

## **INDEPENDENT AUDITORS' REPORT**

### **To the Partners of Apex HCG Oncology Hospitals LLP**

#### **Opinion**

We have audited the accompanying Statement of Accounts of Apex HCG Oncology Hospitals LLP ("the LLP"), which comprise the Statement of Assets and Liabilities as at 31 March 2020, the Statement of Income and Expenditure, Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (collectively referred to as "the Statement of Accounts"). The Statement of Accounts have been prepared by the LLP's Management as required by rule 24(8) of the Limited Liability Partnership Rules, 2009 ("the Rules").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Statement of Accounts give a true and fair view of the financial position of the LLP as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by Institute of Chartered Accountants of India.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the 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 and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's Responsibility for the Statement of Accounts**

The LLP's Management is responsible for the preparation of these Statement of Accounts 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 ICAI and the provisions of the Limited Liability Partnership Act, 2008 ('the Act'). This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement of Accounts that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Management's Responsibility for the Statement of Accounts (continued)**

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.

## **INDEPENDENT AUDITORS' REPORT (continued)**

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

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 entity'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.
- Evaluate the overall presentation, structure and content of the Statement of Accounts, including the disclosures, and whether the Statement of Accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

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

**For B S R & Co LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

Place: Bengaluru  
Date: 07 September 2020

**Amit Somani**  
Partner  
Membership No. 060154  
UDIN:20060154AAAHH7499

**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 2020	As at 31 March 2019
<b>Contribution and liabilities</b>			
<b>Partners' funds</b>			
Contribution	3	901,607,164	740,473,313
Reserves and surplus	4	(842,813,395)	(616,937,579)
		<b>58,793,769</b>	<b>123,535,734</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	345,606,071	270,807,908
Other non-current liabilities	6	160,345,321	114,858,142
Long-term provisions	7	1,166,918	1,053,416
		<b>507,118,310</b>	<b>386,719,466</b>
<b>Current liabilities</b>			
Trade payables	8	-	-
`- Total outstanding dues of micro enterprises and small `- total outstanding dues of creditors other than micro enterprises and small enterprises		66,300,151	52,849,946
Other current liabilities	9	50,115,393	136,242,236
Short-term provisions	10	1,432,853	1,460,215
		<b>117,848,397</b>	<b>190,552,397</b>
<b>Total</b>		<b>683,760,476</b>	<b>700,807,597</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment			
-Tangible assets	11	469,777,598	506,804,082
-Other intangible assets	12	4,542,092	7,132,504
-Capital work in progress	11	442,175	248,413
Long-term loans and advances	13	92,769,504	85,954,111
Other non-current assets	14	4,486,767	14,835,600
		<b>572,018,136</b>	<b>614,974,710</b>
<b>Current assets</b>			
Inventories	15	6,600,840	6,510,221
Trade receivables	16	74,402,660	43,494,190
Cash and bank balances	17	1,445,857	7,260,177
Short-term loans and advance	18	8,690,083	12,571,815
Other current assets	19	20,602,900	15,996,484
		<b>111,742,340</b>	<b>85,832,887</b>
<b>Total</b>		<b>683,760,476</b>	<b>700,807,597</b>

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  
**Apex HCG Oncology Hospitals LLP**

**Amit Somani**  
Partner  
Membership number: 060154

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

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

Place : Bengaluru  
Date :

Place : Bengaluru  
Date :

Place : Bengaluru  
Date :

**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 2020	For the year ended 31 March 2019
<b>Income</b>			
Revenue from operations	20	355,800,436	270,229,185
Other income	21	2,285,166	959,764
<b>Total income</b>		<b>358,085,602</b>	<b>271,188,949</b>
<b>Expenditure</b>			
Purchases of medical and non-medical items	22	57,089,075	44,707,796
Changes in inventories of medical and non-medical items	23	(90,619)	1,398,933
Employee benefits expense	24	83,033,359	70,276,715
Depreciation and amortisation expense	11 & 12	49,997,323	46,474,953
Finance costs	25	48,243,092	35,394,744
Other expenses	26	345,689,188	364,026,426
<b>Total expenditure</b>		<b>583,961,418</b>	<b>562,279,567</b>
<b>Loss before tax</b>		<b>(225,875,816)</b>	<b>(291,090,618)</b>
<b>Tax expense</b>		-	-
<b>Loss after tax</b>		<b>(225,875,816)</b>	<b>(291,090,618)</b>

