

**INDEPENDENT AUDITOR'S REPORT
TO THE PARTNERS OF HCG EKO ONCOLOGY LLP**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HCG EKO ONCOLOGY LLP** ("entity"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss account, and statement of cash flows) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI").

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

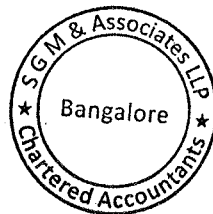


- involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



Bengaluru, 22 May 2019

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

A handwritten signature in black ink, appearing to read "S Vishwamurthy".

S Vishwamurthy
Partner

(Membership No.215675)

HCG EKO Oncology LLP

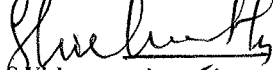
Balance Sheet as at 31 March 2019

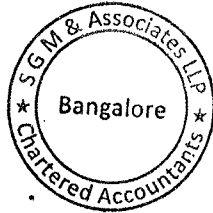
(Amount in Rupees, unless otherwise specifically mentioned)

| Particulars | Note No. | As at | |
|--------------------------------|----------|---------------------|---------------------|
| | | 31-Mar-19 | 31-Mar-18 |
| Capital and Liabilities | | | |
| Partners' capital account | 3 | 10,00,000 | 10,00,000 |
| Partners' current account | 3 | 14,06,33,699 | 7,95,11,680 |
| Non-current liabilities | | | |
| Long-term borrowings | 4 | 19,10,86,102 | 22,20,46,179 |
| Long-term provision | 5 | 1,11,956 | - |
| Current liabilities | | | |
| Trade payables | 6 | 95,25,967 | 88,502 |
| Other current liabilities | 7 | 14,13,13,300 | 41,30,754 |
| Short-term provision | 8 | 2,47,455 | - |
| Total | | 48,39,18,479 | 30,67,77,115 |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipments | 9 | 17,92,86,068 | - |
| Capital work-in-progress | | 26,62,31,690 | 25,70,28,186 |
| Deferred tax asset | | 5,97,000 | - |
| Long-term loans and advances | 10 | 2,61,45,965 | 4,66,07,657 |
| Current assets | | | |
| Inventories | 11 | 36,51,887 | - |
| Trade receivables | 12 | 1,15,036 | - |
| Cash and cash equivalents | 13 | 33,95,879 | 17,39,070 |
| Short-term loans and advance | 14 | 12,34,441 | 14,02,202 |
| Other current assets | 15 | 32,60,513 | - |
| Total | | 48,39,18,479 | 30,67,77,115 |

See accompanying notes forming part of the financial statements

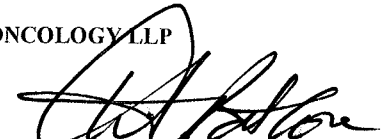
In terms of our report attached
For S G M & Associates LLP
Chartered Accountants


S Vishwamurthy
Partner



For HCG EKO ONCOLOGY LLP


Anant S. Kittur
Designated Partner


Nand Singh Rathore
Designated Partner

Bengaluru 22/5/19

HCG EKO Oncology LLP

Statement of Profit and Loss for the year ended 31 March 2019

(Amount in Rupees, unless otherwise specifically mentioned)

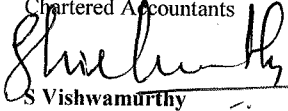
| Particulars | Note | For the year ended | |
|--|------|--------------------|--------------------|
| | No. | 31-Mar-19 | 31-Mar-18 |
| Revenue from operations | 16 | 1,39,82,508 | - |
| Other income | 17 | 11,53,592 | 3,24,641 |
| Total revenue (A) | | 1,51,36,100 | 3,24,641 |
| Expenses | | | |
| Purchase of stock-in-trade | | 61,27,298 | - |
| Changes in inventory of stock-in-trade | | (36,51,887) | - |
| Employee benefit expenses | 18 | 13,52,456 | - |
| Finance costs | 19 | (29,17,674) | 11,00,010 |
| Depreciation and amortisation expense | 9 | 48,55,770 | - |
| Other expenses | 20 | 1,13,01,793 | 3,45,820 |
| Total expenses (B) | | 1,70,67,756 | 14,45,830 |
| Profit/(Loss) before tax (C) = (A-B) | | (19,31,656) | (11,21,189) |
| Tax expense | | | |
| Current tax | | - | - |
| Deferred tax | | (5,97,000) | - |
| Total tax expense / (income) (D) | | (5,97,000) | - |
| Profit/(Loss) for the year transferred to partners' current account (E) = (C-D) | | (13,34,656) | (11,21,189) |

See accompanying notes forming part of the financial statements

In terms of our report attached

For S G M & Associates LLP

Chartered Accountants



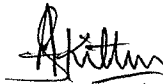
S Vishwamurthy

Partner

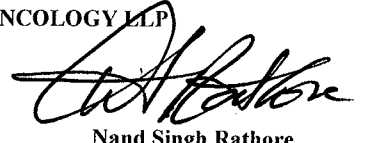
Bengaluru 22/5/19



For HCG EKO ONCOLOGY LLP



Anant S. Kittur
Designated Partner



Nand Singh Rathore
Designated Partner

HCG EKO Oncology LLP
Notes forming part of financial statements

Note
No.

