

**INDEPENDENT AUDITOR'S REPORT  
TO THE PARTNERS OF HCG SUN HOSPITALS LLP**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of HCG SUN HOSPITALS LLP ("entity"), which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss account, and statement of cash flows) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with 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 ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

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

Those charged with governance are responsible for overseeing the entity'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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to 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

## **S G M & Associates LLP**

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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.

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

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

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

**For S G M & Associates LLP**  
Chartered Accountants  
(LLP Registration No. 200058S)

Sd/-  
**S Vishwamurthy**  
Partner  
(Membership No.215675)

Bengaluru, 16 August 2023

**HCG Sun Hospitals LLP**  
**Balance Sheet as at 31 March 2023**

(Amount in ₹ Million, unless otherwise specifically mentioned)

Particulars	Note No.	As at	
		31-Mar-2023	31-Mar-2022
<b>Equity and Liabilities</b>			
<b>Partner's funds</b>			
Partners' capital account	3	0.74	0.74
Partners' current account	3	545.17	379.96
Reserve and surplus	4	(338.01)	(279.64)
<b>Non-current liabilities</b>			
Long-term borrowings	5	45.04	162.75
Other long-term liabilities	6	18.89	6.88
Long-term provision	7	1.69	0.81
<b>Current liabilities</b>			
Short-term borrowings	8	10.91	6.98
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		105.13	114.00
Other current liabilities	10	10.32	9.42
Short-term provision	11	1.30	1.64
<b>Total</b>		<b>401.18</b>	<b>403.54</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	180.73	196.97
Other intangible assets		0.33	1.87
Capital work-in-progress		-	-
Deferred tax asset		10.88	10.88
Long-term loans and advances	13	30.92	24.11
Other non-current assets	14	45.53	45.87
<b>Current assets</b>			
Inventories	15	8.77	10.39
Trade receivables	16	92.27	79.07
Cash and cash equivalents	17	28.23	33.10
Short-term loans and advance	18	3.52	1.28
<b>Total</b>		<b>401.18</b>	<b>403.54</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
**For S G M & Associates LLP**  
Chartered Accountants

**For HCG Sun Hospitals LLP**

Sd/-  
**S Vishwamurthy**  
Partner

Sd/-  
**Dr. Bharat Gadhavi**  
Designated Partner

Sd/-  
**Dr. B S Ramesh**  
Designated Partner

Bengaluru, 16 August 2023

Ahmedabad, 16 August 2023 Bengaluru, 16 August 2023

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

(Amount in ₹ Million, unless otherwise specifically mentioned)

Particulars	Note No.	For the year ended	
		31-Mar-2023	31-Mar-2022
Revenue from operations	19	434.88	308.53
Other income	20	3.04	0.87
<b>Total revenue (A)</b>		<b>437.92</b>	<b>309.40</b>
<b>Expenses</b>			
Purchase of stock-in-trade		165.14	121.11
Changes in inventory of stock-in-trade		1.62	(4.56)
Employee benefit expenses	21	75.24	56.90
Finance costs	22	14.97	27.71
Depreciation and amortisation expense	12	28.13	30.26
Other expenses	23	211.19	128.69
<b>Total expenses (B)</b>		<b>496.29</b>	<b>360.11</b>
<b>Profit/(Loss) before tax (C) = (A-B)</b>		<b>(58.37)</b>	<b>(50.71)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	63.63
<b>Total tax expense / (income) (D)</b>		<b>-</b>	<b>63.63</b>
<b>Profit/(Loss) for the year transferred to partners' current account (E) = (C-D)</b>		<b>(58.37)</b>	<b>(114.34)</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
**For S G M & Associates LLP**  
Chartered Accountants

**For HCG Sun Hospitals LLP**

Sd/-  
**S Vishwamurthy**  
Partner

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Designated Partner

Bengaluru, 16 August 2023

Ahmedabad, 16 August 2023    Bengaluru, 16 August 2023

**HCG Sun Hospitals LLP**  
**Cashflow Statement for the year ended 31 March 2023**

(Amount in ₹ Million, unless otherwise specifically mentioned)

