

# P. GOPAL & ASSOCIATES

CHARTERED ACCOUNTANTS



No.4, Poes Road, 4th Street,  
Teynampet, Chennai-600018  
Phone : 2434 0993, 2432 0993  
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## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

### To the Members of Apollo Home Healthcare Ltd

#### Report on the Financial Statements

We have audited the accompanying Financial Statements of Apollo Home Healthcare Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control as designed by the Board of Directors, 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.

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



An audit involves performing procedures to obtain audit evidence about the amounts and 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 preparation of the Financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Standards generally accepted in India.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31<sup>st</sup> 2016,
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of Matter**

The total Investment in the Company as on the Balance Sheet date is Rs. 11,38,75,000/- which comprises of Equity Share Capital of Rs. 8,88,75,000/- and 11% Fully Convertible Debentures of Rs. 2,50,00,000/-. For the year ended 31<sup>st</sup> March 2015, the Company incurred a loss of Rs. 1,01,77,681/- (PBT) which was inclusive of a cash loss of Rs.98,68,264/-. Similarly, for the year ended 31<sup>st</sup> March 2016, the Company incurred a loss of Rs. 11,43,10,270/-(PBT) which was inclusive of a cash loss of Rs. 11,29,01,653/-. Thus, accumulated losses as on the date of Balance Sheet is Rs. 12,44,87,951/- (PBT) including a cash loss of Rs. 12,27,69,917/- which eroded the share capital to a negative amount of Rs. -66,59,011/-



### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of 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 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 Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub section (2) of Section 164 of the Companies Act, 2013;
  - 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 included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us:

- i) The Company did not have any pending litigations having impact on its financial position.
- ii) The Company did not have any long term contracts including derivatives 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.

Place: Chennai  
Date: 14-05-2016



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

*M.C. Bagavath Singh*  
M.C. BAGAVATH SINGH  
(Partner)  
Membership No: 21803

**APOLLO HOME HEALTHCARE LTD**  
**Annual Report 2015-16**

**“ANNEXURE - A” TO THE INDEPENDENT AUDITORS’ REPORT**  
**(Referred to in paragraph I 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 its Inventories**

- a) Inventories have been physically verified during the year by the management at reasonable intervals.
- 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, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, 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, 2016 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, sales tax, service tax, duty of customs, duty of excise and value added tax 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 raised moneys by way of Equity Share Capital and Convertible Debt Instruments and were applied for the purpose for which they were raised.
- 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 4 (xii) 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 made preferential allotment of Equity Shares twice, firstly 25,00,000 shares of @ Rs. 10/- each at face value and secondly 46,87,500 shares @ Rs. 10/- at a premium of Rs. 6/- per share all fully paid-up to Apollo Hospitals Enterprise Limited.

Also, the Company has issued 25,00,000 11% fully convertible debentures @ Rs. 10/- at face value fully paid-up to Apollo Hospitals Enterprise Limited.

xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

xvi) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: Chennai  
Date: 14-05-2016



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

*M.C. Bagavath Singh*

M.C.BAGAVATH SINGH  
(Partner)  
Membership No: 21803

**APOLLO HOME HEALTHCARE LTD**

**Annual Report 2015-16**

**“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, 2016 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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




**Opinion**

In our opinion, 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, 2016, 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.

Place: Chennai  
Date: 14-05-2016



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

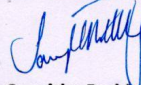
  
**M.C. BAGAVATH SINGH  
(Partner)  
Membership No: 21803**

**APOLLO HOME HEALTHCARE LIMITED**

**BALANCE SHEET AS AT 31st MARCH 2016**

Description	Schedule No.	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	88,875,000	17,000,000
(b) Reserves and Surplus	2	(95,534,011)	(10,191,055)
(c) Debentures	3	25,000,000	-
<b>(2) Non-current liabilities</b>			
(a) Deferred Tax Liabilities	4	-	13,375
<b>(3) Current Liabilities</b>			
(a) Trade payables	5	14,373,676	720,630
(b) Other Liabilities	6	6,389,519	1,771,327
<b>TOTAL</b>		<b>39,104,185</b>	<b>9,314,276</b>
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	7	11,267,238	999,708
(ii) Capital Work in Progress		224,720	224,720
(c) Deferred Tax Asset	4	657,102	-
<b>(2) Current assets</b>			
(a) Inventories	8	1,259,751	378,500
(b) Trade receivables	9	12,742,705	675,523
(c) Cash and cash equivalents	10	9,125,872	6,653,986
(d) Short-term loans and advances	11	3,826,797	381,840
<b>TOTAL</b>		<b>39,104,185</b>	<b>9,314,276</b>

