

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

We have audited the Financial Statements of HCG Manavata 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:23064597BGYQQP4271

HCG Manavata Oncology LLP
Balance Sheet as at 31 March 2023

		Amount in Rs.	
		As at	As at
	Note No.	31 March 2023	31 March 2022
PARTNERS' FUNDS AND LIABILITIES			
Partners' funds			
Partners' capital account	3	657,033,098	657,033,098
Reserves and surplus	4	(158,495,625)	(81,684,704)
		498,537,473	575,348,394
Non-current liabilities			
Long-term borrowings	5	334,815,446	388,954,059
Deferred tax liabilities, net	6	62,702,000	63,322,000
Other long-term liabilities	7	167,004,965	144,617,852
Long-term provisions	8	7,533,630	6,302,724
		572,056,041	603,196,635
Current liabilities			
Short-term borrowings	9	56,127,823	39,274,577
Trade payables	10	125,981,086	106,145,023
Other current liabilities	11	19,430,193	43,386,616
Short-term provisions	12	148,436,008	134,797,306
		349,975,110	323,603,522
Total		1,420,568,624	1,502,148,551
ASSETS			
Non-current assets			
Property, Plant and Equipment and Intangible assets			
-PPE	13.1	1,096,321,268	1,187,421,097
-Intangible assets	13.2	688,530	901,306
-Capital work-in-progress		-	1,098,076
Long-term loans and advances	14	33,554,135	45,451,546
Other non-current assets	15	18,727,832	15,182,659
		1,149,291,765	1,250,054,684
Current assets			
Inventories	16	12,291,543	11,231,027
Trade receivables	17	121,129,984	139,470,567
Cash and bank balances	18	129,695,441	82,723,699
Short-term loans and advances	19	5,891,005	2,879,076
Other current assets	20	2,268,886	15,789,498
		271,276,859	252,093,867
Total		1,420,568,624	1,502,148,551

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 Manavata Oncology LLP
LLPIN: AAH-1208

Vikash Gupta
Partner
Membership number: 064597

Srinivasa V Raghavan
Designated Partner on behalf of
HealthCare Global Enterprises
Limited
DPIN : 01803376

Dr. Raj Vasantrao Nagarkar
Partner
DPIN : 01850180

Place: Bengaluru
Date : 29 August 2023

Place: Bengaluru
Date : 29 August 2023

Place: Nashik
Date : 29 August 2023

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

		Amount in Rs.	
	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	21	997,768,670	998,773,768
Other income	22	9,522,324	4,796,360
Total income		1,007,290,994	1,003,570,128
Expenses			
Purchases of medical and non-medical items	23	202,235,131	224,965,972
Changes in inventories	24	(1,060,516)	337,364
Employee benefits expense	25	130,222,414	126,530,002
Finance costs	26	56,723,114	52,021,560
Depreciation and amortisation expense	27	125,091,087	130,118,994
Other expenses	28	556,972,885	514,142,824
Total expenses		1,070,184,115	1,048,116,716
Loss before tax		(62,893,121)	(44,546,588)
Tax expense			
-Current tax		14,537,800	18,456,400
-Deferred tax		(620,000)	(3,974,552)
Total tax expense		13,917,800	14,481,848
Loss after tax		(76,810,921)	(59,028,436)

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 Manavata Oncology LLP**

LLPIN: AAH-1208

Vikash Gupta*Partner*

Membership number: 064597

Srinivasa V Raghavan*Designated Partner on behalf of**HealthCare Global Enterprises**Limited*