Significant accounting policies

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

2

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

**Srinivasa V Raghavan**

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

Designated Partner on behalf  
of HealthCare Global  
Enterprises Limited

Place : Bengaluru

Date :

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Place : Bengaluru

Date :

**Apex HCG Oncology Hospitals LLP**  
**Cashflow Statement for the year ended 31 March 2020**  
(All amounts in Indian rupees, except share data and unless otherwise specified)

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A. Cash flows from operating activities:</b>			
<b>Loss before tax</b>		<b>(225,875,816)</b>	<b>(291,090,618)</b>
<b>Adjustments for:</b>			
Finance costs		46,513,751	34,130,739
Rent equalisation		45,487,179	107,409,174
Loss on disposal of property, plant and equipment		-	850,391
Interest income		(696,708)	(956,320)
Depreciation and amortisation expense		49,997,323	46,474,953
<b>Operating loss before working capital changes</b>		<b>(84,574,271)</b>	<b>(103,181,681)</b>
<b>Changes in working capital:</b>			
Inventories		(90,619)	1,398,933
Trade receivables		(30,908,470)	(36,261,331)
Loans and advances		4,580,177	(8,106,463)
Other current assets		(4,606,416)	(9,363,665)
Trade payables		13,450,205	5,282,705
Other current liabilities		10,499,885	17,336,179
Provision		86,140	859,318
<b>Cash used in operations</b>		<b>(91,563,369)</b>	<b>(132,036,005)</b>
Income taxes, net		(7,513,838)	(4,152,387)
<b>Net cash used in operating activities (A)</b>		<b>(99,077,207)</b>	<b>(136,188,392)</b>
<b>B. Cash flow from investing activities</b>			
Purchase of fixed assets, including capital advances		(10,574,189)	(12,135,950)
Proceeds from sale of fixed assets		-	38,676
Interest received		1,737,820	-
Margin money deposits		9,307,721	-
<b>Net cash generated/ (used in) investing activities (B)</b>		<b>471,352</b>	<b>(12,097,274)</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from contribution of members		161,133,851	462,082,505
Repayment of contribution upon retirement of partner		-	(252,516,000)
Proceeds from borrowings		105,295,199	110,000,000
Repayment of borrowings		(133,099,925)	(152,651,455)
Finance cost		(40,537,590)	(20,532,105)
<b>Net cash flow from financing activities (C)</b>		<b>92,791,535</b>	<b>146,382,945</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>		<b>(5,814,320)</b>	<b>(1,902,721)</b>
Cash and cash equivalents at the beginning of the year		7,260,177	9,162,898
<b>Cash and cash equivalents at the end of the year</b>	17	<b>1,445,857</b>	<b>7,260,177</b>

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  
**Apex HCG Oncology Hospitals LLP**

**Amit Somani**  
Partner  
Membership number: 060154

**Srinivasa V Raghavan**  
Designated Partner on behalf  
of HealthCare Global  
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**Dr. Ramesh B.S.**  
Designated Partner on behalf  
of HealthCare Global  
Enterprises Limited

Place : Bengaluru  
Date :

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Date :

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**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) were partners in LLP having capital and profit sharing ratio of 50.01 : 49.99 till 31 July 2018. During the previous year ended 31 March 2019, Apex Criticare LLP retired from the Firm and HealthCare Global Enterprises Limited has acquired the share of Apex. On the same day Niruja Product Development and Healthcare Research Private Limited (Niruja) admitted as partner and the revised capital and profit sharing ratio is 99.01 : 0.99 between HCG and Niruja respectively.

**2 Summary of significant accounting policies**

**2.1 Basis of accounting and preparation of statement of accounts and going concern basis**

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 in the current year and in the previous year and have negative operating cash flows during the year and earlier years. However, the management expects profits and positive operating cash flows in future periods. Further, the Board of Directors of HCG (the Holding Company) decided at its board meeting dated 07 February 2019 to convert the Firm into a Company and then merge with HCG. Considering this and the support letter received from the Holding Company (HealthCare Global Enterprise Limited), the Management has prepared the statement of accounts on a going concern basis.