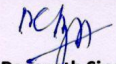
For and on behalf of Board of Directors  
of **APOLLO HOME HEALTHCARE LIMITED**

  
**Sangitha Reddy**  
Director

  
**Shobana Kamineni**  
Director

as per our report of even date  
for **P.GOPAL & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 009585



  
**M.C. Bagavath Singh**  
Partner  
Membership No: 21803

Place : Chennai,  
Date : 14-05-2016



<b>APOLLO HOME HEALTHCARE LIMITED</b>			
<b>PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016</b>			
<b>Description</b>	<b>Schedule No.</b>	<b>For the year ended 31.03.2016 Rs.</b>	<b>For the year ended 31.03.2015 Rs.</b>
(1) Revenue from Operations	12	59,414,213	8,447,561
(2) Other Income	13	462,267	612,000
<b>Total revenue</b>		<b>59,876,480</b>	<b>9,059,561</b>
(3) Expenses			
(i) Cost of Material Consumed	14	6,344,059	2,171,754
(ii) (Increase) / Decrease in Inventories	15	(881,251)	(378,500)
(iii) Employee benefit expense	16	123,699,362	12,539,138
(iv) Finance Cost	17	57,016	2,528
(v) Other	18	43,558,949	4,592,905
(vii) Depreciation	7	1,408,617	309,417
<b>Total expenses</b>		<b>174,186,750</b>	<b>19,237,242</b>
(4) Profit before tax		<b>(114,310,270)</b>	<b>(10,177,681)</b>
(5) Tax expense			
(i) Current tax		-	-
(ii) Deferred tax		<b>(670,476)</b>	<b>13,375</b>
(6) Profit for the period		<b>(113,639,794)</b>	<b>(10,191,055)</b>
<b>BALANCE AVAILABLE FOR APPROPRIATIONS</b>		<b>(113,639,794)</b>	<b>(10,191,055)</b>
<b>Earnings Per Equity Share (Face Value Rs.10)</b>			
- Basic Earnings per Share		<b>(12.79)</b>	<b>(5.99)</b>
- Diluted Earnings per Share		<b>(9.98)</b>	-
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	<b>19 &amp; 20</b>		

For and on behalf of Board of Directors  
of APOLLO HOME HEALTHCARE LIMITED

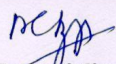
  
Sangitha Reddy  
Director

  
Shobana Kamineni  
Director

Place : Chennai,  
Date : 14-05-2016



as per our report of even date  
for P.GOPAL & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 009585

  
M.C. Bagavath Singh  
Partner

Membership No: 21803



**APOLLO HOME HEALTHCARE LIMITED**

**CASH FLOW STATEMENT AS AT 31st MARCH 2016**

Particulars	For the year ended 31.03.16	For the year ended 31.03.15
	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	-114,310,270	-10,177,681
Adjustments For:-		
Depreciation and Amortization expenses	1,408,617	309,417
Change in Working Capital:-		
Adjustments for (Increase)/Decrease in operating assets		
Inventories	-881,251	-378,500
Trade Receivables	-12,067,182	-675,523
Short term loans and advances	-3,444,957	-381,840
Adjustments for Increase/(Decrease) in operating liabilities		
Trade Payables	13,653,046	2,491,957
Other Current Liabilities	4,618,192	-
<b>Cash used in Operations (A)</b>	<b>-111,023,806</b>	<b>-8,812,170</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-11,504,308	-1,309,125
Capital Work in Progress	-	-224,720
<b>Net Cash flow from investing activities (B)</b>	<b>-11,504,308</b>	<b>-1,533,845</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares	100,000,000	17,000,000
Proceeds from Issue of Debentures	25,000,000	-
<b>Cash from Financing Activities (C)</b>	<b>125,000,000</b>	<b>17,000,000</b>
<b>Net Increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,471,886</b>	<b>6,653,986</b>
Cash and cash equivalents at the beginning of the year	6,653,986	-
Cash and cash equivalents at the end of the year	9,125,872	6,653,986
	<b>2,471,886</b>	<b>6,653,986</b>

