

Independent Auditors' Report

To the Partners of Apex HCG Oncology Hospitals LLP

Report on the Audit of the Statements of Account

As required by rule 24(8) of the Limited Liability Partnership Rules, 2009 ('the Rules'), we have audited the accompanying Statements of Account of Apex HCG Oncology Hospitals LLP ("the LLP" or "the entity"), which comprise the Statement of Assets and Liabilities as at 31 March 2018, the Statement of Income and Expenditure and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred as "the Statements of Account").

Management's Responsibility for the Statements of Account

Management is responsible for the preparation of these Statements of Account that give a true and fair view of the financial position, financial performance and cash flows of the LLP in accordance with the accounting principles generally accepted in India, including the accounting standards issued by the Institute of Chartered Accountants of India ('the ICAI') and the provisions of the Limited Liability Partnership Act, 2008 ('the Act'), to the extent applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statements of Account that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statements of Account, 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 management either intends to liquidate the LLP or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statements of Account based on our audit.

We conducted our audit of the Statements of Account in accordance with the Standards on Auditing issued by ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statements of Account are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statements of Account. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statements of Account, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Entity's preparation of the Statements of Account that give a true and fair view 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 controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the entity's Management, as well as evaluating the overall presentation of the Statements of Account.

Independent Auditors' Report (continued)

Apex HCG Oncology Hospitals LLP

Auditor's responsibility (continued)

We are also responsible to 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 the auditor's report to the related disclosures in the Statements of Account or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Statements of Account.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, in our opinion the aforesaid Statements of Account give the information required by the applicable accounting principles in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the entity as at 31 March 2018, its loss and its cash flows for the year ended on that date.

Corresponding figures for the year ended 31 March 2017 of the Statements of Account have been audited by the predecessor auditor who expressed an unmodified opinion dated 19 May 2017.

This certificate is issued solely to comply with the aforementioned Act and related Rules, and may not be suitable for any other purpose. Accordingly, our certificate should not be quoted or referred to in any other document made available to any other person or persons without our prior written consent.

for B S R & Co. LLP

Chartered Accountants

ICAI firm registration number: 101248W /W-100022

Amit Somani

Partner

Membership number: 060154

Place: Bengaluru

Date: 31 July 2018

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

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

	Note No.	As at 31 March 2018	As at 31 March 2017
Contribution and liabilities			
Partners' funds			
Contribution	3	350,609,830	132,942,423
Reserves and surplus	4	(135,569,984)	535,404
		215,039,846	133,477,827
Non-current liabilities			
Long-term borrowings	5	277,888,810	311,645,560
Other non-current liabilities	6	7,448,968	-
Long-term provisions	7	638,466	-
		285,976,244	311,645,560
Current liabilities			
Trade payables	8	47,567,247	8,612,894
Other current liabilities	9	130,897,976	19,461,420
Short-term provisions	10	1,015,847	-
		179,481,070	28,074,314
Total		680,497,160	473,197,701
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	11	535,109,941	-
Capital work in progress	11	713,193	329,395,874
Long-term loans and advances	12	95,777,358	115,764,596
Other non-current assets	13	13,879,280	11,566,544
		645,479,772	456,727,014
Current assets			
Inventories	14	7,909,154	-
Trade receivables	15	7,232,859	-
Cash and cash equivalents	16	9,162,898	15,300,970
Short-term loans and advance	17	4,079,658	1,169,717
Other current assets	18	6,632,819	-
		35,017,388	16,470,687
Total		680,497,160	473,197,701

Significant accounting policies 2
The accompanying notes are an integral part of these statements of account

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
Apex HCG Oncology Hospitals LLP

Amit Somani
Partner
Membership number: 060154

Dinesh Madhavan
Designated Partner
DIN: 7497791

Sangeetha Shah
Designated Partner
DIN: 3482586

Place : Bengaluru
Date : 31 July 2018

Place : Bengaluru
Date : 31 July 2018

Place : Mumbai
Date : 30 July 2018

Apex HCG Oncology Hospitals 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 2018	For the year ended 31 March 2017
Income		
Revenue from operations	19 90,676,773	-
Other income	20 961,284	597,342
Total income	91,638,057	597,342
Expenditure		
Purchases of medical and non-medical items	21 24,431,979	-
Changes in inventories	22 (7,909,154)	-
Employee benefits expense	23 37,836,888	-
Finance costs	24 9,940,627	61,938
Depreciation and amortisation expense	11 24,625,882	-
Other expenses	25 138,817,223	-
Total expenditure	227,743,445	61,938
(Loss)/profit before tax	(136,105,388)	535,404
Tax expense	-	-
(Loss)/profit after tax	(136,105,388)	535,404

