

INDEPENDENT AUDITORS' REPORT

To the Partners of HCG Oncology LLP

Opinion

We have audited the accompanying Statement of Accounts of HCG Oncology LLP ("the LLP"), which comprise the Statement of Assets and Liabilities as at 31 March 2019, the Statement of Income and Expenditure, Cash Flow Statement for the year then ended, and notes to the Statement of Accounts, including a summary of the significant accounting policies (collectively referred to as "the Statement of Accounts").

In our opinion, the accompanying Statement of Accounts give a true and fair view of the financial position of the LLP as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards issued by 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 SAs are further described in the *Auditor's Responsibilities for the Audit of the Statement of Accounts* 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management for the Statement of Accounts

The LLP's Management (designated partners) is responsible for the preparation of the Statement of Accounts in accordance with the Rule 24 of the Limited Liability Partnership Rules, 2009 ("the Rules"), and for such internal control as management determines is necessary to enable the preparation of the Statement of Accounts that are free from material misstatement, whether due to fraud or error.

In preparing the Statement of Accounts, LLP's Management is 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 LLP's Management either intend to liquidate the LLP or to cease operations, or has no realistic alternative but to do so.

Management is also responsible for overseeing the LLP's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement of Accounts

Our objectives are to obtain reasonable assurance about whether the Statement of Accounts 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

HCG Oncology LLP
Independent Auditors' Report (continued)

reasonably be expected to influence the economic decisions of users taken on the basis of these Statement of Accounts.

Auditor's Responsibilities for the Audit of the Statement of Accounts (continued)

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 Statement of Accounts, 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 the effectiveness of the LLP's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the LLP's Management.
- Conclude on the appropriateness of the LLP's Management 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 Statement of Accounts 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.

We communicate with the LLP's Management 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.

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

Amit Somani
Partner
Membership No. 060154
UDIN No: 19060154AAAAAW6413

Place: Bangalore
Date: 8 August 2019

HCG Oncology LLP**Statement of assets and liabilities**

(All amounts in Indian rupees, except share data and unless otherwise specified)

| | Note No. | As at 31 March 2019 | As at 31 March 2018 |
|---|----------|------------------------|------------------------|
| Contribution and Liabilities | | | |
| Partners' funds | | | |
| Contribution | 3 | 1134,28,617 | 1134,28,617 |
| Reserves and surplus | 4 | (1771,77,383) | (1374,81,498) |
| | | (637,48,766) | (240,52,881) |
| Non-current liabilities | | | |
| Long-term borrowings | 5 | 3483,82,218 | 2694,70,957 |
| Other non-current liabilities | 6 | 230,66,516 | 151,61,950 |
| Long-term provisions | 7 | 3,64,195 | 3,77,230 |
| | | 3718,12,929 | 2850,10,137 |
| Current liabilities | | | |
| Trade payables | 8 | 1195,08,303 | 731,20,342 |
| Other current liabilities | 9 | 667,54,373 | 1460,62,679 |
| Short-term provisions | 10 | 3,90,185 | 3,17,916 |
| | | 1866,52,861 | 2195,00,937 |
| Total | | 4947,17,024 | 4804,58,193 |
| Assets | | | |
| Non-current assets | | | |
| Fixed Assets | | | |
| -Plant, property and equipments | 11 | 3325,41,602 | 3614,64,454 |
| -Intangible assets | 12 | 20,80,863 | 38,56,729 |
| Long-term loans and advances | 13 | 558,42,941 | 462,45,849 |
| Other non-current assets | 14 | 46,12,549 | 15,54,053 |
| | | 3950,77,955 | 4131,21,085 |
| Current assets | | | |
| Inventories | 15 | 114,83,883 | 95,29,303 |
| Trade receivables | 16 | 510,27,343 | 305,53,307 |
| Cash and cash equivalents | 17A | 104,42,548 | 45,89,367 |
| Bank balance other than cash and cash equivalents above | 17B | 88,69,563 | 88,69,563 |
| Short-term loans and advances | 18 | 73,70,776 | 46,28,462 |
| Other current assets | 19 | 104,44,956 | 91,67,106 |
| | | 996,39,069 | 673,37,108 |
| Total | | 4947,17,024 | 4804,58,193 |

Significant accounting policies 2
The accompanying notes are an integral part of these statement of accounts