For and on behalf of Board of Directors  
of APOLLO HOME HEALTHCARE LIMITED

*Sangitha Reddy*  
Sangitha Reddy  
Director

*Shobana Kamineni*  
Shobana Kamineni  
Director

Place : Chennai,  
Date : 14-05-2016



as per our report of even date  
for P.GOPAL & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 009585



*M.C. Bagavath Singh*  
M.C. Bagavath Singh  
Partner  
Membership No: 21803

**APOLLO HOME HEALTHCARE LIMITED**  
**SCHEDULES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016**

**SHARE CAPITAL**

**SCHEDULE - 1**

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised shares Equity shares of 10 each with voting rights	90,00,000	9,00,00,000	17,00,000	1,70,00,000
(b) Issued shares Equity shares of 10 each with voting rights	88,87,500	8,88,75,000	17,00,000	1,70,00,000
(c) Subscribed and fully paid up shares Equity shares of 10 each with voting rights	88,87,500	8,88,75,000	17,00,000	1,70,00,000
(d) Subscribed but not fully paid up	Nil	Nil	Nil	Nil
<b>Total issued, subscribed and fully paid up</b>	<b>88,87,500</b>	<b>8,88,75,000</b>	<b>17,00,000</b>	<b>1,70,00,000</b>

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

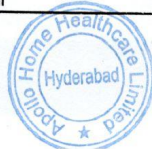
Particulars	Opening Balance	Fresh Issue	Buy Back	Closing Balance
Equity shares				
Year ended 31 March 2016				
- Number of shares	17,00,000	71,87,500	-	88,87,500
- Amount in Rs.	1,70,00,000	7,18,75,000	-	8,88,75,000
Year ended 31 March 2015				
- Number of shares	17,00,000	-	-	17,00,000
- Amount in Rs.	1,70,00,000	-	-	1,70,00,000

(ii) Terms/Rights Attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs. 10. Each holder is entitled to one vote per equity share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting except in case of interim dividend. Repayment of capital will be in proportion to the number of equity shares held.

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

Name of Shareholder	As at 31.03.16		As at 31.03.15	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Apollo Hospitals Enterprise Ltd.	71,87,500	80.87%	-	-
Dr. Prathap C Reddy	11,00,000	12.38%	11,00,000	64.71%
Ms. Shobana Kamineni	1,00,000	1.13%	1,00,000	5.88%
Ms. Sindoori Reddy	1,00,000	1.13%	1,00,000	5.88%
Mr. Karthik Anand Reddy	1,00,000	1.13%	1,00,000	5.88%
Ms. Upasna Kamineni	1,00,000	1.13%	1,00,000	5.88%
Mr. Anindith Reddy	1,00,000	1.13%	1,00,000	5.88%
Mr. Aditya Reddy	1,00,000	1.13%	1,00,000	5.88%
<b>Total</b>	<b>88,87,500</b>	<b>100.00%</b>	<b>17,00,000</b>	<b>100.00%</b>



*Signature*



**RESERVES AND SURPLUS****SCHEDULE - 2**

Particulars		As at 31.03.2016	As at 31.03.2015
(a) General reserve		-	-
(b) Deficit in the statement of Profit and Loss Balance as per the last Financial Statement	(10,191,055)		
Add: Excess depreciation of last year as a result of change in depreciation method from WDV to SLM	171,839		
Adjusted Opening Balance	(10,019,216)		
Add: Loss for the year	(113,639,794)		
Net Deficit in the statement of Profit and Loss		(123,659,011)	(10,191,055)
(c) Securities Premium Account 46,87,500 Shares issued at a premium of Rs.6/- per Share		28,125,000	-
<b>Total Reserves and Surplus</b>		<b>(95,534,011)</b>	<b>(10,191,055)</b>

**DEBENTURES****SCHEDULE - 3**

Particulars	As at 31.03.2016	As at 31.03.2015
11% Fully Convertible Debentures Issued In Favour Of Apollo Hospitals Enterprise Ltd.	25,000,000	-
	<b>25,000,000</b>	<b>-</b>

**DEFERRED TAX****SCHEDULE - 4**

Particulars	As at 31.03.2016	As at 31.03.2015
(a) Opening Deferred Tax Provision	(13,375)	-
(b) Add: Deferred Tax Liability	-	13,375
(d) Deferred Tax Asset	670,476	
(c) Closing Deferred Tax Provision	<b>657,102</b>	<b>13,375</b>

