

**INDEPENDENT AUDITORS' REPORT****To the Partners of HCG Oncology LLP****Report on the Audit of the Financial Statements****Opinion**

We have audited the Financial Statements of HCG Oncology LLP ("the LLP"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (collectively referred to as "the financial statements"). The financial statements have been prepared by the LLP's Designated Partners as required by rule 24(8) of the Limited Liability Partnership Rules, 2009 ("the Rules").

In our opinion and to the best of our information and according to the explanations given to us, the attached financial statements give a true and fair view of the state of affairs of the LLP as at 31 March 2023, and its loss and its cash flows for the year then ended in accordance with the accounting principles generally accepted in India including the Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI").

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the LLP in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 on the financial statements.

**Designated Partners' Responsibilities for the Financial Statements**

The Designated Partners of LLP are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the LLP in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by Institute of Chartered Accountants of India ("ICAI") and the provisions of the Limited Liability Partnership Act, 2008 ("the Act"), to the extent applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Rules, for safeguarding of the assets of the LLP 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 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.

### **Designated Partners' Responsibilities for the Financial Statements (continued)**

In preparing the financial statements, the Designated Partners of the LLP are responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Designated Partners of the LLP either intends to liquidate the LLP or to cease operations, or has no realistic alternative but to do so.

The Designated Partners of the LLP are also responsible for overseeing the LLP's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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 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, but not for the purpose of expressing an opinion on whether the LLP has adequate internal financial controls with reference to financial statements 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 in the financial statements made by the Designated Partners.
- Conclude on the appropriateness of the Designated Partners 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 LLP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the LLP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Designated Partners 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.

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

We also provide the Designated Partners 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.

*For* **B S R & Co LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Place: Bangalore  
Date: 29 August 2023

**Vikash Gupta**

Partner

Membership No. 064597

UDIN:23064597BGYQQO4640

**HCG Oncology LLP**  
**Balance Sheet as at 31 March 2023**

		Amount in Rs.	
Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
<b>PARTNERS' FUNDS AND LIABILITIES</b>			
<b>Partners' funds</b>			
Partners' capital account	3	151,990,000	151,990,000
Reserves and surplus	4	(302,623,274)	(299,305,370)
		<b>(150,633,274)</b>	<b>(147,315,370)</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	312,402,950	289,559,531
Other long-term liabilities	6	31,207,683	33,006,516
Long-term provisions	7	2,077,183	1,207,916
		<b>345,687,816</b>	<b>323,773,963</b>
<b>Current liabilities</b>			
Short-term borrowings	8	50,124,946	30,585,952
Trade payables	9	159,608,568	83,869,582
Other current liabilities	10	52,708,072	45,544,589
Short-term provisions	11	67,939,013	64,439,520
		<b>330,380,599</b>	<b>224,439,643</b>
<b>Total</b>		<b>525,435,141</b>	<b>400,898,236</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment and Intangible assets			
-Property, plant and equipment	12	243,071,433	268,424,672
-Intangible assets	13	12,441	47,669
-Capital work in progress	12	3,511,198	987,911
Long-term loans and advances	14	22,842,560	29,746,013
Other non-current assets	15	35,913,545	36,746,698
		<b>305,351,177</b>	<b>335,952,963</b>
<b>Current assets</b>			
Inventories	16	14,452,027	8,970,818
Trade receivables	17	59,769,052	34,229,591
Cash and bank balances	18	143,687,851	16,218,175
Short-term loans and advances	19	1,787,015	2,297,879
Other current assets	20	388,019	3,228,810
		<b>220,083,964</b>	<b>64,945,273</b>
<b>Total</b>		<b>525,435,141</b>	<b>400,898,236</b>

Significant accounting policies 2  
The accompanying notes are an integral part of these Financial Statements

As per our reports of even date attached  
**for B S R & Co. LLP**  
Chartered Accountants  
Firm's registration number: 101248W/W -100022

*for and on behalf of*  
**HCG Oncology LLP**  
LLPIN : AAC-9917

**Vikash Gupta**  
Partner

**Dr. B. S. Ajaikumar**  
Designated Partner on  
behalf of HealthCare  
Global Enterprises Limited

**Dr. Rajiv Gopinath Bhatt**  
Partner

Membership Number: 064597

DPIN : 00713779

DPIN: 06719548

Place: Bengaluru  
Date : 29 August 2023

Place: Bengaluru  
Date : 29 August 2023

Place: Bengaluru  
Date : 29 August 2023

**HCG Oncology LLP**  
**Statement of Profit and Loss for the year ended 31 March 2023**

Particulars	Note No.	Amount in Rs.	
		For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income</b>			
Revenue from operations	21	621,889,451	524,098,061
Other income	22	2,558,095	3,180,524
<b>Total income</b>		<b>624,447,546</b>	<b>527,278,585</b>
<b>Expenses</b>			
Purchase of medical and non medical items	23	208,945,007	164,484,122
Changes in inventories	24	(5,481,209)	(860,759)
Employee benefits expense	25	87,480,778	78,677,296
Finance costs	26	33,808,284	32,974,587
Depreciation and amortisation expense	27	35,765,597	39,330,792
Other expenses	28	267,246,993	230,422,645
<b>Total Expenses</b>		<b>627,765,450</b>	<b>545,028,683</b>
<b>Loss before exceptional items and tax</b>		<b>(3,317,904)</b>	<b>(17,750,098)</b>
<b>Exceptional items</b>	29	-	11,309,592
<b>Loss before tax</b>		<b>(3,317,904)</b>	<b>(29,059,690)</b>
<b>Tax expense</b>		-	-
<b>Loss after tax</b>		<b>(3,317,904)</b>	<b>(29,059,690)</b>