As per our reports of even date attached

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

Chartered Accountants

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

for and on behalf of
HCG Oncology LLP**Amit Somani**

Partner

Membership Number: 060154

Dr. B S Ajaikumar

Designated Partner

DIN : 00713779

Dr. Rajiv Gopinath Bhatt

Partner

DIN: 06719548

Place: Bengaluru

Date : 08 August 2019

Place: Bengaluru

Date : 08 August 2019

Place: Bengaluru

Date : 08 August 2019

HCG Oncology LLP**Statement of income and expenditure**

(All amounts in Indian rupees, except share data and unless otherwise specified)

| | Note No. | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|----------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue from operations | 20 | 4272,83,276 | 3279,56,492 |
| Other income | 21 | 29,27,641 | 29,96,925 |
| Total income | | 4302,10,917 | 3309,53,417 |
| Expenditure | | | |
| Purchase of medical and non medical items | 22 | 1224,74,759 | 907,15,015 |
| Changes in inventories | 23 | (19,54,580) | (9,58,359) |
| Employee benefits expense | 24 | 640,72,599 | 535,90,313 |
| Depreciation and amortisation expense | 11 & 12 | 381,16,746 | 370,54,880 |
| Finance costs | 25 | 390,40,050 | 190,55,982 |
| Other expenses | 26 | 2081,57,228 | 1845,49,155 |
| Total expenditure | | 4699,06,802 | 3840,06,986 |
| Loss before tax | | (396,95,885) | (530,53,569) |
| Tax expense | | - | - |
| Loss after tax | | (396,95,885) | (530,53,569) |

Significant accounting policies

2

The accompanying notes are an integral part of these statement of accounts

As per our reports of even date attached

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

Chartered Accountants

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

for and on behalf of
HCG Oncology LLP**Amit Somani**

Partner

Membership Number: 060154

Place: Bengaluru

Date : 08 August 2019

Dr. B S Ajaikumar

Designated Partner

DIN : 00713779

Place: Bengaluru

Date : 08 August 2019

Dr. Rajiv Gopinath Bhatt

Partner

DIN: 06719548

Place: Bengaluru

Date : 08 August 2019

HCG Oncology LLP**Cashflow Statement for the year ended 31 March 2019**

(All amounts in Indian rupees, except share data and unless otherwise specified)

| Particulars | Note No. | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|--|----------|-------------------------------------|-------------------------------------|
| Cash flow from operating activities | | | |
| Loss before tax | | (396,95,885) | (530,53,569) |
| Adjustments for: | | | |
| Finance costs | | 382,98,740 | 190,55,982 |
| Depreciation and amortisation expense | | 381,16,746 | 370,54,880 |
| Interest income | | (9,18,696) | (12,30,468) |
| Rent equalisation | | 79,04,566 | 79,04,566 |
| Operating profit before working capital changes | | 437,05,471 | 97,31,391 |
| Changes in working capital: | | | |
| Inventories | | (19,54,580) | (9,58,359) |
| Trade receivables | | (204,74,036) | (195,58,862) |
| Other current assets | | (3,48,699) | 121,15,568 |
| Trade payables | | 463,87,961 | (186,77,884) |
| Other liabilities | | 45,73,462 | 379,95,420 |
| Provisions | | 59,234 | 2,88,514 |
| Cash generated from operations | | 719,48,813 | 209,35,788 |
| Income tax paid (net) | | (164,17,542) | (54,35,449) |
| Net cash flow from operating activities (A) | | 555,31,271 | 155,00,339 |
| B. Cash flow from investing activities | | | |
| Capital expenditure on fixed assets, including capital advances | | (35,94,738) | (146,73,030) |
| Bank deposits | | (21,85,000) | - |
| Interest received | | 45,200 | 31,530 |
| Net cash used in investing activities (B) | | (57,34,538) | (146,41,500) |
| C. Cash flow from financing activities | | | |
| Proceeds from contribution of members | | - | 61,00,000 |
| Proceeds from long-term borrowings | | 3291,55,944 | 1547,44,469 |
| Repayment from long-term borrowings | | (3307,63,263) | (1399,02,587) |
| Finance cost | | (423,36,233) | (152,34,600) |
| Net cash (used in)/ generated from financing activities (C) | | (439,43,552) | 57,07,282 |
| Net increase in cash and cash equivalents (A+B+C) | | 58,53,181 | 65,66,121 |
| Cash and cash equivalents at the beginning of the year | | 45,89,367 | (19,76,754) |
| Cash and cash equivalents at the end of the year | 17 | 104,42,548 | 45,89,367 |

