

## **APOLLO HOME HEALTHCARE LIMITED**

### **FIFTH ANNUAL REPORT**

**2018 - 2019**

**Apollo Home Healthcare Limited**

**Corp. Off :** #8-2-293/82/L/253-A, Plot No. 253/A, Road No.12, Venkateswara Colony, Banjara Hills, Hyderabad-500 034 | Ph.040-2360 6006

**Regd. Off :** No.19 Bishop Gardens, Raja Annamalai Puram, Chennai - 600 028 | Ph.No. 91 44 28293333 | Fax No. 9144 28290795

Website : [www.apollohomecare.com](http://www.apollohomecare.com), Email : [reach@apollohomecare.com](mailto:reach@apollohomecare.com)

CIN:- U85100TN2014PLC095340



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## **ANNUAL REPORT 2018-2019**

### **BOARD OF DIRECTORS**

1. Mrs. Shobana Kamineni
2. Mrs. Sangita Reddy
3. Mr. Harshad Reddy
4. Mr. V. Subramanian
5. Mr. Pavan Krishnamurthy
6. Mrs. Jayakumar Indira
7. Mr. Shivram Sethuraman

### **REGISTERED OFFICE**

3<sup>rd</sup> Floor, Ali Towers,  
#55, Greams Road,  
Thousand Lights , Chennai 600 006.

### **ADMINISTRATIVE OFFICE**

D.No. 8-2-293/82/L, Plot No.253/A, 2nd & 3rd Floor,  
Venkateswara Colony, Road No:12 | Banjara Hills,  
Hyderabad, Telangana – 500034.

### **BANKERS**

HDFC Bank Ltd

### **AUDITORS**

P. Gopal & Associates  
Chartered Accountants  
Chennai - 600 018.



**APOLLO HOME HEALTHCARE LIMITED  
CHENNAI – 600 006**

**NOTICE TO THE SHARE HOLDERS**

Notice is hereby given that the FOURTH ANNUAL GENERAL MEETING of the Share Holders of APOLLO HOME HEALTHCARE LIMITED will be held at the Registered Office of the Company at 3rd Floor, Ali Towers, #55, Greams Road, Thousand Lights, Chennai 600 006. on 10<sup>th</sup> May 2019 at Chennai to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Statement of Accounts for the year ended 31st March 2019 and the Reports of the Directors' and Auditors' thereon.
2. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration. M/s. P. Gopal & Associates, Chartered Accountants, Chennai – 600 018, retire at this meeting and are eligible for reappointment.

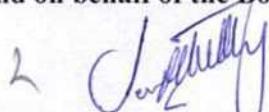
**SPECIAL BUSINESS**

3. To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution: -

**Appointment of Mr. Shivram Sethuraman as Independent Director & Mrs. Indira Jayakumar as Director**

“RESOLVED THAT Mr. Shivram Sethuraman (DIN: 07946245) & Dr. Indira Jayakumar (DIN: 07549925) who were appointed as Independent Director of the Company, and the Articles of Association of the Company, and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013, proposing their candidature, be and is hereby appointed as a Directors of the Company.”

**For and on behalf of the Board of Directors**



Sangita Reddy  
Director  
DIN: 00006285

**Place: Chennai  
Date: 06<sup>th</sup> May 2019**

**Regd Office:**

Apollo Home Healthcare Limited  
(CIN: U85100TN2014PLC095340)  
19, Bishop Gardens  
Raja Annamalai Puram  
Chennai – 600 028, Tamil Nadu  
Website: [www.apollohomecare.com](http://www.apollohomecare.com); Email: [mudassir\\_m@apollohomecare.com](mailto:mudassir_m@apollohomecare.com)



**NOTES:**

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing a proxy should be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102(I) OF THE COMPANIES ACT, 2013**

**ITEM NO.3**

**About Mr. Shivram Sethuraman:**

Mr. Shivram is IIM Lucknow Graduate & carries with him rich HR experience of over 20 years.

In view of his academic qualifications and rich experience in the HR sector, it is proposed to appoint him as an Independent Director of the Company.

None of the other Director, except Mr. Shivram & Dr. Indira is interested or concerned in the resolution.

**About Dr. Indira Jayakumar**

Dr. Indira is qualified with DCH, DNB Pediatrics, Fellowship Pediatric Critical Care , Australia & is Senior Consultant, ER & PICU at Apollo Children's Hospital, Chennai & she is currently Associate Professor at AHERF.

In view of her academic qualifications and rich experience in the Clinical area, it is proposed to appoint her as a Director of the Company.

None of the other Director, except Mr. Shivram & Dr. Indira is interested or concerned in the resolution.

**For and on behalf of the Board of Directors**

  
Sangita Reddy  
Director

Place: Hyderabad  
Date: 6<sup>th</sup> May 2019



## **APOLLO HOME HEALTHCARE LIMITED**

### **DIRECTORS' REPORT**

Dear Members,

Your directors have immense pleasure in presenting the Fourth Annual Report of APOLLO HOME HEALTHCARE LIMITED along with the Audited Accounts for the year ended 31<sup>st</sup> March 2019.

#### **1. FINANCIAL SUMMARY OR PERFORMANCE OF THE COMPANY**

The Financial results of the Company for the year under review are as under:

<b>PARTICULARS</b>	<b>31.03.2019 Rs.</b>	<b>31.03.2018 Rs.</b>
Revenue from Operations	359,734,409	266,288,521
Profit / (Loss) before Tax	(691,67,702)	(81,438,168)
Less: Deferred Tax	(36,85,595)	482,645
Less: Provision for Taxation	NIL	NIL
Profit / (Loss) after Tax	(654,82,107)	(81,920,813)

#### **2. REPORTING OF FINANCIAL STATEMENTS IN INDIAN ACCOUNTING STANDARD (IND-AS) FORMAT**

The Ministry of Corporate Affairs (MCA) on February 16, 2015, notified that Indian Accounting Standards (Ind AS) are applicable to certificate clauses of Companies from April 1, 2016, with a transition date of April 1, 2015. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company has adopted Ind AS for FY 2017-18. The reconciliations and descriptions of the effect of the transition from previous GAAP to Ind AS has been set out in Note No (NA) in the notes to accounts in the Audited Financial Statements.

#### **3. SHARE CAPITAL**

The Company has issued **69,55,882** Equity Shares of Rs.10/- each during the year as detailed below. The paid-up share capital as on March 31, 2019 was Rs. 166,687,200. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

Shares issued in f/o.	No. of Shares	Notes
Western Hospitals Corporation Pvt. Ltd.	44,55,882	Issued at a premium of Rs.7 per Share
Apollo Hospitals Enterprises Ltd.	25,00,000	Converted Debentures into Equity



As on March 31, 2019, the details of the shareholding by the Directors of the Company are set out in Form No. MGT-9 forming part of the Board's Report and none of the directors hold convertible instruments of the Company.

#### **4. COMPULSORILY CONVERTIBLE DEBENTURES**

The Company has converted 25,00,000 Debentures out of 97,00,000 Debentures into Equity. Thus, at the end of year as at 31<sup>st</sup> Mar'19, 72,00,000 Nos of 11% Compulsorily Convertible Debentures of Rs.10/- each are in favour of M/s. Apollo Hospitals Enterprise Limited for an aggregate consideration of Rs.7,20,00,000.

#### **5. DIVIDEND**

The Directors do not recommend any dividend on Equity Shares for the financial year 2018-19, in the absence of profits.

#### **6. TRANSFER TO RESERVES**

The Company does not propose any amount to be transferred to reserves.

#### **7. PUBLIC DEPOSITS**

The Company has not invited or accepted any deposits from the public.

#### **8. MATERIAL CHANGES AND COMMITMENTS**

There were no material changes and commitments affecting the financial position of the company.

#### **9. SUBSIDIARY**

The Company has no subsidiary as on the date of this Balance Sheet.

#### **10. DIRECTORS & KEY MANAGERIAL PERSONAL**

The Board has appointed **Mr. Shivram Sethuraman** as Independent Director with effect from 31<sup>st</sup> Oct 2018 & **Mrs. Indira Jayakumar** as Director with effect from 1<sup>st</sup> Apr 2018. The Company has not appointed any key managerial personnel during the year.

#### **11. NUMBER OF MEETING OF THE BOARD:**

During the year 2018-19, the Board of Directors met eight times viz. on

S. No	Date
1	29-Jun-18
2	20-Jul-18
3	28-Sep-18



4	13-Oct-18
5	31-Oct-18
6	28-Dec-18
7	01-Jan-19
8	08-Mar-19

## **12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

The Company has not advanced any loans, given any guarantees or made any investments under Sec 186 of Companies Act, 2013.

## **13. RELATED PARTY TRANSACTION**

All related party transactions that were entered into during the Financial Year were in the ordinary course of business. The details of the transaction with Related Parties are provided in the accompanying Financial Statements.

## **14. DISCLOSURE OF INFORMATION AS REQUIRED UNDER SECTION 134(3) (M) OF THE COMPANIES ACT, 2013.**

### **(i) CONSERVATION OF ENERGY**

The Company uses energy efficient equipment as its efforts towards conservation of energy.

### **(ii) TECHNICAL ABSORPTION AND RESEARCH & DEVELOPMENT**

Your Company has no activities relating to Technology Absorption and Research & Development.

### **(iii) FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review, your company has not earned Foreign Exchange. The Foreign Exchange outgo is nil.

## **15. AUDITORS**

M/s. P. Gopal & Associates, Chartered Accountants, Chennai – 18, retires at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

## **16. AUDITORS REPORT**

The Auditors did not make any qualification, reservation or adverse remark or disclaimer on the financial statements prepared as per Section 133 of Companies Act, 2013, and notes on Accounts annexed thereto.



## **17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an internal Control System, commensurate with size, scale and complexity of its operations.