**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 Impact of covid-19**

The COVID-19 pandemic has been rapidly spreading throughout the world, including India. Governments around the world have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities including travel. Consequently, the scale of operations has reduced significantly, intra-state movement restrictions have impacted both the patients footfall and the healthcare workers. As a result of the lockdown, the likely revenue from mid March 2020 and onwards has been impacted. Continued lockdowns are likely to impact the Company operationally including new projects.

Management believes that it has taken into account the possible impacts of known events arising out of COVID-19 pandemic in the preparation of financial statements including but not limited to firm's recoverable values of its property plant and equipment, allowance for trade receivables and net realisable value of other assets.

**2.4 Current and non-current classification**

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

*Assets*

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

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

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

All other assets are classified as non-current.

*Liabilities*

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

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

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

All other assets are classified as non-current.

*Operating cycle*

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

## 2.5 Inventories

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

## 2.6 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of deposit), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.7 Cash flow statement

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

## 2.8 Revenue recognition

### Medical services

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

### Sale of medical and non-medical items

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

## 2.9 Other income

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

## 2.10 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.

*Intangible assets*

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

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

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

**2.11 Foreign currency transactions**

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

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

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 except with respect to long term foreign currency monetary items in so far as they relate to the acquisition of a depreciable tangible asset which is added/subtracted to the tangible asset based on the option exercised by the Firm.

**2.12 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.

### 2.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of 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.

### 2.14 Taxes on income

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

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

### 2.15 Provisions and contingencies

A provision is recognised when the Firm has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the 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.

### 2.16 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.

### 2.17 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 statement of accounts for the year ended 31 March 2020**  
**(All amounts in Indian rupees, except share data and unless otherwise specified)**

**3 Contribution**

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Capital account</b>		
<b>Fixed capital contribution *</b>		
HealthCare Global Enterprises Limited	6,188,125	6,188,125
Niruja Product Development and Healthcare Research Private Limited**	61,875	61,875
	<b>6,250,000</b>	<b>6,250,000</b>
<b>Variable capital contribution</b>		
Apex Criticare LLP *		
Balance at the beginning of the year	-	59,120,272
Less: Repayment of contribution	-	(59,120,272)
Balance at the end of the year	-	-
HealthCare Global Enterprises Limited		
Balance at the beginning of the year	734,223,313	275,259,558
Add: Additional contribution	161,133,851	458,963,755
Balance at the end of the year	<b>895,357,164</b>	<b>734,223,313</b>
<b>Total</b>	<b>901,607,164</b>	<b>740,473,313</b>

\* During the previous year ended 31 March 2019, Apex Criticare LLP, holding 49.90% stake, retired from the Firm and was paid an amount of Rs. 252,516,000 as consideration. Accordingly goodwill amounting Rs. 295,388,065 has been computed towards Apex Criticare LLP's share, which has been allocated to the existing partners at their new profit sharing ratio. On the same day, Niruja Product Development and Healthcare Research Private Limited was admitted as partner with a contribution of Rs. 61,875. Pursuant to this, the HealthCare Global Enterprises Limited and Niruja Product Development and Healthcare Research Private Limited holds 99.01% and 0.99% interest in LLP, respectively.

\*\* Niruja Product Development and Healthcare Research Private Limited's share of fixed capital has been allocated from HealthCare Global Enterprises Limited.