DPIN : 01803376

Dr. Raj Vasant Rao Nagarkar*Partner*

DPIN : 01850180

Place: Bengaluru

Date : 29 August 2023

Place: Bengaluru

Date : 29 August 2023

Place: Nashik

Date : 29 August 2023

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

			<u>Amount in Rs.</u>
Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities			
(Loss) before tax		(62,893,121)	(44,546,588)
Adjustments for:			
Interest income		(9,522,324)	(4,796,360)
Finance costs		56,723,114	52,021,560
Depreciation and amortisation expense		125,091,087	130,118,994
Provision for doubtful receivables		11,549,078	1,575,046
Loss on sale of plant and equipment		-	7,091,121
Rent equalisation		22,387,113	23,234,012
Operating profit before working capital changes		143,334,947	164,697,785
Changes in working capital:			
Inventories		(1,060,516)	337,364
Trade receivables		21,862,475	(28,836,486)
Long- term and short-term loans and advances		(2,957,036)	971,363
Other non current and current assets		(2,315,700)	(5,906,536)
Trade payables*		19,836,063	952,476
Other non current and current liabilities		(25,460,003)	18,481,342
Long-term and short-term provisions		3,008,686	2,230,935
Cash generated from operations		156,248,916	152,928,243
Income tax paid (net)		(7,588,800)	(6,475,015)
Net cash generated by operating activities (A)		148,660,116	146,453,228
Cash flow from investing activities			
Acquisition of plant and equipment		(26,283,308)	(40,379,434)
Proceeds from sale of plant and equipment		-	3,575,000
Amount invested in margin money/ term deposits		(108,524,242)	(173,092,479)
Proceeds from maturity of margin money/ term deposits		51,320,030	178,417,118
Interest received		7,248,009	12,194,485
Net cash used in investing activities (B)		(76,239,511)	(19,285,310)
Cash flow from financing activities			
Repayment of borrowings #		(37,285,367)	(77,866,462)
Finance costs		(44,862,192)	(40,160,638)
Net cash (used in) financing activities (C)		(82,147,559)	(118,027,100)
Net increase / decrease in cash and cash equivalents (A+B+C)		(9,726,954)	9,140,818
Cash and cash equivalents at the beginning of the year		31,403,670	22,262,852
Cash and cash equivalents at the end of the year	18	21,676,716	31,403,670
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		596,175	647,071
(b) Balance with banks:			
-In Current Accounts		13,080,541	30,756,599
-In Deposit Accounts		8,000,000	-
		21,676,716	31,403,670

Deferred payment obligations of Rs. Nil during the year (previous year ; Rs. 95,500,000) has been converted to Term Loan, which is non cash transaction. Refer note 5.

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 Manavata Oncology LLP
LLPIN: AAH-1208

Vikash Gupta
Partner
Membership number: 064597

Srinivasa V Raghavan
Designated Partner on behalf
of HealthCare Global
Enterprises Limited
DPIN : 01803376

Dr. Raj Vasantrao Nagarkar
Partner
DPIN : 01850180

Place: Bengaluru
Date : 29 August 2023

Place: Bengaluru
Date : 29 August 2023

Place: Nashik
Date : 29 August 2023

1 Corporate information

HCG Manavata Oncology LLP ('the LLP') ('Firm') is a Limited Liability Partnership registered under Limited Liability Partnership Act, 2008 and incorporated on 10 August 2016. HealthCare Global Enterprises Limited (HCG) and Dr. Raj Vasantao Nagarkar are partners in LLP having capital and profit sharing ratio of 51:49. The LLP is engaged in setting up and managing of cancer hospitals. The registered office of the LLP is situated at HCG Tower, No. 8 Sampangi Ram Nagar Bengaluru - 560018.

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. However, the Firm has generated positive cashflows in the current year and previous year and the management expects profits and positive cash flows in future periods. Considering this and the support letter received from the Holding Company (HealthCare Global Enterprises 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 LLP'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 LLP'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 LLP 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 liabilities are classified as non-current.

Operating cycle

Based on the nature of products / activities of the LLP and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the LLP 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 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 LLP 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 and Intangible assets*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 expenditures 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 expenditures directly attributable to the acquisition of the asset.

The LLP 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 medical 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

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.

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 LLP 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 LLP'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 utilize it in future service periods or receive cash compensation on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The LLP 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 LLP 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 LLP.

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 LLP 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 LLP 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 LLP 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 LLP recognises any impairment loss on the assets associated with that contract.

2.16 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.

2.17 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.

2.18 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
Capital account		
Fixed capital contribution*		
HealthCare Global Enterprises Limited:		
Share of profit/(loss) (%)	51%	51%
Balance at the beginning of the year	550,481,686	510,000
Add: Conversion of variable capital to fixed capital *	-	549,971,686
Balance at the end of the year	550,481,686	550,481,686
Dr. Raj Vasantryao Nagarkar:		
Share of profit/(loss) (%)	49%	49%
Balance at the beginning of the year	106,551,412	490,000
Add: Conversion of variable capital to fixed capital *	-	106,061,412
Balance at the end of the year	106,551,412	106,551,412
	657,033,098	657,033,098
Variable capital contribution*		
HealthCare Global Enterprises Limited:		
Balance at the beginning of the year	-	549,971,686
Add: Additional contribution	-	-
Less: Conversion to fixed capital during the year *	-	(549,971,686)
Balance at the end of the year	-	-
Dr. Raj Vasantryao Nagarkar:		
Balance at the beginning of the year	-	106,061,412
Add: Additional contribution	-	-
Less: Conversion to fixed capital during the year *	-	(106,061,412)
Balance at the end of the year	-	-
	-	-
	-	-
Total capital	657,033,098	657,033,098

*The initial capital contribution is made by each partner as per the arrangement 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 had been converted into fixed capital.