## **18. DIRECTOR'S RESPONSIBILITY STATEMENT**

To the best of their knowledge, belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) In the preparation of the annual accounts for the year ended March 31, 2019 the applicable accounting standards have been followed by the company, with proper explanations, and that there were no materials departures.
- b) Appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs at the end of the financial year and of the loss of the company for the financial year ended 31<sup>st</sup> March 2019.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The annual accounts have been prepared on a going concern basis.
- e) The proper internal financial controls were in place and that the financial controls were adequate and were operative effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

## **20. PARTICULARS OF EMPLOYEES**

There is no employee during the year under review whose particulars are required to be given as per the provisions of Section 197(12) of the Companies Act, 2013 with Rule 5(1) of the Companies Rules, 2014.



## **21. DISCLOSURES UNDER SEXUAL HARRASMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company is yet to adopt a Policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of the Sexual Harassment of Women at Workplace ((Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under for prevention and redressal of compliance of sexual harassment at work place.

## **22. EXTRACT OF ANNUAL RETURN**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in form no MGT - 9 as a part of the Annual Report is enclosed as Annexure - A to this report.

## **23. OTHER DISCLOSURES**

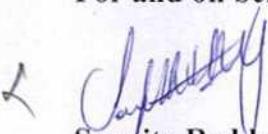
The disclosures pertaining to (i) Corporate Social Responsibility Committee, (ii) Audit Committee, (iii) Nomination & Remuneration Committee and (iv) Vigil Mechanism are not applicable to the Company, as your Company does not fall under the class of Companies.

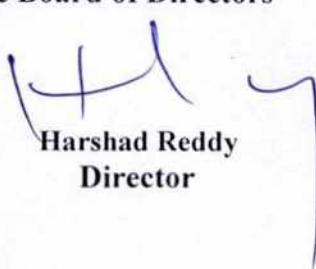
## **24. ACKNOWLEDGEMENT**

Your directors wish to place on record their deep appreciation for the whole-hearted and sincere co-operation your Company has received from its Bankers. Your Directors also wish to extend their sincere thanks to all the customers and shareholders for their continued support. Your Directors also wish to place on record their appreciation for the unstinted co-operation and support extended by all the employees in achieving the performance of your company.

**For and on behalf of the Board of Directors**

Place: Chennai  
Date: 6<sup>th</sup> May 2019

  
Sangita Reddy  
Director

  
Harshad Reddy  
Director



# P. GOPAL & ASSOCIATES

CHARTERED ACCOUNTANTS



No.4, Poes Road 4th Street  
Teynampet, Chennai - 600 018  
Phone : 2434 0993, 2432 0993  
E-mail : pgachn@hotmail.com

## Independent Auditors Report on Financial Statements

To  
The members of  
APOLLO HOME HEALTHCARE LIMITED

## Report on the Audit of Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Apollo Home Healthcare Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss, and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 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.

### Facts related to going concern

We draw attention to Note 11 in the financial statements, which indicates that the Company incurred a net loss of Rs.6,54,82,107/- during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its total assets by Rs.7,79,89,970/- However, on the basis of the projections made by the company for the next five years and certification of going concern issued by the management, we are of the view that the company may achieve break even in a few years' time. Our opinion is not modified in respect of this matter.



### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current period. Except as stated above on facts related to going concern, as per our professional judgement, there are no significant key audit matters.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or 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. As there are no material misstatements in regard of other information referred herein, we have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 Indian accounting standards (Ind AS), including the accounting standards specified under section 133 of the Act. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 the Financial Statements**

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

## **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, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
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 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
  - (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 and with the returns received from the branches not visited by us;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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.



(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 does not have any pending litigations 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P. GOPAL & ASSOCIATES,  
Chartered Accountants

FRN: 000958 S



M.C.BAGAVATH SINGH  
(Partner)  
Membership No: 021803



Place: Chennai  
Date: 06-05-2019

**"ANNEXURE - A" TO THE INDEPENDENT AUDITORS' REPORT**  
**(Referred to in paragraph 1 under 'Report on Other Legal and**  
**Regulatory Requirements' section of our report of even date)**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

**i) In respect of Fixed Assets**

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The Company has considered depreciation rates in respect of fixed assets in line with Schedule II of Companies Act, 2013 linking with useful life specified therein.
- c) As explained to us, all the fixed assets have been physically verified by the Management during the year. No material discrepancies were noticed on such verification.

**ii) In respect of Inventories**

- a) Inventories have been physically verified during the year by the management.
- b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

**iii) In respect of Loans:**

As informed to us, the company has not granted any loans, secured or unsecured to companies or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the Clause 3(iii) (a) and 3 (iii) (b) of the Order are not applicable to the Company.

**iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.**

**v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.**

**vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.**



vii)

- a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, GST, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, GST outstanding on account of any dispute.

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government.

ix) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised by way of Initial Public Offer or Further Public Offer.

x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration if paid or provided is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 of the Order are not applicable to the Company.

xiii) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has issued 25, 00,000 Equity Shares of Rs.10/- each at face value during the year in lieu of compulsorily convertible debentures of the same value.

xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has issued 44,55,882 Equity Shares of Rs.10/- each at a premium of Rs. 7/- per share during the year in lieu of unsecured loan from Western Hospitals Corporation Private Limited.

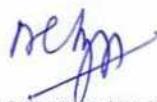


**xvi)** According to the information and explanation given to us, the Company has not entered into non-cash transactions with directors or persons connected with them which will come under the purview of section 192 of the Companies Act, 2013.

**xvii)** As the Company is not in non-banking financial services, this clause is not applicable.

For P. GOPAL & ASSOCIATES,  
Chartered Accountants

FRN: 000958 S



M.C.BAGAVATH SINGH  
(Partner)  
Membership No: 021803



Place: Chennai  
Date: 06-05-2019

## **"ANNEXURE - B" TO THE INDEPENDENT AUDITORS' REPORT**

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

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

We have audited the internal financial controls over financial reporting of Apollo Home Health Care limited as of March 31, 2019 in conjunction with our audit of the 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.

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 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 March 31, 2019, 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.

For P. GOPAL & ASSOCIATES,  
Chartered Accountants  
FRN: 000958 S



M.C.BAGAVATH SINGH  
(Partner)  
Membership No: 021803

Place: Chennai  
Date: 06-05-2019

## **"ANNEXURE - C" TO THE INDEPENDENT AUDITORS' REPORT**

### **(Referred to in Auditor's Responsibilities for the Audit of the Financial Statements)**

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

- a. Identify and assess the risks of material misstatement of the 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.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 in our auditor'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.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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.

Place: Chennai  
Date: 06-05-2019



For P. GOPAL & ASSOCIATES,  
Chartered Accountants

FRN: 000958 S

M.C. BAGAVATH SINGH

(Partner)

Membership No: 021803

## APOLLO HOME HEALTHCARE LIMITED

Balance Sheet as at March 31, 2019

	Particulars	Note No	As at 31 March 2019 Rs.	As at 31 March 2018 Rs.
<b>I</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	3	55,41,537	65,03,364
	(b) Tax Asset	4	8,68,387	2,72,407
	(c) Deferred tax assets (Net)	4.1	37,55,669	70,074
	(d) Financial Assets	5	45,51,500	44,95,500
	(e) Other non-current assets			
	<b>Total Non - Current Assets</b>		<b>1,47,17,093</b>	<b>1,13,41,345</b>
	<b>Current assets</b>			
	(a) Inventories	6	8,72,492	11,96,958
	(b) Financial assets			
	(i) Trade receivables	7	1,64,75,189	1,46,19,215
	(ii) Cash and cash equivalents	8	1,34,12,611	72,17,180
	(c) Other current assets	9	7,44,674	6,73,681
	<b>Total Current Assets</b>		<b>3,15,04,965</b>	<b>2,37,07,033</b>
	<b>Total Assets</b>		<b>4,62,22,058</b>	<b>3,50,48,378</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share capital	10	16,66,87,200	9,71,28,380
	(b) Other equity	11	(31,66,77,170)	(28,23,86,242)
	<b>Equity attributable to owners of the Company</b>		<b>(14,99,89,970)</b>	<b>(18,52,57,862)</b>
	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	12	7,20,00,000	14,27,50,000
	(ii) Other financial liabilities			
	<b>Total Non - Current Liabilities</b>		<b>7,20,00,000</b>	<b>14,27,50,000</b>
	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade payables	13	10,64,57,635	6,74,18,848
	(ii) Provisions	14	1,37,23,083	89,75,940
	(c) Other current liabilities	15	40,31,310	11,61,452
	<b>Total Current Liabilities</b>		<b>12,42,12,028</b>	<b>7,75,56,240</b>
	<b>Total Liabilities</b>		<b>19,62,12,028</b>	<b>22,03,06,240</b>
	<b>Total Equity and Liabilities</b>		<b>4,62,22,058</b>	<b>3,50,48,378</b>

See accompanying notes to the financial statements

1 &amp; 2

In terms of our report attached.

for P. GOPAL &amp; ASSOCIATES

Chartered Accountants

Firm Registration No. 009585

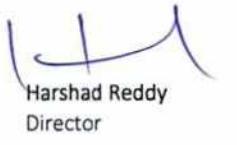

  
Partner

 M.C. Bagavath Singh  
 Membership No: 21803  
 Place : Chennai  
 Date : 06th May 2019