1 Nature of operations:

HCG EKO Oncology LLP ('HCG EKO' or 'LLP') is a Limited Liability Partnership registered under Limited Liability Partnership Act, 2008. HealthCare Global Enterprises Limited ('HCG') and EKO Diagnostic Private Limited ('EKO') are partners in LLP having capital and profit sharing ratio of 50.50 : 49.50. HCG EKO is engaged in managing hospitals and medical diagnostic services including scientific testing and consultancy services in the pharmaceutical and medical sector. The LLP was incorporated on 15 May and has its registered office at # 8, P. Kalinga Rao Road, Sampangi Ram Nagar, Bengaluru – 560 027.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the LLP have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and relevant provisions of the Limited Liability Partnership Act 2008. The accrual method of accounting is followed, except where otherwise stated.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

2.3 Revenue recognition

Income is recognised on accrual basis. Fees are recognised on the basis of net revenue sharing with business facilitators. Rental income is recognised on accrual basis and as per the term & conditions of the rental agreement. Interest income on deposits with banks is accounted on accrual basis.

2.4 Property, plant and equipment

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

2.5 Depreciation and amortisation

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

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

2.6 Inventories

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

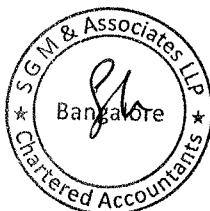
2.7 Foreign currency transactions

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

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

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

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



Note
No.

2.8 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.9 Employee benefits

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

2.10 Taxes on income

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

Alternate Minimum Tax (AMT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the LLP will pay normal income tax. Accordingly, AMT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the LLP.

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

2.11 Impairment of assets

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

2.12 Provisions and contingencies

A provision is recognized when the LLP has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the financial statements.

2.13 Operating cycle

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



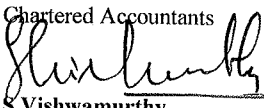
HCG EKO Oncology LLP

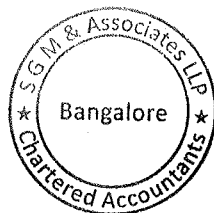
Cashflow Statement for the year ended 31 March 2019

(Amount in Rupees, unless otherwise specifically mentioned)


| Particulars | For the year ended | |
|---|-----------------------|-----------------------|
| | 31-Mar-19 | 31-Mar-18 |
| Cash flow from operating activities | | |
| Net loss before taxation | (19,31,656) | (11,21,189) |
| Adjustments for: | | |
| - Depreciation and amortisation expense | 48,55,770 | - |
| - Interest income on bank deposit | (11,53,592) | (3,24,641) |
| - Interest expense | (29,17,674) | 11,00,010 |
| Operating profit before working capital changes | (11,47,152) | (3,45,820) |
| Adjustment for (increase)/ decrease in operating assets: | | |
| - Inventories | (36,51,887) | - |
| - Trade receivables | (1,15,036) | - |
| - Long-term loans and advances | 7,23,198 | (56,58,991) |
| - Short-term loans and advances | 1,67,761 | (14,02,202) |
| - Other current assets* | (32,60,513) | - |
| Adjustment for increase/ (decrease) in operating liabilities: | | |
| - Trade payables | 94,37,465 | 88,502 |
| - Other current liabilities | 41,09,232 | 36,965 |
| - Long-term and short-term provisions | 3,59,411 | - |
| Cash generated from operations | 66,22,479 | (72,81,546) |
| Taxes paid during the year | - | - |
| Net cash generated from operating activities (A) | 66,22,479 | (72,81,546) |
| Cash flows from investing activities | | |
| - Capital expenditure on fixed assets (including capital advance) | (13,25,83,939) | (27,08,17,544) |
| - Interest income | 10,85,972 | 2,64,129 |
| Net cash flow from investing activities (B) | (13,14,97,967) | (27,05,53,415) |
| Cash flows from financing activities | | |
| - Investment / (drawings) by partners | 6,24,56,675 | 7,66,32,869 |
| - Long-term borrowings availed | 10,17,16,248 | 22,20,46,179 |
| - Long-term borrowings repaid | (2,87,01,841) | - |
| - Interest (net) | (91,81,070) | (23,67,726) |
| - Movement in balance with bank in earmarked accounts | 2,42,285 | (1,68,37,291) |
| Net cash flows from financing activities (C) | 12,65,32,297 | 27,94,74,031 |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 16,56,809 | 16,39,070 |
| Cash and cash equivalents at beginning of the year | 17,39,070 | 1,00,000 |
| Cash and cash equivalents at end of the year | 33,95,879 | 17,39,070 |
| Cash and cash equivalents as per balance sheet* | | |
| * Comprises of: | | |
| (a) Cash on hand | 96,197 | - |
| (b) Balances with banks: | | |
| - in current account | 32,99,682 | 17,39,070 |
| - in deposit account | - | - |
| Total | 33,95,879 | 17,39,070 |


See accompanying notes forming part of the financial statements

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

S Vishwamurthy
 Partner



For HCG EKO ONCOLOGY LLP


Anant S. Kittur
 Designated Partner


Nand Singh Rathore
 Designated Partner

Bengaluru 22/5/19

HCG EKO Oncology LLP
Notes forming part of financial statements
(Amount in Rupees, unless otherwise specifically mentioned)

Note No.