Significant accounting policies

2

The accompanying notes are an integral part of these statements of account

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

Apex HCG Oncology Hospitals LLP

Amit Somani

Partner

Membership number: 060154

Dinesh Madhavan

Designated Partner

DIN: 7497791

Sangeetha Shah

Designated Partner

DIN: 3482586

Place : Bengaluru

Date : 31 July 2018

Place : Bengaluru

Date : 31 July 2018

Place : Mumbai

Date : 30 July 2018

Apex HCG Oncology Hospitals LLP
Cashflow Statement for the year ended 31 March 2018
(All amounts in Indian rupees, except share data and unless otherwise specified)

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flow from operating activities			
(Loss)/profit before tax		(136,105,388)	535,404
Adjustments for:			
Finance costs		9,940,627	61,938
Interest income		(953,373)	(557,915)
Depreciation and amortisation expense		24,625,882	-
Operating (loss)/ profit before working capital changes		(102,492,252)	39,427
Changes in working capital:			
Inventories		(7,909,154)	-
Trade receivables		(7,232,859)	-
Loans and advances		1,790,172	(60,677,298)
Other current assets		(6,632,819)	-
Trade payables		38,954,353	8,560,813
Other current liabilities		16,824,780	971,378
Provision		1,654,313	-
Cash used in operations		(65,043,466)	(51,105,680)
Income tax, net		(407,146)	-
Net cash used in operating activities (A)		(65,450,612)	(51,105,680)
Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances		(233,608,127)	(281,450,937)
Interest received		929,902	452,004
Margin money deposits		(2,289,265)	(11,460,633)
Net cash used in investing activities (B)		(234,967,490)	(292,459,566)
Cash flow from financing activities			
Proceeds from contribution of members		217,667,407	47,270,440
Proceeds of long-term borrowings		86,553,250	311,645,560
Finance cost		(9,940,627)	(61,938)
Net cash flow from financing activities (C)		294,280,030	358,854,062
Net (decrease)/increase in cash and cash equivalents		(6,138,072)	15,288,816
Cash and cash equivalents at the beginning of the year	16	15,300,970	12,154
Cash and cash equivalents at the end of the year		9,162,898	15,300,970

Significant accounting policies

2

The accompanying notes are an integral part of these statements of account

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
Apex HCG Oncology Hospitals LLP

Amit Somani
Partner
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Designated Partner
DIN: 3482586

Place : Bengaluru
Date : 31 July 2018

Place : Bengaluru
Date : 31 July 2018

Place : Mumbai
Date : 30 July 2018

Apex HCG Oncology Hospitals LLP
Notes to statements of account for the year ended 31 March 2018.

1 Corporate information

The Apex HCG Oncology Hospitals LLP ("the Firm" or "LLP") is a Limited Liability Partnership registered under Limited Liability Partnership Act, 2008 and incorporated on 31 May 2013. HealthCare Global Enterprises Limited (HCG) and Apex Criticare LLP (Apex) are partners in LLP having capital and profit sharing ratio of 50.01 : 49.99.

2 Summary of significant accounting policies

2.1 Basis of accounting and preparation of statements of account

The statements of account of the Firm have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and relevant provision of Limited Liability Partnership Act, 2008. The statements of account have been prepared on accrual basis under the historical cost convention.

The Firm has incurred losses during the year. However, these statements of account 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 statements of account 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 statements of account 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, and shown net of provision for obsolescence. 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 VAT/GST wherever applicable applying 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 acquisition), 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.

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
Office Equipments	05 years
Furniture and Fixures	10 years
Data Processing Equipments	3-6 years
Electrical Installation	10 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.

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 can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The 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 statements of account.

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 company 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 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.

Apex HCG Oncology Hospitals LLP
Notes to statements of account for the year ended 31 March 2018.
(All amounts in Indian rupees, except share data and unless otherwise specified)

3 Contribution

Particulars	As at 31 March 2018	As at 31 March 2017
Capital account		
Fixed capital contribution		
HealthCare Global Enterprises Limited	3,131,250	3,131,250
Apex Criticare LLP	3,118,750	3,118,750
	6,250,000	6,250,000
Variable capital contribution		
Apex Criticare LLP		
Balance at the beginning of the year	59,120,272	49,666,033
Add: Additional contribution	9,980,000	9,454,239
Balance at the end of the year	69,100,272	59,120,272
HealthCare Global Enterprises Limited		
Balance at the beginning of the year	67,572,151	29,755,950
Add: Additional contribution	207,687,407	37,816,201
Balance at the end of the year	275,259,558	67,572,151
Total	350,609,830	132,942,423