Significant accounting policies

The accompanying notes are an integral part of these statement of accounts

As per our reports of even date attached

For B S R & Co. LLP

Chartered Accountants

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

for and on behalf of

HCG Oncology LLP**Amit Somani**

Partner

Membership Number: 060154

Dr. B S Ajaikumar

Designated Partner

DIN : 00713779

Dr. Rajiv Gopinath Bhatt

Partner

DIN: 06719548

Place: Bengaluru

Date : 08 August 2019

Place: Bengaluru

Date : 08 August 2019

Place: Bengaluru

Date : 08 August 2019

1 Corporate information

HCG Oncology LLP (‘the Firm’) is a hospital offering specialized services in cancer treatment. The registered office of the Firm is situated at #1, Maharashtra Society, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006. The Firm was incorporated on 29 November 2014.

2 Summary of significant accounting policies

2.1 Basis of accounting and preparation of statement of accounts

The statement of accounts of the Firm have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and relevant provision of Rule 24 of the Limited Liability Partnership Rules, 2009 (The Rules). The statement of accounts have been prepared on accrual basis under the historical cost convention.

The Firm has incurred losses during the year. However, these statement of accounts have been prepared on a going concern basis based on Management's estimates of future operations and the letter of support received from the HealthCare Global Enterprises Limited (the Holding Company).

2.2 Use of estimates

The preparation of the statement of accounts 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 statement of accounts 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.

2.3 Current and non-current classification

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

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

All other assets are classified as non-current.

Operating cycle

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

2.4 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average cost basis. 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 First in First out (FIFO) method.

2.5 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.

2.6 Cash flow statement

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

2.7 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.

2.8 Other income

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

2.9 Fixed assets

Tangible assets

Tangible assets are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of tangible assets 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 Firm depreciates tangible assets over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. The estimated useful lives of assets as follows:

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

The cost and related accumulated depreciation are eliminated from the statement of assets and liabilities upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of income and expenditure. 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 |

2.10 Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences on monetary items are recognised in the Statement of income and expenditure 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.

2.11 Employee benefits

Defined contribution plan

Contributions to the recognized provident fund which are defined contribution schemes, are charged to the Statement of Income and Expenditure.

Defined benefit plans

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

Compensated absences

The employees cannot carry-forward a portion of the unutilized accrued compensated absences and receive cash compensation at the end of the financial year. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The Firm records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement.

2.12 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 income and expenditure 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 upto 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 income and expenditure during extended periods when active development activity on the qualifying assets is interrupted.

2.13 Taxes on income

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

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

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

2.14 Provisions and contingencies

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

Onerous contracts

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

2.15 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 income and expenditure on a straight-line basis over the lease term.

2.16 Impairment

The Firm assesses at each Statement of Assets and Liabilities date whether there is any indication that an asset may be impaired. If any such indication exists, the firm estimates the recoverable amount of the asset. 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 Income and Expenditure. 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.

3 Contribution

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---------------------------------------|---------------------------|---------------------------|
| Capital account | | |
| Fixed capital contribution | | |
| HealthCare Global Enterprises Limited | 3,70,000 | 3,70,000 |
| Dr. Rajiv Bhatt | 1,30,000 | 1,30,000 |
| | <u>5,00,000</u> | <u>5,00,000</u> |
| Variable capital contribution | | |
| HealthCare Global Enterprises Limited | | |
| Balance at the beginning of the year | 738,01,217 | 738,01,217 |
| Add: Additional contribution | - | - |
| Balance at the end of the year | <u>738,01,217</u> | <u>738,01,217</u> |
| Dr. Rajiv Bhatt | | |
| Balance at the beginning of the year | 391,27,400 | 330,27,400 |
| Add: Additional contribution | - | 61,00,000 |
| Balance at the end of the year | <u>391,27,400</u> | <u>391,27,400</u> |
| | <u>1134,28,617</u> | <u>1134,28,617</u> |

4 Reserves and surplus

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Deficit (statement of income and expenditure) | | |
| At the commencement of the year | (1374,81,498) | (844,27,929) |
| Add: loss for the year | (396,95,885) | (530,53,569) |
| Amount available for appropriation | (1771,77,383) | (1374,81,498) |
| Share of losses appropriated to HealthCare Global Enterprises Limited | (1311,11,263) | (1017,36,309) |
| Share of losses appropriated to Dr. Rajiv Bhatt | (460,66,120) | (357,45,189) |
| At the end of the year | <u>(1771,77,383)</u> | <u>(1374,81,498)</u> |