3 Partners' Capital Account

| Particulars | As at | | | | | |
|-----------------------------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|
| | 31-Mar-19 | | | 31-Mar-18 | | |
| | HCG | EKO | Total | HCG | EKO | Total |
| Fixed capital | | | | | | |
| Opening balance | 5,05,000 | 4,95,000 | 10,00,000 | 5,05,000 | 4,95,000 | 10,00,000 |
| Received / (paid) during the year | - | - | - | - | - | - |
| Closing balance | 5,05,000 | 4,95,000 | 10,00,000 | 5,05,000 | 4,95,000 | 10,00,000 |

Partners' Current Account:

| Particulars | As at | | | | | |
|---------------------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|
| | 31-Mar-19 | | | 31-Mar-18 | | |
| | HCG | EKO | Total | HCG | EKO | Total |
| Opening balance | 4,25,73,139 | 3,69,38,541 | 7,95,11,680 | 19,95,000 | 20,05,000 | 40,00,000 |
| Add: Share of loss for the year | (6,74,001) | (6,60,655) | (13,34,656) | (5,66,200) | (5,54,989) | (11,21,189) |
| Add: Invested during the year | 5,74,56,675 | 50,00,000 | 6,24,56,675 | 4,11,44,339 | 3,54,88,530 | 7,66,32,869 |
| Closing balance | 9,93,55,813 | 4,12,77,886 | 14,06,33,699 | 4,25,73,139 | 3,69,38,541 | 7,95,11,680 |

4 Long-term borrowings

| Particulars | 31-Mar-19 | 31-Mar-18 |
|--|---------------------|---------------------|
| Secured | | |
| Long-term loan from bank (Refer note (i)) | 17,55,24,575 | 7,38,08,327 |
| Unsecured | | |
| Deferred payment obligations (Refer note (ii)) | 1,55,61,527 | 14,82,37,852 |
| Total | 19,10,86,102 | 22,20,46,179 |

(i) Terms of repayment and security

| | 31-Mar-19 | 31-Mar-18 |
|--|--------------|--------------|
| Secured long-term from banks | | |
| Non-current portion | 17,55,24,575 | 7,38,08,327 |
| Amounts included under current maturities of long-term debt | - | - |
| Security: Exclusive charge on (i) all assets (equipment) purchased / funded through the above loan; (ii) all movable fixed assets and current assets (both present and future) of the LLP, including any refundable lease/rental deposit placed with lessor, excluding any assets which are charged exclusively to any lessor/vendor. Unconditional and irrevocable corporate guarantee and debt shortfall undertaking from the Partners in the LLP. | | |
| Repayment terms and interest: Repayment in quarterly structured installments with a moratorium of 3 years. Rate of interest is 1.25% spread over and above the bank's half yearly MCLR. | | |
| Unsecured loan | | |
| Non-current portion | 1,55,61,527 | 14,82,37,852 |
| Amounts included under current maturities of long-term debt | - | - |
| Repayment terms and interest: Repayment in installments after a period of 3 years from the transaction date. Rate of interest / commission is 0.75% p.a. | | |

5 Long-term provision

| Particulars | 31-Mar-19 | 31-Mar-18 |
|----------------------------------|-----------------|-----------|
| Provision for employee benefits: | | |
| - Gratuity (Refer note 25) | 1,11,956 | - |
| Total | 1,11,956 | - |

6 Trade payables

| Particulars | 31-Mar-19 | 31-Mar-18 |
|--|------------------|---------------|
| Total outstanding dues of micro enterprises and small enterprises (Refer note below) | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 95,25,967 | 88,502 |
| Total | 95,25,967 | 88,502 |

Note: There are no dues to Micro and Small Enterprises. The information disclosed with regard to Micro and Small Enterprises is based on information collected by the Management. This has been relied upon by the auditors.



HCG EKO Oncology LLP
Notes forming part of financial statements
(Amount in Rupees, unless otherwise specifically mentioned)

Note
No.

7 Other current liabilities

| Particulars | 31-Mar-19 | 31-Mar-18 |
|--------------------------------------|---------------------|------------------|
| Advance received from patients | 15,80,969 | - |
| Current maturities on long-term debt | 11,46,15,539 | - |
| Other payables | | |
| Accrued salary benefits | 22,16,613 | - |
| Statutory remittances | 4,48,615 | 1,36,965 |
| Payable on purchase of fixed assets | 2,24,51,564 | 39,93,789 |
| Total | 14,13,13,300 | 41,30,754 |

8 Short-term provision

| Particulars | 31-Mar-19 | 31-Mar-18 |
|----------------------------------|-----------------|-----------|
| Provision for employee benefits: | | |
| - Compensated absence | 2,47,455 | - |
| Total | 2,47,455 | - |



HCG EKO Oncology LLP

Notes forming part of financial statements

Note (Amount in Rupees, unless otherwise specifically mentioned)

No.