**4 Reserves and surplus**

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Deficit (statement of income and expenditure)</b>		
At the commencement of the year	(616,937,579)	(135,569,984)
Add: Loss for the year	(225,875,816)	(291,090,618)
Less: Loss distributed to partner - Apex Criticare LLP	-	(105,111,088)
Goodwill computed on retirement of Apex Criticare LLP	-	(295,388,065)
Loss available for appropriation	(842,813,395)	(616,937,579)
Share of loss and goodwill appropriated to HealthCare Global Enterprises Limited	(834,469,542)	(610,829,897)
Share of loss appropriated to Niruja Product Development and Healthcare Research Private Limited	(8,343,853)	(6,107,682)
<b>At the end of the year</b>	<b>(842,813,395)</b>	<b>(616,937,579)</b>

**5 Long-term borrowings**

Particulars	As at 31 March 2020	As at 31 March 2019
Secured:		
Term loans from banks (refer note (i))	345,606,071	269,365,250
Unsecured:		
Deferred payment obligations (refer note (ii))	-	1,442,658
	<b>345,606,071</b>	<b>270,807,908</b>

Apex HCG Oncology Hospitals LLP  
Notes to statement of accounts for the year ended 31 March 2020  
(All amounts in Indian rupees, except share data and unless otherwise specified)

Notes:

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

Particulars	As at 31 March 2020	As at 31 March 2019
<b>(i) Term loans from banks - Secured</b>		
<b>Non-current portion</b>	345,606,071	269,365,250
<b>Amounts included under Current maturities of long-term debt</b>	34,229,733	10,494,750
- 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.		
- 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.		
<b>(ii) Deferred payment obligations - Unsecured</b>		
<b>Non-current portion</b>	-	1,442,658
<b>Amounts included under Current maturities of long-term debt</b>	1,711,353	98,338,081
- Rate of interest 3% p.a		
- Repayment in installments over a period of 1 to 3 years		
<b>Total</b>	<b>381,547,157</b>	<b>379,640,739</b>
Non-current portion	345,606,071	270,807,908
Amounts included under Current maturities of long-term debt	35,941,086	108,832,831
<b>6 Other non-current liabilities</b>		
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Rent equalisation reserve	160,345,321	114,858,142
	<b>160,345,321</b>	<b>114,858,142</b>
<b>7 Long term provision</b>		
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Gratuity (refer note 30)	1,166,918	1,053,416
	<b>1,166,918</b>	<b>1,053,416</b>
<b>8 Trade payables</b>		
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Total outstanding dues of micro and small enterprises (refer note 27)	-	-
Total outstanding dues of creditors other than micro and small enterprises*	66,300,151	52,849,946
	<b>66,300,151</b>	<b>52,849,946</b>
* For details relating to payable to related parties, please refer note 32.		
<b>9 Other current liabilities</b>		
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Current maturities of long-term debt (refer note 5 (i))	34,229,733	10,494,750
Current maturities of deferred payment obligation (refer note 5 (ii))	1,711,353	98,338,081
Creditors for capital goods	139,636	139,636
Advance from customers	6,796,459	15,151,600
Statutory remittances	2,841,486	2,977,038
Accrued salaries and benefits	4,396,726	9,141,131
	<b>50,115,393</b>	<b>136,242,236</b>
<b>10 Short term provisions</b>		
<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Gratuity (refer note 30)	214,543	276,169
Compensated absence	1,218,310	1,184,046
	<b>1,432,853</b>	<b>1,460,215</b>

Apex HCG Oncology Hospitals LLP  
Notes to statement of accounts for the year ended 31 March 2020  
(All amounts in Indian rupees, except share data and unless otherwise specified)

**13 Long-term loans and advances**

Particulars	As at	As at
	31 March 2020	31 March 2019
Prepaid expenses	5,269,020	5,601,758
Security deposits	75,427,113	75,792,820
Advance income tax and tax deducted at source, net of provision for tax	12,073,371	4,559,533
	<b>92,769,504</b>	<b>85,954,111</b>

**14 Other non-current assets**

Particulars	As at	As at
	31 March 2020	31 March 2019
Interest accrued on deposits	44,590	1,085,702
Bank balance in margin money	4,442,177	13,749,898
	<b>4,486,767</b>	<b>14,835,600</b>

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

Particulars	As at	As at
	31 March 2020	31 March 2019
Medical and non-medical items**	6,600,840	6,510,221
	<b>6,600,840</b>	<b>6,510,221</b>

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

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

**16 Trade receivables\***

Particulars	As at	As at
	31 March 2020	31 March 2019
Other trade receivables:		
- Unsecured, Considered good**	74,402,660	43,494,190
- Considered doubtful	1,190,574	-
	75,593,234	43,494,190
Less: Provision for doubtful trade receivables	(1,190,574)	-
	<b>74,402,660</b>	<b>43,494,190</b>

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

\*\*Refer note 32 for trade receivables from related parties.