For and on behalf of the Board of Directors


  
Sangita Reddy

Director


  
Harshad Reddy

Director



**APOLO HOME HEALTHCARE LIMITED**

**Statement of Profit and Loss for the year ended March 31, 2019**

	Particulars	Note No.	For the year ended 31.03.2019 Rs.	For the year ended 31.03.2018 Rs.
I	Revenue from Operations	16	35,97,13,945	26,62,17,230
II	Other Income	17	20,464	71,291
<b>III</b>	<b>Total Income</b>		<b>35,97,34,409</b>	<b>26,62,88,521</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed		6,36,73,211	2,92,97,441
	Changes in inventory of stock-in-trade		3,24,466	(5,04,405)
	Employee benefit expense	18	27,84,34,990	24,49,16,653
	Finance costs	19	1,78,22,862	1,54,85,963
	Depreciation and amortisation expense	20	20,60,672	26,98,355
	Other expenses	21	6,65,85,910	5,58,32,682
<b>V</b>	<b>Total expenses</b>		<b>42,89,02,111</b>	<b>34,77,26,689</b>
	Profit/(loss) before exceptional items and tax		(6,91,67,702)	(8,14,38,168)
	Exceptional Items		-	-
	<b>Profit/(loss) before tax</b>		<b>(6,91,67,702)</b>	<b>(8,14,38,168)</b>
	Tax expense			
	(1) Current tax		(36,85,595)	4,82,645
	(2) Deferred tax	22	(36,85,595)	4,82,645
	<b>Profit/(loss) for the period</b>		<b>(6,54,82,107)</b>	<b>(8,19,20,813)</b>
	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to profit or loss		-	-
	(a) Remeasurements of the defined benefit liabilities /		-	-
	<b>Total comprehensive income for the period</b>			
	<b>Total comprehensive income for the Year</b>		<b>(6,54,82,107)</b>	<b>(8,19,20,813)</b>
	<b>Earnings per equity share</b>			
	Basic (in Rs.)		(3.93)	(8.43)
	Diluted (in Rs.)		(2.74)	(4.22)

See accompanying notes to the financial statements

23 For and on behalf of the Board of Directors

In terms of our report attached.

for P.GOPAL & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 00958S

*rej*  
Partner  
M.C.Bagavath Singh  
Membership No: 21803  
Place : Chennai  
Date : 06th May 2019



*Sangita Reddy*  
Sangita Reddy  
Director

*Harshad Reddy*  
Harshad Reddy  
Director



**APOLO HOME HEALTHCARE LIMITED**

Cash Flow Statement for the year ended 31st March 2019

	Particulars	31.03.2019	31.03.2018
		Rs.	Rs.
<b>A</b>	<b>Cash Flow from operating activities</b>		
	Net profit before tax and extraordinary items	(6,91,67,702)	(8,14,38,168)
	Adjustment for:		
	Depreciation & Amortization	20,60,672	26,98,355
	Loss on disposal of asset	33,359	1,19,944
	Operating profit before working capital changes	(6,70,73,671)	(7,86,19,869)
	Adjustment for :-		
	Trade Receivables	(18,55,974)	41,69,065
	Inventories	3,24,468	(5,04,405)
	Other Non-current Assets	(6,51,980)	2,18,183
	Other Current Assets	(70,993)	(6,06,206)
	Trade payables	3,90,38,787	67,29,134
	Provisions	47,47,143	43,25,684
	Other Current Liabilities	28,69,858	1,86,72,164
	<b>Net cash from operating activities</b>	<b>(2,26,72,363)</b>	<b>(4,56,16,250)</b>
<b>B</b>	<b>Cash flow from Investing activities</b>		
	Purchase of fixed assets	(11,32,206)	(67,728)
	Sale of Fixed Assets	-	2,38,905
	<b>Net cash used in Investing activities</b>	<b>(11,32,206)</b>	<b>1,71,177</b>
<b>C</b>	<b>Cash flow from financing activities</b>		
	Proceeds from issue of equity shares	-	82,53,380
	Proceeds from long term borrowings	3,00,00,000	3,57,50,000
	Proceeds from issue of Debentures	-	-
	<b>Net cash from financing activities</b>	<b>3,00,00,000</b>	<b>4,40,03,380</b>
	<b>Net increase in cash and cash equivalents ( A+B+C)</b>	<b>61,95,431</b>	<b>(14,41,693)</b>
	Opening Cash and cash equivalents	72,17,180	86,58,873
	Closing Cash and cash equivalents	1,34,12,611	72,17,180
		<b>(61,95,431)</b>	<b>14,41,693</b>
	<b>Component of Cash and cash equivalents</b>		
	Cash on Hand	46,046	9,048
	Balance with Banks	1,33,66,565	72,08,132

In terms of our report attached.

for P.GOPAL & ASSOCIATES

Chartered Accountants

Firm Registration No. 009585

  
Partner

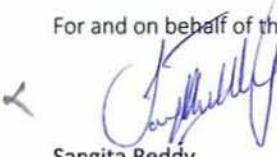
M.C.Bagavath Singh

Membership No: 21803

Place : Chennai

Date : 06th May 2019

For and on behalf of the Board of Directors

  
Sangita Reddy

Director

  
Harshad Reddy

Director



**APOLLO HOME HEALTHCARE LIMITED**

**3. Property, Plant and Equipment - As of 31-Mar-2019**

Fixed Assets	Gross Block				Depreciation				Net Block	
	As at 1.04.2018	Additions	Deletions	As at 31.03.2019	As at 1.04.2018	For the Year	On disposals	As at 31.03.2019	As at 31.03.2019	As at 1.04.2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible Assets :</b>										
Medical Equipment	26,57,862	3,41,887		29,99,749	4,55,742	2,04,917		6,60,659	23,39,090	22,02,122
Furniture and Fixtures	12,48,584	57,952	58,000	12,48,536	4,82,784	2,49,592	29,915	7,02,461	5,46,075	7,65,800
Vehicles	21,36,639	-		21,36,639	6,27,094	2,53,549		8,80,643	12,55,996	15,09,545
Office equipment	68,97,274	7,32,367	1,05,500	75,24,141	48,71,378	13,52,614	1,00,226	61,23,765	14,00,376	20,25,897
<b>Total</b>	<b>1,29,40,359</b>	<b>11,32,206</b>	<b>1,63,500</b>	<b>1,39,09,065</b>	<b>64,36,997</b>	<b>20,60,672</b>	<b>1,30,141</b>	<b>83,67,528</b>	<b>55,41,537</b>	<b>65,03,364</b>
<b>Previous year</b>	<b>1,39,45,749</b>	<b>67,728</b>	<b>10,73,118</b>	<b>1,29,40,359</b>	<b>44,52,910</b>	<b>26,98,355</b>	<b>7,14,270</b>	<b>64,36,995</b>	<b>65,03,364</b>	<b>94,92,839</b>



**APOLO HOME HEALTHCARE LIMITED**

Notes to the financial statements for the period ended Mar 31, 2019

4	Tax Assets	As at 31.03.2019		As at 31.03.2018	
		Rs.		Rs.	
		Non Current	Current	Non Current	Current
	Tax refund receivable	8,68,387	-	2,72,407	-

4.1	Deferred tax balances	As at 31.03.2019		As at 31.03.2018	
		Rs.	Rs.	Rs.	Rs.
	Deferred Tax Assets	37,55,669	-	70,074	-
	Deferred Tax Liabilities	-	-	-	-
	Net Deferred Tax	37,55,669	-	70,074	-

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2019 are as follows :

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Property Plant and Equipment	-70,074	-18,999	-	-89,046
Impairment of Trade Receivables as per Expected Credit Loss Model	-	-98,622	-	-98,622
Others Assets	-	-	-	-
Retirement Benefit Plans	-	-35,68,002	-	-35,68,002
Business Loss carried forward under Income Tax	-	-	-	-
Minimum Alternate Tax Credit	-	-	-	-
Others Liabilities	-	-	-	-
<b>Total</b>	<b>-70,074</b>	<b>-36,85,623</b>	<b>-</b>	<b>-37,55,670</b>

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2018 are as follows :

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Recognised through equity	Closing Balance
Property Plant and Equipment	-5,52,719	4,82,645	-	-	-70,074
Fair Value Adjustments on Financial Assets	-	-	-	-	-
Others Assets	-	-	-	-	-
Retirement Benefit Plans	-	-	-	-	-
Business Loss carried forward under Income Tax	-	-	-	-	-
Minimum Alternate Tax Credit	-	-	-	-	-
Others Liabilities	-	-	-	-	-
<b>Total</b>	<b>-5,52,719</b>	<b>4,82,645</b>	<b>-</b>	<b>-</b>	<b>-70,074</b>

5	Financial Assets	As at 31.03.2019		As at 31.03.2018	
		Rs.		Rs.	
		Non Current	Current	Non Current	Current
	Security Deposits	45,51,500	-	44,95,500	-
	<b>Total</b>	<b>45,51,500</b>	<b>-</b>	<b>44,95,500</b>	<b>-</b>



**APOLO HOME HEALTHCARE LIMITED**

Notes to the financial statements for the period ended Mar 31, 2019

6	Inventories	As at 31.03.2019		As at 31.03.2018	
		Rs.		Rs.	
	Inventories (lower of cost and net realisable value)				
	Stock in Trade - Medicines	8,72,492		11,96,958	

Cost of materials consumed	Year ended		Year ended 31st March, 2018
	31st March, 2019		
Opening Stock	11,96,958		6,92,553
Add: Purchases	6,33,48,746		2,98,01,846
Less: Closing stock	8,72,492		11,96,958
<b>Total</b>	<b>6,36,73,211</b>		<b>2,92,97,441</b>

Changes in inventory of medical consumables and drugs	Year ended		Year ended 31st March, 2018
	31st March, 2019		
Inventories at the beginning of the year:	11,96,958		6,92,553
Inventories at the closing of the year:	8,72,492		11,96,958
<b>Total</b>	<b>3,24,466</b>		<b>(5,04,405)</b>

7	Trade receivables	As at 31.03.2019		As at 31.03.2018	
		Rs.		Rs.	
		Non Current	Current	Non Current	Current
	Trade receivables				
	Unsecured, considered good	-	1,64,75,189	-	1,46,19,215
	Unsecured, considered doubtful	-	3,79,316	-	6,26,649
	Less : Allowance for doubtful debts (expected credit loss allowance)	-	(3,79,316)	-	(6,26,649)
	<b>Total</b>	-	<b>1,64,75,189</b>	-	<b>1,46,19,215</b>

i. Trade Receivables represent the amounts outstanding towards various Home HealthCare services which are considered as good by management. The entity holds no other securities other than the personal security of the debtors.

ii. Majority of the Company's transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from Few Individuals & Corporate customers. The entity's exposure to credit risk in relation to trade receivables is low.