9 Property, plant and equipments

| Particulars | Gross Carrying Value | | | | Depreciation/Amortisation | | | | Net Carrying Value | |
|------------------------|----------------------|---------------------|-----------|---------------------|---------------------------|-----------------------------------|-------------|------------------|---------------------|---------------|
| | Balance as at | Additions | Disposals | Balance as at | Balance as at | Depreciation expense for the year | Adjustments | Balance as at | Balance as at | Balance as at |
| | 01-Apr-18 | | | 31-Mar-19 | 01-Apr-18 | | | 31-Mar-19 | 31-Mar-19 | 31-Mar-19 |
| Leasehold improvements | - | 1,12,50,000 | - | 1,12,50,000 | - | 3,10,274 | - | 3,10,274 | 1,09,39,726 | - |
| Plant & equipments | - | 17,28,45,818 | - | 17,28,45,818 | - | 45,43,592 | - | 45,43,592 | 16,83,02,226 | - |
| Furniture & fixtures | - | 46,020 | - | 46,020 | - | 1,904 | - | 1,904 | 44,116 | - |
| Total | - | 18,41,41,838 | - | 18,41,41,838 | - | 48,55,770 | - | 48,55,770 | 17,92,86,068 | - |
| <i>Previous Year</i> | - | - | - | - | - | - | - | - | - | - |



HCG EKO Oncology LLP
Notes forming part of financial statements
(Amount in Rupees, unless otherwise specifically mentioned)

Note
No.

10 Long-term loans and advances

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---|--------------------|--------------------|
| Capital advance | 44,87,034 | 2,40,50,863 |
| Security deposit | 4,55,844 | - |
| Prepaid expense | 44,79,949 | 56,58,991 |
| Term deposit more than 12 months maturity | 1,65,95,006 | 1,68,37,291 |
| Interest accrued on long-term deposit | 1,28,132 | 60,512 |
| Total | 2,61,45,965 | 4,66,07,657 |

11 Inventories

| Particulars | 31-Mar-19 | 31-Mar-18 |
|--|------------------|-----------|
| Inventories (lower of cost and net realisable value) | | |
| Medicines | 32,94,162 | - |
| Other consumables | 3,57,725 | - |
| Total | 36,51,887 | - |

12 Trade receivables

| Particulars | 31-Mar-19 | 31-Mar-18 |
|--|-----------------|-----------|
| Other trade receivables | | |
| - Unsecured, considered good | 1,15,036 | - |
| - Doubtful | - | - |
| | 1,15,036 | - |
| Less: Provision for doubtful trade receivables | - | - |
| | 1,15,036 | - |
| Total | 1,15,036 | - |

13 Cash and cash equivalents

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---------------------|------------------|------------------|
| Cash-on-hand | 96,197 | - |
| Balances with banks | | |
| In current accounts | 32,99,682 | 17,39,070 |
| Total | 33,95,879 | 17,39,070 |

14 Short-term loans and advances

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---------------------------------|------------------|------------------|
| Prepaid expenses | 12,20,822 | 14,02,202 |
| Loans and advances to employees | 13,619 | - |
| Total | 12,34,441 | 14,02,202 |

15 Other current assets

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---------------------|------------------|-----------|
| Unbilled revenue | 17,40,006 | - |
| In deposit accounts | 15,20,507 | - |
| Total | 32,60,513 | - |



HCG EKO Oncology LLP
Notes forming part of financial statements
(Amount in Rupees, unless otherwise specifically mentioned)

Note
No.

16 Revenue from operations

| Particulars | 31-Mar-19 | 31-Mar-18 |
|------------------------|--------------------|-----------|
| Pharmacy sales | 18,44,103 | - |
| Medical service income | 1,21,38,405 | - |
| Total | 1,39,82,508 | - |

17 Other income

| Particulars | 31-Mar-19 | 31-Mar-18 |
|------------------------|------------------|-----------------|
| Interest income from : | | |
| - Deposits with bank | 11,53,592 | 3,24,641 |
| Total | 11,53,592 | 3,24,641 |

18 Employee benefit expenses

| Particulars | 31-Mar-19 | 31-Mar-18 |
|--|------------------|-----------|
| Salaries and wages | 11,45,205 | - |
| Contributions to provident and other funds | 73,699 | - |
| Staff welfare expenses | 1,33,552 | - |
| Total | 13,52,456 | - |

19 Finance costs

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---|-------------------|------------------|
| Interest on term loan | 7,79,964 | - |
| Bank charges | 1,02,842 | - |
| Interest on defined benefit obligation | 38,257 | - |
| Net loss on foreign currency transactions and translation | -38,38,737 | 11,00,010 |
| Total | -29,17,674 | 11,00,010 |