**17 Cash and bank balances**

Particulars	As at	As at
	31 March 2020	31 March 2019
<b>Cash and cash equivalents</b>		
Cash on hand	174,539	129,768
Balances with banks:		
On current accounts	1,271,318	7,130,409
	<b>1,445,857</b>	<b>7,260,177</b>

**18 Short-term loans and advance\***

Particulars	As at	As at
	31 March 2020	31 March 2019
<i>Unsecured, considered good</i>		
- Loans and advances to employees	1,468,068	518,591
- Prepaid expenses	1,330,926	1,704,582
Advance to vendors	4,337,363	8,563,272
Security deposits	300,000	-
Other receivables**	49,435	41,935
Balance with revenue authorities	1,204,291	1,743,435
	<b>8,690,083</b>	<b>12,571,815</b>

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

\*\* For details relating to receivable from related parties, please refer note 32.

**19 Other current assets\***

Particulars	As at	As at
	31 March 2020	31 March 2019
Unbilled revenue	20,602,900	15,996,484
	<b>20,602,900</b>	<b>15,996,484</b>

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

Apex HCG Oncology Hospitals LLP

Notes to statement of accounts for the year ended 31 March 2020

(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)
<b>I. Cost</b>									
<b>Balance as at 01 April 2018</b>	<b>46,372,364</b>	<b>486,237,156</b>	<b>5,362,337</b>	<b>16,655,629</b>	<b>4,818,196</b>	<b>290,141</b>	<b>559,735,823</b>	713,193	<b>560,449,016</b>
Additions	5,838,119	8,868,294	773,600	2,095,446	379,197	-	<b>17,954,656</b>	3,882,514	<b>21,837,170</b>
Disposals	(925,979)	-	-	-	-	-	<b>(925,979)</b>	-	<b>(925,979)</b>
Capitalised	-	-	-	-	-	-	-	4,347,294	<b>4,347,294</b>
Exchange fluctuation	-	464,773	-	-	-	-	<b>464,773</b>	-	<b>464,773</b>
<b>Balance as at 31 March 2019</b>	<b>51,284,504</b>	<b>495,570,223</b>	<b>6,135,937</b>	<b>18,751,075</b>	<b>5,197,393</b>	<b>290,141</b>	<b>577,229,273</b>	<b>248,413</b>	<b>577,477,686</b>
Additions	231,262	6,513,527	165,927	193,892	327,506	-	<b>7,432,114</b>	193,762	<b>7,625,876</b>
Disposals	-	-	-	-	-	-	-	-	-
Capitalised	-	-	-	-	-	-	-	-	-
Exchange fluctuation	-	2,948,313	-	-	-	-	<b>2,948,313</b>	-	<b>2,948,313</b>
<b>Balance as at 31 March 2020</b>	<b>51,515,766</b>	<b>505,032,063</b>	<b>6,301,864</b>	<b>18,944,967</b>	<b>5,524,899</b>	<b>290,141</b>	<b>587,609,700</b>	<b>442,175</b>	<b>588,051,875</b>
<b>II. Accumulated depreciation</b>									
<b>Balance as at 01 April 2018</b>	<b>1,330,480</b>	<b>20,350,684</b>	<b>756,837</b>	<b>1,221,476</b>	<b>949,553</b>	<b>16,852</b>	<b>24,625,882</b>	-	<b>24,625,882</b>
Depreciation expense	2,695,748	39,017,049	1,143,767	1,779,158	1,171,485	29,014	<b>45,836,221</b>	-	<b>45,836,221</b>
Disposals	(36,912)	-	-	-	-	-	<b>(36,912)</b>	-	<b>(36,912)</b>
<b>Balance as at 31 March 2019</b>	<b>3,989,316</b>	<b>59,367,733</b>	<b>1,900,604</b>	<b>3,000,634</b>	<b>2,121,038</b>	<b>45,866</b>	<b>70,425,191</b>	-	<b>70,425,191</b>
Depreciation expense	2,883,381	40,056,046	1,244,632	1,862,591	1,331,247	29,014	<b>47,406,911</b>	-	<b>47,406,911</b>
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>6,872,697</b>	<b>99,423,779</b>	<b>3,145,236</b>	<b>4,863,225</b>	<b>3,452,285</b>	<b>74,880</b>	<b>117,832,102</b>	-	<b>117,832,102</b>
<b>Net block as at 31 March 2019</b>	<b>47,295,188</b>	<b>436,202,490</b>	<b>4,235,333</b>	<b>15,750,441</b>	<b>3,076,355</b>	<b>244,275</b>	<b>506,804,082</b>	<b>248,413</b>	<b>507,052,495</b>
<b>Net block as at 31 March 2020</b>	<b>44,643,069</b>	<b>405,608,284</b>	<b>3,156,628</b>	<b>14,081,742</b>	<b>2,072,614</b>	<b>215,261</b>	<b>469,777,598</b>	<b>442,175</b>	<b>470,219,773</b>

