

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
M/s A.B. MEDICAL CENTRES LIMITED**

We have audited the accompanying financial statements of **A.B. MEDICAL CENTRES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid 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: 5/5/2016

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 2016, 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.
 - c. The title deeds of immovable properties are held in the name of the company.
- ii. The Company has no manufacturing or trading activity. 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. The company has no loans, investments or Guarantees outstanding as provided in Sec.185 and Sec.186 of the Companies Act, 2013.
- 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 2016 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 did not have any outstanding dues to financial institutions, banks or debenture holders during the year
- ix. 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
- x. All the transactions entered into by the company with the related parties during the year are in compliance with Section 188 and Section 177 of Companies Act, 2013 where applicable the details have been disclosed in the Financial Statement etc. as required by the Accounting Standards and Companies Act, 2013.
- xi. During the year the company has not made any preferential allotment/private placement of shares or fully or partly convertible debentures.
- xii. The company during the year has not entered into any non-cash transactions with directors or persons connected with him as provided in Sec.192 of the Companies Act, 2013.

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

V- C

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



Place: Chennai.

Date : 5/5/2016

A.B. MEDICAL CENTRES LIMITED

BALANCE SHEET AS AT 31.03.2016

	NOTES	As at 31.03.2016	As at 31.3.2015
		Rs.	Rs.
I EQUITY AND LIABILITIES			
1 Shareholders' Funds:			
Share Capital	B-1	16,800,000	16,800,000
Reserves & Surpluses	B-2	36,421,763	31,766,451
2 Current Liabilities	B-3		
Trade Payables		85,500	95,403
Other Liabilities		156,270	156,270
Short Term Provisions		998,348	801,282
		54,461,881	49,619,406
II Assets			
1 Non Current Assets			
a Fixed Assets - Tangible	B-4		
Gross Block		62,124,766	62,124,766
Less: Depreciation		36,739,227	36,383,299
Net Block		<u>25,385,539</u>	<u>25,741,467</u>
b Long Term Loans and Advances	B-5	170,820	170,820
2 Current Assets	B-6		
Cash and Cash Equivalents		456,515	456,515
Trade Receivables		28,449,007	23,250,604
Short Term Loans and Advances		-	-
		<u>28,905,522</u>	<u>23,707,119</u>
		54,461,881	49,619,406

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

As per our report of even date.

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

For and on behalf of the Board of Directors

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



DIRECTOR

DIRECTOR

Place:Chennai
Date: 5th May 2016

A.B. MEDICAL CENTRES LIMITED

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD
ENDED 30.6.2015**

	NOTES	2015-16 Rs.	2014-15 Rs.
I Revenue from Opeations	B-7		
Rent Received (Net of Service Tax)		6,791,266	5,767,177
Equipment Hire Charges(Net of Service Tax)		-	640,797
II Other Income			
Miscellaneous income			
		6,791,266	6,407,974
EXPENDITURE:			
Other Expenses	B-8	102,552	87,270
Depreciation		355,928	399,910
		458,480	487,180
Profit Before Tax		6,332,786	5,920,794
Provision for Income Tax - Deferred			(6,174)
- Current		1,677,474	1,450,000
Tax expense for previous year			
Profit/(Loss) after Tax for the year		4,655,312	4,476,969

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

As per our report of evend date:

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

For and on behalf of the Board of Direct


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




DIRECTOR


DIRECTOR

Place:Chennai
Date: 5th May 2016

A.B. MEDICAL CENTRES 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.



B. NOTES ON ACCOUNTS**NOTES B-1****SHARE CAPITAL**

	20,000,000	20,000,000
Authorised - (20000 Equity Shares of Rs.1000/- each)	<u>20,000,000</u>	<u>20,000,000</u>
Issued, Subscribed and Paid Up: (16800 Equity shares of Rs.1000/ each)	16,800,000	16,800,000
	<u>16,800,000</u>	<u>16,800,000</u>

Reconciliation of the Share outstanding at the beginning and at the end of 31st. March 2016

	As at 31.03.2016		As at 31.3.2015	
	No. of Shares	Amount	No. of shares	Amount
Equity Capital				
At the Beginning of the period	16,800	16,800,000	16,800	16,800,000
At the end of the period	16,800	16,800,000	16,800	16,800,000
Shares held by the Holding Company and their Shareholders				
Apollo Hospitals Enterprises Limited-Holding Company	16,800	16,800,000	16,800	16,800,000

NOTES B-2**RESERVES & SURPLUSES****Capital Reserve - Generator Subsidy**

179,000	179,000
<u>179,000</u>	<u>179,000</u>

Profit and Loss Account

Opening Balance	31,587,451	26,809,125
Add: Profit during the year	4,655,312	4,778,326
	<u>36,421,763</u>	<u>31,766,451</u>