Significant accounting policies 2  
The accompanying notes are an integral part of these Financial Statements

As per our reports of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
Firm's registration number: 101248W/W -100022

for and on behalf of  
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Date : 29 August 2023

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Date : 29 August 2023

**HCG Oncology LLP**  
**Statement of Cash Flows for the year ended 31 March 2023**

Particulars	Note No.	Amount in Rs.	
		For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Cash flow from operating activities</b>			
<b>Loss before tax</b>		<b>(3,317,904)</b>	<b>(29,059,690)</b>
<b>Adjustments for:</b>			
Finance costs		33,808,284	32,974,587
Depreciation and amortisation expense		35,765,597	39,330,792
Interest income		(2,031,114)	(2,702,988)
Rent equalisation		(1,798,833)	3,178,831
Exceptional Items : Finance Cost	29	-	11,309,592
Provision for doubtful debts		(20,000)	1,598,000
<b>Operating profit before working capital changes</b>		<b>62,406,030</b>	<b>56,629,124</b>
<b>Changes in working capital:</b>			
Inventories		(5,481,209)	(860,759)
Trade receivables		(22,290,651)	(5,818,854)
Other current assets, non-current assets and loans and advances		220,198	5,746,842
Trade payables*		75,738,986	14,660,803
Other current liabilities and other non-current liabilities		7,163,483	(14,094,341)
Long-term provisions and short-term provisions		(351,764)	1,822,660
<b>Cash generated from operations</b>		<b>117,405,073</b>	<b>58,085,475</b>
Income tax (paid) / refund (net)		6,636,132	7,291,993
<b>Net cash generated from operating activities (A)</b>		<b>124,041,205</b>	<b>65,377,468</b>
<b>Cash flow from investing activities</b>			
Capital expenditure on fixed assets, including capital advances		(12,643,394)	(7,485,462)
Proceeds from maturity of term deposits		1,000,000	-
Interest received		1,777,212	2,397,697
<b>Net cash used in investing activities (B)</b>		<b>(9,866,182)</b>	<b>(5,087,765)</b>
<b>Cash flow from financing activities</b>			
Proceeds from borrowings		73,300,000	244,500,000
Repayment of borrowings		(30,585,951)	(253,818,934)
Loan foreclosure and refinancing expenses		-	(11,309,592)
Interest and other borrowing cost paid		(29,419,396)	(28,237,900)
<b>Net cash (used in)/ generated from financing activities (C)</b>		<b>13,294,653</b>	<b>(48,866,426)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>127,469,676</b>	<b>11,423,277</b>
Cash and cash equivalents at the beginning of the year		16,218,175	4,794,898
<b>Cash and cash equivalents at the end of the year</b>	18	<b>143,687,851</b>	<b>16,218,175</b>

For the purpose of statement of cash flows, cash and cash equivalent comprises the followings:

	As at 31 March 2023	As at 31 March 2022
(a) Cash on hand	1,003,188	1,233,747
(b) Balance with banks in:		
- in current accounts	141,684,663	14,984,428
- in deposit accounts	1,000,000	-
	<b>143,687,851</b>	<b>16,218,175</b>

\* Contribution during the previous year from the Partners are non cash and conversion of trade payables, refer note 3.

**Significant accounting policies**

2

The accompanying notes are an integral part of these Financial Statements

As per our reports of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W -100022

for and on behalf of  
**HCG Oncology LLP**  
 LLPIN : AAC-9917

**Vikash Gupta**

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Place: Bengaluru

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Date : 29 August 2023

**1 Corporate information**

HCG Oncology LLP ('the Firm') is a hospital offering specialized services in cancer treatment. The registered office of the Firm is situated at #1, Maharashtra Society, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006. The Firm was incorporated on 29 November 2014. HealthCare Global Enterprises Limited (HCG) and Dr. Rajiv Gopinath Bhatt are partners in LLP having capital and profit sharing ratio of 74:26.

**2 Summary of significant accounting policies****2.1 Basis of accounting and preparation of Financial Statements**

The Financial Statements of the LLP have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and relevant provisions of Limited Liability Partnership Act, 2008. Indian GAAP comprise the Accounting Standards and the Technical Guidance issued by the Institute of Chartered Accountants of India. The Financial Statements have been prepared on accrual basis under the historical cost convention.

**2.2 Going concern basis**

The Firm has incurred losses in the current year and in the previous year and partner's fund (net worth) is negative as at 31 March 2023. However, the Firm has generated positive cashflows in the current year and previous year. The management expects profits and positive operating cash flows in future periods. Considering this and the support letter received from the Holding Company (HealthCare Global Enterprise Limited), the Management has prepared the Financial Statements on a going concern basis.

