
ASSETS			
Non-Current Assets			
a. Property, Plant and Equipments	1	1,002,749	1,002,749
b. Other Financial Assets	2	1,717,964	1,755,214
Total of Non-Current Assets		2,720,713	2,757,963
Current Assets			
a. Trade Receivables	3	29,302,259	24,202,336
b. Cash and Cash equivalents	4	570,740	570,740
Total Current Assets		29,872,999	24,773,076
Total Assets		32,593,712	27,531,039
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	5	13,970,860	13,970,860
b. Other Equity	6	10,109,512	3,843,368
Total Equity		24,080,372	17,814,228
Non-Current Liabilities			
a. Other Financial Liabilities	7	7,750,000	7,750,000
Total Non-Current Liabilities		7,750,000	7,750,000
Current Liabilities			
a. Trade Payables	8	88,500	88,500
b. Other Current Liabilities	9	-	1,399,862
c. Income Tax Liability	10	674,840	478,449
Total Current Liabilities		763,340	1,966,811
Total Equity and Liabilities		32,593,712	27,531,039

The accompanying notes are an integral part of these financial statements.

As per our report of even date.

For and on behalf of the Board of Directors

for V. CHANRASEKHARAN & ASSOCIATES
 CHARTERED ACCOUNTANTS.(FRN.591S)

V. Chandrasekharan
 V. CHANDRASEKHARAN
 PARTNER.(M.No.024187)

Place: Chennai
 Date:



DIRECTOR

DIRECTOR

APOLLO NELLORE HOSPITALS LIMITED

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31.03.2019**

Standalone Financial Statements for the year ended 31st. March 2019

	NOTES	2018-19 Rs.	2017-18 Rs.
I	Revenue from Operations		
	Rent Received (Net of taxes)	11	8,165,861
			7,777,010
II	Other Income	12	119,038
		<u>8,165,861</u>	<u>7,896,048.0</u>
EXPENDITURE:			
	Other Expenses	13	371,041
	Depreciation	-	188,543
		<u>371,041</u>	<u>188,543</u>
	Profit Before Tax	7,794,820	7,707,505
	Provision for Income Tax - Deferred		
	- Current	1,528,676	1,439,560
	Earlier years		
	Profit/(Loss) after Tax for the year	6,266,144	6,267,945
	Total Comprehensive income for the year	6,266,144	6,267,945
	Earnings per share	4.49	4.49

The accompanying notes are an integral part of these financial statements.

As per our report of even date:

for V. CHANRASEKHARAN & ASSOCIATES
CHARTERED ACCOUNTANTS.(FRN.591S)

V. CHANDRASEKHARAN
PARTNER.(M.No.024187)



For and on behalf of the Board of Directors

[Signature]
DIRECTOR

[Signature]
DIRECTOR

VSK

OR

APOLLO NELLORE HOSPITALS LIMITED

STATEMENT OF CHANGES IN EQUITY

a. Equity Share Capital			
Balance at April 1, 2018		13,970,860	13,970,860
Changes in Equity Share capital during the year			
Balance at March 31st. 2019		13,970,860	13,970,860
b. Other Equity			
	Securities Premium	Retained Earnings	Total Other Equity
Balance as at 1st. April 2018	37,641,140	(33,797,772)	3,843,368
Addition during the year		6,266,144	6,266,144
Balance as at 31st. March 2019	37,641,140	(27,531,628)	10,109,512

The accompanying notes are an integral part of these financial statements.