**Average Credit Period**

The average credit period on sales of services is 30 days.

**Customer Concentration**

No single customer represents 10% or more of the company's total revenue during the year ended March 31, 2019 and March 31, 2018. Therefore, the customer concentration risk is limited due to the large and unrelated customer base.

**Impairment Methodology**

The Company has used a practical expedient by computing the expected credit loss allowance for receivables. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.



**APOLLO HOME HEALTHCARE LIMITED**  
**Notes to the financial statements for the period ended Mar 31, 2019**

The provision matrix at the end of the reporting period for healthcare segment is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Less than 6 months	0.00%	0.00%
6 months to 1 year	12.50%	12.50%
1 to 2 years	30.00%	30.00%
2 to 3 years	50.00%	50.00%
>3 years	100.00%	100.00%

Particulars	As at March 31, 2019	As at March 31, 2018
Less than 6 months	1,45,52,609	95,93,173
6 months to 1 year	11,28,333	47,50,245
1 to 2 years	7,94,247	2,75,797
2 to 3 years	-	-
>3 years	-	-

**Ageing of Trade Receivables**

Particulars	As at March 31, 2019	As at March 31, 2018
Less than 1 year	1,56,80,942	1,43,43,418
More than 1 year	7,94,247	2,75,797
	<b>1,64,75,189</b>	<b>1,46,19,215</b>

**Movement in the expected credit loss allowance**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Balance at beginning of the year	6,26,649	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-2,47,333	6,26,649
<b>Balance at end of the year</b>	<b>3,79,316</b>	<b>6,26,649</b>

8	Balances with Banks	As at 31.03.2019		As at 31.03.2018	
		Rs.	Rs.	Rs.	Rs.
	In Current Accounts	1,31,21,565		39,74,018	
	In Deposit Accounts	2,44,999		32,34,114	
	Cheques, drafts on hand	-		-	
	Cash on hand	46,046		9,048	
	Cheques on Hand	-		-	
	Cash and cash equivalents	1,34,12,611		72,17,180	
	Bank overdrafts	-		-	
	<b>Total</b>	<b>1,34,12,611</b>		<b>72,17,180</b>	

9	Other Assets	As at 31.03.2019		As at 31.03.2018		
		Rs.	Non Current	Current	Non Current	Current
	Prepaid Expenses	-		7,44,674	-	6,73,681
	<b>Total</b>		-	<b>7,44,674</b>	-	<b>6,73,681</b>



**APOLO HOME HEALTHCARE LIMITED**

Notes to the financial statements for the period ended Mar 31, 2019

10	Equity Share Capital	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
	Equity share capital		
	Authorised Share capital : 2,50,00,000 Shares of Rs.10/- each (Previous year 99,00,000 shares of Rs.10/- each)	25,00,00,000	9,90,00,000
	Issued 1,66,68,720 Shares of Rs.10 each ( Previous year 97,12,838 Shares of Rs.10/- each)	16,66,87,200	9,71,28,380
	Subscribed and Paid up capital comprises: 1,66,68,720 Shares of Rs.10/- each ( Previous year 97,12,838 Shares of Rs.10/- each)	16,66,87,200	9,71,28,380
	<b>Total</b>	<b>16,66,87,200</b>	<b>9,71,28,380</b>

**Reconciliation of number of Shares outstanding at the beginning and at the end of the period :**

	Particulars	As at 31.03.2019		As at 31.03.18	
		No. of Shares held	Amount (Rs)	No. of Shares held	Amount (Rs)
	Oustanding as at the opening date	97,12,838	9,71,28,380	88,87,500	8,88,75,000
Add :	Movement : Shares issued during the period	-	-	8,25,338	82,53,380
Add:	Additional shares by way of loan converted to equity shares in favour of Western Hospitals Corporation Private Limited	44,55,882	4,45,58,820	-	-
Add:	Additional shares by way of conversion of part of compulsorily convertible debentures in favour of Apollo Hospitals Enterprise Limited	25,00,000	2,50,00,000	-	-
	<b>Oustanding as at the closing date</b>	<b>1,66,68,720</b>	<b>16,66,87,200</b>	<b>97,12,838</b>	<b>9,71,28,380</b>

The Company has only one class of equity shares having a par value of Rs. 10/- per share.

Fully paid equity shares	Number of Shares
Balance at April 1, 2018	97,12,838
Movement	
• Debentures Converted to Equity Shares in Favor of Apollo Hospital Enterprise Limited	25,00,000
• Unsecured Loan Converted to Equity Shares in Favor of Western Hospitals Corporation Private Limited	44,55,882
<b>Balance at March 31, 2019</b>	<b>1,66,68,720</b>

(iii) Details of number of shares held by each shareholder :

S.No.	Name of Shareholder	As at 31.03.2019		As at 31.03.18	
		No. of Shares	% of Holding	No. of Shares held	% of Holding
1	Apollo Hospitals Enterprise Ltd.	96,87,500	58.12%	71,87,500	74.00%
2	Dr. Prathap C Reddy	19,25,338	11.55%	19,25,338	19.82%
3	Ms. Shobana Kamineni	1,00,000	0.60%	1,00,000	1.03%
4	Ms. Sindoori Reddy	1,00,000	0.60%	1,00,000	1.03%
5	Mr. Karthik Anand Reddy	1,00,000	0.60%	1,00,000	1.03%
6	Ms. Upasna Kamineni	1,00,000	0.60%	1,00,000	1.03%
7	Mr. Anindith Reddy	1,00,000	0.60%	1,00,000	1.03%
8	Mr. Aditya Reddy	1,00,000	0.60%	1,00,000	1.03%
9	Western Hospitals Corporation Private Limited	44,55,882	26.73%		0.00%
<b>Total</b>		<b>1,66,68,720</b>	<b>100.00%</b>	<b>97,12,838</b>	<b>100.00%</b>



**APOLLO HOME HEALTHCARE LIMITED**  
 Notes to the financial statements for the period ended Mar 31, 2019

11	Particulars	Reserves and Surplus		Other items of Other Comprehensive Income Rs.	Total Rs.
		Securities premium Rs.	Retained earnings Rs.		
	Balance at the beginning of the reporting period	-	(28,23,86,242)	-	(28,23,86,242)
	Securities premium on shares	3,11,91,180	(6,54,82,107)	-	(3,42,90,927)
	Transfers	-	-	-	-
	<b>Balance at the end of the reporting period</b>	<b>3,11,91,180</b>	<b>(34,78,68,350)</b>	-	<b>(31,66,77,170)</b>

	Other equity	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
	General reserve	-	-
	Securities premium reserve	3,11,91,180	-
	Retained earnings	(34,78,68,350)	(28,23,86,242)
	IND AS Transition reserve	-	-
	<b>Balance at the end of the year</b>	<b>(31,66,77,170)</b>	<b>(28,23,86,242)</b>

	Securities premium reserve	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
	Balance at beginning of year	-	-
	Share issue premium	3,11,91,180	-
	<b>Balance at the end of the year</b>	<b>3,11,91,180</b>	<b>-</b>

	Retained earnings	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
	Balance at beginning of year	(28,23,86,242)	(20,04,65,429)
	Profit attributable to owners of the Company	(6,54,82,107)	(8,19,20,813)
	Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-
	Change in fair value of financial liability attributable to changes in the credit risk which is FVTPL	-	-
	Payment of dividends on equity shares	-	-
	Transfer to Reserves	-	-
	<b>Balance at the end of the year</b>	<b>(34,78,68,350)</b>	<b>(28,23,86,242)</b>

12	Borrowings	As at 31.03.2019 Rs.		As at 31.03.2018 Rs.	
		Non Current	Current	Non Current	Current
	<b>Unsecured - at amortised cost</b> (a) Term loans from related party	-	-	4,57,50,000	-
	<b>Secured - at amortised cost</b> (a) Bonds / debentures 11% Fully Convertible Debentures Issued In Favour Of Apollo Hospitals Enterprise Ltd.	7,20,00,000	-	9,70,00,000	-
	<b>Total</b>	<b>7,20,00,000</b>	<b>-</b>	<b>14,27,50,000</b>	<b>-</b>



**APOLLO HOME HEALTHCARE LIMITED**

Notes to the financial statements for the period ended Mar 31, 2019

**Summary of Borrowing arrangements**

S.no.	Particulars	Principal Outstanding as at 31st March,2019 Rs.	Principal Outstanding as at 31st March,2018 Rs.	Details of repayment terms and maturity	Nature of Security	Rate of Interest 31 Mar 19
1	11% Fully Convertible Debentures Issued In favour of Apollo Hospitals Enterprise Ltd.	7,20,00,000	9,70,00,000	Fuuly Convertible to Equity on Maturity	Debentures	11%
2	Loan from Western Hospitals Corporation Pvt Ltd	-	4,57,50,000	Converted to Equity	Unsecured Loan	11%

The company has issued 97,00,000 11% Compulsorily Convertible Debentures @ Rs. 10/- each at face value to Apollo Hospitals Enterprise Limited during 2015-16 and 2016-17. Those are to be converted into same number of Equity Shares of Rs. 10/- each at face value before the expiry of 5 years from the date of such allotment. The Equity shares to be issued and allotted upon conversion of Compulsorily Convertible Debentures shall rank pari passu with the existing Equity shares in all respects including dividend.