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

**Apex HCG Oncology Hospitals LLP**

**Notes to statement of accounts for the year ended 31 March 2020**

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

**12 Other intangible assets**

	As at 31 March 2020	As at 31 March 2019
Carrying amounts of:		
Computer software	4,542,092	7,132,504
	<b>4,542,092</b>	<b>7,132,504</b>

Description of Assets	Intangible Assets	
	Computer software	Total
<b>I. Cost</b>		
<b>Balance as at 01 April 2018</b>	-	-
Additions	7,771,236	7,771,236
<b>Balance as at 31 March 2019</b>	<b>7,771,236</b>	<b>7,771,236</b>
Additions	-	-
<b>Balance as at 31 March 2020</b>	<b>7,771,236</b>	<b>7,771,236</b>
<b>II. Accumulated depreciation and impairment</b>		
<b>Balance as at 01 April 2018</b>	-	-
Amortisation expense	638,732	638,732
<b>Balance as at 31 March 2019</b>	<b>638,732</b>	<b>638,732</b>
Amortisation expense	2,590,412	2,590,412
<b>Balance as at 31 March 2020</b>	<b>3,229,144</b>	<b>3,229,144</b>
<b>Net Block as at 31 March 2019</b>	<b>7,132,504</b>	<b>7,132,504</b>
<b>Net Block as at 31 March 2020</b>	<b>4,542,092</b>	<b>4,542,092</b>

**Apex HCG Oncology Hospitals LLP**  
**Notes to statement of accounts for the year ended 31 March 2020**  
**(All amounts in Indian rupees, except share data and unless otherwise specified)**

**20 Revenue from operations**

<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Medical service income	349,844,861	263,918,972
Sale of medical and non-medical items	5,775,575	6,130,213
Other operating income	180,000	180,000
<b>Total</b>	<b>355,800,436</b>	<b>270,229,185</b>

**21 Other income**

<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Interest income from bank deposit	696,708	956,320
Interest on income tax refund	27,510	-
Net gain on foreign currency transactions and translation	1,539,184	-
Income on sale of scrap	21,485	-
Other income	279	3,444
	<b>2,285,166</b>	<b>959,764</b>

**22 Purchase of medical and non medical items**

<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Medical and non-medical items *	17,318,861	32,477,560
Consumables	39,770,214	12,230,236
	<b>57,089,075</b>	<b>44,707,796</b>

\* includes purchases from related parties (refer note 32)

**23 Changes in inventories of medical and non-medical items**

<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Inventories at the beginning of the period	6,510,221	7,909,154
Inventories at the end of the period	6,600,840	6,510,221
<b>Net (increase) / decrease</b>	<b>(90,619)</b>	<b>1,398,933</b>

**24 Employee benefits expense**

<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Salaries and wages	76,658,491	65,446,478
Contributions to provident and other funds (refer note 30)	3,755,885	2,924,852
Staff welfare expenses	2,618,983	1,905,385
	<b>83,033,359</b>	<b>70,276,715</b>