20 Other expenses

| Particulars | 31-Mar-19 | 31-Mar-18 |
|------------------------------|--------------------|-----------------|
| Medical consultancy charges | 20,12,500 | - |
| Legal and professional fees | 8,77,055 | 2,48,470 |
| Lab charges | 8,35,218 | - |
| Power, fuel and water | 7,30,148 | - |
| Rent including lease rentals | 6,67,644 | - |
| Repairs and maintenance: | | |
| - Buildings | 58,686 | - |
| - Machinery | 1,32,101 | - |
| - Others | 25,960 | - |
| Rates and taxes | 1,091 | 8,850 |
| Communication | 82,182 | - |
| Travelling and conveyance | 17,39,154 | - |
| Printing and stationery | 4,29,743 | - |
| House keeping and security | 4,74,487 | - |
| Business promotion expenses | 29,79,959 | - |
| Payment to auditors | | |
| - For statutory audit | 1,18,000 | 59,000 |
| - For other services | 59,000 | 29,500 |
| Miscellaneous expenses | 78,865 | - |
| Total | 1,13,01,793 | 3,45,820 |



HCG EKO Oncology LLP

Notes forming part of financial statements

(Amount in Rupees, unless otherwise specifically mentioned)

Note

No.

21 Contingent liabilities and commitments (to the extent not provided for): 31 March 2019 Rs. 29,996,963 and 31 March 2018 Rs. Nil. There were no contingent liabilities during the current year and in the previous year.

22 Related party disclosure

Name of related party and nature of relationship

| Name of Related Party | Nature |
|---|------------------|
| HealthCare Global Enterprises Limited (HCG) | Majority partner |
| EKO Diagnostic Private Limited (EKO) | Partner |

Transaction during the year period with related parties

| Particulars | HCG | EKO |
|------------------|--------------------|--------------------|
| Capital infusion | 5,74,56,675 | 50,00,000 |
| | <i>4,30,78,139</i> | <i>3,74,33,541</i> |

Closing Balance as on 31 March 2018

| Particulars | HCG | DCMSPL |
|---|--------------------|--------------------|
| Fixed Contribution | 5,05,000 | 4,95,000 |
| | <i>5,05,000</i> | <i>4,95,000</i> |
| Current Contribution (net of share of losses) | 9,93,55,813 | 4,12,77,886 |
| | <i>4,25,73,139</i> | <i>3,69,38,541</i> |

Note: Previous year numbers are in italics

23 Unhedged foreign currency exposure:

| Currency | 31-Mar-19 | 31-Mar-18 |
|------------------------------------|-------------|--------------|
| Deferred payment obligations (INR) | 1,55,61,527 | 14,82,37,852 |
| Deferred payment obligations (USD) | 18,81,952 | 22,79,035 |

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

25 Expenditure debited to Statement of Profit and Loss account is net of following expense capitalised:

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---------------------------|--------------------|------------------|
| Employee benefit expenses | 1,78,25,380 | 35,84,895 |
| Finance costs | 1,29,35,272 | 48,14,879 |
| Other expenses | 2,75,17,605 | 3,95,411 |
| Total | 5,82,78,257 | 87,95,185 |

26 Employee benefits

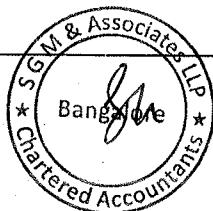
Defined contribution plan

The Company makes Provident Fund contributions (PF) and Employee State Insurance Scheme (ESI), which are a defined contribution plan, for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. For the year ended 31 March 2019, the Company recognised Rs. 867,663 and Rs. 155,174 for PF and ESI, respectively, in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plan

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

| Particulars | 31-Mar-19 |
|---|-----------------|
| Components of employer expense | |
| Current service cost | 86,045 |
| Past service cost | - |
| Interest cost | 25,911 |
| Expected return on plan assets | - |
| Actuarial losses / (gain) | 2,90,639 |
| Total expense recognized in-Statement of Profit and Loss | 4,02,595 |
| Actual contributions and benefits payments | |
| Actual benefit payments | - |
| Actual contributions | - |



HCG EKO Oncology LLP

Notes forming part of financial statements

(Amount in Rupees, unless otherwise specifically mentioned)

Note
No.