5 Long-term borrowings

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|---------------------------|---------------------------|
| Secured: | | |
| - Term loan from banks (refer note (i)) | 3333,82,218 | 2540,70,957 |
| Unsecured: | | |
| - Loan from holding company (refer note (iii)) | 150,00,000 | 154,00,000 |
| | <u>3483,82,218</u> | <u>2694,70,957</u> |

Notes:

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|-------------|------------------------|------------------------|
|-------------|------------------------|------------------------|

(i) Secured term loan from banks:

| | | |
|--|-------------|-------------|
| Non-current portion | 3333,82,218 | 2540,70,957 |
| Amounts included under current maturities of long-term debt | 68,97,896 | 92,73,511 |

Security: Exclusive charge on all assets (Equipments) and other fixed assets purchased through bank finance. First pari passu charge on all the movable fixed assets and current assets (both present and future). Corporate guarantee of Healthcare Global Enterprises Limited on the borrowing amount

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

Rate of interest :Yes Bank base rate+ 1.00%

(ii) Deferred payment liabilities: for purchase of fixed assets (unsecured)

| | | |
|--|---|------------|
| Amounts included under current maturities of long-term debt | - | 774,48,660 |
| Rate of interest 3.00% | | |
| Repayment over a period of 3 years | | |

(iii) Loan from holding company (unsecured) (refer note 31)

| | | |
|----------------------------|---------------------------|---------------------------|
| Non-current portion | 150,00,000 | 154,00,000 |
| Rate of interest 12.00% | | |
| Payable on demand | | |
| | <u>3552,80,114</u> | <u>3561,93,128</u> |

6 Other non-current liabilities

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---------------------------|--------------------------|--------------------------|
| Rent equalisation reserve | 230,66,516 | 151,61,950 |
| | <u>230,66,516</u> | <u>151,61,950</u> |

7 Long-term provisions

| Particulars | As at | As at |
|--------------------------|-----------------|-----------------|
| | 31 March 2019 | 31 March 2018 |
| Gratuity (refer note 29) | 3,64,195 | 3,77,230 |
| | 3,64,195 | 3,77,230 |

8 Trade payable

| Particulars | As at | As at |
|---|--------------------|-------------------|
| | 31 March 2019 | 31 March 2018 |
| Total outstanding dues of micro enterprises and small enterprises (refer note 27) | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises* | 1195,08,303 | 731,20,342 |
| | 1195,08,303 | 731,20,342 |

* For details relating to payable to related parties, please refer note 31

9 Other current liabilities

| Particulars | As at | As at |
|--|-------------------|--------------------|
| | 31 March 2019 | 31 March 2018 |
| Current maturities of long-term debt (refer note 5(i)) | 68,97,896 | 92,73,511 |
| Current maturities of deferred payment obligation (refer note 5(ii)) | - | 774,48,660 |
| Interest accrued but not due on borrowings | 8,50,489 | 48,87,982 |
| Statutory remittances | 28,84,016 | 27,87,983 |
| Creditors of capital goods | 26,93,500 | 27,13,500 |
| Advance from customers | 95,05,105 | 90,25,380 |
| Advance payable to holding company (refer note 31) | 376,88,542 | 377,08,807 |
| Accrued salaries and benefits | 62,34,825 | 22,16,856 |
| | 667,54,373 | 1460,62,679 |

10 Short-term provision

| Particulars | As at | As at |
|---|-----------------|-----------------|
| | 31 March 2019 | 31 March 2018 |
| Provision for gratuity (refer note 29) | 21,665 | 2,000 |
| Provision for compensated absence (refer note 29) | 3,68,520 | 3,15,916 |
| | 3,90,185 | 3,17,916 |

HCG Oncology LLP

Notes to statement of accounts for the year ended 31 March 2019

(All amounts in Indian rupees, except share data and unless otherwise specified)

