

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

We have audited the accompanying financial statements of **APOLLO NELLORE HOSPITALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that

give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its **profit** and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

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

- i. The Company has no pending litigations which impact the financial statements
- ii. The Company does not foresee any material losses in any long term contracts

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



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

**Place: Chennai**

**Date: 15/5/15**



### **Annexure to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- i.
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- ii. The Company is a service company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable
- iii. The Company has not granted/taken loans to/from bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii.
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
  - b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax,

service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- c. According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, value added tax, wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute
- viii. The Company does has accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year
- x. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. The Company did not have any term loans outstanding during the year.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit

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



**V.CHANDRASEKHARAN  
PARTNER.(M.No.24187)**

Place: Chennai.

Date : 15/5/15

**APOLLO NELLORE HOSPITALS LIMITED**

**BALANCE SHEET AS AT 31.03.2015**

	NOTES	31-03-2015	31-03-2014
		Rs.	Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Fund</b>			
Share Capital	B-1	1,39,70,860	1,39,70,860
Reserves and Surpluses	B-2	(1,45,07,415)	(67,24,772)
<b>2 Non Current Liabilities</b>			
Other Long Term Liabilities	B-3	75,00,000	75,00,000
<b>3 Current Liabilities</b>			
Other Current Liabilities	B-4	3,34,270	3,34,270
Short Term Proviisons	B-5	8,23,561	25,69,967
		<b>81,21,276</b>	<b>1,76,50,325</b>
<b>II ASSETS</b>			
<b>1 Non Current Assets</b>			
a. Fixed Assets (Tangible)	B-6	10,02,749	1,44,49,986
<b>2 CURRENT ASSETS</b>			
Cash & Cash Equivalents	B-7	5,70,968	5,68,998
Trade Receivables	B-8	48,29,595	9,13,377
Short Term Loans and Advances	B-9	17,17,964	17,17,964
		<b>71,18,527</b>	<b>32,00,339</b>
		<b>81,21,276</b>	<b>1,76,50,325</b>

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

As per our report of even date attached.

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



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

For and on behalf of the Board of Directors



DIRECTOR



DIRECTOR

Place:Chennai  
Date: 15th May 2015

**APOLLO NELLORE HOSPITALS LIMITED**

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR  
ENDED 31.3.2015**

	NOTES	2014-15	2013-14
		Rs.	Rs.
<b>I INCOME</b>			
Revenue from Operation			
Rent received	<b>B-10</b>	74,24,894	74,24,894
Other income -Interest		1,970	
		<b>74,26,864</b>	<b>74,24,894</b>
<b>II EXPENDITURE:</b>			
Other Expenses	<b>B-11</b>	87,270	9,12,001
Depreciation		1,34,47,237	
		<b>1,35,34,507</b>	<b>9,12,001</b>
Profit Before Income Tax from Operation		<b>(61,07,643)</b>	<b>65,12,893</b>
Less:			
Provision for Income Tax - Current		<b>(16,75,000)</b>	<b>(16,75,000)</b>
Arrears of Income Tax Deferred			
Profit/(Loss) for the year		<b>(77,82,643)</b>	<b>48,37,893</b>
<b>Earnings Per Share</b>		<b>(6.69)</b>	<b>4.24</b>

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

As per our report of evend date attached:

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



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

For and on behalf of the Board of Directors



**DIRECTOR**



**DIRECTOR**

Place:Chennai  
Date: 15th May 2015



## **APOLLO NELLORE HOSPITALS LIMITED**

### **NOTES FORMING PART OF THE ACCOUNTS**

#### **A. Accounting Policies:**

- (a) The accounts have been prepared to comply in all material aspect with applicable accounting principles in India, the applicable Accounting of Sec.133 of the Companies Act, 2013.and the relevant provisions thereof.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956.

Financial statements are prepared under historical cost convention and on accrual basis in accordance with the requirements of the Companies Act, 2013.

- (b) The Gross Block of Fixed Assets are stated at cost of acquisition including incidental expenses related to acquisition and installation.
- (c) Depreciation on Fixed Asset are at the new rates prescribed in Schedule II of the Companies Act. Assets which are fully depreciated are recognized at residual value.
- (d) All liabilities are provided for in the accounts except liabilities of a contingent nature, which are disclosed under Notes on Accounts.
- (e) Current Tax is determined as the amount of tax payable in respect of taxable income for the year.
- (f) Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax provisions are made as per the Accounting Standard 22 of the Institute of Chartered Accountants of India.



## NOTES ON ACCOUNTS

### NOTES B-1

#### SHARE CAPITAL

Authorised - (5000000 Equity Shares of Rs.10/- each)

Issued, Subscribed and Paid Up:

(13,97,092 Equity shares of Rs.10/ each)

	31-03-2015	31-03-2014
	Rs.	Rs.
	5,00,00,000	5,00,00,000
	1,39,70,860	1,39,70,860
	1,39,70,860	1,39,70,860

#### Reconciliation of the Share outstanding at the beginning and at the end of the Year

	As at 31.3.2015		As at 31.3.2014	
	No. of Shares	Amount	No. of shares	Amount
<b>Equity Capital</b>				
At the Beginning of the period	13,97,086	1,39,70,860	11,41,200	1,14,12,000
Issued during the year	-	-	2,55,886	25,58,860
At the end of the period	13,97,086	1,39,70,860	13,97,086	1,39,70,860

