

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

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

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

Basis for Opinion.

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

Key audit matters

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

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



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

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

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

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

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



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

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

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

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

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



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

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

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations which impact the Standalone Ind AS financial statements.
 - ii. The Company does not foresee any material losses in any long term contracts.

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



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



Place: Chennai

Date: 15/05/2019.

A.B. MEDICAL CENTRES LIMITED
Standalone Financial Statements for the year ended 31st. March 2019
BALANCE SHEET AS AT 31.03.2019

	NOTES	As at 31.03.2019	As at 31.3.2018
ASSETS			
Non-Current Assets			
a. Property, Plant and Equipments	1	25,236,660	25,286,286
b. Other Non-current assets	2	353,532	353,532
Total of Non-Current Assets		25,590,192	25,639,818
Current Assets			
Financial Assets			
a. Trade Receivables	3	46,011,058	39,687,707
Cash and Cash equivalents	4	456,400	456,400
Other Financial Assets	5	28,060	28,060
Total Current Assets		46,495,518	40,172,167
Total Assets		72,085,710	65,811,985
EQUITY AND LIABILITIES			
Equity			
a. Equity Share Capital	6	16,800,000	16,800,000
b. Other Equity	7	52,917,259	46,828,137
Total Equity		69,717,259	63,628,137
Current Liabilities			
Financial Liabilities			
a. Trade Payables	8	244,770	244,770
b. Other Financial Liabilities	9	1,399,680	1,186,169
c. Income Tax Liability	10	724,000	752,909
Total Liabilities		2,368,450	2,183,848
Total Equity and Liabilities		72,085,710	65,811,985

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

As per our report of even date.

For \ For and on behalf of the Board of Directors

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

V. CHANDRASEKHARAN
 PARTNER (M.No.024187)

Place: Chennai
 Date: 15/05/2019



[Signature]
 P
 DIRECTOR

[Signature]
 DIRECTOR

A.B. MEDICAL CENTRES LIMITED

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

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

	NOTES	2018-19 Rs.	2017-18 Rs.
I Revenue from Operations			
Rent Received (Net of taxes)	11	7,776,000	6,589,831
II Other Income			532,354
	12	-	
		<u>7,776,000</u>	<u>7,122,185.0</u>
EXPENDITURE:			
Other Expenses	13	193,000	166,413
Depreciation		49,626	49,626
		<u>242,626</u>	<u>216,039</u>
Profit Before Tax		7,533,374	6,906,146
Provision for Income Tax - Deferred - Current		1,444,251	1,299,799
Profit/(Loss) after Tax for the year		6,089,122	5,606,347
Total Comprehensive income for the year		6,089,122	5,606,347
Earnings per share		362	334

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)

Place: Chennai
Date: 15/05/2019



DIRECTOR

DIRECTOR

A.B. MEDICAL CENTRES LIMITED
STATEMENT OF CHANGES IN EQUITY

a. Equity Share Capital			
Balance at April 1, 2018		16,800,000	16,800,000
Changes in Equity Share capital during the year			
Balance at March 31st. 2019		16,800,000	16,800,000
 b. Other Equity			
	Capital Reserve	Retained Earnings	Total Other Equity
Balance as at 1st. April 2018	179,000	46,649,137	46,828,137
Addition during the year		6,089,122	6,089,122
Balance as at 31st. March 2019	179,000	52,738,259	52,917,259

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)



[Handwritten signature]
 DIRECTOR

[Handwritten signature]
 DIRECTOR

Place : chennai
 Date : 15/05/2019

A.B. MEDICAL CENTRES LIMITED

NOTES FORMING PART OF THE ACCOUNTS

1. Accounting Policies:

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



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

Carrying amounts of:	As at 31st. March 2019	As at 31st. March 2018
a. Land	22,564,936	22,564,936
b. Building	2,671,724	2,721,350
	<u>25,236,660</u>	<u>25,286,286</u>

Notes No.2**Other Non-current Assets**
Deposit with Electricity Board

	<u>353,532</u>	<u>353,532</u>
	<u>353,532</u>	<u>353,532</u>

Notes No.3

Trade Receivables (Unsecured considered good)	46,011,058	39,687,707
---	------------	------------

Trade Receivable represent the amount outstanding from the Holding Company M/s. Apollo Hospitals Ent. Ltd. towards lease rentals which are considered good by management. The entity holds no other securities other than personal security of debtors

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

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

Aging of Trader receivables

Less than 1 year	6,323,351	5,911,164
More than 1 year	<u>39,687,707</u>	<u>33,776,543</u>
	<u>46,011,058</u>	<u>39,687,707</u>



Note No.4

Cash and Cash Equivalents

a. Cash in hand	1,075	1,075
b. Balance in Bank in current Account	455,325	455,325
	<u>456,400</u>	<u>456,400</u>