| | |
|--|-----------------|
| Net asset / (liability) recognised in the Balance Sheet | |
| Present value of defined benefit obligation | 4,02,595 |
| Fair value of plan assets | - |
| Funded status [Surplus / (Deficit)] | 4,02,595 |
| Unrecognised actuarial (gains) / losses | |
| Net asset / (liability) recognised in the Balance Sheet | 4,02,595 |
| Current | - |
| Non-current | 4,02,595 |
| Change in defined benefit obligations (DBO) during the year | |
| Present value of DBO at beginning of the year | - |
| Current service cost | 86,045 |
| Interest cost | 25,911 |
| Acquisitions | - |
| Actuarial (gains) / losses | 2,90,639 |
| Past service cost | - |
| Benefits paid | - |
| Present value of DBO at the end of the year | 4,02,595 |
| Change in fair value of assets during the year | |
| Plan assets at beginning of the year | - |
| Expected return on plan assets | - |
| Actual company contributions | - |
| Actuarial gain / (loss) on Plan Assets | - |
| Plan assets at the end of the year | - |
| Experience adjustment | |
| Defined benefit obligation | 4,02,595 |
| Fair value of plan assets | - |
| Funded status [Surplus / (Deficit)] | 4,02,595 |
| Experience gain / (loss) adjustments on plan liabilities | 2,90,639 |
| Experience gain / (loss) adjustments on plan assets | - |
| Principal assumptions for Gratuity and Compensated absence | |
| Discount rate | 10.00% |
| Expected rate of return on plan assets | - |
| Salary escalation | 12% |
| Attrition rate | 9% |
| Retirement Age | 60 Years |
| Mortality Table | IALM 06-08 |

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



**INDEPENDENT AUDITOR'S REPORT
TO THE PARTNERS OF HCG EKO ONCOLOGY LLP**

We have examined the attached Proforma IND AS Balance Sheet of **HCG EKO ONCOLOGY LLP** ("entity") a subsidiary of the HealthCare Global Enterprises Limited (the "Holding Company") as at 31 March 2019 and related Proforma IND AS Statement of Profit and Loss for the year then ended, annexure thereto, together referred to as the 'Financial Statements'.

These Financial Statements has been prepared by the management of the Holding Company, in accordance with the significant accounting policies followed by the Holding Company, to the extent applicable to entity (i.e., prepared in accordance with Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable, to the Holding Company).

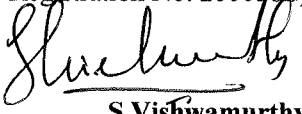
Based on the above examination and according to the additional information and explanations furnished to us, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our examination of the Financial Statements.
- (b) These Financial Statements mainly set out the information required in Schedule III of the Companies Act, 2013 for the purpose of consolidation with the Holding Company's financial statements.
- (c) In our opinion, necessary adjustments have been made by the management of the Holding Company to ensure that the Financial Statements:
 - (i) have been prepared in accordance with the IND AS and as per the significant accounting policy followed by the Holding Company; and
 - (ii) are fit for consolidation with the Holding Company



Bengaluru, 22 May 2019

For S G M & Associates LLP
Chartered Accountants
(LLP Registration No. 2000588)


S Vishwamurthy
Partner
(Membership No.215675)

HCG EKO Oncology LLP

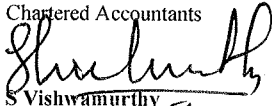
Proforma IND AS Balance Sheet as at 31 March 2019

(Amount in Rupees, unless otherwise specifically mentioned)

| Particulars | Note No. | As at | |
|--------------------------------------|----------|---------------------|---------------------|
| | | 31-Mar-19 | 31-Mar-18 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipments | 3 | 21,32,98,535 | - |
| Capital work-in-progress | | 26,37,29,227 | 28,51,99,658 |
| Deferred tax asset | | 5,97,000 | - |
| Financial assets | | | |
| Loans | 4 | 4,55,844 | - |
| Other financial assets | 5 | 17,89,550 | 1,68,97,803 |
| Other non-current asset | 6 | 1,75,62,349 | 3,61,94,430 |
| Total non-current assets | | 49,74,32,505 | 33,82,91,891 |
| Current assets | | | |
| Inventories | 7 | 36,51,887 | - |
| Financial assets | | | |
| Trade receivables | 8 | 1,15,036 | - |
| Cash and cash equivalents | 9 | 33,95,879 | 17,39,070 |
| Other current assets | 10 | 1,81,94,101 | - |
| Loans | | 13,619 | - |
| Other current assets | 11 | 2,19,389 | 24,81,756 |
| Total current assets | | 2,55,89,911 | 42,20,826 |
| Total assets | | 52,30,22,416 | 34,25,12,717 |
| CAPITAL AND LIABILITIES | | | |
| Capital | 12 | | |
| Partners' capital account | | 10,00,000 | 10,00,000 |
| Partners' current account | | 15,17,80,721 | 8,81,55,364 |
| Total capital | | 15,27,80,721 | 8,91,55,364 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 13 | 18,79,31,600 | 21,51,36,655 |
| Provision | 14 | 1,11,956 | - |
| Other liabilities | 15 | 3,40,12,467 | 3,32,52,013 |
| Total non-current liabilities | | 22,20,56,023 | 24,83,88,668 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | 16 | 95,35,679 | 88,502 |
| Other financial liabilities | 17 | 13,61,53,565 | 41,30,754 |
| Other liabilities | 18 | 22,48,973 | 7,49,429 |
| Provision | 19 | 2,47,455 | - |
| Total current liabilities | | 14,81,85,672 | 49,68,685 |
| Total liabilities | | 52,30,22,416 | 34,25,12,717 |