With respect to capital contribution made by HealthCare Global Enterprises Limited, such amount will be attributed and assumed to have been notionally contributed by Dr. Raj Vasantryao Nagarkar as per terms of LLP agreement which will allow to maintain initial capital contribution ratio agreed by both the partners. However, this is due only in the event of liquidation or dissolution of the LLP. The notional contribution by Dr. Raj Vasantryao amounts to Rs. 422,342,757 (31 March 2022: Rs 422,342,757), which will lead to capital adjustment between HCG and Dr. Nagarkar's capital account i.e. credit to Dr. Nagarkar by Rs 215,394,806 and debit to HCG by Rs. 215,394,806, such that capital account ratio is maintained in 51% : 49%.

As per the LLP agreement, neither HealthCare Global Enterprises Limited nor Dr. Raj Vasantryao Nagarkar shall transfer their interest in the LLP for a period of 20 years from the execution date of LLP agreement without the prior consent of the other partner.

4 Reserves and surplus

Particulars	As at 31 March 2023	As at 31 March 2022
Undistributed deficit (balance in statement of profit and loss)		
At the commencement of the year	(81,684,704)	(22,656,268)
Add: Loss for the year	(76,810,921)	(59,028,436)
Amount available for appropriation	(158,495,625)	(81,684,704)
Share of loss appropriated to HealthCare Global Enterprises Limited	(80,832,769)	(41,659,199)
Share of loss appropriated to Dr. Raj Vasantryao Nagarkar	(77,662,856)	(40,025,505)
At the end of the year	(158,495,625)	(81,684,704)

As per the LLP agreement entered into, HealthCare Global Enterprises Limited and Dr. Raj Vasantryao Nagarkar will share the profit/ losses in the ratio of 51%: 49% respectively.

5 Long-term borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
<i>Secured</i>		
(a) Term loans from banks - (refer note 5.1.1 below)	279,832,275	313,024,220
(b) Finance lease obligations -(refer note 5.1.2 below)	-	1,411,574
<i>Unsecured</i>		
(c) Finance lease obligations -(refer note 5.1.3 below)	54,983,171	74,518,265
	334,815,446	388,954,059

Note:

5.1 Details of security, interest rate and terms of repayment for the long-term borrowings:

Terms of repayment and security	As at 31 March 2023	As at 31 March 2022
---------------------------------	------------------------	------------------------

5.1.1 Term loan from Bank - Secured

a) Non-current portion	279,832,275	313,024,220
b) Amount included under current maturities of long term borrowings	33,191,945	23,534,192

Security: Exclusive charge on all assets (Equipments) purchased through bank finance. Exclusive charge on all the movable fixed assets and current assets (both present and future), including any refundable lease/rental deposits placed with lessor. Corporate guarantee and Debt Shortfall Undertaking of Healthcare Global Enterprises Limited and Dr. Raj Vasant Rao Nagarkar on the entire loan amount.

Repayable in quarterly installments over a period of 10 years from the date of borrowing. Interest rate is Repo-rate + 3.25%.

5.1.2 Finance lease obligations - Secured

a) Non-current portion	-	1,411,574
b) Amount included under current maturities of finance lease obligations	1,203,781	2,194,234

Security: Hypothecation of equipment purchased under loan.

Rate of interest is 12.50% p.a

Monthly lease rental payable of Rs 208,015 for 60 months from the date of drawdown starting from 24 October 2018 to 24 September 2023.

5.1.3 Finance lease obligations - Unsecured

a) Non-current portion	54,983,171	74,518,265
b) Amount included under current maturities of finance lease obligations	21,732,097	13,546,151

Rate of interest is 11% p.a

Monthly lease rental as per the schedule from September 2019 to August 2027.