**2.3 Use of estimates**

The preparation of the Financial Statements in conformity with Indian GAAP requires the Management to make judgement, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**2.4 Current and non-current classification**

All assets and liabilities are classified into current and non-current.

*Assets*

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realized in, or is intended for sale or consumption in, the Firm's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within 12 months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

*Liabilities*

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the Firm's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be settled within 12 months after the reporting date; or
- d) The Firm does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect the classification.

Current liabilities include the current portion of the non-current financial liabilities.

All other assets are classified as non-current.

## HCG Oncology LLP

### Notes to the Financial Statements for the year ended 31 March 2023 (continued)

#### Operating cycle

Based on the nature of products / activities of the Firm and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Firm has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### 2.5 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for GST wherever applicable applying weighted average method.

#### 2.6 Cash and cash equivalents

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 deposit), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 2.7 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Firm are segregated based on the available information.

#### 2.8 Revenue recognition

##### Medical services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. Revenue is recorded net of discount given to patients recognised during the period in which the hospital service is provided, based upon the estimated amounts due from patients and/or medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service.

##### Sale of medical and non-medical items

Pharmacy sales are recognised when the significant risks and rewards of ownership is transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. Revenue is measured excluding taxes or duties collected on behalf of the government.

##### Other operating income

Revenue is recognised as and when services are rendered and right to receive the consideration is established.

#### 2.9 Other income

Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable.

#### 2.10 Property, plant and equipment

##### Property, plant and equipment

Property, plant and equipment are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenses related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Cost includes expenses directly attributable to the acquisition of the asset.

The Firm depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. The estimated useful lives of assets as follows:

Asset category	Useful life as per the management
Plant and equipment	10, 13 and 15 years
Lab Equipment	10 years
Office Equipments	05 years
Furniture and Fixtures	10 years
Data Processing Equipments	3-6 years
Electrical Installation	10 years
Vehicles	8 years



## HCG Oncology LLP

### Notes to the Financial Statements for the year ended 31 March 2023 (continued)

Useful lives are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Estimates in respect of certain items of plant and equipment were revised in the year ended 31 March 2023. Refer note 12.

The cost and related accumulated depreciation are eliminated from the balance sheet upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Amounts paid towards the acquisition of tangible assets outstanding as of each reporting date are recognized as capital advance and the cost of tangible assets not ready for intended use before such date are disclosed under capital work- in-progress.

Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term.

#### *Intangible assets*

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Asset category	Useful life as per the management
Computer software	3 years

#### **2.11 Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of the firm at the exchange rates at the dates of the transactions or an average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

#### **2.12 Employee benefits**

##### *Defined contribution plan*

Contributions to the recognized provident fund which are defined contribution schemes, are charged to the statement of profit and loss.

##### *Defined benefit plans*

The firm's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the statement of profit and loss and on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

##### *Compensated absences*

The employees can carry-forward a portion of the unutilized accrued compensated absences and receive cash compensation at the end of the financial year. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The Firm records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement.

**2.13 Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

**2.14 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Firm will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is highly probable that future economic benefit associated with it will flow to the Firm.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Firm has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

**2.15 Provisions and contingencies**

A provision is recognised when the Firm has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the Financial Statements.

**Onerous contracts**

A contract is considered to be onerous when the expected economic benefits to be derived by the firm from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the firm recognises any impairment loss on the assets associated with that contract.

**2.16 Leases**

A finance lease (also known as a capital lease or a sales lease) is a type of lease in which a finance firm is typically the legal owner of the asset for the duration of the lease, while the lessee not only has operating control over the asset, but also has a substantial share of the economic risks and returns from the change in the valuation of the underlying asset.

If "substantially all the risks and rewards" of ownership are transferred to the lessee then it is a finance lease. If it is not a finance lease then it is an operating lease.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**2.17 Government grants**

Government grants available to the Firm are recognised

(i) where there is reasonable assurance that the Firm will comply with the conditions attached to them; and

(ii) where such benefits have been earned by the Firm and it is reasonably certain that the ultimate collection will be made.

Government grants related to the acquisition of fixed assets are shown as a deduction from the gross value of the respective fixed assets.

**2.18 Impairment**

The Firm assesses at each reporting date whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Firm estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash in-flows, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in statement of profit and loss. However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