Particulars	For the year ended	
	31-Mar-2023	31-Mar-2022
Cash flow from operating activities		
<b>Net loss before tax</b>	<b>(58.37)</b>	<b>(50.71)</b>
Adjustments for:		
Depreciation and amortisation expense	28.13	30.26
Interest income on bank deposit	(0.45)	(0.39)
Provision for doubtful trade and other receivables, loans and advances (net)	7.53	2.00
Interest expense	14.97	27.71
<b>Operating profit before working capital changes</b>	<b>(8.19)</b>	<b>8.87</b>
Adjustment for (increase)/ decrease in operating assets:		
Inventories	1.62	(4.56)
Trade receivables	(20.73)	(50.75)
Long-term loans and advances	0.32	(0.05)
Short-term loans and advances	(2.24)	19.30
Other current assets	-	1.37
Adjustment for increase/ (decrease) in operating liabilities:		
Trade payables	(8.87)	41.22
Other current liabilities	1.12	4.62
Other long-term liabilities	12.99	(15.70)
Long-term and short-term provisions	0.54	1.69
<b>Cash generated from operations</b>	<b>(23.44)</b>	<b>6.01</b>
Taxes paid during the year (net)	(11.52)	(10.45)
<b>Net cash generated from operating activities (A)</b>	<b>(34.96)</b>	<b>(4.44)</b>
<b>Cash flows from investing activities</b>		
Capital expenditure on fixed assets (including capital advance)	(9.26)	(39.77)
Interest income	0.45	0.39
<b>Net cash flow from investing activities (B)</b>	<b>(8.81)</b>	<b>(39.38)</b>
<b>Cash flows from financing activities</b>		
Investment / (drawings) by partners	165.21	88.06
Long-term borrowings availed	-	-
Long-term borrowings repaid	(113.78)	(5.65)
Interest paid	(16.17)	(26.51)
Movement in balance with bank in earmarked accounts	3.64	(2.40)
<b>Net cash flows from financing activities (C)</b>	<b>38.90</b>	<b>53.50</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(4.87)</b>	<b>9.68</b>
Cash and cash equivalents at beginning of the year	<b>33.10</b>	<b>23.42</b>
Cash and cash equivalents at end of the year	<b>28.23</b>	<b>33.10</b>
See accompanying notes forming part of the financial statements		

In terms of our report attached  
**For S G M & Associates LLP**  
Chartered Accountants

**For HCG Sun Hospitals LLP**

Sd/-  
**S Vishwamurthy**  
Partner

Sd/-  
**Dr. Bharat Gadhavi**  
Designated Partner

Sd/-  
**Dr. B S Ramesh**  
Designated Partner

Bengaluru, 16 August 2023

Ahmedabad, 16 August 2023

Bengaluru, 16 August 2023

**HCG Sun Hospitals LLP**  
**Notes forming part of financial statements**

**Note**  
**No.**

**1 Nature of operations:**

HCG Sun Hospitals LLP ('HCG Sun' or 'LLP') is a Limited Liability Partnership registered under Limited Liability Partnership Act, 2008. HealthCare Global Enterprises Limited ('HCG') and Shiv Sun Medical Services LLP ('Sun') are partners in LLP having capital and profit sharing ratio of 74: 26. HCG Sun is engaged in managing hospitals and medical diagnostic services including scientific testing and consultancy services in the pharmaceutical and medical sector. The LLP was incorporated on 22 September 2017 and has its registered office at # 8, P. Kalinga Rao Road, Sampangi Ram Nagar, Bengaluru – 560 027. With effect from 1 October 2021, Shiv-Sun Medical Services LLP, having 26% share in profit/losses and assets retired from the LLP and Niruja Product Development and Healthcare Research Private Limited was admitted as the partner.

**2 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 the Limited Liability Partnership Act 2008. The accrual method of accounting is followed, except where otherwise stated.

**2.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. 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 recognized in the periods in which the results are known / materialize.

**2.3 Revenue recognition**

Income is recognised on accrual basis. Fees are recognised on the basis of net revenue sharing with business facilitators.

Rental income is recognised on accrual basis and as per the term & conditions of the rental agreement.

Interest income on deposits with banks is accounted on accrual basis.