As per our report of even date:

for V. CHANRASEKHARAN & ASSOC
CHARTERED ACCOUNTANTS.(FRN.591S)

V. CHANDRASEKHARAN
PARTNER.(M.No.024187)



For and on behalf of the Board of Directors

DIRECTOR

DIRECTOR

APOLLO NELLORE HOSPITALS LIMITED

NOTES FORMING PART OF THE ACCOUNTS

A. Accounting Policies:

- (a) The accounts have been prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment rules 2016.
- (b) The financial Statements have been prepared in accordance with Ind AS standards notified under the Companies (Indian Accounting Standards) Rules 2015.
- (c) The company' income mainly of Lease Rental from the properties are recognized as operating lease and rental income from operating lease is generally recognized 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 recognized in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.
- (d) The Gross Block of Fixed Assets are stated at cost of acquisition including incidental expenses related to acquisition and installation.
- (e) Depreciation on Fixed Asset are at the new rates prescribed in Schedule II of the Companies Act. Assets which are fully depreciated are recognized at residual value.
- (f) All liabilities are provided for in the accounts except liabilities of a contingent nature, which are disclosed under Notes on Accounts.
- (g) Current Tax is determined as the amount of tax payable in respect of taxable income for the year.
- (h) Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax provisions are made as per the Accounting Standard 22 of the Institute of Chartered Accountants of India.



Notes No.1**Property, Plant and Equipment**

Carrying amounts of:	As at 31st. March 2019	As at 31st. March 2018
a. Land	1,002,749	1,002,749
	<u>1,002,749</u>	<u>1,002,749</u>

Notes No.2**Other Financial Assets**

1,717,964	1,755,214
<u>1,717,964</u>	<u>1,755,214</u>

Notes No.3

Trade Receivables (Unsecured considered good)	29,302,259	24,202,336
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Trade Receivable represent the amount outstanding from the Holding Company M/s.Apollo Hospitals Ent. Ltd. towards lease rentals which are considered good by management. The entity holds no other securities other than personal security of debtors

No credit period has been stipulated for the rental amounts which are due on 1st. Of April every year

The entire dues are only from M/s.Apollo Hospitals Enterprises Limited.

Aging of Trader receivables

Less than 1 year	5,099,923	7,264,813
More than 1 year	24,202,336	16,937,523
	<u>29,302,259</u>	<u>24,202,336</u>



Note No.4

Cash and Cash Equivalents

a. Cash in hand		
b. Balance in Bank in current Account	570,740	570,740
	<u>570,740</u>	<u>570,740</u>

Note No.5

Equity Share Capital

SHARE CAPITAL	50,000,000	50,000,000
Authorized - (5000000 Equity Shares of Rs.10/- each)		
Issued, Subscribed and Paid Up: (1397086 Equity shares of Rs.10/ each)	13,970,860	13,970,860
	<u>13,970,860</u>	<u>13,970,860</u>

Reconciliation of the Share outstanding at the beginning and at the end of 31st. March 2019

	As at 31.03.2019		As at 31.3.2018	
	No. of Shares	Amount	No. of shares	Amount
Equity Capital				
At the Beginning of the period	1,397,092	13,970,920	1,397,092	13,970,920
At the end of the period	1,397,092	16,800,000	1,397,092	13,970,920
Shares held by the Holding Company and their Shareholders				
Apollo Hospitals Enterprises Limited-Holding Compa	1,109,842	11,098,420	1,109,842	11,098,420

Note No.6

Other Equity	As at 31-03-19	As at 31-03-18
Securities Premium Account	37,641,140	37,641,140
Retained Earnings	(27,531,628)	(33,797,772)
	<u>10,109,512</u>	<u>3,843,368</u>
Securities Premium Account		
Balance as at the beginning of the year	37,641,140	37,641,140
Add: Addition during the year	-	-
Balance as at the end of the year	37,641,140	37,641,140
Retained Earnings		
Balance as at the beginning of the year	(33,797,772)	(40,065,717)
Add: Addition during the year	6,266,144	6,267,945
Balance as at the end of the year	(27,531,628)	(33,797,772)
	<u>10,109,512</u>	<u>3,843,368</u>



Note No.7

Other Non-current Liabilities		
Rental Deposit	7,750,000	7,750,000
Total	<u>7,750,000</u>	<u>7,750,000</u>