4 Reserves and surplus

Particulars	As at 31 March 2018	As at 31 March 2017
Surplus/(deficit) (statement of income and expenditure)		
At the commencement of the year	535,404	-
Add: (Loss)/profit for the year	(136,105,388)	535,404
Amount available for appropriation	(135,569,984)	535,404
Share of (loss)/profit appropriated to HealthCare Global Enterprises Limited	(67,920,562)	267,756
Share of (loss)/profit appropriated to Apex Criticare LLP	(67,649,422)	267,648
At the end of the year	(135,569,984)	535,404

5 Long-term borrowings

Particulars	As at 31 March 2018	As at 31 March 2017
Secured:		
Term loans from banks (refer note (i))	169,860,000	85,500,000
Unsecured:		
Deferred payment obligations (refer note (ii))	108,028,810	226,145,560
	277,888,810	311,645,560

Notes:

Details of security and terms of repayment for the long-term borrowings:

Particulars	As at 31 March 2018	As at 31 March 2017
(i). Term loans from banks - Secured		
Non-current portion	169,860,000	85,500,000
Amounts included under Current maturities of long-term debt	-	-
- Secured by exclusive charge on equipments purchased from these loans, exclusive charge on all movable fixed assets and current assets (both present and future, not charged exclusively to any other lender) and unconditional and irrecoverable corporate guarantee and debt shortfall undertaking from HealthCare Global Enterprises and Apex Criticare LLP.		
- Rate of interest: 1.25% spread over and above Yes Bank half yearly MCLR.		
- Repayable in installments over a period of 7 to 10 years from the date of borrowing.		
(ii) Deferred payment obligations - Unsecured		
Non-current portion	108,028,810	226,145,560
Amounts included under Current maturities of long-term debt	120,310,000	-
- Rate of interest 3% p.a		
- Repayment in installments over a period of 1 to 3 years		
Total	398,198,810	311,645,560
Non-current portion	277,888,810	-
Amounts included under Current maturities of long-term debt	120,310,000	311,645,560

Apex HCG Oncology Hospitals LLP
Notes to statements of account for the year ended 31 March 2018.
(All amounts in Indian rupees, except share data and unless otherwise specified)

6 Other non-current liabilities

Particulars	As at	As at
	31 March 2018	31 March 2017
Rent equalisation reserve	7,448,968	-
	7,448,968	-

7 Long term provision

Particulars	As at	As at
	31 March 2018	31 March 2017
Gratuity (refer note 29)	638,466	-
	638,466	-

8 Trade payables

Particulars	As at	As at
	31 March 2018	31 March 2017
Trade payables:		
Total outstanding dues of micro enterprises and small enterprises (refer note 26)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	47,567,247	8,612,894
	47,567,247	8,612,894

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

9 Other current liabilities

Particulars	As at	As at
	31 March 2018	31 March 2017
Current maturities of deferred payment obligation (refer note 5(ii))	120,310,000	-
Creditors for capital goods	139,636	18,388,892
Advance from customers	7,559,074	-
Statutory remittances	1,752,477	1,072,528
Accrued salaries and benefits	1,136,789	-
	130,897,976	19,461,420

10 Short term provisions

Particulars	As at	As at
	31 March 2018	31 March 2017
Provision for gratuity (refer note 29)	185,000	-
Provision for compensated absence (refer note 29)	830,847	-
	1,015,847	-

Apex HCG Oncology Hospitals LLP

Notes to statements of account for the year ended 31 March 2018.

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

11 Tangible assets and Capital work in progress

Description of assets	Leasehold improvements	Plant and equipment	Office equipment	Furniture and Fixtures	Data processing equipment	Electrical installation	Total (A)	Capital work in progress (B)	Total (A+B)
I. Cost									
Balance as at 01 April 2016	-	-	-	-	-	-	-	5,853,352	5,853,352
Additions	-	-	-	-	-	-	-	323,542,522	323,542,522
Balance as at 31 March 2017	-	-	-	-	-	-	-	329,395,874	329,395,874
Additions	46,372,364	486,972,359	5,362,337	16,655,629	4,818,196	290,141	560,471,026	713,193	561,184,219
Capitalised								329,395,874	329,395,874
Exchange Fluctuation	-	(735,203)	-	-	-	-	(735,203)	-	(735,203)
Balance as at 31 March 2018	46,372,364	486,237,156	5,362,337	16,655,629	4,818,196	290,141	559,735,823	713,193	561,184,219
II. Accumulated depreciation									
Balance as at 01 April 2016	-	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	-	-	-	-	-	-	-	-	-
Depreciation expense	1,330,480	20,350,684	756,837	1,221,476	949,553	16,852	24,625,882	-	24,625,882
Balance as at 31 March 2018	1,330,480	20,350,684	756,837	1,221,476	949,553	16,852	24,625,882	-	24,625,882
Net block as at 31 March 2017	-	-	-	-	-	-	-	-	5,853,352
Net block as at 31 March 2018	45,041,884	465,886,472	4,605,500	15,434,153	3,868,643	273,289	535,109,941	713,193	536,558,337