11 Tangible assets

| Description of assets | Leasehold Improvements | Plant and equipment | Lab equipment | Office equipment | Furniture and fixtures | Data processing equipment | Electrical installation | Vehicles | Total |
|--|------------------------|---------------------|------------------|------------------|------------------------|---------------------------|-------------------------|------------------|--------------------|
| I. Cost | | | | | | | | | |
| Balance as at 01 April 2017 | 481,61,794 | 3185,53,128 | 19,85,792 | 24,46,059 | 255,32,217 | 92,31,473 | 37,48,592 | 4,60,436 | 4101,19,491 |
| Additions | 101,60,673 | 33,24,135 | - | 3,90,696 | 10,78,695 | 5,27,128 | - | 10,63,979 | 165,45,306 |
| Transfer In/(Out) | (140,60,000) | 140,60,000 | - | - | - | - | - | - | - |
| Exchange fluctuation | - | (4,41,613) | - | - | - | - | - | - | (4,41,613) |
| Balance as at 31 March 2018 | 442,62,467 | 3354,95,650 | 19,85,792 | 28,36,755 | 266,10,912 | 97,58,601 | 37,48,592 | 15,24,415 | 4262,23,184 |
| Additions | 2,26,770 | 24,39,322 | - | 1,40,147 | 1,69,710 | 4,64,319 | - | - | 34,40,268 |
| Transfer In/(Out) | - | 19,94,261 | - | - | - | (19,94,261) | - | - | - |
| Exchange fluctuation | - | 39,36,460 | - | - | - | - | - | - | 39,36,460 |
| Balance as at 31 March 2019 | 444,89,237 | 3438,65,693 | 19,85,792 | 29,76,902 | 267,80,622 | 82,28,659 | 37,48,592 | 15,24,415 | 4335,99,912 |
| II. Accumulated depreciation | | | | | | | | | |
| Balance as at 01 April 2017 | 32,97,123 | 202,08,733 | 1,65,101 | 3,01,805 | 33,64,347 | 18,70,207 | 2,81,401 | 47,936 | 295,36,653 |
| Depreciation expense | 38,82,864 | 249,92,636 | 1,98,579 | 5,62,316 | 24,92,683 | 25,56,738 | 3,74,859 | 1,61,402 | 352,22,077 |
| Transfer In/(Out) - Accumulated Depreciation | (18,58,616) | 18,58,616 | - | - | - | - | - | - | - |
| Balance as at 31 March 2018 | 53,21,371 | 470,59,985 | 3,63,680 | 8,64,121 | 58,57,030 | 44,26,945 | 6,56,260 | 2,09,338 | 647,58,730 |
| Depreciation expense | 38,47,157 | 258,75,130 | 2,19,574 | 5,79,278 | 26,14,775 | 25,98,255 | 3,74,859 | 1,90,552 | 362,99,580 |
| Balance as at 31 March 2019 | 91,68,528 | 729,35,115 | 5,83,254 | 14,43,399 | 84,71,805 | 70,25,200 | 10,31,119 | 3,99,890 | 1010,58,310 |
| Net block as at 31 March 2018 | 389,41,096 | 2884,35,665 | 16,22,112 | 19,72,634 | 207,53,882 | 53,31,656 | 30,92,332 | 13,15,077 | 3614,64,454 |
| Net block as at 31 March 2019 | 353,20,709 | 2709,30,578 | 14,02,538 | 15,33,503 | 183,08,817 | 12,03,459 | 27,17,473 | 11,24,525 | 3325,41,602 |

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

12 Intangible assets

| Description of assets | Computer software | Total |
|--|-------------------|------------------|
| I. Cost | | |
| Balance as at 01 April 2017 | 57,34,963 | 57,34,963 |
| Additions | 31,910 | 31,910 |
| Balance as at 31 March 2018 | 57,66,873 | 57,66,873 |
| Additions | 41,300 | 41,300 |
| Balance as at 31 March 2019 | 58,08,173 | 58,08,173 |
| II. Accumulated amortisation and impairment | | |
| Balance as at 01 April 2017 | 77,341 | 77,341 |
| Amortisation expense | 18,32,803 | 18,32,803 |
| Balance as at 31 March 2018 | 19,10,144 | 19,10,144 |
| Amortisation expense | 18,17,166 | 18,17,166 |
| Balance as at 31 March 2019 | 37,27,310 | 37,27,310 |
| Net block as at 31 March 2018 | 38,56,729 | 38,56,729 |
| Net block as at 31 March 2019 | 20,80,863 | 20,80,863 |

13 Long-term loans and advances

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| Unsecured, considered good | | |
| Capital advances | 14,24,704 | 45,73,689 |
| Security deposits | 322,68,995 | 323,81,095 |
| Prepaid expenses | - | 35,59,365 |
| Advance income tax and tax deducted at source, net of provision for tax | 221,49,242 | 57,31,700 |
| | 558,42,941 | 462,45,849 |

14 Other non-current assets

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|------------------------------|------------------------|------------------------|
| Bank balance in margin money | 21,85,000 | - |
| Interest accrued on deposits | 24,27,549 | 15,54,053 |
| | 46,12,549 | 15,54,053 |