During the year ended 31.03.2019, the company has issued 25,00,000 shares at face value of Rs. 10/- each in favour of Apollo Hospitals Enterprises Ltd. in lieu of compulsorily convertible debentures amounted to Rs. 2,50,00,000/-.

13	Trade Payables	As at 31.03.2019 Rs.	As at 31.03.2019 Rs.
	(a) Trade payables	2,91,01,770	1,76,29,076
	(b) Patient deposits	85,44,754	56,73,646
	(c) Payable to employees	12,06,814	8,11,266
	(d) Outstanding expenses	6,76,04,297	4,33,04,860
	<b>Total</b>	<b>10,64,57,635</b>	<b>6,74,18,848</b>

Trade Payables	As At 31st March, 2019 Rs.	As At 31st March, 2018 Rs.
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	2,91,01,770	1,76,29,076
<b>Total</b>	<b>2,91,01,770</b>	<b>1,76,29,076</b>

(i) The average credit period on purchases of goods ranges from immediate payments to credit period of 45 days

**Due to Micro, Small and Medium Enterprises**

Particulars	As At 31st March, 2019	As At 31st March, 2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year	-	-
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

14	Provisions	As at 31.03.2019 Rs.		As at 31.03.2018 Rs.	
		Non Current	Current	Non Current	Current
	Provision for Gratuity and Leave Encashment	-	1,37,23,083	-	89,75,940
	<b>Total</b>	<b>-</b>	<b>1,37,23,083</b>	<b>-</b>	<b>89,75,940</b>



**APOLLO HOME HEALTHCARE LIMITED**

Notes to the financial statements for the period ended Mar 31, 2019

**Employee Benefit Plans**

**Defined contribution plans**

The Company makes contributions towards provident fund and employees state insurance as a defined contribution retirement benefit fund for qualifying employees. The provident fund is operated by the regional provident fund commissioner. The amount recognised as expense towards contribution to provident fund amounted to Rs.23.22 million. The employee state insurance is operated by the employee state insurance corporation. Under these schemes, the Company is required to contribute a specific percentage of the payroll cost as per the statute. The amount recognised as expense towards contribution to employee state insurance amounted to Rs. 7.42 million. The Company has no further obligations in regard of these contribution plans.

**Defined benefit plans**

**a) Gratuity**

<b>A. Change in Defined Benefit Obligation</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>
	Rs.	Rs.
Opening defined benefit obligation	43,98,850	-
Current service cost	26,32,085	-
Past service cost,	74,17,653	-
Interest cost	-	-
Remeasurement (gains)/losses	-	-
Benefits paid	-	-
<b>Closing defined benefit obligation</b>	<b>74,17,653</b>	<b>43,98,850</b>

**B. Significant Actuarial Assumptions**

**Valuation as at**  
**31st March, 2019**      **31st March, 2018**

Discount rate(s)	7.50%	7.50%
Expected rate(s) of salary increase	6%	5%
Attrition Rate	10.40%	10.50%
Retirement Age in Years	58.00	58.00
Pre-retirement mortality	-	-

**Long Term Benefit Plans**

**Leave Encashment**

The company pays leave encashment benefits to employees as and when claimed subject to the policies of the company. The company provides leave benefits through annual contributions to the fund.

**The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows.**

**Valuation as at**  
**31st March, 2019**      **31st March, 2018**

Discount rate(s)	7.5% p.a.	7.5% p.a.
Expected rate(s) of salary increase	6% p.a.	5% p.a.
Attrition Rate	10.40%	10.50%
Retirement Age	58	58

<b>15</b>	<b>Other current liabilities</b>	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
		Rs.	Rs.
	(a) Sundry Creditors Others	-	-
	(b) Statutory Liabilities	40,31,310	11,61,452
	<b>Total</b>	<b>40,31,310</b>	<b>11,61,452</b>



**APOLLO HOME HEALTHCARE LIMITED**

Notes to the financial statements for the period ended Mar 31, 2019

16	<b>Revenue from Operations</b>	<b>For the year ended</b>	
		<b>31.03.2019</b>	<b>31.03.2018</b>
		<b>Rs.</b>	<b>Rs.</b>
	(a) Revenue from rendering of healthcare services	35,97,13,945	26,62,17,230
	<b>Total</b>	<b>35,97,13,945</b>	<b>26,62,17,230</b>

17	<b>Other Income</b>	<b>For the year ended</b>	
		<b>31.03.2019</b>	<b>31.03.2018</b>
		<b>Rs.</b>	<b>Rs.</b>
	a) Interest income		
	Bank deposits (at amortised cost)	20,464	71,291
	<b>Total</b>	<b>20,464</b>	<b>71,291</b>

18	<b>Employee benefits expense</b>	<b>For the year ended</b>	
		<b>31.03.2019</b>	<b>31.03.2018</b>
		<b>Rs.</b>	<b>Rs.</b>
	Salaries and wages	24,27,56,247	20,98,08,242
	Contribution to provident and other funds	2,32,15,819	2,31,18,395
	Employee state insurance	74,17,804	64,77,325
	Staff education & training	1,84,842	12,50,979
	Staff welfare expenses	48,60,278	42,61,712
	<b>Total</b>	<b>27,84,34,990</b>	<b>24,49,16,653</b>

19	<b>Finance costs</b>	<b>For the year ended</b>	
		<b>31.03.2019</b>	<b>31.03.2018</b>
		<b>Rs.</b>	<b>Rs.</b>
	(a) Interest costs :-		
	Other interest expense	1,53,95,787	1,40,69,021
	Bank Charges	24,27,075	14,16,942
	<b>Total</b>	<b>1,78,22,862</b>	<b>1,54,85,963</b>

20	<b>Depreciation and amortisation expense</b>	<b>For the year ended</b>	
		<b>31.03.2019</b>	<b>31.03.2018</b>
		<b>Rs.</b>	<b>Rs.</b>
	Depreciation of property, plant and equipment	20,60,672	26,98,355
	Amortisation of intangible assets	-	-
	<b>Total depreciation and amortisation pertaining to continuing operations</b>	<b>20,60,672</b>	<b>26,98,355</b>



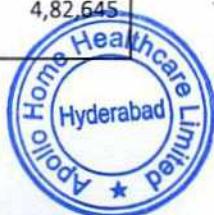
**APOLO HOME HEALTHCARE LIMITED**

Notes to the financial statements for the period ended Mar 31, 2019

<b>21</b>	<b>Other expenses</b>	<b>For the year ended 31.03.2019 Rs.</b>	<b>For the year ended 31.03.2018 Rs.</b>
(a)	Power and fuel	25,63,232	27,02,469
	House Keeping Expenses	9,40,192	10,49,317
	Water Charges	1,36,425	73,515
	Rent	1,20,67,813	1,12,00,794
	Brokerage&Commission	1,40,000	-
	Repairs to Buildings	29,080	5,87,309
	Repairs to Machinery	10,863	3,06,842
	Repairs to Vehicles	2,02,113	2,06,957
	Office Maintenance & Others	2,59,795	1,20,124
	Insurance	3,45,957	3,27,449
	Rates and Taxes, excluding taxes on income	1,09,763	36,839
	Printing & Stationery	13,87,608	12,16,964
	Postage & Telegram	1,21,650	2,54,357
	Director Sitting Fees	1,27,200	40,000
	Advertisement, Publicity & Marketing	1,37,69,170	93,04,582
	Travelling & Conveyance	1,85,79,714	1,24,31,945
	Subscriptions	56,04,386	45,52,048
	Legal & Professional Fees	94,400	2,80,500
	Recruitment Charges	27,41,272	28,19,670
	Telephone & Internet Expenses	21,79,950	26,17,513
	Books & Periodicals	7,033	7,938
	Bad Debts Written off	44,13,225	38,39,953
	Provision for Bad Debts	-	6,26,649
	Outsourcing Expenses (Security)	-	1,76,099
	Loss on disposal of asset	33,359	1,19,944
	Miscellaneous expenses	3,04,752	7,26,406
	<b>Total</b>	<b>6,61,68,951</b>	<b>5,56,26,182</b>

(b)	Payments to auditors		
	a) For audit	2,95,000	2,06,500
	b) For taxation matters	-	-
	d) For other services	5,000	-
	c) For reimbursement of expenses	1,16,959	-
	<b>Total</b>	<b>4,16,959</b>	<b>2,06,500</b>
	<b>Grand total</b>	<b>6,65,85,910</b>	<b>5,58,32,682</b>

<b>22</b>	<b>Income taxes relating to continuing operations</b>	<b>For the year ended 31.03.2019 Rs.</b>	<b>For the year ended 31.03.2018 Rs.</b>
	Deferred tax		
	In respect of the current year	(36,85,595)	4,82,645
	MAT credit entitlement		
	Total	(36,85,595)	4,82,645
	Total income tax expense recognised in the current year relating to continuing operations	(36,85,595)	4,82,645



**Operating lease arrangements****The Company as lessee****Leasing arrangement**

The company has an option to purchase the equipment for a nominal amount at the end of the lease term. The company's obligations under finance leases are secured by the lessors' title to the leased assets. The company has taken various office premises under Operating leases. The leases typically run for a term ranging from 1-3 years with an option to renew the lease after term completion. The escalation clause range from 5 to 10% per annum effectively.