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

Apex HCG Oncology Hospitals LLP

Notes to statements of account for the year ended 31 March 2018.

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

12 Long-term loans and advances

Particulars	As at 31 March 2018	As at 31 March 2017
Capital advances	13,589,940	29,284,211
Prepaid expenses	5,987,452	11,480,385
Advance tax paid	407,146	-
Security deposits	75,792,820	75,000,000
	95,777,358	115,764,596

13 Other non-current assets

Particulars	As at 31 March 2018	As at 31 March 2017
Interest accrued on deposits	129,382	105,911
Bank balance in margin money	13,749,898	11,460,633
	13,879,280	11,566,544

14 Inventories (at lower of cost and net realisable value)

Particulars	As at 31 March 2018	As at 31 March 2017
Medical and non-medical items	7,909,154	-
	7,909,154	-

15 Trade receivables

Particulars	As at 31 March 2018	As at 31 March 2017
Other trade receivables:		
- Unsecured, Considered good	7,232,859	-
- Considered doubtful	-	-
	7,232,859	-
Less: Provision for doubtful trade receivables	-	-
	7,232,859	-

16 Cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents		
Cash on hand	88,260	-
Balances with banks:		
On current accounts	9,074,638	15,300,970
	9,162,898	15,300,970

17 Short-term loans and advance

Particulars	As at 31 March 2018	As at 31 March 2017
Considered good		
- Loans and advances to employees	146,171	118,335
- Prepaid expenses	3,933,487	1,051,382
	4,079,658	1,169,717

18 Other current assets

Particulars	As at 31 March 2018	As at 31 March 2017
Unbilled revenue	6,632,819	-
	6,632,819	-

Apex HCG Oncology Hospitals LLP

Notes to statements of account for the year ended 31 March 2018.

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

19 Revenue from operations

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Medical service income	87,922,671	-
Sale of medical and non-medical items	2,419,977	-
Total	90,676,773	-

20 Other income

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest income from bank deposit	953,373	557,915
Net gain on foreign currency transactions and translation	1,817	39,427
Other income	6,094	-
	961,284	597,342

21 Purchase of medical and non medical items

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Medical and non-medical items*	24,431,979	-
	24,431,979	-

* includes purchases from related parties (refer note 31)

22 Changes in inventories

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Inventories at the beginning of the year	-	-
Inventories at the end of the year	7,909,154	-
Net (increase) / decrease	(7,909,154)	-

23 Employee benefits expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and wages	34,790,481	-
Contributions to provident and other funds (refer note 29)	2,225,791	-
Staff welfare expenses	820,616	-
	37,836,888	-

Apex HCG Oncology Hospitals LLP

Notes to statements of account for the year ended 31 March 2018.

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

24 Finance costs

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense on borrowings	8,754,695	18,213
Bank charges	560,045	43,725
Loan processing charges	625,887	-
	9,940,627	61,938

25 Other expenses

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Medical consultancy charges	30,323,197	-
Legal and professional charges	2,687,073	-
Lab charges	2,722,335	-
Power, fuel and water	11,624,829	-
Rent (refer note 33)	63,426,593	-
Repairs and maintenance:		
- Machinery	133,197	-
- Others	359,557	-
Insurance	335,000	-
Rates and taxes	1,228,764	-
Communication	593,792	-
Travelling and conveyance	2,200,209	-
Printing and stationery	121,492	-
House keeping and security expenses	10,850,593	-
Business promotion expenses	10,947,000	-
Payments to auditors		
- As statutory auditors (refer note below)	607,700	-
Miscellaneous expenses	655,892	-
	138,817,223	-
Payment to auditors		
- Statutory audit fees	500,000	-
- Out of pocket expenses	15,000	-
- Indirect taxes	92,700	-
	607,700	-

Apex HCG Oncology Hospitals LLP**Notes to statements of account for the year ended 31 March 2018.****(All amounts in Indian rupees, except share data and unless otherwise specified)****26 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 2018 has been made in the statement of accounts based on information received and available with the firm 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 firm has not received any claim for interest from any supplier

Particulars	As at 31 March 2018	As at 31 March 2017
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	-	-

27 Capital commitments

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	520,672	18,150,649

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	As at 31 March 2018	As at 31 March 2017
Deferred payment liabilities	228,338,810	226,145,560

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 2018	Year ended 31 March 2017
Contribution to provident fund	2,225,791	-

Apex HCG Oncology Hospitals LLP

Notes to statements of account for the year ended 31 March 2018.