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

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|-------------------------------|------------------------|------------------------|
| Medical and non medical items | 114,83,883 | 95,29,303 |
| | 114,83,883 | 95,29,303 |

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

16 Trade receivables

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment: | | |
| - Unsecured, considered good | 481,09,445 | 73,41,147 |
| - Doubtful | 3,80,876 | 3,80,876 |
| | 484,90,321 | 77,22,023 |
| Less: Provision for doubtful trade receivables | (3,80,876) | (3,80,876) |
| | 481,09,445 | 73,41,147 |
| Other trade receivables: | | |
| - Unsecured, considered good | 29,17,898 | 232,12,159 |
| - Doubtful | 18,00,011 | 18,00,011 |
| | 47,17,909 | 250,12,170 |
| Less: Provision for doubtful trade receivables | (18,00,011) | (18,00,011) |
| | 29,17,898 | 232,12,159 |
| | 510,27,343 | 305,53,307 |

17 Cash and cash equivalents

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| A. Cash and cash equivalents | | |
| Cash on hand | 13,59,783 | 11,68,880 |
| Cheques, drafts on hand | 66,59,931 | 5,77,026 |
| Balances with banks: | | |
| - On current accounts | 24,22,834 | 28,43,461 |
| Cash and cash equivalents | 104,42,548 | 45,89,367 |
| B. Bank balance other than cash and cash equivalents above | | |
| - On deposit accounts (due to mature within 12 months of the reporting date)* | 88,69,563 | 88,69,563 |
| | 88,69,563 | 88,69,563 |

* The above deposits are restrictive as it pertain to margin money

HCG Oncology LLP**Notes to statement of accounts for the year ended 31 March 2019****(All amounts in Indian rupees, except share data and unless otherwise specified)**

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

| Particulars | As at | |
|---|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Cash on hand | 13,59,783 | 11,68,880 |
| Cheques, drafts on hand | 66,59,931 | 5,77,026 |
| Balances with banks: | | |
| - On current accounts | 24,22,834 | 28,43,461 |
| - On Cash credit accounts | - | - |
| Cash and cash equivalents as per statement of cash flows | 104,42,548 | 45,89,367 |

18 Short-term loans and advances

| Particulars | As at | |
|-----------------------------------|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| <i>Unsecured, considered good</i> | | |
| Loans and advances to employees | 94,600 | 919 |
| Prepaid expenses | 2,60,846 | 7,03,260 |
| Advance to vendor | 70,15,330 | 39,24,283 |
| | 73,70,776 | 46,28,462 |

19 Other current assets

| Particulars | As at | |
|--------------------|----------------------|----------------------|
| | 31 March 2019 | 31 March 2018 |
| Unbilled revenue | 104,44,956 | 91,67,106 |
| | 104,44,956 | 91,67,106 |

| 20 Revenue from operations | | |
|--|-------------------------------------|-------------------------------------|
| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
| Medical service income | 4156,66,697 | 3184,71,575 |
| Sale of medical and non medical items | 116,16,579 | 94,84,917 |
| | 4272,83,276 | 3279,56,492 |
| 21 Other income | | |
| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
| Interest income | 9,18,696 | 12,30,468 |
| Net gain on foreign currency transactions and translation | - | 31,813 |
| Other income | 20,08,945 | 17,34,644 |
| | 29,27,641 | 29,96,925 |
| 22 Purchase of medical and non-medical items | | |
| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
| Medical and non-medical items* | 1224,74,759 | 907,15,015 |
| | 1224,74,759 | 907,15,015 |
| * includes purchases from related parties (refer note 31) | | |
| 23 Changes in inventories | | |
| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
| Inventories at the end of the year: | 114,83,883 | 95,29,303 |
| Inventories at the beginning of the year: | 95,29,303 | 85,70,944 |
| Net increase | (19,54,580) | (9,58,359) |
| 24 Employee benefits expense | | |
| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
| Salaries and wages | 602,56,518 | 508,44,695 |
| Contributions to provident and other funds (refer note 29) | 22,46,140 | 23,26,364 |
| Staff welfare expenses | 15,69,941 | 4,19,254 |
| | 640,72,599 | 535,90,313 |
| 25 Finance costs | | |
| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
| Interest expense on borrowings | 318,06,085 | 169,19,059 |
| Interest on cash credit | 7,34,757 | - |
| Bank charges | 7,41,310 | 15,82,667 |
| Loan processing charges | 57,57,898 | 5,54,256 |
| | 390,40,050 | 190,55,982 |