**3 Partners' funds**

Particulars	As at 31 March 2023	As at 31 March 2022
<b><u>Contributions received</u></b>		
<b><u>Fixed capital contribution</u></b>		
HealthCare Global Enterprises Limited:		
Share of profit/(loss) (%)	74%	74%
Balance at the beginning of the year	112,472,600	370,000
Add: Conversion of variable capital to fixed capital *	-	112,102,600
Balance at the end of the year	<b>112,472,600</b>	<b>112,472,600</b>
Dr. Rajiv Bhatt:		
Share of profit/(loss) (%)	26%	26%
Balance at the beginning of the year	39,517,400	130,000
Add: Conversion of variable capital to fixed capital *	-	39,387,400
Balance at the end of the year	<b>39,517,400</b>	<b>39,517,400</b>
	<b>151,990,000</b>	<b>151,990,000</b>
<b><u>Variable capital contribution</u></b>		
HealthCare Global Enterprises Limited (Designated partner Dr. B S Ajaikumar)		
Balance at the beginning of the year	-	73,801,217
Add: Additional contribution #	-	38,301,383
Less: Conversion to fixed capital during the year *	-	(112,102,600)
Balance at the end of the year	-	-
Dr. Rajiv Bhatt*		
Balance at the beginning of the year	-	39,127,400
Add: Additional contribution #	-	260,000
Less: Conversion to fixed capital during the year *	-	(39,387,400)
Balance at the end of the year	-	-
	<b>151,990,000</b>	<b>151,990,000</b>

\*The initial capital contribution and variable contribution is made by each partner as per agreement mentioned in the LLP agreement between the partners. During the previous year, based on the arrangement / agreement with Partner and the approval of the Board of Directors of HealthCare Global Enterprises Limited in their Board Meeting dated 11 November 2021, variable capital was converted into fixed capital.

# Additional contribution during the previous year is non cash contribution i.e. conversion of trade payables.

**4 Reserves and surplus**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Undistributed deficit (balance in statement of profit and loss)</b>		
At the commencement of the year	(299,305,370)	(270,245,680)
Add: loss for the year	(3,317,904)	(29,059,690)
Amount available for appropriation	(302,623,274)	(299,305,370)
Share of losses appropriated to HealthCare Global Enterprises Limited	(223,941,223)	(221,485,974)
Share of losses appropriated to Dr. Rajiv Bhatt	(78,682,051)	(77,819,396)
<b>At the end of the year</b>	<b>(302,623,274)</b>	<b>(299,305,370)</b>

**5 Long-term borrowings**

Particulars	As at 31 March 2023	As at 31 March 2022
Secured:		
- Term loan from banks (refer note (i))	312,402,950	289,559,531
	<b>312,402,950</b>	<b>289,559,531</b>

**Notes:**

Particulars	As at 31 March 2023	As at 31 March 2022
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**(i) Secured term loan from banks:****Facility -1**

Non-current portion	40,446,700	60,340,781
Amounts included under current maturities of long-term borrowings	19,562,446	15,304,702

- Secured by exclusive charge on equipments purchased from these loans, first charge on immovable fixed assets (land and building / structures there upon) and movable fixed assets (both present and future, not charged exclusively to any other lender) and second pari-passu charge on all current assets and receivables (both present and future)

- Rate of interest : Repo-rate + 3.25%

- Repayment terms: Repayable in quarterly structured instalments in 6 years after moratorium period of 1 year from the date of borrowing

**Facility -2**

Non-current portion	198,656,250	229,218,750
Amounts included under current maturities of long-term borrowings	30,562,500	15,281,250

- Secured by first pari-passu charge on movable fixed assets (both present and future, excluding those funded out exclusively by other lenders) and immovable fixed assets (land and building/structures there upon) and second pari-passu charge by way of hypothecation on entire current assets of HCG Oncology LLP and Corporate Guarantee from Healthcare Global Enterprises Limited.

- Rate of interest: Repo-rate + 2.50% p.a.

- Repayable in installments over a period of 9.5 years including 1.5 years of moratorium from the date of borrowing.

**Facility -3**

Non-current portion	73,300,000	-
Amounts included under current maturities of long-term borrowings	-	-

Details of security and terms of repayment for the amounts borrowed during the current year:

- Extension of second charge over primary, collateral security for existing facilities and 100% credit guarantee by National Credit Guarantee Trustee Company Limited (NCGTC)

- Rate of interest: Repo-rate + 1.90% p.a.

- Repayable in installments over a period of 4 years excluding 2 years of moratorium from the date of borrowing.

	<b>362,527,896</b>	<b>320,145,483</b>
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**6 Other long-term liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
Rent equalisation reserve	31,207,683	33,006,516
	<b>31,207,683</b>	<b>33,006,516</b>

**7 Long-term provisions**

Particulars	As at 31 March 2023	As at 31 March 2022
Gratuity (refer note 32)	2,077,183	1,207,916
	<b>2,077,183</b>	<b>1,207,916</b>

**8 Short-term borrowings**

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities of long-term borrowings (refer note 5(i))	50,124,946	30,585,952
	<b>50,124,946</b>	<b>30,585,952</b>

**9 Trade payable**

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 30)	705,000	120,460
Total outstanding dues of creditors other than micro enterprises and small enterprises*	158,903,568	83,749,122
	<b>159,608,568</b>	<b>83,869,582</b>

\* For details relating to payable to related parties, please refer note 34

**10 Other current liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
TDS payable	3,575,425	2,466,520
Employee related statutory payables	1,149,145	525,835
Advance from customers	2,984,815	1,388,549
Payable to related parties (refer note 34)	36,091,329	33,025,239
Accrued salaries and benefits	8,907,358	8,138,446
	<b>52,708,072</b>	<b>45,544,589</b>