Payments recognised as an expense	Year ended	Year ended
Particulars	31st March, 2019	31st March, 2018
Minimum lease payments	1,20,67,813	1,12,00,794
	1,20,67,813	1,12,00,794

**Non-cancellable operating lease commitments**

Particulars	31st March, 2019	31st March, 2018
Not later than 1 year		
Later than 1 year and not later than 5 years		Not Applicable
Later than 5 years		

**Liquidity and interest risk tables**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average effective interest rate ( % )	3 months to 1 year	1 Year to 5 years	> 5 years
		Rs.	Rs.	Rs.
<b>March 31, 2019</b>				
Non-interest bearing		10,64,57,635		
Variable interest rate instruments				
Fixed interest rate instruments		10,64,57,635		
		10,64,57,635		
<b>March 31, 2018</b>				
Non-interest bearing		6,74,18,848		
Variable interest rate instruments				
Fixed interest rate instruments		6,74,18,848		
		6,74,18,848		

The carrying amounts of the above are as follows:

	31-03-2019	31-03-2018
	Rs.	Rs.
Non-interest bearing	10,64,57,635	6,74,18,848
Variable interest rate instruments		
Fixed interest rate instruments	10,64,57,635	6,74,18,848
	10,64,57,635	6,74,18,848



## **APOLO HOME HEALTHCARE LIMITED**

### **Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2019**

#### **1 Corporate Information**

Apollo Home Healthcare Limited ("the Company") was incorporated on 07<sup>th</sup> March, 2014. The Company is primarily engaged in Nursing Care, In-home Primary Care, Physiotherapy at Home, Sample Collection, Post-operative/ Post-surgical Care, etc.

#### **2 Significant Accounting Policies**

##### **2.1 Statement of Compliance**

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

##### **2.2 Basis of Preparation of Financial Statements**

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 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.

##### **2.3 Revenue Recognition in accordance with IND AS-115**

Revenue primarily comprises fees charged for rendering healthcare services at home. These services mainly constitute Home Visit Programs like physiotherapy, vaccination and investigations etc., Home Partnership Programs like elderly care, ortho rehab, lung rehab etc., and Home Nursing Programs for nursing services and medical equipment on rent.



As mandated by Ind AS 115, entity considers the terms of the contract and its customary business practices to determine the transaction price linked to the performance obligation of the contract. Revenue is recognized as and when the entity satisfies the performance obligation i.e., successful delivery of services and is recorded at the transaction price which is the amount of consideration the entity expects to be entitled for providing services to patients. The revenue so recognized is measured at fair value net of returns, trade discounts excluding amounts collected on behalf of third parties. The entity does not undertake any modification to the transaction price after inception of the contract.

#### **2.4 Other Income:**

Other services income has been accounted on accrual basis

#### **2.5 Borrowings and Borrowing Costs**

Borrowings are 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 the statement of Profit and Loss in the period in which they are incurred.

#### **2.6 Employee benefits**

##### **1. Post-employment benefit plans**

Contributions to defined contribution retirement benefit schemes are recognized as an expense when employees have rendered services entitling them to contributions. The company makes contributions towards Provident Fund and Employee State Insurance as a defined contribution retirement benefit fund for qualifying employees. The Provident Fund Plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost, as per the statute, to the retirement benefit schemes to fund the benefits. Employees State Insurance dues are remitted to the Employees State Insurance Corporation. For retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method. Past service cost is recognised in profit and loss in the period of a plan amendment.



## 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. For short term (accumulating) paid absences, the company had made a provision in books based on the closing value of the leave accumulation with respect to last drawn gross salary as per the policy of the company.

## 2.7 Taxation

Deferred tax is recognized on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax liabilities are generally recognized for all deductible temporary differences. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future.

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

## 2.8 Cash and cash equivalents (for the purpose of Cash Flow Statement)

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

## 2.9 Use of Estimates

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses like useful lives of fixed assets, provision for doubtful receivables / advances, allowances for slow moving inventories etc., during the reporting period. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis.



## **2.10 Inventories**

The inventories of medicines are valued at the lower of cost or net realizable value. Cost is determined on a First In First Out basis and includes freight, taxes, duties and other charges incurred for bringing the goods to the present location and condition and is net of GST credit wherever applicable. Due allowance is estimated and made for expired stocks, slow/ non-moving items, wherever necessary.

## **2.11 Property, Plant and Equipment**

Property, Plant & Equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes taxes, duties, freight and incidental expenses relating to acquisitions and bringing them to their intended use.

Depreciation is recognized 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. An item of property, plant and equipment is derecognized 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.

## **2.12 Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of carrying amount of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount.

## **2.13 Financial Instruments**

Financial Assets and financial liabilities are recognised when a Company 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 and Loss.

On the basis of past experience, Trade Receivables at the year-end are reviewed and the amounts not likely to be received are written off in that year itself obviating the necessity for provision for bad and doubtful debts.



### **Financial Assets**

The Company initially recognises financial assets on a trade date basis. The Company derecognises a financial asset when the contractual rights to cash flows from the asset expires, or it transfers the right to receive the contractual cash flows on the financial asset. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has legal enforceable right to offset the amounts and intends to settle on a net basis or realise the asset and settle the liability simultaneously.

### **Financial Liabilities**

The Company recognises financial liabilities on the date they are originated or on the trade date at which the company becomes a party to contractual provisions of the instrument. The Company de recognises a financial liability when its contractual obligations are discharged or cancelled or expired.

### **Equity Instruments**

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

## **2.14 Provisions and Contingencies**

Provisions are recognized only where there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

## **2.15 Earnings Per Share**

Basic Earnings per Share (EPS) is calculated by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value i.e., average market value of outstanding shares. The number of shares and potentially dilutive shares are adjusted for share splits and bonus shares, as appropriate.



**Apollo Home Healthcare Ltd**

**Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2019**

**Note –23:**

1. Trade Receivables represent the debts considered good for which the Company holds no security other than the personal security of the debtors.
2. Confirmation of balance of Receivables and Payables remains to be received and the balances are as appearing in the Books of Accounts.
3. Other income includes:

<b>Particulars</b>	<b>2018-19</b> <b>Rs.</b>	<b>2017-18</b> <b>Rs.</b>
Interest on Fixed Deposits	20,464	71,291

4. Audit Fees (Excluding Taxes)

<b>Particulars</b>	<b>2018-19</b> <b>Rs.</b>	<b>2017-18</b> <b>Rs.</b>
For Statutory Audit	2,50,000	1,75,000

5. Expenditure in foreign currency Rs. Nil.
6. Earnings in foreign currency Rs. Nil.
7. Previous year's figures have been regrouped wherever required.
8. Deferred Tax

The Company has deferred tax assets of Rs.37, 55,669/- as at the year ended 31<sup>st</sup> March, 2019.



9. Related Party Disclosure

(a) Names of Related Parties and Nature of Relationships

<b>*Nature of Relationship</b>	<b>For the year ended 31<sup>st</sup>March 2019</b>
(i) Holding Company	Apollo Hospitals Enterprise Limited
(ii) Individuals Exercising Significant Influence	(i) Mrs. Shobana Kamineni (ii) Mrs. Sangita Reddy
(iii) Subsidiary of Holding Company	1. Western Hospitals Corporation (P) Limited 2. Apollo Home Healthcare (India) Limited
(iv) Associate Company to Holding Company	1. Apollo Munich Health Insurance Company Limited 2. Indraprastha Medical Corporation Limited
(v) Enterprises over which key managerial personnel and their relatives are able to exercise significant influence / control / joint control	1. Apollo Sindoori Hotels Limited 2. Lifetime Wellness Rx International Limited 3. Keimed Private Limited
(vi) Joint Venture by Holding Company	Apollo Gleneagles Hospital Limited

\*Related Party relationships are as identified by the Management.

(b) Transactions carried out with related parties referred to above in the ordinary course of business during the year.

<b>Particulars</b>	<b>Related Party</b>	<b>Transactions for the year Apr '18 to Mar'19 Rs.</b>	<b>Closing Balance as on 31 Mar 2019 Rs.</b>
Purchase of Medicines/ Medicare Products	Apollo Hospitals Enterprise Limited	67,17,630	-48,51,446
	<b>AHEL Expenses</b>	<b>67,17,630</b>	<b>-48,51,446</b>
Reimbursement of Other Expenses	Apollo Hospitals Enterprise Limited	30,39,591	-133,07,299
	<b>AHEL Income</b>	<b>30,39,591</b>	<b>-133,07,299</b>



11% Fully Convertible Debentures - Interest	Apollo Hospitals Enterprise Limited	93,92,770	-267,70,856
	<b>AHEL Liabilities</b>	<b>93,92,770</b>	<b>-2,67,70,856</b>
11% Fully Convertible Debentures - Principle	Apollo Hospitals Enterprise Limited	2,50,00,000	-720,00,000
Shares of AHEL	Apollo Hospitals Enterprise Limited	2,50,00,000	-9,68,75,000
	<b>AHEL balance sheet items</b>	-	<b>-16,88,75,000</b>
Unsecured Loan interest	Western Hospitals Corporation Pvt Ltd	44,63,438	-76,03,950
Unsecured Loan Principal amount	Western Hospitals Corporation Pvt Ltd	7,57,50,000	-
Shares to Western	Western Hospitals Corporation Pvt Ltd	445,58,820	-445,58,820
Shares to Western - Premium Amount	Western Hospitals Corporation Pvt Ltd	311,91,180	-311,91,180
Pre-employment medical check-up	Apollo Institute of Medical Sciences and Research	58,800	-
For GPI and GMC Insurance	Apollo Munich Health Insurance	21,10,899	-32,545
For Food supply in Marketing events	Apollo Sindoori Hotels	13,74,758	-8,79,307
Purchase of Medicines/ Medicare Products	Keimed Private Limited	4,17,312	-1,18,401
Towards Sale proceeds of Assets which were taken over from AHHCL IND Ltd	Apollo Home Healthcare Ind Ltd- creditor	-	-25,79,114
Training Cost - Room rent	Apollo Medskills Limited - Chennai	9,440	-56,760
Towards Amount Received for Participating in Marketing Events along with Hospital	Indraprashta Apollo Hospitals - Delhi	28,321	-15,066
Pre-Employment Medical Check-up	Apollo Gleneagles Medical Centre- Kolkata	1,01,668	-69,972
Other Related parties total		85,64,636	-8,71,05,114
<b>Total as of 31-Mar-2019</b>		<b>1,42,79,366</b>	<b>-30,09,09,715</b>



10. Current Year Figures have been rounded off to the nearest Rupees.

11. Approval of Financial Statements

The Board of Directors duly taking into account all the relevant disclosures made has approved these financial statements in its meeting held on 6<sup>th</sup> May 2019.