**Apex HCG Oncology Hospitals LLP**  
**Notes to statement of accounts for the year ended 31 March 2020**  
**(All amounts in Indian rupees, except share data and unless otherwise specified)**

**25 Finance costs**

<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Interest expense on borrowings	39,135,618	17,766,625
Bank charges	1,729,341	1,264,005
Loan processing charges	1,401,972	2,765,480
Net loss on foreign currency transactions and translations to the extent regarded as borrowing costs	5,976,161	13,598,634
	<b>48,243,092</b>	<b>35,394,744</b>

**26 Other expenses \***

<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Medical consultancy charges	73,593,432	46,504,284
Legal and professional charges	8,436,981	6,370,402
Lab charges	13,606,062	12,549,553
Power, fuel and water	19,923,558	19,936,564
Rent**	160,134,799	222,636,640
Repairs and maintenance:		
- Building	622,066	926,614
- Machinery	3,058,976	1,275,800
- Others	2,397,300	1,706,478
Rates and taxes	15,188,384	1,912,292
Communication	837,814	1,129,060
Travelling and conveyance	3,263,512	4,852,476
Printing and stationery	62,991	21,244
House keeping and security expenses	21,194,430	21,492,137
Business promotion expenses	18,821,962	19,983,584
Provision for doubtful debts	1,190,574	-
Payments to auditors		
- As statutory auditors (refer note below)	805,143	799,399
Loss on sale of assets	-	850,391
Miscellaneous expenses	2,551,204	1,079,508
	<b>345,689,188</b>	<b>364,026,426</b>

\* Refer note 32 for related party transactions

\*\* Rent includes prior period expense in Current Year: Nil (Previous Year: Rs.61,921,995)

<b>Payment to auditors</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
- Statutory audit fees	650,000	650,000
- Out of pocket expenses	38,143	27,458
- Indirect taxes	117,000	121,941
	<b>805,143</b>	<b>799,399</b>

**Apex HCG Oncology Hospitals LLP**  
**Notes to statement of accounts for the year ended 31 March 2020**  
**(All amounts in Indian rupees, except share data and unless otherwise specified)**

**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 2020 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.

<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
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 Contingent liabilities and commitments**

**Capital commitments**

**Particulars**

Estimated amount of contracts remaining to be executed on capital account and not provided for

	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
	-	-

**Contingent liabilities**

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

**Other litigations**

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

**29 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:**

<b>Particulars</b>	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
Deferred payment liabilities	1,711,353	99,780,739

**30 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.

<b>Particulars</b>	<b>Year ended 31 March 2020</b>	<b>Year ended 31 March 2019</b>
Contribution to provident fund	3,616,927	2,924,852

Apex HCG Oncology Hospitals LLP  
Notes to statement of accounts for the year ended 31 March 2020  
(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 2020	Year ended 31 March 2019
<b>Components of employer expense</b>		
Current service cost	437,709	376,783
Interest cost	133,145	84,284
Actuarial loss/ (gains)	(481,328)	45,052
<b>Total expense/(credit) recognised in the statement of income and expenditure</b>	<b>89,526</b>	<b>506,119</b>
<b>Net asset/(liability) recognised in balance sheet</b>		
Present value of defined benefit obligation (DBO)	1,381,461	1,329,585
<b>Net asset/(liability) recognised in balance sheet</b>	<b>1,381,461</b>	<b>1,329,585</b>
Current	214,543	276,169
Non-current	1,166,918	1,053,416
<b>Total asset / (liability) recognised in the balance sheet</b>	<b>1,381,461</b>	<b>1,329,585</b>
<b>Change in defined benefit obligations</b>		
Present value of DBO at beginning of period	1,329,585	823,466
Current service cost	437,709	376,783
Interest cost	133,145	84,284
Actuarial loss/ (gains)	(481,328)	45,052
Benefits paid	(37,650)	-
<b>Present Value of DBO at the end of year</b>	<b>1,381,461</b>	<b>1,329,585</b>
<b>Actuarial assumption</b>		
Discount rate	6.20%	7.10%
Expected return on plan assets	NA	NA
Salary escalation	5.00%	5.00%
Attrition rate	30.00%	30.00%
Mortality	Indian Assured Lives (2012-14) Mod Ult	Indian Assured Lives (2006-08) Mod Ult

**Actuarial valuation experience adjustment**

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Defined benefit obligation	(1,381,461)	(1,329,585)
Plan assets	-	-
<b>(Deficit)</b>	<b>(1,381,461)</b>	<b>(1,329,585)</b>
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 38,574 (previous year: Rs.). This employee benefit is not funded. Actuarial assumptions considered for valuation of compensated absence and gratuity are the same.