**2.4 Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Costs directly attributable to the acquisition are capitalized until the asset is ready for use, as intended by the management. Subsequent expenditure relating to Property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

**2.5 Depreciation and amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible Property, plant and equipment has been provided on the written-down value method at the rates arrived on the basis of useful life of the assets assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, maintenance support, etc., except in case of Property, plant and equipment costing up to Rs. 5,000/- where it is being depreciated 100% in the year of acquisition itself.

**2.6 Inventories**

Inventories consist of consumables that are carried at lower of cost or net realisable value. Cost is determined on first-in-first -out basis.

**2.7 Foreign currency transactions**

Initial recognition: Transactions in foreign currencies entered into by the LLP are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date: Foreign currency monetary items (other than derivative contracts), outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the LLP are carried at historical cost.

Treatment of exchange differences: Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the LLP are recognized as income or expense in the Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items relating to acquisition of depreciable Property, plant and equipment are capitalised as part of the Property, plant and equipment and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable Property, plant and equipment, the exchange difference is amortised over the maturity period / up to the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss.

**Note**

**No.**

**2.8 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.

**2.9 Employee benefits**

- (i) Short Term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the period in which the related service is rendered. Privilege leaves are short term employee benefits and are charged to the statement of income and expenditure at the amount based on the management's decision.
- (ii) Post employment benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered service. The expense is recognised at the present value of the amount payable towards contribution. The present value is determined using the market yields of government bonds, at the balance sheet date, as the discounting rate.
- (iii) Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

**2.10 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.

Alternate Minimum Tax (AMT) 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, AMT is recognized 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 recognized 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 recognized for all timing differences. Deferred tax assets are recognized 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 realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize 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 reliability.

**2.11 Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the Statement of Profit and Loss.

**2.12 Provisions and contingencies**

A provision is recognized 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 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 recognized in the financial statements.

**2.13 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 Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Note  
No.

3 Partners' capital account

Particulars	As at						
	31-Mar-2023			31-Mar-2022			
	HCG	Niruja*	Total	HCG	Niruja*	Shiv Sun	Total
<b>Fixed capital</b>							
Opening balance	0.74	-	0.74	0.74	-	0.26	1.00
Received / (paid) during the year	-	-	-	-	-	(0.26)	(0.26)
<b>Closing balance</b>	<b>0.74</b>	<b>-</b>	<b>0.74</b>	<b>0.74</b>	<b>-</b>	<b>-</b>	<b>0.74</b>

Partners' current account

Particulars	As at						
	31-Mar-2023			31-Mar-2022			
	HCG	Niruja*	Total	HCG	Niruja*	Shiv Sun	Total
Opening balance	379.96	-	379.96	266.83	-	24.82	291.64
Add: Share of loss for the year	-	-	-	-	-	-	-
Add: Invested during the year	165.22	-	165.22	113.13	-	(24.82)	88.31
<b>Closing balance</b>	<b>545.17</b>	<b>-</b>	<b>545.17</b>	<b>379.96</b>	<b>-</b>	<b>-</b>	<b>379.96</b>

1 \*Niruja Product Development and Healthcare Research Private Limited. Amount is shown as zero due to rounding off.

5 Reserve and surplus

Particulars	31-Mar-2023	31-Mar-2022
<b>Undistributed surplus / (deficit)</b>		
Opening balance	(279.64)	(165.30)
Loss for the year	(58.37)	(114.34)
<b>Closing balance</b>	<b>(338.01)</b>	<b>(279.64)</b>

5 Long-term borrowings

Particulars	31-Mar-2023	31-Mar-2022
<b>Secured</b>		
(i) Long-term loan from bank	45.04	162.75
<b>Total</b>	<b>45.04</b>	<b>162.75</b>

(i) Terms of repayment and security

Particulars	31-Mar-2023	31-Mar-2022
<b>Secured long-term from banks</b>		
Non-current portion	45.04	162.75
Amounts included under current maturities of long-term debt	10.91	6.98
Security: Exclusive charge on (i) all assets (equipment) purchased / funded through the above loan; (ii) all movable fixed assets and current assets (both present and future) of the LLP, including any refundable lease/rental deposit placed with lessor, excluding any assets which are charged exclusively to any lessor/vendor. Unconditional and irrevocable corporate guarantee and debt shortfall undertaking from the Partners in the LLP.		
Repayment terms and interest: Repayment in quarterly instalments as per agreed terms   Rate of interest is 15 basis points over and above the bank's MCLR.		