**11 Short-term provision**

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (refer note 32)	626,189	670,000
Provision for compensated absence	934,858	2,112,078
Provision for tax contingency (refer note (i) below)	66,377,966	61,657,442
	<b>67,939,013</b>	<b>64,439,520</b>

## (i) Details of provisions

Under the Foreign Trade Policy, importers are allowed to discharge the custom duty payable on imported assets through EPCG licenses wherein importers need to achieve certain level of exports. In the past, the Firm has availed the benefit under this policy and has imported various assets. As the Firm could not generate revenue from foreign exchange, the Management has evaluated the impact of possible shortfall in meeting such export obligations and accordingly recognised the provision for tax contingency towards customs duty and other taxes, details of which are given below:

Particulars	As at 31 March 2022	Additions*	Utilisation	Reversal	As at 31 March 2023
Provision for tax contingency	61,657,442	4,720,524	-	-	66,377,966

\*relates to interest accrued in the current year

Particulars	As at 31 March 2021	Additions#	Utilisation	Reversal	As at 31 March 2022
Provision for tax contingency	56,920,755	4,736,687	-	-	61,657,442

#relates to interest accrued in the previous year

**12 Property, plant and equipment and Capital-work-in-progress**

Description of assets	Leasehold Improvements	Plant and equipment	Lab equipment	Office equipment	Furniture and fixtures	Data processing equipment	Electrical installation	Vehicles	Total (A)	Capital work in progress (B)	Total (A+B)
<b>I. Cost</b>											
Balance as at 01 April 2021	44,848,696	379,478,449	1,985,792	3,732,058	28,379,964	8,869,903	4,100,875	1,524,415	472,920,152	-	472,920,152
Additions	580,856	5,080,497	-	77,936	139,830	497,909	177,744	-	6,554,772	987,911	7,542,683
Balance as at 31 March 2022	45,429,552	384,558,946	1,985,792	3,809,994	28,519,794	9,367,812	4,278,619	1,524,415	479,474,924	987,911	480,462,835
Additions	-	9,044,213	-	147,146	380,986	696,579	108,206	-	10,377,130	2,523,287	12,900,417
Balance as at 31 March 2023	45,429,552	393,603,159	1,985,792	3,957,140	28,900,780	10,064,391	4,386,825	1,524,415	489,852,054	3,511,198	493,363,252
<b>II. Accumulated depreciation</b>											
Balance as at 01 April 2021	16,936,817	125,660,849	1,027,737	2,859,842	13,718,395	9,013,443	1,829,256	780,994	171,827,333	-	171,827,333
Depreciation expense	3,917,046	30,595,639	224,909	464,219	2,771,172	638,227	421,155	190,552	39,222,919	-	39,222,919
Balance as at 31 March 2022	20,853,863	156,256,488	1,252,646	3,324,061	16,489,567	9,651,670	2,250,411	971,546	211,050,252	-	211,050,252
Depreciation expense *	4,074,271	27,574,611	224,909	219,213	2,717,030	292,462	437,321	190,552	35,730,369	-	35,730,369
Balance as at 31 March 2023	24,928,134	183,831,099	1,477,555	3,543,274	19,206,597	9,944,132	2,687,732	1,162,098	246,780,621	-	246,780,621
Net block as at 31 March 2022	24,575,689	228,302,458	733,146	485,933	12,030,227	(283,858)	2,028,208	552,869	268,424,672	987,911	269,412,583
Net block as at 31 March 2023	20,501,418	209,772,060	508,237	413,866	9,694,183	120,259	1,699,093	362,317	243,071,433	3,511,198	246,582,631

Refer note 5 and 8 for details of charge created on property, plant and equipment.

\* During the year ended 31 March 2023, the Firm revised the estimated useful life for certain category of its Plant and equipment with effect from 1 April 2022 based on its technical evaluation. The effect of these changes on actual and expected depreciation expense is as follows:

Particulars	YE 31 March 2023	YE 31 March 2024	YE 31 March 2025	YE 31 March 2026	YE 31 March 2027	YE 31 March 2028 and later
(Decrease) / increase in depreciation expense	(3,438,751)	(3,438,751)	(3,438,751)	(3,438,751)	3,319,140	10,435,863

**13 Intangible assets**

Description of assets	Computer software	Total
<b>I. Cost</b>		
<b>Balance as at 01 April 2021</b>	<b>5,808,173</b>	<b>5,808,173</b>
Additions	-	-
<b>Balance as at 31 March 2022</b>	<b>5,808,173</b>	<b>5,808,173</b>
Additions	-	-
<b>Balance as at 31 March 2023</b>	<b>5,808,173</b>	<b>5,808,173</b>
<b>II. Accumulated amortisation and impairment</b>		
<b>Balance as at 01 April 2021</b>	<b>5,652,631</b>	<b>5,652,631</b>
Amortisation expense	107,873	<b>107,873</b>
<b>Balance as at 31 March 2022</b>	<b>5,760,504</b>	<b>5,760,504</b>
Amortisation expense	35,228	<b>35,228</b>
<b>Balance as at 31 March 2023</b>	<b>5,795,732</b>	<b>5,795,732</b>
<b>Net block as at 31 March 2022</b>	<b>47,669</b>	<b>47,669</b>
<b>Net block as at 31 March 2023</b>	<b>12,441</b>	<b>12,441</b>

Refer note 5 and 8 for details of charge created on intangible assets.