Non-current portion	334,815,446	388,954,059
Current portion		
- under short-term borrowings	33,191,945	23,534,192
- under other current liabilities	22,935,878	15,740,385
	390,943,269	428,228,636

6 Deferred tax liabilities, net

Particulars	As at 31 March 2023	As at 31 March 2022
Tax effect of items constituting deferred tax liability:		
- Depreciation on fixed asset	141,587,000	128,571,000
Deferred tax liabilities	141,587,000	128,571,000
Tax effect of items constituting deferred tax assets:		
- Provision for doubtful debts/ advances	8,199,000	3,429,000
- 43B items	5,660,000	5,130,000
- Impact due to finance lease	6,668,000	6,155,000
- Rent equalisation	58,358,000	50,535,000
Deferred tax assets	78,885,000	65,249,000
Deferred tax liabilities, net	62,702,000	63,322,000

Deferred tax liabilities, net (continued)

Particulars	31 March 2022	Charge/(benefit) for the year	31 March 2023
Deferred tax asset			
- Provision for doubtful debts/ advances	3,429,000	4,770,000	8,199,000
- 43B items	5,130,000	530,000	5,660,000
- Impact due to finance lease	6,155,000	513,000	6,668,000
- Rent equalisation	50,535,000	7,823,000	58,358,000
Gross deferred tax asset (A)	65,249,000	13,636,000	78,885,000
Deferred tax liability			
- Depreciation on fixed asset	128,571,000	13,016,000	141,587,000
Gross deferred tax liability (B)	128,571,000	13,016,000	141,587,000
Net deferred tax liability (B-A)	63,322,000	(620,000)	62,702,000

7 Other long-term liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Rent equalisation reserve	167,004,965	144,617,852
	167,004,965	144,617,852

8 Long-term provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (refer note 31)	7,533,630	6,302,724
	7,533,630	6,302,724

9 Short-term borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Current maturities of long-term borrowings - secured (refer note 5.1.1)	33,191,945	23,534,192
Current maturities of finance lease obligations - secured (refer note 5.1.2)	1,203,781	2,194,234
Current maturities of finance lease obligations - unsecured (refer note 5.1.3)	21,732,097	13,546,151
	56,127,823	39,274,577

10 Trade payables*

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro and small enterprises (refer note 30)	1,328,235	531,040
Total outstanding dues of creditors other than micro and small enterprises	124,652,851	105,613,983
	125,981,086	106,145,023

* For details relating to payable to related parties, please refer note 33

11 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Creditors for capital goods	2,612,832	1,109,252
Advance from customer	7,858,455	23,256,335
Goods and Service tax payable	2,192,879	2,100,535
TDS payable	2,349,992	2,245,149
Employee related statutory payables	1,747,413	1,792,360
Accrued salary benefits	2,668,622	12,882,985
	19,430,193	43,386,616

12 Short-term provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for gratuity (refer note 31)	2,440,000	1,260,000
Provision for compensated absences	3,255,432	2,657,652
Provision for contingency for taxes (refer note below (i) and note 29)	142,740,576	130,879,654
	148,436,008	134,797,306

(i) Details of provisions

The Company has made provision for contingency for customs duty and other taxes based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	As at 31 March 2022	Additions*	Utilisation	Reversal	As at 31 March 2023
Provision for tax contingency	130,879,653	11,860,923	-	-	142,740,576
*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	119,018,732	11,860,921	-	-	130,879,653
#relates to interest accrued in the previous year					

14 Long-term loans and advances

Particulars	As at 31 March 2023	As at 31 March 2022
<i>Unsecured, considered good</i>		
Capital advances	4,141,798	9,035,316
Prepaid expenses	1,813,056	1,867,949
Advance income tax and tax deducted at source, net of provision for tax	27,599,281	34,548,281
	33,554,135	45,451,546

15 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	5,869,180	3,553,480
Bank balance in margin money *	9,979,993	9,474,477
Interest accrued on deposits	2,878,659	2,154,702
	18,727,832	15,182,659

* Includes deposit given for letter of credits and bank guarantees issued by the banks.

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	12,291,543	11,231,027
	12,291,543	11,231,027

*Refer note 5.1 for details of charge created on Inventories.

17 Trade receivables (unsecured)*

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 payment**		
- Considered good	19,556,731	32,448,947
- Considered doubtful	16,363,958	6,624,750
	35,920,689	39,073,697
Less: Provision for bad and doubtful trade receivables	(16,363,958)	(6,624,750)
	19,556,731	32,448,947
Other trade receivables**		
- Considered good	92,042,783	107,021,620
- Doubtful	4,559,490	3,188,698
	96,602,273	110,210,318
Less: Provision for doubtful trade receivables	(4,559,490)	(3,188,698)
	92,042,783	107,021,620
Unbilled receivables:		
- Unsecured, Considered good	9,530,470	-
- Considered doubtful	439,078	-
	9,969,548	-
Less: Provision for doubtful trade receivables	(439,078)	-
	9,530,470	-
	121,129,984	139,470,567

*Refer note 5.1 for details of charge created on Trade Receivables.