6 Other long-term liabilities

Particulars	31-Mar-2023	31-Mar-2022
Rent equalisation reserve	8.11	6.88
(a) Deferred income	10.78	-
<b>Total</b>	<b>18.89</b>	<b>6.88</b>

(a) Deferred income represents capital subsidy received from Government of Gujarat as per the Health Scheme 2016. Deferred income is recognised in statement of profit and loss over the useful life of respective capital equipments.

7 Long-term provision

Particulars	31-Mar-2023	31-Mar-2022
Provision for employee benefits		
28 Gratuity	1.69	0.81
Compensated absence	-	-
<b>Total</b>	<b>1.69</b>	<b>0.81</b>

8 Short-term borrowings

Particulars	31-Mar-2023	31-Mar-2022
Current maturities of long term debt	10.91	6.98
<b>Total</b>	<b>10.91</b>	<b>6.98</b>



Note

No.

9	<b>Trade payables</b>					
	<b>Particulars</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>			
(i)	Total outstanding dues of micro enterprises and small enterprises	-	-			
	Total outstanding dues of creditors other than micro enterprises and small enterprises	105.13	114.00			
	<b>Total</b>	<b>105.13</b>	<b>114.00</b>			
(i)	Note: There are no dues to Micro and Small Enterprises. The information disclosed with regard to Micro and Small Enterprises is based on information collected by the Management. This has been relied upon by the auditors.					
(b)	<b>Ageing of trade payables</b>					
	<b>Outstanding for following periods from due date of payment</b>	<b>Less one year</b>	<b>One to two years</b>	<b>Two to three years</b>	<b>More than three years</b>	<b>Total</b>
	<b>31-Mar-2023</b>					
	MSME	-	-	-	-	-
	Others	8.65	47.52	23.78	8.14	<b>88.09</b>
	Unbilled dues	17.04	-	-	-	<b>17.04</b>
	<b>31-Mar-2022</b>					
	MSME	-	-	-	-	-
	Others	84.25	23.58	4.65	1.52	<b>114.00</b>
10	<b>Other current liabilities</b>					
	<b>Particulars</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>			
	Interest payable to holding company	-	1.20			
	Accrued salary benefits	4.23	4.00			
	Statutory remittances	3.72	2.67			
	Deferred income	0.98	-			
	Advance received from patients	1.39	1.55			
	<b>Total</b>	<b>10.32</b>	<b>9.42</b>			
11	<b>Short-term provision</b>					
	<b>Particulars</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>			
	Provision for employee benefits:					
28	Gratuity	0.42	0.15			
	Compensated absence	0.88	1.49			
	<b>Total</b>	<b>1.30</b>	<b>1.64</b>			

Note  
No.

13 Long-term loans and advances

Particulars	31-Mar-2023	31-Mar-2022
Capital advance	0.07	1.16
Prepaid expense	0.06	0.04
Income tax and tax deducted at source	28.42	16.90
Term deposit with banks and financial institutions	2.37	6.01
Interest accrued on long-term deposit	-	-
<b>Total</b>	<b>30.92</b>	<b>24.11</b>

14 Long-term loans and advances

Particulars	31-Mar-2023	31-Mar-2022
Security deposit	45.53	45.87
<b>Total</b>	<b>45.53</b>	<b>45.87</b>

15 Inventories

Particulars	31-Mar-2023	31-Mar-2022
Inventories (lower of cost and net realisable value)		
Medicines	3.53	4.47
Other consumables	5.24	5.92
<b>Total</b>	<b>8.77</b>	<b>10.39</b>

16 Trade receivables

Particulars	31-Mar-2023	31-Mar-2022
Other trade receivables		
Unsecured, considered good	92.27	79.07
Doubtful	9.00	2.37
	<b>101.27</b>	<b>81.44</b>
Less: Provision for doubtful trade receivables	(9.00)	(2.37)
	<b>92.27</b>	<b>79.07</b>
<b>Total</b>	<b>92.27</b>	<b>79.07</b>

(a) The ageing of trade receivables as at the end of the reporting period is as follows:

Outstanding for following period from due date of payment	As at	
	31-Mar-2023	31-Mar-2022
Unbilled revenue	2.26	3.13
Less than six months	76.06	49.18
Six months to one year	9.19	25.68
One to two years	11.68	2.65
Two to three years	2.08	0.80
More than three years	-	-
Provision for doubtful trade receivables	(9.00)	(2.37)
<b>Total</b>	<b>90.01</b>	<b>75.94</b>

17 Cash and cash equivalents

Particulars	31-Mar-2023	31-Mar-2022
Cash-on-hand	0.71	0.09
Cheques, drafts on hand	0.06	0.04
Balances with banks		
In current accounts	24.68	31.40
In deposit accounts	2.78	1.57
<b>Total</b>	<b>28.23</b>	<b>33.10</b>

18 Short-term loans and advance

Particulars	31-Mar-2023	31-Mar-2022
Prepaid expenses	3.52	0.90
Advance to vendor	-	0.34
Loans and advances to employees	-	0.04
<b>Total</b>	<b>3.52</b>	<b>1.28</b>

Note

No.

19 Revenue from operations

Particulars	31-Mar-2023	31-Mar-2022
Pharmacy sales	15.63	11.69
Medical service income	417.42	295.71
Other operating revenue	1.83	1.13
<b>Total</b>	<b>434.88</b>	<b>308.53</b>

20 Other income

Particulars	31-Mar-2023	31-Mar-2022
Interest income from :		
deposits with bank	0.45	0.39
income tax refund	1.03	-
Export incentive	1.15	-
Miscellaneous income	0.41	0.48
<b>Total</b>	<b>3.04</b>	<b>0.87</b>

21 Employee benefit expenses

Particulars	31-Mar-2023	31-Mar-2022
Salaries and wages	68.20	52.55
Contributions to provident and other funds	5.77	3.78
(a) Expense on employee stock option scheme	0.55	0.04
Staff welfare expenses	0.72	0.53
<b>Total</b>	<b>75.24</b>	<b>56.90</b>

- (a) During the current year certain employees of the LLP have been granted employee stock option under the 'Employee Stock Option Scheme' [ESOP] of the HCG, one of the partner in the LLP. Expense on ESOP relates to stock options granted to employees of the LLP cross charged by HCG.

22 Finance costs

Particulars	31-Mar-2023	31-Mar-2022
Interest on		
Term loan	13.53	16.01
Bank charges and other borrowing cost	1.44	4.21
Corporate guarantee charges	-	4.10
Interest on loan from partners	-	3.39
<b>Total</b>	<b>14.97</b>	<b>27.71</b>

23 Other expenses

Particulars	31-Mar-2023	31-Mar-2022
Medical consultancy charges	121.67	82.34
Legal and professional fees	0.82	0.84
Lab charges	14.00	2.37
Power, fuel and water	11.02	9.31
Rent including lease rentals	32.42	14.30
Repairs and maintenance:		
Buildings	0.52	0.29
Machinery	6.52	4.96
Others	4.82	1.97
Insurance	2.15	0.42
Rates and taxes	0.05	0.02
Communication	0.89	0.69
Travelling and conveyance	2.20	2.61
Printing and stationery	0.02	-
House keeping and security	1.17	4.40
Business promotion expenses	4.65	1.28
Payment to auditors for		
Statutory audit	0.42	0.44
Provision for doubtful trade and other receivables, loans and advances (net)	7.53	2.00
Miscellaneous expenses	0.32	0.43
<b>Total</b>	<b>211.19</b>	<b>128.69</b>

**HCG Sun Hospitals LLP**

Notes forming part of financial statements

(Amount in ₹ Million, unless otherwise specifically mentioned)

Note

No.