26 Other expenses

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Medical consultancy charges (refer note 31) | 1067,04,550 | 944,95,825 |
| Lab charges (refer note 31) | 45,74,426 | 15,74,933 |
| Power and fuel | 101,38,477 | 96,95,302 |
| House keeping and security | 50,00,607 | 59,11,186 |
| Rent (refer note 32) | 529,68,147 | 521,85,966 |
| Repairs and maintenance: | | |
| - Buildings | 7,89,568 | 6,35,437 |
| - Machinery | 37,40,781 | 4,10,615 |
| - Others | 19,13,088 | 6,06,923 |
| Insurance | 24,68,879 | 4,07,897 |
| Rates and taxes, excluding taxes on income | 5,03,438 | 5,79,871 |
| Printing and stationery | 7,21,028 | 24,01,011 |
| Business promotion | 98,19,504 | 85,88,485 |
| Travelling and conveyance | 33,04,416 | 18,07,442 |
| Legal and professional | 25,74,412 | 26,36,396 |
| Payments to auditors: | | |
| - As statutory auditors | 7,83,030 | 5,00,000 |
| - Out of pocket expenses and tax on above | 1,73,380 | 1,17,650 |
| Communication | 12,54,907 | 9,56,297 |
| Miscellaneous expenses | 7,24,590 | 10,37,919 |
| | 2081,57,228 | 1845,49,155 |

27 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 2019 has been made in the statements of account based on information received and available with the Limited liability Partnership. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Limited liability Partnership has not received any claim for interest from any supplier.

| Particulars | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| The amounts remaining unpaid to micro and small suppliers as at the end of the year | | |
| Principal | - | - |
| 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 | - | - |

28 During the year the Firm has not entered into any derivative contract. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|------------------------------|-----------------------------|-----------------------------|
| Deferred payment liabilities | - | 774,48,660 |

29 Employee benefit plans

Defined contribution plans

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

The Firm has recognized the following amounts in the Statement of income and expenditure towards its contributions to provident fund.

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Contribution to provident fund included under contribution to provident and other funds | 22,46,140 | 21,09,399 |

Defined benefit plans

The Firm offers the Gratuity benefits (included as part of 'Gratuity Expenses' in Note 24 Employee benefits expense) to its employees. The following table sets out the status of the Gratuity and the amount recognised in the Statement of assets and liabilities:

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|---|---|
| Components of employer expense | | |
| Current service cost | 2,44,494 | 2,08,273 |
| Interest cost | 37,742 | 25,499 |
| Total expense/ (credit) recognised in the Statement of income and expenditure | 2,82,236 | 2,33,772 |
| Actual contribution and benefits payments | | |
| Present value of defined benefit obligation (DBO) | (3,85,860) | (3,79,230) |
| Net asset/(liability) recognised in balance sheet | | |
| Current | (21,665) | (2,000) |
| Non-current | (3,64,195) | (3,77,230) |
| Total asset / (liability) recognised in the balance sheet | (3,85,860) | (3,79,230) |
| Change in defined benefit obligations | | |
| Present value of DBO at beginning of period | 3,79,230 | 1,62,265 |
| Current service cost | 2,44,494 | 2,08,273 |
| Interest cost | 37,742 | 25,499 |
| Actuarial (gains)/ losses | (2,75,606) | 13,193 |
| Benefits paid | - | (30,000) |
| Present value of DBO at the end of period | 3,85,860 | 3,79,230 |
| Actuarial assumption | | |
| Discount rate | 7.00% | 6.80% |
| Expected return on plan assets | NA | NA |
| Salary escalation | 5.00% | 5.00% |
| Attrition rate | 45.00% | 32.00% |
| Retirement age | 58 years | 58 years |
| Mortality | Indian Assured Lives Mortality (2006-08) Ult | Indian Assured Lives Mortality (2006-08) Ult |

Actuarial valuation experience adjustment

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Defined benefit obligation | (3,85,860) | (3,79,230) |
| (Deficit) | (3,85,860) | (3,79,230) |
| Experience adjustment on plan liabilities: | (55,139) | 16,781 |

Note:

The discount rate is based on the prevailing market yields of Government of India securities as at the Statement of assets and liabilities 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.

Compensated absence: Expenses recognised in the Statement of income and expenditure in respect of compensated absences amounts to Rs.207,221 (previous year: Rs.165,341). This employee benefit is not funded.