**31 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 statement of accounts for the year ended 31 March 2020  
(All amounts in Indian rupees, except share data and unless otherwise specified)

32 Related party transactions

a. Details of related parties:

Description of relationship	Names of related parties
Holding Company Designated partner	HealthCare Global Enterprises Limited Apex Criticare LLP (till 31 July 2018) Niruja Product Development and Healthcare Research Private Limited (from 01 August 2018)
	Srinivasa V Raghavan (On behalf of HealthCare Global Enterprises Limited), from 24 August 2019 Dinesh Madhavan (On behalf of HealthCare Global Enterprises Limited), resigned from 24 August 2019
Common control entity	Dr. Ramesh B.S. (On behalf of HealthCare Global Enterprises Limited) HCG NCHRI Oncology LLP Strand Life Sciences Private Limited

b. Details of related party transactions during the year:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Contribution/(withdrawal) to Partner's capital account</b>		
HealthCare Global Enterprises Limited	161,133,851	462,020,630
Niruja Product Development and Healthcare Research Private Limited	-	61,875
<b>Repayment of contribution upon retirement of partner</b>		
Apex Criticare LLP	-	252,516,000
<b>Advance payable to related party</b>		
Apex Criticare LLP	-	(9,980,000)
<b>Other advances paid</b>		
HealthCare Global Enterprises Limited	-	18,888,975
<b>Other advances paid by</b>		
HealthCare Global Enterprises Limited	1,812,787	-
<b>Rent</b>		
Apex Criticare LLP	-	222,636,640
<b>Purchases of medical and non-medical items</b>		
HealthCare Global Enterprises Limited	3,723,367	18,974,156
<b>Lab charges</b>		
Strand Life Sciences Private Limited	11,395,162	-

c. Details of related party balances outstanding:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Partner's capital account</b>		
HealthCare Global Enterprises Limited	901,545,289	740,411,438
Niruja Product Development and Healthcare Research Private Limited	61,875	61,875
<b>Other receivables</b>		
HCG NCHRI Oncology LLP	41,935	41,935
<b>Trade receivables</b>		
HealthCare Global Enterprises Limited	17,076,187	18,888,974
<b>Trade payables</b>		
HealthCare Global Enterprises Limited	2,574,134	7,914,852

**Apex HCG Oncology Hospitals LLP**  
**Notes to statement of accounts for the year ended 31 March 2020**  
**(All amounts in Indian rupees, except share data and unless otherwise specified)**

**33 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	As at
	31 March 2020	31 March 2019
Future minimum lease payments:		
Upto One year	116,032,008	114,599,514
More than one year and upto five years	548,573,547	513,047,698
More than five years	2,371,243,602	2,522,801,459

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.160,134,799 (previous year: Rs.120,486,192)

**34 Deferred taxation**

The Firm has a deferred tax asset (net) position as at 31 March 2020 and 31 March 2019. Recognition of deferred tax asset is restricted to the extent of deferred tax liability only. No deferred tax asset (net) is recognized on losses 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.

**35 Impact of Covid-19**

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Firm has taken into account, impact if any, on its statement of accounts captions based on internal and external information upto the date of approval of the financial statements by the Partners. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Firm will continue to closely monitor any material changes to future economic conditions.

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

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

**Apex HCG Oncology Hospitals LLP**

**Amit Somani**

Partner

Membership number: 060154

**Srinivasa V Raghavan**

Designated Partner on behalf  
of HealthCare Global  
Enterprises Limited

**Dr. Ramesh B.S.**

Designated Partner on behalf  
of HealthCare Global  
Enterprises Limited

Place : Bengaluru

Date :

Place : Bengaluru

Date :

Place : Bengaluru

Date :