**12 Property, plant and equipment**

Description of assets	Leasehold improvements	Plant and machinery	Office equipment	Furniture and fixtures	Computer	Vehicle	Total
<b>Cost</b>							
Balance as at 01 April 2021	24.72	172.13	0.53	30.79	7.94	2.69	238.80
Additions	35.91	1.62	0.25	0.90	0.14	-	38.82
Deletion	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>60.63</b>	<b>173.75</b>	<b>0.78</b>	<b>31.69</b>	<b>8.08</b>	<b>2.69</b>	<b>277.62</b>
Additions	-	10.13	0.04	0.10	0.08	-	10.35
Deletion	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>60.63</b>	<b>183.88</b>	<b>0.82</b>	<b>31.79</b>	<b>8.16</b>	<b>2.69</b>	<b>287.97</b>
<b>Accumulated depreciation</b>							
Balance as at 01 April 2021	4.84	34.52	0.35	10.43	5.02	0.76	55.92
Depreciation for the year	7.50	12.47	0.16	3.05	1.21	0.34	24.73
Deletion	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>12.34</b>	<b>46.99</b>	<b>0.51</b>	<b>13.48</b>	<b>6.23</b>	<b>1.10</b>	<b>80.65</b>
Depreciation for the year	9.35	13.22	0.10	2.83	0.75	0.34	26.59
Deletion	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>21.69</b>	<b>60.21</b>	<b>0.61</b>	<b>16.31</b>	<b>6.98</b>	<b>1.44</b>	<b>107.24</b>
<b>Net block</b>							
31.Mar.2022	48.29	126.76	0.27	18.21	1.85	1.59	196.97
31.Mar.2023	38.94	123.67	0.21	15.48	1.18	1.25	180.73

**3 Other intangible assets**

Description of assets	Software
<b>Cost</b>	
Balance as at 01 April 2021	17.32
Additions	-
Deletion	-
<b>Balance as at 31 March 2022</b>	<b>17.32</b>
Additions	-
Deletion	-
<b>Balance as at 31 March 2023</b>	<b>17.32</b>
<b>Accumulated depreciation</b>	
Balance as at 01 April 2021	9.92
Amortisation for the year	5.53
Deletion	-
<b>Balance as at 31 March 2022</b>	<b>15.45</b>
Amortisation for the year	1.54
Deletion	-
<b>Balance as at 31 March 2023</b>	<b>16.99</b>
<b>Net block</b>	
31.Mar.2022	1.87
31.Mar.2023	0.33

**Note**

**No.**

**24** Contingent liabilities Nil and commitments (to the extent not provided for) - ₹ Nil (₹ 3.48)

**25 Related party disclosure**

**Name of the related party and nature of relationship**

<b>Name of the related party</b>	<b>Nature</b>
HealthCare Global Enterprises Limited	Majority partner
Shiv Sun Medical Services LLP	Partner [Upto 30 September 2021]
Niruja Product Development and Healthcare Research Private Limited	Partner [from 30 September 2021]
Strand Lifesciences Private Limited	Joint venture of HCG [upto 21 September 2021]
HCG Medi-Surge Hospitals Private Limited	Subsidiary of HCG
APEX HCG Oncology Hospitals LLP	Subsidiary of HCG
HCG Foundation	Enterprise / individuals having significant influence
Girish Patel	Enterprise / individuals having significant influence [upto 30 September 2021]
Nathalal Ladani	
Prashant Trivedi	
Sanjay Bhatt	
Bharat Parekh	
Vinod Rakholia	
Yogesh Mehta	
Sun Medisurge Private Limited	
Dr. Bharat Ghadhavi	
Dr. Sudhir Bhimani (upto 30 September 2021)	Key Management Personnel (KMP)
Dr. B S Ramesh	

**Transaction during the year period with related parties**

<b>Particulars</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
Capital infusion /(withdrawn)		
HealthCare Global Enterprises Limited	165.22	113.13
Shiv Sun Medical Services LLP	-	(24.82)
Niruja Product Development and Healthcare Research Private Limited	-	0.01
Purchase of pharmacy products and consumables / (credit note)		
HealthCare Global Enterprises Limited	(0.25)	6.49
Medical consultancy charges		
Girish Patel	-	0.02
Sanjay Bhatt	-	0.01
Bharat Parekh	-	0.01
Yogesh Mehta	-	0.03
Lease rent		
Sun Medisurge Private Limited	-	13.20
Reimbursement of expense on employee stock option scheme		
HealthCare Global Enterprises Limited	0.55	0.05
Sale of medical and non medical items		
HealthCare Global Enterprises Limited	(0.38)	2.96
Diagnostic Services		
HealthCare Global Enterprises Limited	0.12	-
HCG Oncology LLP	1.13	-
Corporate guarantee taken		
HealthCare Global Enterprises Limited	-	172.00
Interest expense		
HealthCare Global Enterprises Limited	-	3.39
Corporate guarantee expense		
HealthCare Global Enterprises Limited	-	-