**TRADE PAYABLES (CURRENT)****SCHEDULE - 5**

Particulars	As at 31.03.2016	As at 31.03.2015
Sundry Creditors		
- for trade	8,714,543	102,360
- for expenses	5,659,133	618,270
<b>Total</b>	<b>14,373,676</b>	<b>720,630</b>



*[Handwritten Signature]*

## OTHER LIABILITIES

## SCHEDULE - 6

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Statutory Liabilities</b>		
Provident Fund	1,364,658	-
Employee State Insurance	263,585	-
Professional Tax	30,200	-
Tax deducted at source	682,725	-
<b>Provisions</b>		
Gratuity	875,662	875,662
Leave Encashment	1,302,996	778,696
Other Expenses	494,697	85,000
<b>Payable to Staff</b>	1,099,008	31,969
<b>Travel Expenses payable</b>	250,988	-
<b>Security Deposits Received</b>	25,000	-
<b>Total</b>	<b>6,389,519</b>	<b>1,771,327</b>

## INVENTORIES (At lower of Cost or NRV)

## SCHEDULE - 8

Particulars	As at 31.03.2016	As at 31.03.2015
Closing Stock - Stores & Spares, Uniform and Documents	1,259,751	378,500
<b>Total</b>	<b>1,259,751</b>	<b>378,500</b>

## TRADE RECEIVABLES (CURRENT)

## SCHEDULE - 9

Particulars	As at 31.03.2016	As at 31.03.2015
Sundry Debtors		
- for trade - Secured, Considered good	12,742,705	675,523
<b>Total</b>	<b>12,742,705</b>	<b>675,523</b>

## CASH AND CASH EQUIVALENTS

## SCHEDULE - 10

Particulars	As at 31.03.2016	As at 31.03.2015
Balances with banks in Current Account	2,078,551	6,563,571
Balances with banks in Fixed Deposits	6,764,776	-
Cash in Transit	248,678	-
Cash in Hand	33,867	90,415
<b>Total</b>	<b>9,125,872</b>	<b>6,653,986</b>

## SHORT-TERM LOANS AND ADVANCES

## SCHEDULE - 11

Particulars	As at 31.03.2016	As at 31.03.2015
Advances for Capital Items	-	44,140
Advances for Others	24,788	200,000
Travel Advance	-	50,000
Security Deposits	3,687,170	26,500
TDS Receivable	114,839	61,200
<b>Total</b>	<b>3,826,797</b>	<b>381,840</b>



*[Handwritten Signature]*



**FIXED ASSETS - TANGIBLE ASSETS**

Particulars	As on 01.4.2015	GROSS BLOCK		As on 31.03.2016	Upto 01.04.2015	Reversal due to change in method of Depreciation*	DEPRECIATION			NET BLOCK	
		Additions	Deletions				for the Period	Deletions	Upto 31.03.2016	WDV as at 31.03.2016	31.03.2015
Medical Equipment	72,856	24,31,420	-	25,04,276	6,707	5,098	73,205	-	74,814	24,29,462	66,149
Computers & Laptops	4,19,250	52,35,229	-	56,54,479	1,53,075	76,397	9,43,734	-	10,20,412	46,34,067	2,56,176
Furniture & Fixtures	2,28,367	6,59,255	-	8,87,632	29,747	18,069	60,121	-	71,799	8,15,833	1,98,620
Office Equipment	2,02,460	10,41,756	-	12,44,216	50,158	29,037	1,65,607	-	1,86,728	10,57,488	1,52,302
Motor Vehicle	3,86,192	21,36,539	-	25,22,831	69,731	43,228	1,65,950	-	1,92,443	23,30,388	3,16,461
<b>TOTAL</b>	<b>13,09,125</b>	<b>1,15,04,308</b>	<b>-</b>	<b>1,28,13,433</b>	<b>3,09,417</b>	<b>1,71,839</b>	<b>14,08,617</b>	<b>-</b>	<b>15,46,196</b>	<b>1,12,67,238</b>	<b>9,99,708</b>
<b>PREVIOUS YEAR</b>	<b>-</b>	<b>13,09,125</b>	<b>-</b>	<b>13,09,125</b>	<b>-</b>	<b>1,71,839</b>	<b>3,09,417</b>	<b>-</b>	<b>3,09,417</b>	<b>9,99,708</b>	<b>-</b>