Note No.5

Other Current Assets

Balances with statutory authorities	28,060	28,060
	<u>28,060</u>	<u>28,060</u>

Note No.6

Equity Share Capital

SHARE CAPITAL	20,000,000	20,000,000
Authorized - (20000 Equity Shares of Rs.1000/- each)		
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 2019

	As at 31.03.2019		As at 31.3.2018	
	No. of Shares	Amount	No. of shares	Amount
Equity Capital				
At the Beginning of the period	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

Note No.7

	As at 31-03-19	As at 31-03-18
Other Equity		
Capital Reserve	179,000	179,000
Retained Earnings	<u>52,738,259</u>	<u>46,649,137</u>
	<u>52,917,259</u>	<u>46,828,137</u>
Capital Reserve		
Balance as at the beginning of the year	179,000	179,000
Add: Addition during the year	-	-
Balance as at the end of the year	<u>179,000</u>	<u>179,000</u>
Retained Earnings		
Balance as at the beginning of the year	46,649,137	41,042,791
Add: Addition during the year	6,089,122	5,606,346
Balance as at the end of the year	<u>52,738,259</u>	<u>46,649,137</u>
	<u>52,917,259</u>	<u>46,828,137</u>



Note No.8

Trade Payables

Total outstanding dues of micro enterprises

Total outstanding dues of creditors other than micro and small enterprises

244,770 244,770

Total

244,770 244,770**Notes No.9**

Other Current Liabilities

Amount due to Statutory Authorities

1,399,680 1,186,169

1,399,680 1,186,169**Notes No.10**

Provisions:

Tax Assets and Liabilities

Advance Tax/Tax Deducted at source

678,667

Tax Refunds

777,600

Less: Tax Liabilities

1,501,600 1,431,576

724,000 752,909**Notes No.11**

Revenue from Operation

Rental income from prosperities - Gross

9,175,680 7,776,000

Less: Goods and Service Tax

1,399,680 1,186,169

Net Rental income

7,776,000 6,589,831**Notes no.12**

Other Income

Interest income

228,390

Provision written back

303,964

532,354**Note No.13**

Other Expenses

Audit Fees

88,500 88,500

Professional fee

47,420 60,175

Bank charges

115

Rates and Taxes

57,080

Income Tax of earlier years

17,623

193,000 166,413

NOTES -1			
FIXED ASSETS:			
			(Rs.)
	LAND	BUILDING	TOTAL
COST			
As at 01.04.2018	22,564,936	18,695,943	41,260,879
Additions			-
As at 31.03.2019	22,564,936	18,695,943	41,260,879
DEPRECIATION			
Provided upto 31.03.2018	-	15,974,593	15,974,593
Provided for the year	-	49,626	49,626
Provided upto 31.03.2019	-	16,024,219	16,024,219
WRITTEN DOWN VALUE			
As at 31.03.2019	22,564,936	2,671,724	25,236,660
As at 31.03.2018	22,564,936	2,721,350	25,286,286



A. NOTES ON ACCOUNTS:

14. Contingent Liabilities not provided for – NIL

15. The balances of sundry parties are subject to confirmation.

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

17. Earnings Per Share:

	31 st . March 2019	31 st . March 2018
Basic Earnings Per Share From Continuing Operation	362	334
Diluted Earnings per Share From Continuing Operatin	362	334

18. 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.91,75,680 (Rs.77,76,000/-)
Closing balance	Rs.4,60,11,048/- (Rs. 3,96.87,707-)

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

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

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

Place: Chennai
Date: 15/05/2019



[Signature]
+
DIRECTOR

[Signature]
+
DIRECTOR

A.B. MEDICAL CENTRES LIMITED

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

	2018-19	2017-18
A CASH FLOW FROM OPERATING ACTIVITIES	Rs.	Rs.
Net Profit before tax and Extraordinary items	7,533,374	6,906,146
Adjustments		
Depreciation	49,626	49,626
Provision written back		(303,964)
Operating Profit before Working Capital charges	7,583,000	6,651,808
Adjustments for		
Trade & Other Receivables	(6,323,351)	(6,128,770)
Trade payables and provisions	184,602	987,419
Other assets, loans and advances		(210,772)
Cash Generation from Operation	1,444,251	1,299,685
Deduct		
Interest paid		
Income tax paid	(1,444,251)	(1,299,799)
Net Cash Flow from Operating Activities	-	(115)
B CASH FLOW FROM INVESTING ACTIVITIES		
Interest received		-
Purchase of Assets		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in Short Term Loans		
Net increase in cash and Cash equivalents	-	(115)
Opening Cash and Cash Equivalents	456,400	456,515
Closing Cash and Cash Equivalents	456,400	456,400

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. Ce

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



Place:Chennai
 Date: 15/05/2019

For and Onbehal of the Board
 of Directors

[Signature]

DIRECTOR

[Signature]

DIRECTOR