See accompanying notes forming part of the proforma IND AS financial statements

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

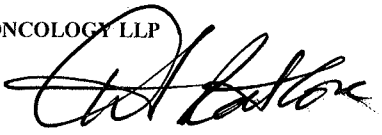

S. Vishwamurthy
Partner

Bengaluru 24/5/19



For HCG EKO ONCOLOGY LLP


Anant S. Kittur
Designated Partner


Nand Singh Rathore
Designated Partner

HCG EKO Oncology LLP

Proforma IND AS Statement of Profit and Loss for the year ended 31 March 2019

(Amount in Rupees, unless otherwise specifically mentioned)


| Particulars | Note No. | For the year ended | |
|---|----------|--------------------|--------------------|
| | | 31-Mar-19 | 31-Mar-18 |
| Revenue from operations | 20 | 1,39,82,508 | - |
| Other income | 21 | 21,10,945 | 3,24,641 |
| Total revenue | | 1,60,93,453 | 3,24,641 |
| Expenses | | | |
| Purchase of stock-in-trade | | 61,27,298 | - |
| Changes in inventory of stock-in-trade | | (36,51,887) | - |
| Employee benefit expenses | 22 | 10,61,817 | - |
| Finance cost | 23 | -20,46,711 | 21,79,564 |
| Depreciation and amortisation expense | 3 | 58,13,123 | - |
| Other expenses | 24 | 1,13,01,793 | 3,45,820 |
| Total expenses | | 1,86,05,433 | 25,25,384 |
| Loss before exceptional items and tax | | (25,11,980) | (22,00,743) |
| Exceptional items | | - | - |
| Loss before tax | | (25,11,980) | (22,00,743) |
| Tax expense / (benefit): | | | |
| Current tax | | - | - |
| Deferred tax | | -5,97,000 | - |
| Loss for the year | | (19,14,980) | (22,00,743) |
| Other comprehensive income / (losses) | | | |
| Items that will not be reclassified to Statement of profit and loss | | - | - |
| Remeasurements of the defined benefit plans | | (2,90,639) | - |
| Income tax on the above | | - | - |
| Total comprehensive income for the year | | (22,05,619) | (22,00,743) |

See accompanying notes forming part of the proforma IND AS financial statements

In terms of our report attached.

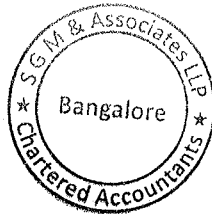
For S G M & Associates LLP

Chartered Accountants



S Vishwamurthy

Partner



For HCG EKO ONCOLOGY LLP


Anant S. Kittur
Designated Partner

Nand Singh Rathore
Designated Partner

Bengaluru, 22 May 2019

HCC EKO Oncology LLP

Notes forming part of financial statements

Note (Amount in Rupees, unless otherwise specifically mentioned)

9 Property, plant and equipments

| Particulars | Gross Carrying Value | | | Depreciation/Amortisation | | | Net Carrying Value | |
|------------------------|----------------------|-------------|-----------|---------------------------|-----------------------------------|-------------|--------------------|---------------|
| | Balance as at | Additions | Disposals | Balance as at | Depreciation expense for the year | Adjustments | Balance as at | Balance as at |
| Leasehold improvements | 01-Apr-18 | 11,250,000 | - | 31-Mar-19 | 310,274 | - | 31-Mar-19 | 31-Mar-18 |
| Plant & equipments | - | 172,845,818 | - | 11,250,000 | 4,543,592 | - | 10,939,726 | - |
| Furniture & fixtures | - | 46,020 | - | 172,845,818 | 1,904 | - | 168,302,226 | - |
| Total | - | 184,141,838 | - | 46,020 | 4,855,770 | - | 44,116 | - |
| Previous Year | - | - | - | 184,141,838 | 4,855,770 | - | 179,286,068 | - |



HCG EKO Oncology LLP

Notes forming part of proforma IND AS financial statements
(Amount in Rupees, unless otherwise specifically mentioned)

Note
No.

1 Nature of operations:

HCG EKO Oncology LLP ('HCG EKO' or 'LLP') is a Limited Liability Partnership registered under Limited Liability Partnership Act, 2008. HealthCare Global Enterprises Limited ('HCG') and EKO Diagnostic Private Limited ('EKO') are partners in LLP having capital and profit sharing ratio of 50.50 : 49.50. HCG EKO is engaged in managing hospitals and medical diagnostic services including scientific testing and consultancy services in the pharmaceutical and medical sector. The LLP was incorporated on 15 May and has its registered office at # 8, P. Kalinga Rao Road, Sampangi Ram Nagar, Bengaluru – 560 027.

2 Basis of preparation and Significant accounting policies

The Proforma IND AS Financial Statements, comprising of Proforma IND AS Balance Sheet and Proforma IND AS Statement of Profit and Loss (together referred to as 'financial statements'), of the LLP have been prepared as per the significant accounting policies provided by HCG, to the extent applicable to LLP. Refer Annexure 1 to these financial statements for significant accounting policies followed for the purpose of preparation of these financial statements.