#### Shares held by the Holding Company and their Shareholders & others holding more than 5%.

	As at 31.3.2015		As at 31.3.2014	
	No. of shares	% of holding	No. of shares	% of holding
Apollo Hospitals Enterprises Limited-Holding Company	11,09,842	79.44	11,09,842	79.44

### NOTES B-2

#### RESERVES & SURPLUSES

##### Securities Premium Reserve

Opening Balance

Received during the year

	3,76,41,140	3,76,41,140
	3,76,41,140	3,76,41,140

##### Profit and Loss Account

Opening Balance(Loss)

Add: Profit/( Loss) for the period

	(4,43,65,912)	(4,92,03,805)
	(77,82,643)	48,37,893
	(1,45,07,415)	(67,24,772)

### NOTES B-3

Other Long Term Liabilities

Rent Deposit

	75,00,000	75,00,000
	75,00,000	75,00,000

### NOTES B-4

#### Other Current Liabilities

Other Liabilities

	3,34,270	3,34,270
	3,34,270	3,34,270

**NOTES B-5****Short Term Provisions**

Provision for Income Tax , net of TDS	8,23,561	16,52,250
Provision for Service Tax		9,17,717
	<u>8,23,561</u>	<u>25,69,967</u>

**NOTES B-7****CURRENT ASSETS****Cash & Cash Equivalents**

Cash in hand		
Balance in Bank Account	5,70,968	5,68,998
	<u>5,70,968</u>	<u>5,68,998</u>

**NOTES B-8**

Trade Receivables -Less than six months	48,29,595	9,13,377
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**NOTES B-9****Short Term Loans and Advances**

(recoverable in cash, kind or value to be received)	17,17,964	17,17,964
	<u>22,88,932</u>	<u>22,86,962</u>

**NOTES B-10****Revenue from Operation-Rent**

Gross Rent Received	83,42,611	83,42,611
Less: Service Tax	9,17,717	9,17,717
	<u>74,24,894</u>	<u>74,24,894</u>

**NOTES B-11****Other Expenses**

Rates & Taxes	-	48,770
Audit fees	84,270	84,270
Miscellaneous Exp.	3,000	7,78,961
	<u>87,270</u>	<u>9,12,001</u>

NOTES B-6		(Rs.)		
FIXED ASSETS:				
		LAND	BUILDING	TOTAL
COST				
As at 01.04.2014		10,02,749	1,88,02,248	1,98,04,997
Additions				-
As at 31.12.2015		10,02,749	1,88,02,248	1,98,04,997
DEPRECIATION				
Provided upto 31.12.2014		-	53,55,011	53,55,011
Provided for the year		-	1,34,47,237	1,34,47,237
Provided upto 31.03.2015		-	1,88,02,248	1,88,02,248
WRITTEN DOWN VALUE				
As at 31.03.2015		10,02,749	-	10,02,749
As at 31.03.2014		10,02,749	1,34,47,237	1,44,49,986



## B. NOTES ON ACCOUNTS:

12. Contingent Liabilities not provided for – NIL
13. Estimated amount of contracts remaining to be executed on Capital Account and not provided for as on 31.3.2015 – Rs.NIL(NIL)
14. The balances of sundry parties are subject to confirmation.
15. Figures for the previous year have been re-grouped and re-classified to confirm the present presentation.
16. Related Party Disclosure:

a. List of related parties	Relation
Apollo Hospitals Enterprises Limited	Holding Company.
Nature of Transaction	Rent received
Amount of Transaction (Gross)	Rs74,24,894(Rs.74,24,894/-)
Closing balance	Rs.48,29,595/-( Rs.9,13,377/-)

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

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



  
**DIRECTOR**

  
**DIRECTOR**

**APOLLO NELLORE HOSPITAL LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

	2014-15	2013-14
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>	Rs.	Rs.
Net Profit before tax and Extraordinary items	(61,07,643)	65,12,893
Add:		
Depreciation	1,34,47,237	
Preliminary Expenses Written off	-	-
Interest	-	-
Deducted		
Interest received	1,970	-
Operating Profit before Working Capital charges	73,37,624	65,12,893
Adjustments for		
Trade & Other Receivables	(39,16,218)	58,52,484
Trade payments	(17,46,406)	(4,87,03,972)
Cash Generation from Operation	16,75,000	(3,63,38,595)
Deduct		
Interest paid		
Income tax paid	16,75,000	16,75,000
Net Cash Flow from Operating Activities	0	(3,80,13,595)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	1,970	-
Capital work in progress - Reduction		
Cash Generatin from Investing Activities	1,970	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in unsecured loan	-	(22,62,548)
Increase in Share Capital and Premium Account	-	4,02,00,000
Net cash flor from Financing Activities	-	3,79,37,452
Net increase in cash and Cash equivalents	1,970	(76,143)
Opening Cash and Cash Equivalents	5,68,998	6,45,141
Closing Cash and Cash Equivalents	5,70,968	5,68,998

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

As per our report of even date attached.

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



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

FOR AND BEHALF OF THE BOARD OF DIRECTORS



DIRECTOR



DIRECTOR

Place:Chennai

Date: 15th May 2015