\* Reversal of Depreciation (for FY 2014-15) on account of change in Depreciation calculation method from WDV to SLM



<b>APOLLO HOME HEALTHCARE LIMITED</b>			
<b>SCHEDULES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016</b>			
Sch No	Particulars	For the year ended 31.03.2016 (Rs.)	For the year ended 31.03.2015 (Rs.)
12	<b>REVENUE FROM OPERATIONS</b>		
	Revenue of Health Services	5,94,14,213	84,47,561
		<b>5,94,14,213</b>	<b>84,47,561</b>
13	<b>OTHER INCOME</b>		
	Clinical Services	-	6,12,000
	Interest on Income Tax Refund	3,552	-
	Interest on Fixed Deposits	4,58,715	-
		<b>4,62,267</b>	<b>6,12,000</b>
14	<b>COST OF MATERIAL CONSUMED</b>		
	Purchases(Net)	63,44,059	21,68,034
	Add:Freight Charges	-	3,720
		<b>63,44,059</b>	<b>21,71,754</b>
15	<b>(INCREASE) / DECREASE IN INVENTORIES</b>		
	Inventory at the beginning of the year		
	- Stores & Spares, Uniform and Documents	3,78,500	-
	Less:Inventory at the end of the year		
	- Stores & Spares, Uniform and Documents	12,59,751	3,78,500
		<b>(8,81,251)</b>	<b>(3,78,500)</b>
16	<b>EMPLOYEE BENEFIT EXPENSE</b>		
	Staff Salaries	9,90,36,080	1,15,62,441
	Staff Welfare Expenses	17,95,381	3,41,430
	Staff Training Cost	16,95,002	13,500
	Hostel Expenses & Flexi Reimbursement of Hostel Expenses	1,49,57,148	6,21,767
	Health Insurance	9,97,573	-
	Leave Encashment	5,24,301	-
	Rewards & Recognition	2,81,972	-
	Transport Reimbursement	44,11,905	-
		<b>12,36,99,362</b>	<b>1,25,39,138</b>



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<b>APOLLO HOME HEALTHCARE LIMITED</b>			
<b>SCHEDULES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016</b>			
<b>Sch No</b>	<b>Particulars</b>	<b>For the year ended 31.03.2016 (Rs.)</b>	<b>For the year ended 31.03.2015 (Rs.)</b>
<b>17</b>	<b>FINANCE COST</b>		
	Bank Charges	57,016	2,528
	Interest On Debentures	-	-
		<b>57,016</b>	<b>2,528</b>
<b>18</b>	<b>OTHER EXPENSES</b>		
	Advertisement Expenses	384,454	192,179
	Audit Fees	58,070	56,180
	Bad debts Written Off	396,412	
	Books & Periodicals	640	9,670
	Electricity Charges	835,534	70,000
	Water Charges	160,145	3,822
	Subscription Charges	-	70,000
	Office Maintenance	1,307,502	34,793
	Legal and Professional Charges	4,981,543	2,672,035
	Lab investigation Charges	1,031,847	103,307
	Miscellaneous Expenses	190,701	51,717
	Printing and stationary	1,075,050	228,309
	Business Promotion Expenses	7,293,053	60,650
	Rates & Taxes	790,770	4,240
	Telephone Expenses	1,281,941	52,206
	Interest on TDS	120	4,260
	Pooja Expenses	-	8,346
	Boarding & Lodging Expenses	-	43,085
	Conveyance	3,718,069	264,768
	Web Development Charges	1,907,424	23,128
	Communication Expenses	276,706	220,363
	Postage and Courier Charges	198,483	1,170
	Repairs & Maintenance	674,881	7,050
	Vehicle Maintenance	407,340	89,290
	Travelling Expenses	3,451,611	322,337
	insurance	306,401	-
	Meeting Expenses	31,202	-
	Rent - Office	6,086,504	-
	Partners Payout	1,391,808	-
	Recruitment Expenses	5,316,939	-
	Referral Exps	3,800	-
		<b>43,558,949</b>	<b>4,592,905</b>



*JS*

**Apollo Home Healthcare Ltd**

**Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2016**

**Note – 19:**

**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 Basis of Preparation of Financial Statements**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**2.2 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.