**14 Long-term loans and advances**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Unsecured, considered good</b>		
Capital advances	134,960	391,983
Prepaid expenses	2,400,959	2,411,257
Advance income tax and tax deducted at source, net of provision for tax	20,306,641	26,942,773
	<b>22,842,560</b>	<b>29,746,013</b>

**15 Other non-current assets\***

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	32,887,819	32,771,855
Term deposit including margin money deposit	2,185,000	3,185,000
Interest accrued on deposits	840,726	789,843
	<b>35,913,545</b>	<b>36,746,698</b>

**16 Inventories (At lower of cost and net realisable value)\***

Particulars	As at 31 March 2023	As at 31 March 2022
Medical and non medical items	14,452,027	8,970,818
	<b>14,452,027</b>	<b>8,970,818</b>

\*There are nil provision towards written down to net realisable value.

\*Refer note 5 and 8 for details of charge created on Inventories.

**17 Trade receivables\***

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables outstanding for a period exceeding six months from the date they were due for		
- Unsecured, considered good	11,210,476	4,812,989
- Doubtful	1,369,507	2,815,632
	<b>12,579,983</b>	<b>7,628,621</b>
Less: Provision for doubtful trade receivables	(1,369,507)	(2,815,632)
	<b>11,210,476</b>	<b>4,812,989</b>
Other trade receivables:		
- Unsecured, considered good	44,217,485	29,416,602
- Doubtful	4,633,938	3,352,084
	<b>48,851,423</b>	<b>32,768,686</b>
Less: Provision for doubtful trade receivables	(4,633,938)	(3,352,084)
	<b>44,217,485</b>	<b>29,416,602</b>
Unbilled receivables:		
- Unsecured, Considered good	4,341,091	-
- Considered doubtful	144,271	-
	<b>4,485,362</b>	-
Less: Provision for doubtful trade receivables	(144,271)	-
	<b>4,341,091</b>	-
	<b>59,769,052</b>	<b>34,229,591</b>

\*Refer note 5 and 8 for details of charge created on Trade Receivables.

\* For details relating to receivables from related parties, please refer note 34.

**18 Cash and bank balances**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>a) Cash and cash equivalents</b>		
Cash on hand	1,003,188	1,233,747
Balances with banks:		
- in current accounts	141,684,663	14,984,428
- in deposit accounts with original maturity less than 3 months	1,000,000	-
	<b>143,687,851</b>	<b>16,218,175</b>
<b>For the purpose of the statement of cash flows, cash and cash equivalent comprise the following:</b>		
a) Cash on hand	1,003,188	1,233,747
b) Balances with banks:		
- in current accounts	141,684,663	14,984,428
- in deposit accounts	1,000,000	-
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>143,687,851</b>	<b>16,218,175</b>

**19 Short-term loans and advances\***

Particulars	As at 31 March 2023	As at 31 March 2022
<i>Unsecured, considered good</i>		
Loans and advances to employees	158,617	184,971
Prepaid expenses	478,451	1,568,202
Advance to vendor	1,149,947	544,706
	<b>1,787,015</b>	<b>2,297,879</b>

\*Refer note 5 and 8 for details of charge created on Short term loans and advances.

**20 Other current assets\***

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued on deposits	203,019	-
Receivable from revenue authorities	185,000	-
Unbilled revenue	-	3,228,810
	<b>388,019</b>	<b>3,228,810</b>

\*Refer note 5 and 8 for details of charge created on Other current assets.

**21 Revenue from operations**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Medical service income *	601,066,096	504,848,036
Sale of medical and non medical items	18,968,488	17,679,556
Other operating Revenue	1,854,867	1,570,469
	<b>621,889,451</b>	<b>524,098,061</b>

\* includes sales to related parties (refer note 34)

**22 Other income**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income	2,031,114	2,702,988
Other income	526,981	477,536
	<b>2,558,095</b>	<b>3,180,524</b>

**23 Purchase of medical and non-medical items**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Medical and non-medical items*	208,945,007	164,484,122
	<b>208,945,007</b>	<b>164,484,122</b>

\* includes purchases from related parties (refer note 34)

**24 Changes in inventories**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the end of the year	14,452,027	8,970,818
Inventories at the beginning of the year	8,970,818	8,110,059
<b>Net increase</b>	<b>(5,481,209)</b>	<b>(860,759)</b>

**25 Employee benefits expense**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	79,106,471	72,494,231
Contributions to provident and other funds (refer note 32)	3,655,401	4,209,345
Gratuity Expenses (refer note 32)	1,040,239	440,231
Expense on employee stock option scheme (refer note 34)	348,675	396,241
Staff welfare expenses	3,329,992	1,137,248
	<b>87,480,778</b>	<b>78,677,296</b>