In terms of our report attached.

**for P. GOPAL & ASSOCIATES**

Chartered Accountants

Firm Registration No. 009585

Partner

M.C. Bagavath Singh

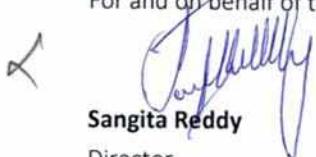
Membership No: 21803

Place : Chennai

Date : 6<sup>th</sup> May 2019



For and on behalf of the Board of Directors

  
**Sangita Reddy**

Director

  
**Harshad Reddy**

Director



Date: 06<sup>th</sup> May 2019

To,  
P Gopal & Associates,  
No 4, Poes Road, 4<sup>th</sup> Street, Teynampet, Chennai 600018

Sub: Certification of Going Concern-Apollo Home Healthcare Ltd.

Dear Sir,

We hereby certify that Apollo Home Healthcare is a *Going Concern* for the below reasons:

1. The Company was started in Mar 2014 with a new business concept of "Homedcare"
2. Apollo Hospital is backing up fully and helping the company to grow by leaps & bounds by providing support in terms of generating business & cash flows.
3. The Company has grown from less than Rs.1 Crore Business in FY 2014-15 to about Rs.36 Crores in FY 2018-19.
4. The Company is maintaining Consolidated Break-even before Corporate Costs since Nov'18
5. All five cities i.e., Hyderabad, Chennai, Delhi, Kolkata & Bangalore achieved Break-even before Corporate Costs in Mar'18 while Chennai continues to be positive after Corporate Costs for the entire FY 2018-19
6. The growth of the company has been very consistent & encouraging as detailed below

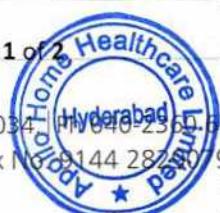
Year	Sales (Rs. Mn)	Growth
FY 2014-15	9.50	
FY 2015-16	59.43	526%
FY 2016-17	190.50	221%
FY 2017-18	266.22	40%
FY 2018-19	359.72	35%

7. Based on the above growth, the Company is confident of growing further and below is the projections for next five financial years.

Particulars	Projections (Rs. in Mn)				
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Revenues	603.50	1,088.16	1,469.01	1,983.17	2,578.12
Growth YoY	69%	80%	35%	35%	30%
Variable Expenses	404.91	723.33	969.27	1,289.13	1,624.30
Contribution After Training Cost	198.59	364.82	499.75	694.04	953.82
Contribution % After Training Cost	33%	34%	34%	35%	37%
Fixed Cost	204.87	271.08	338.85	406.61	487.94

Page 1 of 2

**Apollo Home Healthcare Limited**



EBITDA (Incl. Corp office costs)	-6.28	93.75	160.90	287.43	465.88
% EBITDA (Incl. Corp office costs)	-1%	9%	11%	14%	18%

For and on behalf of the Board of Director

Place: Chennai,

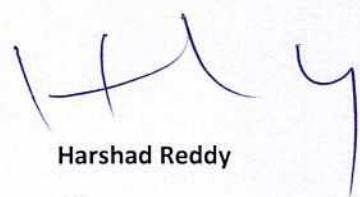
Date: 06-May-2019



Sangita Reddy

Director

DIN: 00006285



Harshad Reddy

Director

DIN: 02364

Regd Office:

Apollo Home Healthcare Limited

(CIN: U85100TN2014PLC095340)

3rd Floor, Ali Towers,

#55, Greams Road,

Thousand Lights , Chennai 600 006.



Page 2 of 2

To,

P. Gopal &Associates,  
Chartered Accountants,  
Chennai - 600 018.

This representation letter is provided in connection with your audit of the financial statements of **Apollo Home Healthcare Limited** for the year ended **31st March, 2019** for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of **Apollo Home Healthcare Limited** as of **31st March, 2019** and the results of its operations for the year then ended.

We acknowledge our responsibility for the preparation of the financial statements in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

We confirm that a detailed assessment of the reporting requirements under the Schedule III has been made by the Management and appropriate disclosures/presentation, as required under the Schedule III, have been made in the financial statements. The previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Classification of items in the Balance Sheet as current and non-current is on the basis specified in the General Instructions for Preparation of Balance Sheet in the Schedule III.

Due consideration has been given to the requirements of the Accounting Standards and the requirements of the statutory provisions in case of conflict with the Schedule III requirements as specified in the Schedule III.

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other officials of the company, the following representations:

- There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements. We also state that the internal control procedures are commensurate with the size of the company and nature of the business. No major weakness in the internal control procedures were noticed during the year.



**Apollo Home Healthcare Limited**

- We acknowledge our responsibility of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- We have made available to you all books of account and supporting documentation and all minutes of meetings of shareholders and the board of directors.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- All known, actual, or possible non-compliance with laws and regulations, together with the actual or contingent consequences, which may arise there from, the effects of which should be considered when preparing financial statements, have been disclosed to you and have been appropriately dealt with by us in the financial statements.
- The effects of uncorrected misstatements, if any, are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- The company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- The accounting policies which are material or critical in determining the results of operations for the year or financial position are set out in the financial statements and are consistent with those adopted in the financial statements for the previous year. The financial statements are prepared on accrual basis.
- The results for the year were not materially affected by the following, except as disclosed in the accounts:
  - a) Transactions of a nature not usually undertaken by the company;
  - b) Circumstances of an exceptional nature or non-recurring nature;
  - c) Charges or credits relating to prior years;
  - d) Changes in accounting policies.
- We confirm the completeness of the information provided regarding the identification of related parties.
- The identity of, and balances and transactions with, related parties have been properly recorded and, when appropriate, adequately disclosed in the financial statements.

- We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- The company has satisfactory title to all assets and there are no liens or encumbrances on the company's assets except charges created in favor of banks/financial institutions. The company carries out verification of its fixed assets every year. No material discrepancies were noticed during the verification. Title Deeds of all immovable properties are in the name of the Company.
- The net book values at which fixed assets are stated in the balance sheet are arrived at:
  - a) after taking into account all capital expenditure on additions thereto, but no expenditure properly chargeable to revenue;
  - b) after eliminating the cost and accumulated depreciation relating to items sold, discarded, demolished or destroyed;
  - c) After providing depreciation as prescribed in Schedule II to the Companies Act , 2013 on fixed assets during the period.
- Depreciation is provided on Straight Line Method on Buildings and Plant & Machinery and on Written Down Value Method on other fixed assets at rates specified in Part C of schedule II of The Companies Act, 2013.
- At the balance sheet date, there were no outstanding commitments for capital expenditure.
- We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of its net realizable value since adequate provisions have been made in the financial statements for non moving, Slow moving & near expiry inventory.
- Inventory is verified at reasonable intervals by the management except for the inventories lying with the third parties, which have however, been confirmed by them and the procedures adopted for physical verification is reasonable and adequate in relation to size and nature of business. Proper records of inventories are kept. There was no material discrepancies noticed during physical verification. At the balance sheet date value of inventory in hand including goods in transit is as per **Annexure 1**.
- We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the financial statements all guarantees that we have given to third parties. There are no other contingent liabilities as at the balance sheet date.
- There have been no events subsequent to year-end which require adjustment of or disclosure in the financial statements or Notes thereto excepting those disclosed in the Notes to the financial statements.



- Trade Receivables and Trade Payables as at the Balance Sheet date are subject to confirmation. However, in the opinion of the Management all the Current Assets are approximately of the value stated in books, if realized in the ordinary course of business

We additionally confirm that:

- The Company does not have any branch office as defined under section 2(14) of the Companies Act, 2013 for the Financial Year 2017-18 and does not require any compliance in relation to the same.
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- There has been generally no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- No Directors of the company are disqualified from being appointed as directors under section 164(2) of the Companies Act, 2013.
- There are no contributions made to any political party during the year.
- No loans have been granted to parties required to be listed in the register u/s 189 of the Companies Act and /or to companies under the same management.
- The management has assessed & reviewed the impairment of fixed assets (tangible and intangible assets) as on 31st March, 2018. There is no impairment required for Fixed Assets.
- The current investments as appearing in the Balance Sheet consist of only such investments as are by their nature readily realisable and intended to be held for not more than one year from the respective dates on which they were made. All other investments have been shown in the Balance Sheet as 'Non-Current Investments'. In accordance with the requirements of the Schedule III, the portion of the Non-Current investment which is expected to be realized within twelve months from the Balance Sheet date has been shown as current investment. Current investments have been valued at lower of cost and fair value. Non-Current investments have been valued at cost, except that any diminution other than temporary in their value has been provided for in ascertaining their carrying amount.
- The company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to firm commitments and forecasted transactions. The company has not entered into forward exchange contracts which are intended for speculative purpose.
- Based on information received from vendors, we confirm that there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises



Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

- Deferred Tax Assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.
- TDS Certificate to be issued by the company is downloaded from TRACES within the time prescribed by the Income-tax Act, 1961.
- As per the amendment in Schedule II to the Companies Act, 2013 dated August 29, 2014 notified by the MCA, the requirement of Component Accounting is mandatory for financial statements in respect of financial years commencing on or after April 1, 2015. We represent that the same has been carried out by the company in accordance with the said Schedule.