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

Employee benefit plans (continued)*Defined benefit plans*

The Firm offers the Gratuity benefits (included as part of "Contributions to provident and other funds " 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 accounts:

Particulars	Year ended 31 March 2018
Components of employer expense	
Current service cost	244,784
Interest cost	51,191
Actuarial gains	(5,874)
Total expense/(credit) recognised in the statement of income and expenditure	290,101
Net asset/(liability) recognised in balance sheet	
Present value of defined benefit obligation (DBO)	823,466
Net asset/(liability) recognised in balance sheet	823,466
Current	185,000
Non-current	638,466
Total asset / (liability) recognised in the balance sheet	823,466
Change in defined benefit obligations	
Present value of DBO at beginning of period	533,365
Current service cost	244,784
Interest cost	51,191
Actuarial (gains)/ losses	(5,874)
Present Value of DBO at the end of year	823,466
Actuarial assumption	
Discount rate	6.80%
Expected return on plan assets	NA
Salary escalation	5.00%
Attrition rate	30.00%
Mortality	Indian Assured Lives (2006-08) Mod Ult

Actuarial valuation experience adjustment

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Defined benefit obligation	(823,466)	-
Plan assets	-	-
(Deficit)	(823,466)	-
Experience adjustment on plan liabilities	-	-
Experience adjustment on plan assets	-	-

Note:

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

Compensated absence: Expenses recognised in the Statement of income and expenditure in respect of compensated absences amounts to Rs.14,935. This employee benefit is not funded. Actuarial assumptions considered for valuation of compensated absence and gratuity are the same.

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

Apex HCG Oncology Hospitals LLP
Notes to statements of account for the year ended 31 March 2018.
(All amounts in Indian rupees, except share data and unless otherwise specified)

31 Related party transactions

a. Details of related parties:

Description of relationship	Names of related parties
Holding Company	HealthCare Global Enterprises Limited
Designated partner	Apex Criticare LLP

b. Details of related party transactions during the year:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Contribution/(withdrawal) to Partner's capital account		
HealthCare Global Enterprises Limited	207,687,407	37,816,201
Apex Criticare LLP	9,980,000	9,454,239
Rent		
Apex Criticare LLP	63,426,593	-
Purchases of medical and non-medical items		
HealthCare Global Enterprises Limited	12,529,253	-
Lab charges		
HealthCare Global Enterprises Limited	1,162,279	-

c. Details of related party balances outstanding:

Particulars	As at 31 March 2018	As at 31 March 2017
Partner's capital account		
HealthCare Global Enterprises Limited	278,390,808	73,834,651
Apex Criticare LLP	72,219,022	62,239,022
Long-term loans and advances		
Apex Criticare LLP	75,000,000	75,000,000
Trade payables		
HealthCare Global Enterprises Limited	12,879,558	-

32 Details of leasing arrangements

The Firm has entered into operating lease arrangements for hospital building. The lease is non-cancellable for a period of 5 years and on mutual consent the lease can be renewed for an additional period to be agreed at the time of renewal of the lease. The lease agreements provide for an increase in the lease payments by 15% every 3 years.

Particulars	As at 31 March 2018	As at 31 March 2017
Future minimum lease payments:		
Upto One year	114,599,258	114,599,259
More than one year and upto five years	368,628,447	483,227,965
More than five years	-	-

The Firm's significant cancellable leasing arrangements are mainly in respect of its hospital premises and equipments. The aggregate lease rentals payable on these cancellable arrangements charged to the Statement of income and expenditure amounting to Rs.63,426,593 (previous year: Nil)

The accompanying notes are an integral part of these statements of account

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
Apex HCG Oncology Hospitals LLP

Amit Somani
Partner
Membership number: 060154

Dinesh Madhavan
Designated Partner
DIN: 7497791

Sangeetha Shah
Designated Partner
DIN: 3482586

Place : Bengaluru
Date : 31 July 2018

Place : Bengaluru
Date : 31 July 2018

Place : Mumbai
Date : 30 July 2018