**26 Finance costs**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on borrowings	26,941,017	25,876,704
Interest on cash credit	-	26,933
Interest on provision for tax contingency	4,720,524	4,736,687
Bank charges	2,146,743	2,334,263
	<b>33,808,284</b>	<b>32,974,587</b>

**27 Depreciation and amortisation expense**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment	35,730,369	39,222,919
Amortisation of intangible assets	35,228	107,873
	<b>35,765,597</b>	<b>39,330,792</b>

**28 Other expenses**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Medical consultancy charges (refer note 34)	136,934,512	123,196,417
Lab charges (refer note 34)	7,245,466	4,909,447
Power and fuel	13,291,479	11,688,690
House keeping and security	7,163,624	4,060,759
Rent (refer note 35)	55,229,930	53,413,040
Repairs and maintenance:		
- Buildings	1,484,393	126,438
- Machinery	17,829,223	11,076,549
- Others	5,697,040	3,687,453
Insurance	361,074	322,260
Rates and taxes, excluding taxes on income	607,079	594,686
Printing and stationery	1,720,073	2,232,939
Business promotion	10,406,169	7,113,381
Travelling and conveyance	2,860,450	1,170,278
Legal and professional	3,983,931	3,173,119
Payments to auditors:		
- As statutory auditors	800,000	800,000
- Out of pocket expenses and tax on above	191,200	191,200
Communication	912,352	690,604
Provision for doubtful debts	(20,000)	1,598,000
Miscellaneous expenses	548,998	377,385
	<b>267,246,993</b>	<b>230,422,645</b>

**29 Exceptional items**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Loan foreclosure charges (refer note (i) below)	-	11,309,592
	<b>-</b>	<b>11,309,592</b>

Note (i): During the previous year, the Management refinanced its certain borrowings from banks and financial institutions. On account of this, it incurred one time expenses of Rs. 11,309,592 towards foreclosure charges related to earlier borrowings.

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

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 and 31 March 2022 has been made in the statements of account based on information received and available with the Limited liability Partnership. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Limited liability Partnership has not received any claim for interest from any supplier.

Particulars	31 March 2023	31 March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	705,000	120,460
Interest	-	-
The amount of interest paid by the buyer under MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

**31 The Firm does not have any unhedged foreign currency exposure as at 31 March 2023 and 31 March 2022.**

### 32 Employee benefit plans

#### Defined contribution plans

The Firm makes Provident Fund contributions to defined contribution plan for qualifying employees. Under the Scheme, the Firm is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Firm has recognized the following amounts in the statement of profit and loss towards its contributions to provident fund.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contribution to provident fund included under contribution to provident and other funds	3,655,401	4,209,345

#### Defined benefit plans

The Firm offers the Gratuity benefits (included as part of 'Employee benefit expense' in Note 25 Employee benefits expense) to its employees. The following table sets out the status of the Gratuity and the amount recognised in the balance sheet:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Components of employer expense</b>		
Current service cost	505,386	445,547
Interest cost	132,314	95,749
Actuarial losses/(gains)	402,539	(101,065)
<b>Total expense/ (credit) recognised in the statement of profit and loss</b>	<b>1,040,239</b>	<b>440,231</b>
<b>Actual contribution and benefits payments</b>		
Present value of defined benefit obligation (DBO)	2,703,372	1,877,916
<b>Net asset/(liability) recognised in balance sheet</b>	<b>2,703,372</b>	<b>1,877,916</b>
Current	626,189	670,000
Non-current	2,077,183	1,207,916
<b>Total asset / (liability) recognised in the balance sheet</b>	<b>2,703,372</b>	<b>1,877,916</b>
<b>Change in defined benefit obligations</b>		
Present value of DBO at beginning of the year	1,877,916	1,601,283
Current service cost	505,386	445,547
Interest cost	132,314	95,749
Actuarial (gains)/ losses	402,539	(101,065)
Benefits paid	(214,783)	(163,598)
<b>Present value of DBO at the end of the year</b>	<b>2,703,372</b>	<b>1,877,916</b>
<b>Actuarial assumption</b>		
Discount rate	7.30%	5.40%
Expected return on plan assets	NA	NA
Salary escalation	5.00%	5.00%
Attrition rate	30.00%	45.00%
Retirement age	58 years	58 years
Mortality	Indian Assured Lives Mortality	Indian Assured Lives Mortality (2012-14)

#### Actuarial valuation experience adjustment

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Defined benefit obligation	(2,703,372)	(1,877,916)
<b>(Deficit)</b>	<b>(2,703,372)</b>	<b>(1,877,916)</b>
Experience adjustment on plan liabilities	206,039	(86,688)

#### Note:

The discount rate is based on the prevailing market yields of Bonds of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

### 33 Segment information

The Firm's operations comprises of only one segment viz., setting up and managing cancer hospitals, cancer centers and medical diagnostic services. The Firm's operations are in India and therefore there are no secondary geographical segments.