NOTES B-3**CURRENT LIABILITIES**

Trade Payables(for Goods and Services)	85,500	95,403
Short Term Provisions - Provision for Income Tax Provision for S.T.	998,348	801,282
	<u>998,348</u>	<u>801,282</u>
Other Liabilities	156,270	156,270



NOTES B-4							(Rs.)
FIXED ASSETS:							
	LAND	BUILDING	PLANT & MACHINERY	FURNITURE & FIXTURES	OFFICE EQUIPMENTS	VEHICLE	TOTAL
COST							
As at 01.04.2015	22,564,936	18,695,943	18,444,760	1,416,519	832,010	170,598	62,124,766
Additions	-	-	-	-	-	-	-
As at 31.03.2016	22,564,936	18,695,943	18,444,760	1,416,519	832,010	170,598	62,124,766
DEPRECIATION							
Provided upto 31.03.2015	-	15,824,372	18,218,697	1,367,019	803,609	169,602	36,383,299
Provided for the year	-	50,968	226,063	49,500	28,401	996	355,928
Provided upto 31.03.2016	-	15,875,340	18,444,760	1,416,519	832,010	170,598	36,739,227
WRITTEN DOWN VALUE							
As at 31.03.2016	22,564,936	2,820,603	-	-	-	0	25,385,539
As at 31.03.2015	22,564,936	2,871,571	226,063	49,500	28,401	996	25,741,467



NOTES B-5**LONG TERM LOANS AND ADVANCES**

Deposit with Electricity Department	170,820	170,820
	<u>170,820</u>	<u>170,820</u>

Notes B-6**CURRENT ASSETS****Cash and Cash Equivalents**

Cash in hand	1,075	1,075
Balance in Bank Account	455,440	455,440
	<u>456,515</u>	<u>456,515</u>

Trade Receivables - Outstanding less than six months	7,776,000	7,200,000
Outstanding more than six months	20,673,007	16,050,604
	<u>28,449,007</u>	<u>23,250,604</u>

Short Term Loans and Advances - (recoverable in cash, kind or value to be received)	<u>28,905,522</u>	<u>23,707,119</u>
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NOTES B-7**OPERATIONAL INCOME**

Rent Received -Gross	7,776,000	6,480,000
Less: Service Tax paid	984,734	712,823
	<u>6,791,266</u>	<u>5,767,177</u>

Equipment Hire charges		
Gross Amount received		720,000
Less: Service Tax		79,203
	<u>-</u>	<u>640,797</u>

NOTES B-8**OTHER EXPENSES**

Audit fees	85,500	84,270
Professional fee	3,000	3,000
Rates and Taxes- Income Tax -2014-15	14,052	
	<u>102,552</u>	<u>87,270</u>



B. NOTES ON ACCOUNTS:

9 Contingent Liabilities not provided for – NIL

10 The balances of sundry parties are subject to confirmation.

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

12 Related Party Disclosure:

a. List of related parties

Relation

Apollo Hospitals Enterprises Limited

Holding Company.

Nature of Transaction

Rent received

Amount of Transaction (Gross)

Rs.77,76,000 (Rs.72,00,000/-)

Closing balance

Rs. 2,84,49,007/- (Rs.2,32,50,604/-)

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

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



A handwritten signature in blue ink, appearing to be "S. S. Srinivasan".

DIRECTOR

DIRECTOR

A.B. MEDICAL CENTRES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st. MARCH 2016

	2015-16	2014-15
A CASH FLOW FROM OPERATING ACTIVITIES	Rs.	Rs.
Net Profit before tax and Extraordinary items	6,332,786	6,269,129
Add:		
Depreciation	355,928	52,345
Preliminary Expenses Written off	-	-
Interest	-	-
Deducted		
Interest received	-	770
Operating Profit before Working Capital charges	6,688,714	6,320,704
Adjustments for		
Trade & Other Receivables	(5,198,403)	(4,719,986)
Trade payables and provisions	197,065	
Cash Generation from Operation	1,687,376	1,600,718
Deduct		
Interest paid		
Income tax paid	(1,677,474)	(1,450,719)
Net Cash Flow from Operating Activities		149,999
B CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	-	770
Purchase of Assets		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in Short Term Loans		
Net increase in cash and Cash equivalents	-	150,769
Opening Cash and Cash Equivalents	456,514	305,745
Closing Cash and Cash Equivalents	456,514	456,514

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

As per our report of even date.

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

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

Place:Chennai
Date: 5th May 2016



For and Onbehal of the Board
of Directors

DIRECTOR DIRECTOR