**Refer note 33 for related party balances

18 Cash and bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
a) Cash and cash equivalents		
Cash on hand	596,175	647,071
Balances with banks:		
- In Current Accounts	13,080,541	30,756,599
- In deposit accounts with original maturity less than 3 months	8,000,000	-
	21,676,716	31,403,670
b) Other bank balances		
- Other Deposits with banks with original maturity of more than three months but less than 12 months	108,018,725	51,320,029
	108,018,725	51,320,029
	129,695,441	82,723,699

For the purpose of the statement of cash flows, cash and cash equivalent comprise the following:

a) Cash on hand	596,175	647,071
b) Balance with bank in current accounts		
- In Current Accounts	13,080,541	30,756,599
- In deposit accounts with original maturity less than 3 months	8,000,000	-
Cash and cash equivalents as per statement of cash flows	21,676,716	31,403,670

19 Short-term loans and advances*

Particulars	As at 31 March 2023	As at 31 March 2022
<i>Unsecured, considered good</i>		
Loans to employees	232,683	193,779
Advance to vendors	2,518,088	949,969
Prepaid expenses	3,140,234	1,735,328
	5,891,005	2,879,076

*Refer note 5.1 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
Unbilled revenue	-	15,070,970
Interest accrued on deposits	2,268,886	718,528
	2,268,886	15,789,498

*Refer note 5.1 for details of charge created on Other current assets.

13.1 Property, Plant and Equipment for the year ended 31 March 2023

Particulars	Gross block				Accumulated depreciation and impairment				Net block
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	Depreciation for the year*	Eliminated on disposal of assets	As at 31 March 2023	As at 31 March 2023
<i>Owned assets</i>									
Leasehold improvements	478,811,501	1,060,880	-	479,872,381	91,200,684	28,568,870	-	119,769,554	360,102,827
Plant and medical equipment	881,422,349	25,450,187	-	906,872,536	271,977,713	59,190,190	-	331,167,903	575,704,633
Lab equipment	8,807,528	790,600	-	9,598,128	3,501,967	962,753	-	4,464,720	5,133,408
Data processing equipment	25,226,796	1,522,661	-	26,749,457	23,421,244	937,462	-	24,358,706	2,390,751
Electrical installation	118,102,538	3,253,187	-	121,355,725	45,932,854	11,894,415	-	57,827,269	63,528,456
Furniture and fixtures	50,606,360	1,137,683	-	51,744,043	20,255,895	5,064,652	-	25,320,547	26,423,496
Vehicles	4,074,819	-	-	4,074,819	944,611	474,715	-	1,419,326	2,655,493
Office equipment	15,182,059	563,284	-	15,745,343	11,635,467	2,564,804	-	14,200,271	1,545,072
<i>Leased assets</i>									
Plant and medical equipment	113,116,901	-	-	113,116,901	39,059,319	15,220,450	-	54,279,769	58,837,132
Total	1,695,350,851	33,778,482	-	1,729,129,333	507,929,754	124,878,311	-	632,808,065	1,096,321,268

Property, Plant and Equipment for the year ended 31 March 2022

Particulars	Gross block				Accumulated depreciation and impairment				Net block
	As at 1 April 2021	Additions #	Disposals	As at 31 March 2022	As at 1 April 2021	Depreciation for the year	Eliminated on disposal of assets	As at 31 March 2022	As at 31 March 2022
<i>Owned assets</i>									
Leasehold improvements	472,748,006	6,063,495	-	478,811,501	62,909,063	28,291,621	-	91,200,684	387,610,817
Plant and medical equipment	920,415,732	17,619,554	56,612,937	881,422,349	254,047,795	63,876,735	45,946,817	271,977,713	609,444,636
Lab equipment	8,717,769	89,759	-	8,807,528	2,627,153	874,814	-	3,501,967	5,305,561
Data processing equipment	24,217,519	1,017,277	8,000	25,226,796	21,295,091	2,134,152	7,999	23,421,244	1,805,552
Electrical installation	114,516,502	3,586,036	-	118,102,538	34,585,432	11,347,422	-	45,932,854	72,169,684
Furniture and fixtures	49,341,574	1,264,786	-	50,606,360	15,283,289	4,972,606	-	20,255,895	30,350,465
Vehicles	1,653,576	2,421,243	-	4,074,819	746,846	197,765	-	944,611	3,130,208
Office equipment	14,833,644	348,415	-	15,182,059	9,109,141	2,526,326	-	11,635,467	3,546,592
<i>Leased assets</i>									
Plant and medical equipment	113,116,901	-	-	113,116,901	23,341,357	15,717,962	-	39,059,319	74,057,582
Total	1,719,561,223	32,410,565	56,620,937	1,695,350,851	423,945,167	129,939,403	45,954,816	507,929,754	1,187,421,097