**Note**  
**No.**

**Balances with related parties**

<b>Particulars</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
Fixed contribution		
HealthCare Global Enterprises Limited	0.74	0.74
Niruja Product Development and Healthcare Research Private Limited	-	-
Current contribution (net of share of losses)		
HealthCare Global Enterprises Limited	545.17	379.96
Trade payable		
HealthCare Global Enterprises Limited	28.87	39.46
Trade receivables		
HCG Foundation	-	0.49
Corporate guarantee taken		
HealthCare Global Enterprises Limited	57.98	172.00

**26 Unhedged foreign currency exposure**

<b>Currency</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
Deferred payment obligations (INR)	-	-
Deferred payment obligations (USD)	-	-

- 27** The LLP's operations comprises of only one segment viz., is engaged in managing hospitals and medical diagnostic services including scientific testing and consultancy services in the pharmaceutical and medical sector. The LLP's operations are in India and therefore there are no secondary geographical segments.

**28 Employee benefits**

**Defined contribution plan**

The Company makes Provident Fund contributions (PF) and Employee State Insurance Scheme (ESI), which are a defined contribution plan, for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. Contribution to defined plan recognised in the Statement of Profit and Loss:

<b>Particulars</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
Provident Fund contributions	4.47	3.42
Employee State Insurance Scheme	-	-

**Defined benefit plan**

The Company has a defined Gratuity benefit plan. The following table summarizes the components of net employee benefit expenses recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the plan.

<b>Particulars</b>	<b>31-Mar-2023</b>	<b>31-Mar-2022</b>
<b>Components of employer expense</b>		
Current service cost	0.43	0.24
Past service cost	-	-
Interest cost	0.10	0.05
Expected return on plan assets	-	-
Actuarial losses / (gain)	0.79	0.08
<b>Total expense recognized in Statement of Profit and Loss</b>	<b>1.32</b>	<b>0.37</b>
<b>Actual contributions and benefits payments</b>		
Actual benefit payments	-	-
Actual contributions	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	2.11	0.96
Fair value of plan assets	-	-
<b>Funded status [Surplus / (Deficit)]</b>	<b>2.11</b>	<b>0.96</b>
Unrecognised actuarial (gains) / losses	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>2.11</b>	<b>0.96</b>
Current	0.42	0.15
Non-current	1.68	0.81
<b>Change in defined benefit obligations (DBO) during the year</b>		
<b>Present value of DBO at beginning of the year</b>	<b>0.96</b>	<b>0.59</b>
Current service cost	0.43	0.24
Interest cost	0.10	0.05
Actuarial (gains) / losses	0.79	0.08
Past service cost	-	-
Benefits paid	(0.17)	-
<b>Present value of DBO at the end of the year</b>	<b>2.11</b>	<b>0.96</b>

Note  
No.

Defined benefit obligation	2.11	0.96
Fair value of plan assets	-	-
<b>Funded status [Surplus / (Deficit)]</b>	<b>2.11</b>	<b>0.96</b>
Experience gain / (loss) adjustments on plan liabilities	0.79	0.08
Experience gain / (loss) adjustments on plan assets	-	-
<b>Principal assumptions for Gratuity and Compensated absence</b>		
Discount rate	7.30%	5.00%
Salary escalation	5.00%	5.00%
Attrition rate	30.00%	45%
Retirement age [in years]	60	60
Mortality table	IAL2012-14Ult	

**29 Details of leasing arrangements**

The LLP has entered into operating lease arrangements for hospital buildings and fittings. The lease is non-cancellable for a period of 9 years for the LLP. The escalation in rent for the lease agreement provides an increment of 12% every 3 years. During the previous, on account of lease term modification from 18 years to 9 years, the lease equalisation charge is reduced significantly. On account of the reduced lease term, there was a reduction in rent expense and rent equalization reserve by ₹ 17.36, which is recognised during the previous year and adjusted through the Statement of Profit and Loss.

Particulars	31-Mar-2023	31-Mar-2022
Upto One year	24.65	24.65
More than one year and upto five years	91.26	115.91
More than five years	-	-

29 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.