**2.3 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.



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#### 2.4 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 VAT credit wherever applicable. Due allowance is estimated and made for expired stocks, slow/ non-moving items, wherever necessary.

#### 2.5 Fixed Assets

Fixed assets are stated at the original cost of acquisition. Cost includes taxes, duties, freight and incidental expenses relating to acquisitions and installation of the assets concerned.

#### 2.6 Depreciation and Amortization

During the current year, Depreciation on fixed assets is changed from Written Down Value to Straight Line Basis. As a result, an amount of Rs. 1,71,839/- had been reduced from cumulative loss as an adjustment for the earlier year. The change in the method of charging Depreciation is go in line with the method followed by the Holding Company for calculating Depreciation.

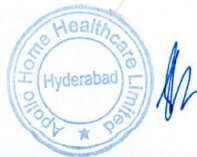
Depreciation is provided on the basis of number of days used with reference to the useful life of assets as per schedule II of the Companies Act, 2013 linking with useful life specified therein.

#### 2.7 Revenue Recognition

Income and Expenditure are recognized on accrual basis. Revenue is recognized on sale of Professional Services (i.e.) Nursing Care, Physiotherapy, Consulting etc.

#### 2.8 Other Income:

Other Services Income was accounted on accrual Basis



## 2.9 Employee benefits

### Provident Fund and Employee State Insurance Fund

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

## 2.10 Taxation

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The 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 assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

## 2.11 Foreign currency transactions and translations:

No Transactions in foreign currencies are recorded.

## 2.12 Related Party Disclosures:

The other additional particulars required under Part II to schedule III of the Companies Act, 2013 are furnished.

## 2.13 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.



#### 2.14 Dues to Micro Enterprises and Small Enterprises:

“Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31<sup>st</sup> March, 2016. Hence, the information as required under the Micro Small and Medium Enterprises Development Act, 2006 is not disclosed”.

#### 2.15 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.



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## Apollo Home Healthcare Ltd

### Notes forming part of the financial statements for the year ended 31<sup>st</sup> March 2016

#### Note – 20:

1. Sundry debtors 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. However, there has not been an instance of any party disputing the figure or in paying the service charges as per the invoices raised by the Company.
3. Other income includes:

Particulars	2015-16 Rs.	2014-15 Rs.
Dengue Helpline Income	-	6,12,000
Interest on Income tax Refund	3,552	-
Interest on Fixed Deposits	4,58,715	-

4. Audit Fees

Particulars	2015-16 Rs.	2014-2015 Rs.
For Statutory Audit	58,070	56,180

5. The other additional particulars required under schedule III of the Companies Act, 2013 are not furnished, as they are not applicable to the Company.
6. Expenditure in foreign currency Rs. Nil.
7. Earnings in foreign currency Rs. Nil.
8. Deferred Tax

The Company has deferred tax asset of Rs.6,57,102/- for the year ended 31<sup>st</sup> March, 2016.



*Sh*





9. Related Party Disclosure

(a) Names of Related Parties and Nature of Relationships

*Nature of Relationship	For the year ended 31 March 2016
(i) Entities over which Mrs. Shobana Kamineni & Mrs. Sangita Reddy exercises Significant Influence	Apollo Hospitals Enterprise Limited
(ii) Individuals Exercising Significant Influence	(i) Mrs. Shobana Kamineni (ii) Mrs. Sangita Reddy

\*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.

Particulars	Related Party	For the year ended 31 March 2016 Amount Rs.
Purchase of Medicines/ Medicare Products	Apollo Hospitals Enterprise Limited	13,95,510
Reimbursement of Other Expenses	Apollo Hospitals Enterprise Limited	1,16,80,617
Share Capital	Apollo Hospitals Enterprise Limited	10,00,00,000
11% Fully Convertible Debentures	Apollo Hospitals Enterprise Limited	2,50,00,000



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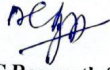


10. Current Year Figures have been rounded off to the nearest Rupees.

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 14-05-2016.

For P. Gopal & Associates  
Chartered Accountants  
Firm Registration No. 958S



M.C. Bagavath Singh  
Partner  
Membership No : 21803



For and on behalf of the Board of Directors



Sangitha Reddy  
Director



Shobana Kamineni  
Director

Place : Chennai  
Date : 14-05-2016