Includes capitalisation of exchange difference amounting to Rs. 2,237,163 related to plant and equipment pursuant to option exercised by the Firm as per AS11 : The Effects of Changes in Foreign Exchange Rates.

Refer note 5.1 for details of charge created on 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 2027	YE 31 March 2028 and later
(Decrease) / increase in depreciation expense	(2,005,484)	(2,005,484)	(2,005,484)	(2,005,484)	10,027,420

13.2 Intangible assets

Description of assets	Computer software	Total
I. Cost		
Balance as at 01 April 2021	442,714	442,714
Additions	779,097	779,097
Balance as at 31 March 2022	1,221,811	1,221,811
Additions	-	-
Balance as at 31 March 2023	1,221,811	1,221,811
II. Accumulated amortisation and impairment		
Balance as at 01 April 2021	140,914	140,914
Amortisation expense	179,591	179,591
Balance as at 31 March 2022	320,505	320,505
Amortisation expense	212,776	212,776
Balance as at 31 March 2023	533,281	533,281
Net block as at 31 March 2022	901,306	901,306
Net block as at 31 March 2023	688,530	688,530

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

21 Revenue from operations *

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Income from medical services	955,076,074	959,571,745
Sale of medical and non-medical items	42,461,920	38,840,524
Other operating income	230,676	361,499
	997,768,670	998,773,768

* Refer note 33 for related party transactions

22 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income	9,522,324	4,796,360
	9,522,324	4,796,360

23 Purchases of medical and non-medical items *

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Medical and non-medical items	202,235,131	224,965,972
	202,235,131	224,965,972

*Refer note 33 for related party transactions

24 Changes in inventories

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the end of the year	12,291,543	11,231,027
Inventories at the beginning of the year	11,231,027	11,568,391
Net increase/(decrease)	(1,060,516)	337,364

25 Employee benefits expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages (refer note 31)	118,392,307	112,454,290
Contributions to provident and other funds (refer note 31)	7,805,053	6,344,503
Gratuity Expenses (refer note 31)	2,310,456	1,997,477
Staff welfare expenses	1,714,598	5,733,732
	130,222,414	126,530,002

26 Finance cost

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Bank charges	3,847,307	3,991,401
Interest expense on borrowings	28,718,708	24,508,344
Interest on finance lease	11,311,621	11,109,671
Interest on provision for tax contingency	11,860,923	11,860,921
Loan processing charges	984,555	551,223
	56,723,114	52,021,560

27 Depreciation and amortisation expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment	124,878,311	129,939,403
Amortisation of intangible assets	212,776	179,591
	125,091,087	130,118,994

28 Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Medical consultancy charges *	266,462,993	260,906,723
Lab charges	7,661,639	11,007,890
Power, fuel and water charges	45,095,246	39,482,245
House keeping expenses	17,633,578	18,464,643
Rent *	103,139,009	103,117,688
Repairs and maintenance:		
- Building	1,792,961	1,078,213
- Machinery	37,905,501	23,945,875
- Others	5,556,346	2,656,341
Insurance	1,470,773	1,419,640
Rates and taxes	1,083,965	385,371
Printing and stationery	5,785	14,593
Communication	1,853,794	2,440,095
Business promotion expenses	26,004,805	13,688,295
Travelling and conveyance	2,442,497	2,510,128
Legal and professional charges	15,614,747	13,730,638
Payment to auditors (refer note below)	1,070,100	1,070,100
Loss on sale of plant and equipment	-	7,091,121
Provision for doubtful trade receivables	11,549,078	1,575,046
Miscellaneous expenses	10,630,068	9,558,179
	556,972,885	514,142,824

* Refer note 33 for related party transactions

Note:

Payment to auditors (including applicable taxes)	Year ended 31 March 2023	Year ended 31 March 2022
- Statutory Audit fees	900,000	900,000
- Out of pocket expenses	170,100	170,100
	1,070,100	1,070,100

29 Contingent Liabilities and commitments

(i) Contingent Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Customs duty [refer note (a)]	37,987,270	-

(a) Demand of Rs. 24,987,270 plus interest as applicable and 100% penalty equal to demand amount and additional redemption fine amounting Rs. 13,000,000 was raised on the Firm for wrong classification and wrong availment of duty in Bill of Entries. Personal penalty was also imposed on certain employees aggregating to Rs. 300,000. Appeal has been filed before the appellate authority. Further, the Firm has also re-assessed the classification in the Bill of Entry, enhanced the EPCG license and the differential duty has been debited to the EPCG license. The Firm has provided Rs. 24,987,270 plus applicable interest thereon as part of Provision for contingency for duties and taxes in view of shortfall in meeting export obligations as required. No adverse impact of this dispute is expected on the consolidated financial statements.

(b) 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.

(c) 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.

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and other commitments and not provided for amounts to Rs Nil (previous year: Rs 976,119).

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 as at 31 March 2022 has been made in the Financial Statements based on information received and available with the LLP. 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 LLP has not received any claim for interest from any supplier.

Particulars	As at 31 March 2023	As at 31 March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year:		
Principal	1,328,235	531,040
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 Employee benefit plans

Defined contribution plans

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Contribution to provident fund	7,805,053	6,344,503

Employee benefit plans (continued)

Defined benefit plans

The LLP offers the Gratuity benefits (included as part of 'Salaries and wages' 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 Financial Statements:

Particulars	As at 31 March 2023	As at 31 March 2022
Components of employer expense		
Current service cost	2,222,089	1,929,151
Interest cost	621,211	417,617
Actuarial losses	(532,844)	(349,291)
Total expense recognised in the statement of profit and loss	2,310,456	1,997,477
Actual contribution and benefits payments		
Present value of defined benefit obligation	9,873,180	7,562,724
Net liability recognised in balance sheet	9,873,180	7,562,724
Current (Refer note 12)	2,440,000	1,260,000
Non-current (Refer note 8)	7,433,180	6,302,724
Change in defined benefit obligations		
Present value of defined benefit obligation at the beginning of the period	7,562,724	5,565,247
Current service cost	2,222,089	1,929,151
Interest cost	621,211	417,617
Actuarial losses	(532,844)	(349,291)
Present Value of DBO at the end of year	9,873,180	7,562,724
Actuarial assumptions		
Discount rate	7.20%	6.20%
Salary escalation	6.50%	6.50%
Attrition rate	30.00%	30.00%
Retirement age	60 years	60 years
Mortality	Indian Assured Lives (2012-14) Mod Ult	Indian Assured Lives (2012-14) Mod Ult

Note:

The discount rate is based on the prevailing market yields 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.

Amounts for the current and previous periods are as follows:	As at 31 March 2023	As at 31 March 2022
Gratuity		
Defined benefit obligation	9,873,180	7,562,724
(Surplus) / deficit in the plan	9,873,180	7,562,724
Experience adjustments arising on plan liabilities	(246,931)	(245,858)

32 Segment information

The LLP's operations comprises of only one segment viz., rendering oncology medical services. The LLP's operations are in India and therefore there are no secondary geographical segments.

33 Related party transactions

a. 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	Srinivasa V Raghavan (<i>Designated Partner on behalf of HealthCare Global Enterprises Limited</i>)
Partner	Dr. Raj Vasant Rao Nagarkar
Entity over which Partner can exercise significant influence	Strand Life Sciences Private Limited (up to 3 September 2021) Raj Vasant Rao Nagarkar HUF HCG Foundation Asmi Agencies HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP) HCG Oncology LLP Vasant Rao Nagarkar Medical Foundation Trust

Related party transactions (continued)

b. Details of related party transactions:

Particulars	As at 31 March 2023	As at 31 March 2022
Medical consultancy charges		
Dr. Raj Vasantrya Nagarkar	131,356,180	155,622,963
Purchases of medical and non-medical items		
HealthCare Global Enterprises Limited	-	15,539,790
Asmi Agencies	189,807	1,166,451
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	-	63,000
HCG Oncology LLP	-	105,000
Diagnostic charges		
Strand Life Sciences Private Ltd	-	13,800
Rent charges		
Dr. Raj Vasantrya Nagarkar	74,086,733	79,947,275
Raj Vasantrya Nagarkar HUF	-	240,000
Vasantrya Nagarkar Medical Foundation Trust	-	120,000
Income from medical services		
Vasantrya Nagarkar Medical Foundation Trust	13,048,029	6,794,281
Sale of medical and non-medical items		
Dr. Raj Vasantrya Nagarkar	-	2,008,604
Reimbursement of expenditure incurred by the Partners		
HealthCare Global Enterprises Limited	3,592,513	70,000

c. Details of related party balances outstanding:

Particulars	As at 31 March 2023	As at 31 March 2022
Partner's Capital account		
HealthCare Global Enterprises Limited #	550,481,686	550,481,686
Dr. Raj Vasantrya Nagarkar #	106,551,412	106,551,412
Trade Receivable		
HealthCare Global Enterprises Limited	3,781,932	431,250
HCG Foundation	100,000	100,000
Other payable to related party - Other Financial Liability - current		
HealthCare Global Enterprises Limited	7,332,654	-
Trade payables		
HealthCare Global Enterprises Limited	88,210	346,339
Dr. Raj Vasantrya Nagarkar - Rent	5,089,523	6,097,673
Dr. Raj Vasantrya Nagarkar - MSA	16,169,312	12,420,283
Vasantrya Nagarkar Medical Foundation Trust	9,800	9,800
Rajnish Vasantrya Nagarkar HUF	19,600	19,600
Asmi Agencies	-	57,232
Apex HCG Oncology Hospitals LLP	63,000	63,000
HCG Oncology LLP	-	105,000
Share of losses appropriated to		
HealthCare Global Enterprises Limited	(80,832,769)	(41,659,199)
Dr. Raj Vasantrya Nagarkar:	(77,662,856)	(40,025,505)

excludes adjustments towards notional capital contribution by Dr. Raj Vasantrya Nagarkar and distribution of surplus. Refer note 3 and 4

34 Details of leasing arrangements

34.1 Finance lease arrangements

Finance leasing arrangements of the Firm include lease of medical equipments for 5-8 years. Interest rate under finance leases is from 11%- 12.50% p.a. There is option to purchase these equipments at the end of lease tenure. The rental payments are fixed as per the lease agreements. The details of future minimum lease payment and reconciliation of gross investment in the lease and payment value of minimum lease payments are given below:

Particulars	Minimum Lease Payments		Present value of minimum lease payments	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Up to one year	30,477,215	25,412,763	22,935,878	15,740,385
More than one year and up to five years	65,187,500	95,664,715	54,983,171	75,929,839
More than five years	-	-	-	-
	95,664,715	121,077,478	77,919,049	91,670,224
Less: future finance charges	(17,745,666)	(29,407,254)	-	-
Present value of minimum lease payments	77,919,049	91,670,224	77,919,049	91,670,224

Included in the financial statements as:

- Non-current finance lease obligations (Refer note 5)
- Current finance lease obligations (Refer note 9)

As at 31 March 2023	As at 31 March 2022
54,983,171	75,929,839
22,935,878	15,740,385
77,919,049	91,670,224

34.2 Operating lease arrangements

The LLP has entered into operating lease arrangements for hospital buildings. The lease is non-cancellable for a period of 20 years from the arrangement execution date and on mutual consent can be renewed for an additional period to be agreed at the time of renewal of the lease. The lease agreements provide for an increase in the lease payments by 15% every 3 years.

- (i) Future minimum lease payments under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Up to one year	77,914,717	68,598,827
More than one year and up to five years	336,007,218	324,320,010
More than five years	1,019,304,029	1,108,905,954

- (ii) Amounts recognised in the statement of profit and loss

Particulars	As at 31 March 2023	As at 31 March 2022
Lease expenses recognised in the statement of profit and loss with respect to above mentioned operating lease arrangement.	103,139,009	103,117,688

The accompanying notes are an integral part of these Financial Statements

As per our reports of even date attached

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

for and on behalf of
HCG Manavata Oncology LLP
LLPIN: AAH-1208

Vikash Gupta
Partner
Membership number: 064597

Place: Bengaluru
Date : 29 August 2023

Srinivasa V Raghavan
Designated Partner on behalf
of HealthCare Global Enterprises
Limited
DPIN : 01803376

Place: Bengaluru
Date : 29 August 2023

Dr. Raj Vasantrao Nagarkar
Partner
DPIN : 01850180

Place: Bengaluru
Date : 29 August 2023