As required under section 143 (1) of the Companies Act, 2013 we confirm that:-

- The Company has not made any loans and advances on the basis of security.
- There are no transactions represented merely by book entries by the Company which are prejudicial to the interests of the Company.
- Company does not have any shares, debentures or securities which have been sold at a price less than that at which they were purchased.
- There are no loans and advances made by the Company which have been shown as deposits.
- There are no personal expenses charged to the revenue account except as permitted contractually.
- The Company has allotted shares under ESOP for which the entire consideration was received in advance.

With respect to your Report under the Companies (Auditor's Report) Order 2016 we confirm to the best of our knowledge and having made appropriate enquiries of other officials of the company, the following representations:

- Company has not taken any deposits from public during the period covered under audit. Further no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal against the Company.
- There are no undisputed amounts remaining unpaid for over 6 months in case of any statutory dues. Company is regular in depositing all the statutory dues as applicable.
- There are no disputed amounts as on balance sheet date.



- Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans, investments, guarantees, and security given for the year under report.
- The maintenance of cost records has been prescribed by the Central Government under section 148 (1) of the Companies Act, 2013 & Companies (Cost Records and Audit) Rules, 2014, and the Cost Audit for the financial year 2017-18 will be conducted. All prescribed cost records are maintained properly.
- The company has been regular in repayment of dues to Banks, Financial Institutions, & Government during the year under audit.
- The company has not given guarantees for loans taken by others from banks or financial institutions during the year. The guarantees given are within the powers of Board and company is authorised to issue such guarantees through its Memorandum of Association.
- The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Term loans have been applied for the purposes for which they were obtained.
- No Material Frauds committed on the company have come to our notice during the year nor has the company committed any material fraud on others.
- The Company has taken requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, and managerial remuneration has been paid or provided in accordance with the same.
- All transactions entered by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements as per AS 18 etc., as required by the applicable accounting standards.
- No preferential allotment or private placement of shares or fully or partly convertible debentures has been made by the Company during the year under review.
- Company has not entered into any non-cash transactions with directors or persons connected with him as specified under section 192 of the Act.
- The Company is not required to be required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- We also enclose herewith representation letter for Matters Relating to Audit of internal financial controls over financial reporting as **Annexure 2** and representation letter for Reporting requirement on Fraud under Companies Act, 2013 as **Annexure 3** duly authorized by the respective persons.

We, the undersigned, confirm that we are authorized to sign this letter of representation on behalf of the Company.



For and on behalf of the Board of Directors

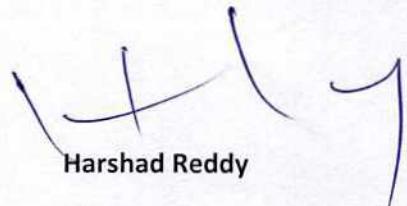
Place: Chennai,

Date: 06-May-2019



Sangita Reddy

Director



Harshad Reddy

Director



**Annexure 1 -****Value of inventory in hand as at 31-Mar-2019**

Particulars	Amount in Rs
<b>Inventory Stores &amp; Stores</b>	
Hyderabad	1,68,163
Chennai	1,54,199
Delhi	1,56,678
Bangalore	1,62,180
Kolkata	1,79,019
<b>Total (A)</b>	<b>8,20,239</b>
<b>Hyderabad - Other Inventory</b>	
INVENTORY BOOKS	4,860
INVENTORY BROCHURES	83,265
INVENTORY GROOMING KITS	24,378
INVENTORY HOMECARE BAGS	23,040
INVENTORY PEPPER SPRAY	154
INVENTORY UNIFORMS	2,09,198
INVENTORY UNIFORMS APRONS	2,057
INVENTORY UNIFORM SHIRTS	29,767
<b>Total (B)</b>	<b>3,76,719</b>
<b>Total Inventory - As on 31-Mar-2019</b>	<b>872,492</b>

For and on behalf of the Board of Directors

Place: Chennai,

  
Sangita Reddy

  
Harshad Reddy

Date: 06-May-2019

Director

Director



**Annexure 2 –**

**Management Representation Letter for Matters Relating to Audit of internal financial controls over financial reporting**

This representation letter is provided in connection with your audit of the internal financial controls over financial reporting in the audit of Apollo Home Healthcare Limited ("the Company") in conjunction with your audit of the standalone/ consolidated financial statements of the Company for the year ended **March 31, 2019**, for the purpose of expressing an opinion as to whether the Company had, in all material respects, an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls 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 the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed by the Central Government in accordance with Section 143(10) of the 2013 Act, to the extent applicable to an audit of internal financial controls over financial reporting.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

1. We are responsible for establishing and maintaining adequate and effective 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 and the preparation and presentation of the financial statements as set out in the terms of the audit engagement in particular, the assertions to you on the internal financial controls in accordance with 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.
2. We have performed an evaluation and made an assessment of the adequacy and effectiveness of the company's internal financial controls and 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.
3. We have not used the procedures performed by you during the audit of internal financial controls over financial reporting as part of the basis for our assessment of the effectiveness of internal financial controls.
4. Based on the assessment carried out by us and the evaluation of the results of the assessment, we conclude that the Company has adequate internal financial controls system that was operating effectively as at the March 31, 2018.



5. To the best of our knowledge and in our opinion, there are no deficiencies in the design or operation of internal financial controls identified as part of management's evaluation, resulting in material / significant impact on the financial statements.
6. To the best of our knowledge and in our opinion, there were no instances of fraud resulting in a material misstatement to the company's financial statements and any other fraud that does not result in a material misstatement to the company's financial statements but involves senior management or management or other employees who have a significant role in the company's internal financial controls.
7. There have been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.
8. We have provided you with:
  - All information, such as records and documentation, and other matters that are relevant to your assessment of internal financial controls
  - Unrestricted access to those within the entity.

There are no other subsidiary companies, jointly controlled companies and associate companies of the company to whom reporting under section 143(3)(i) is applicable and whose auditors have not issued their report under section 143(3)(i) of the Act.

With respect to these components, we have provided to you the audit reports of the component auditors, including their report under section 143(3)(i) of the Act for their respective financial year under the Act that has been considered in the preparation of the consolidated financial statements of the Company.

10. There are no changes in the internal financial controls system from March 31, 2018 till the date of this representation letter.

For and on behalf of the Board of Directors

Place: Chennai,

Sangita Reddy

Harshad Reddy

Date:06-May-2019

Director

Director



### **Annexure 3**

#### **Management Representation Letter for Reporting requirement on Fraud**

This representation letter is provided to you pursuant to Reporting requirement on Fraud under section 143 (12) of Companies Act, 2013 and Rule 13 of the Companies (Audit and Auditors) Rules, 2014, as amended by the Companies (Audit and Auditor) Amended Rules, 2015.

We acknowledge that because of the inherent limitations of an audit, together with the inherent limitations of internal controls, there is an unavoidable risk that material misstatements due to fraud or error may occur and not be detected, even though the audit is properly planned and performed by the auditor in accordance with the Standards on Auditing. We acknowledge our responsibility for the prevention and detection of fraud. Our responsibility also includes informing you about any fraud detected and remedied by the management, any incidence of fraud reported through the vigil mechanism or through any other internal or external sources. We acknowledge that we are also responsible to take appropriate action when a fraud is detected or reported through any of the sources.

In particular we confirm that we are responsible for the following:

- a) Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements which are free from material misstatements, whether due to fraud or error.
- b) To set up a vigil mechanism for reporting suspected fraud and administer the mechanism effectively.
- c) Take appropriate action to detect the fraud and wrongful gain or loss, if any, incurred on account of the fraud.
- d) Take appropriate action against the fraudsters.
- e) Address the control weaknesses which were the root cause for fraud and strengthen the internal control system.

We confirm the following representations considering the fact that no fraud is noted and reported during the year:

1. There have been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices.
2. We have disclosed to you all changes/deficiencies in the design or operation of internal controls over financial reporting identified as part of our assessment, including separately disclosing to you all such deficiencies that we believe to be significant deficiencies or material weaknesses in internal controls over financial reporting.
3. We acknowledge our responsibilities for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.



4. We are not aware of any significant facts relating to any frauds or suspected frauds known that may have involved
  - (i) Management;
  - (ii) Employees who have significant roles in accounting and internal control; or
  - (iii) Others.
5. To the best of our knowledge and belief, the Company has not made any improper payments or payments which are illegal or against public policy.
6. The Company has complied with all aspects of contractual agreements which could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
7. We have no plans or intentions which may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
8. We have made available to you all books of account, supporting documentation and minutes of all meetings of the shareholders and the Board of Directors and Committees of the Board.
9. We have not withheld from you any relevant information that we are aware of and would have an implication on the process of your responsibilities to report fraud under the statute.

With effect from 1st April 2014, the provisions of the Companies Act, 2013 ('the Act') have become applicable to the Company. We understand that Section 143(12) of the said Act read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014 requires the auditors to report on fraud to the Board or the Audit Committee prior to reporting the same to the Central Government. We are aware that the Board or the Audit Committee is required to consider the report of the auditor and respond on the matter reported within 45 days of the date of the report of the auditor.



We acknowledge that your Reporting requirement on Fraud under Section 143(12) of the Act is made in good faith to comply with the requirements of the law and, therefore, cannot be considered as breach of maintenance of client confidentiality requirements or be subject to any suit, prosecution or other legal proceeding since it is done in pursuance of the Act or of any rules or orders made thereunder.

For and on behalf of the Board of Directors

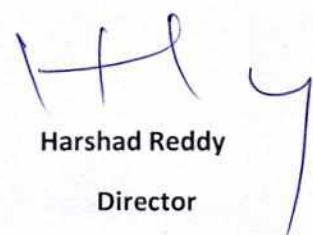
Place: Chennai,

Date:06-May-2019



Sangita Reddy

Director



Harshad Reddy

Director