Notes No.8

Trade Payables	88,500	88,500
	<u>88,500</u>	<u>88,500</u>

Notes No.9

Other Current Liabilities		
Amount due to Statutory Authorities	-	1,399,862
	<u>-</u>	<u>1,399,862</u>

Notes No.10

Tax Assets and Liabilities

Advance Tax/Tax Deducted at source	816,586	780,034
Tax Refunds	37,250	
Less: Tax Liabilities	1,528,676	1,258,483
	<u>674,840</u>	<u>478,449</u>

Notes No.11

Revenue from Operation

Rental income from properties - Gross	9,635,716	9,176,872
Less: Goods and Service Tax	1,469,855	1,399,862
Net Rental income	<u>8,165,861</u>	<u>7,777,010</u>

Notes no.12

Other Income

Interest income		
Provision written back		119,038
		<u>119,038</u>

Note No.13

Other Expenses

Audit Fees	88,500	88,500
Professional fee	26,770	23,530
Bank charges		115
Income Tax of earlier years	255,771	76,398
	<u>371,041</u>	<u>188,543</u>



NOTES - 6		
FIXED ASSETS:		(Rs.)
	LAND	TOTAL
COST		
As at 01.04.2018	1,002,749	19,804,997
Additions		-
As at 31.03.2019	1,002,749	1,002,749
DEPRECIATION		
Provided upto 31.03.2018	-	-
Provided for the year	-	-
Provided upto 31.03.2019	-	-
WRITTEN DOWN VALUE		
As at 31.03.2019	1,002,749	1,002,749
As at 31.03.2018	1,002,749	1,002,749



B. NOTES ON ACCOUNTS:

14. Figures for the previous year have been re-grouped and re-classified to confirm the present presentation.

15. Earnings Per Share:

	31 st . March 2019	31 st . March 2018
Basic Earnings Per Share From Continuing Operation	4.48	4.49
Diluted Earnings per Share From Continuing Operation	4.48	4.49

16. Related Party Disclosure:

a. List of related parties

Relation

Apollo Hospitals Enterprises Limited

Holding Company.

Nature of Transaction

Rent received

Amount of Transaction (Gross)

Rs.96,35,716/-(Rs.91,76,872/-)

Closing balance

Rs.3,09,34,140/- (Rs2,42,02,336/-)

17. Balances of sundry parties are subject to confirmation.

18. No amount is due to suppliers who are small scale Industrial undertakings, as defined under the Industrial Development Regulations Act, 1951 exceeding Rs. One lac in aggregate and outstanding for a period in excess of thirty days as at the date of Balance Sheet.

For **V.CHANDRASEKHARAN & ASSOCIATES**
CHARTERED ACCOUNTANTS (FRN.591S)

V. CHANDRASEKHARAN
PARTNER.(M.No.024187)



DIRECTOR

DIRECTOR

VSR

OR

APOLLO NELLORE HOSPITALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st. March 2019

	2018-19	2017-18
A CASH FLOW FROM OPERATING ACTIVITIES	Rs.	Rs.
Net Profit before tax and Extraordinary items	7,794,820	7,707,505
Adjustments for		
Trade & Other Receivables	(5,062,673)	(7,302,063)
Trade payments	(1,203,471)	1,034,003
Cash Generation from Operation	1,528,676	1,439,445
Deduct		
Interest paid		
Income tax paid	1,528,676	1,439,560
Net Cash Flow from Operating Activities	-	(115)
Net increase in cash and Cash equivalents	-	(115)
Opening Cash and Cash Equivalents	570,740	570,855
Closing Cash and Cash Equivalents	570,740	570,740

The accompanying notes are an integral part of these financial statements.

As per our report of even date attached.

For V. CHANDRASEKHARAN & ASSOCIATES
CHARTERED ACCOUNTANTS

V. CHANDRASEKHARAN
PARTNER. (M.No.024187)

Place: Chennai

Date: 15/05/2019



FOR AND BEHALF OF THE BOARD OF DIRECTORS

DIRECTOR

DIRECTOR

VSR

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