**34 Related party transactions**

*Details of related parties:*

Description of relationship	Names of related parties
Ultimate holding company	CVC Capital Partners Asia V L.P.
Intermediate holding companies	Aceso Company Pte Ltd
	Aceso Investment Holding Pte. Ltd.
Holding company / Partner	HealthCare Global Enterprises Limited
Designated partner	Dr. B S Ajaikumar (Healthcare Global Enterprises Limited)
Partner	Dr. Rajiv Gopinath Bhatt
Enterprise over which Partner can exercise significant influence	Strand Life Sciences Private Limited ( up to 3 September 2021) HCG Medi-surge Hospitals Private Limited HCG Manavata Oncology LLP HCG SUN Hospitals LLP HCG Foundation

**Details of related party transactions during the year ended and balances outstanding are as follows:**

Transactions during the year ended	31 March 2023	31 March 2022
<b>Purchase of pharmacy products and consumables</b>		
HealthCare Global Enterprises Limited	94,025	5,040,000
HCG Manavata Oncology LLP	-	105,000
<b>Medical consultancy charges</b>		
Dr. Rajiv Gopinath Bhatt	78,049,555	59,479,698
<b>Medical Service Income</b>		
HCG Foundation	593,696	-
HCG SUN Hospitals LLP	1,128,450	-
HealthCare Global Enterprises Limited	7,548,672	-
<b>Medical Service Expenses</b>		
HealthCare Global Enterprises Limited	2,488,000	-
<b>Reimbursement of expense on employee stock option scheme cross charged by</b>		
HealthCare Global Enterprises Limited	348,675	396,241
<b>Reimbursement of capital expenditure/ revenue expenditure incurred on behalf of the Firm by</b>		
HealthCare Global Enterprises Limited	15,051,761	66,990,000
HCG SUN Hospitals LLP	6,768	-
HCG Medi-surge Hospitals Private Limited	36,303	-
<b>Payment to vendor on behalf of the Firm by</b>		
HealthCare Global Enterprises Limited	28,017,488	574,858
<b>Contribution/(withdrawal) to Partner's capital account</b>		
HealthCare Global Enterprises Limited	-	38,301,383
Dr. Rajiv Bhatt	-	260,000

Balances outstanding as at	31 March 2023	31 March 2022
<b>Trade Payables</b>		
HealthCare Global Enterprises Limited	100,800	8,045
Dr. Rajiv Gopinath Bhatt	7,999,064	5,513,670
<b>Trade Receivable</b>		
HealthCare Global Enterprises Limited	1,252,200	-
HCG Foundation	-	163,540
HCG Manavata Oncology LLP	-	105,000
HCG SUN Hospitals LLP	1,257,102	-
<b>Other current liabilities</b>		
HealthCare Global Enterprises Limited	36,091,329	33,025,239
HCG Medi-surge Hospitals Private Limited	8,683	-
<b>Partners Capital Account (fixed)</b>		
HealthCare Global Enterprises Limited	112,472,600	112,472,600
Dr. Rajiv Gopinath Bhatt	39,517,400	39,517,400
<b>Share of losses appropriated to</b>		
HealthCare Global Enterprises Limited	(223,941,223)	(221,485,974)
Dr. Rajiv Gopinath Bhatt	(78,682,051)	(77,819,396)

### 35 Details of leasing arrangements

The firm has entered into operating leases arrangements for building for a period of 5 to 12 years. These leases are renewable for a further period of 3 to 5 years. The expense incurred on non-cancellable operating leases during the year.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Up to one year	43,131,638	42,202,543
More than one year and up to five years	196,049,367	231,970,547
More than five years	-	4,274,081
	<b>239,181,005</b>	<b>278,447,171</b>
Lease payments recognised in the statement of profit and loss with respect to above mentioned operating lease arrangement.	50,427,941	43,820,421

### 36 Contingent liabilities

The Hon'ble Supreme Court has, in a decision dated 28 February 2019, ruled that special allowance would form part of wages for computing the Provident Fund (PF) contribution. The Firm keeps a close watch on further clarifications and directions from the respective department based on which suitable action would be initiated. Also, the firm believes that impact is not material to the financial statement.

#### Other litigations

The Firm is involved in disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, including tax and commercial matters that arise from time to time in ordinary course of business. The Firm believes that there are no such pending matters that are expected to have any material adverse effect on its Financial Statements.

### 37 Commitments

	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for	1,137,124	6,537,471

### 38 Deferred taxation

The Firm has a deferred tax asset (net) position as at 31 March 2023 and 31 March 2022. Recognition of deferred tax asset is restricted to the extent of deferred tax liability only. No further deferred tax asset (net) is recognized on losses and unabsorbed depreciation as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised by the Firm.

As per our reports of even date attached

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's registration number: 101248W/W -100022

for and on behalf of  
**HCG Oncology LLP**  
LLPIN : AAC-9917

**Vikash Gupta**  
Partner

Membership Number: 064597

Place: Bengaluru  
Date : 29 August 2023

**Dr. B. S. Ajaikumar**  
Designated Partner on behalf of  
HealthCare Global Enterprises  
Limited

DPIN : 00713779

Place: Bengaluru  
Date : 29 August 2023

**Dr. Rajiv Gopinath Bhatt**  
Partner

DPIN: 06719548

Place: Bengaluru  
Date : 29 August 2023