30 Segment information

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

31 Related party transactions

Details of related parties:

| Description of relationship | Names of related parties |
|-----------------------------|---------------------------------------|
| Designated partner | Healthcare Global Enterprises Limitec |
| Partner | Dr. Rajiv Gopinath Bhatt |
| Common control entity | Strand Life Sciences Private Limitec |

Details of related party transactions during the year ended and

| Transactions during the year ended | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Purchase of pharmacy products and consumables | | |
| HealthCare Global Enterprises Limitec | 311,22,426 | 558,29,050 |
| Medical consultancy charges | | |
| Dr. Rajiv Gopinath Bhatt | 546,09,285 | 474,44,052 |
| Lab charges | | |
| Strand Life Sciences Private Limitec | 34,71,396 | 1,60,480 |
| Interest on loan | | |
| HealthCare Global Enterprises Limitec | 18,43,002 | 37,85,448 |
| Dr. Rajiv Gopinath Bhatt | - | 1,43,345 |
| Contribution of capital | | |
| Dr. Rajiv Gopinath Bhatt | - | 61,00,000 |
| Loan received | | |
| HealthCare Global Enterprises Limitec | 50,00,000 | - |
| Loan repaid | | |
| HealthCare Global Enterprises Limitec | 50,00,000 | - |
| Capital expenditure/ revenue expenditure repayed | | |
| HealthCare Global Enterprises Limitec | 30,17,510 | 5,47,948 |

| Balances outstanding | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| Long-term borrowings | | |
| HealthCare Global Enterprises Limited | 150,00,000 | 154,00,000 |
| Trade Payables | | |
| HealthCare Global Enterprises Limited | 358,38,508 | 326,12,035 |
| Strand Life Sciences Private Limitec | 14,59,805 | 72,880 |
| Other current liabilities | | |
| HealthCare Global Enterprises Limited | 376,88,542 | 377,08,807 |
| Partners Capital Account (fixed) | | |
| HealthCare Global Enterprises Limited | 3,70,000 | 3,70,000 |
| Dr. Rajiv Gopinath Bhatt | 1,30,000 | 1,30,000 |
| Partners Current Account (variable) | | |
| HealthCare Global Enterprises Limited | 738,01,217 | 738,01,217 |
| Dr. Rajiv Gopinath Bhatt | 391,27,400 | 391,27,400 |

32 Details of leasing arrangements

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

| Particulars | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Upto one year | 362,10,038 | 375,62,940 |
| More than one year and upto five years | 1569,56,586 | 1782,59,627 |
| More than five years | 1908,49,446 | 2748,79,334 |
| | 3840,16,070 | 4907,01,902 |
| Lease payments recognised in the Statement of income and expenditure with respect to above mentioned operating lease arrangement. | 375,62,940 | 373,24,193 |

Total rental expenses incurred during the year under cancellable operating leases amounted to Rs. 15,405,207 (previous year: Rs. 14,861,773).

33 Contingent liabilities

In light of recent judgement of Hon'ble Supreme Court dated 28 February 2019, on the definition of 'Basic wage' under the Employees Provident Fund and Misc. Provision Act, 1952, and as per Firm's evaluation based on legal advice, there are significant uncertainties and numerous interpretation issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic wage would be applicable prospectively or retrospectively. The Firm will evaluate its position and update provision, if required, basis further clarity on the subject. The Firm does not expect the amount to be material to the statement of accounts.

Other litigations

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

34 Commitments

| | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for | 8,71,155 | - |

35 Deferred taxation

The Firm has a deferred tax asset position as at 31 March 2019 and 31 March 2018. No deferred tax asset is recognized as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised by the Firm.

36 Previous year figures have been regrouped / re-classed wherever necessary in conformity with the current year presentation:

| Particulars | Note | Amount as per previous year financials | Adjustments | Revised amount for previous year |
|---------------------------|------|--|--------------|-------------------------------------|
| Trade payable | 8 | 1108,29,149 | (377,08,807) | 731,20,342 |
| Other current liabilities | 9 | 1083,53,872 | 377,08,807 | 1460,62,679 |
| Revenue from operations | 20 | 3292,44,285 | (12,87,793) | 3279,56,492 |
| Other income | 21 | 17,09,132 | 12,87,793 | 29,96,925 |

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 Oncology LLP

Amit Somani
Partner
Membership Number: 060154

Dr. B S Ajaikumar
Designated Partner
DIN : 00713779

Dr. Rajiv Gopinath Bhatt
Partner
DIN: 06719548

Place: Bengaluru
Date : 08 August 2019

Place: Bengaluru
Date : 08 August 2019

Place: Bengaluru
Date : 08 August 2019