4 Loans

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---------------------------------|-----------------|-----------|
| Security deposit | 4,55,844 | - |
| Loans and advances to employees | 13,619 | - |
| Total | 4,69,463 | - |

5 Other non-current financial assets

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---|------------------|--------------------|
| Term deposit more than 12 months maturity | 16,61,418 | 1,68,37,291 |
| Interest accrued on long-term deposit | 1,28,132 | 60,512 |
| Total | 17,89,550 | 1,68,97,803 |

6 Other current financial assets

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---------------|--------------------|-----------|
| Term deposits | 1,64,54,095 | - |
| Total | 1,64,54,095 | - |

6 Other non-current assets

| Particulars | 31-Mar-19 | 31-Mar-18 |
|-----------------|--------------------|--------------------|
| Capital advance | 44,87,034 | 2,40,50,863 |
| Prepaid expense | 1,30,75,315 | 1,21,43,567 |
| Total | 1,75,62,349 | 3,61,94,430 |

7 Inventories

| Particulars | 31-Mar-19 | 31-Mar-18 |
|--|------------------|-----------|
| Inventories (lower of cost and net realisable value) | | |
| Medicines | 32,94,162 | - |
| Other consumables | 3,57,725 | - |
| Total | 36,51,887 | - |

8 Trade receivables

| Particulars | 31-Mar-19 | 31-Mar-18 |
|--|-----------------|-----------|
| Unsecured, considered good | 1,15,036 | - |
| Doubtful | - | - |
| Less: Provision for doubtful trade receivables | - | - |
| Total | 1,15,036 | - |

9 Cash and cash equivalents

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---------------------|------------------|------------------|
| Cash-on-hand | 96,197 | - |
| Balances with banks | | |
| In current accounts | 32,99,682 | 17,39,070 |
| Total | 33,95,879 | 17,39,070 |

10 Other current financial assets

| Particulars | 31-Mar-19 | 31-Mar-18 |
|------------------|------------------|-----------|
| Unbilled revenue | 17,40,006 | - |
| Total | 17,40,006 | - |

11 Other current assets

HCG EKO Oncology LLP

Notes forming part of proforma IND AS financial statements
(Amount in Rupees, unless otherwise specifically mentioned)

Note
No.

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---|-----------------|------------------|
| Prepaid expenses | - | 24,81,756 |
| Balance receivable from revenue authority | 2,19,389 | - |
| Total | 2,19,389 | 24,81,756 |



HCG EKO Oncology LLPNotes forming part of proforma IND AS financial statements
(Amount in Rupees, unless otherwise specifically mentioned)Note
No.**12 Partners' Capital Account**

| Particulars | As at | | | | | |
|----------------------|-----------|----------|-----------|-----------|----------|-----------|
| | 31-Mar-19 | | | 31-Mar-18 | | |
| | HCG | EKO | Total | HCG | EKO | Total |
| Fixed capital | | | | | | |
| Opening balance | 5,05,000 | 4,95,000 | 10,00,000 | 5,05,000 | 4,95,000 | 10,00,000 |
| Closing balance | 5,05,000 | 4,95,000 | 10,00,000 | 5,05,000 | 4,95,000 | 10,00,000 |

Partners' Current Account:

| Particulars | As at | | | | | |
|---------------------------------|--------------|-------------|--------------|-------------|-------------|-------------|
| | 31-Mar-19 | | | 31-Mar-18 | | |
| | HCG | EKO | Total | HCG | EKO | Total |
| Opening balance | 5,12,16,823 | 3,69,38,541 | 8,81,55,364 | 19,95,000 | 20,05,000 | 40,00,000 |
| Add: Share of loss for the year | (11,13,838) | (10,91,781) | (22,05,619) | (5,66,200) | (5,54,989) | (11,21,189) |
| Add: Invested during the year | 5,53,43,265 | 1,14,87,710 | 6,68,30,976 | 4,97,88,023 | 3,54,88,530 | 8,52,76,553 |
| Closing balance | 10,54,46,250 | 4,73,34,470 | 15,27,80,721 | 5,12,16,823 | 3,69,38,541 | 8,81,55,364 |
| | | | 150807912 | 19,72,809 | 10,79,554 | 30,52,363 |

13 Borrowings

| Particulars | 31-Mar-19 | 31-Mar-18 |
|--|---------------------|---------------------|
| Secured | | |
| Long-term loan from bank (Refer note (i)) | 17,23,70,073 | 7,38,08,327 |
| Unsecured | | |
| Deferred payment obligations (Refer note (ii)) | 1,55,61,527 | 14,13,28,328 |
| Total | 18,79,31,600 | 21,51,36,655 |

(i)

| Terms of repayment and security | 31-Mar-19 | 31-Mar-18 |
|--|--------------|-----------|
| Secured long-term from banks | | |
| Non-current portion | 17,23,70,073 | - |
| Amounts included under current maturities of long-term debt | - | - |
| Security: Exclusive charge on (i) all assets (equipment) purchased / funded through the above loan; (ii) all movable fixed assets and current assets (both present and future) of the LLP, including any refundable lease/rental deposit placed with lessor, excluding any assets which are charged exclusively to any lessor/vendor. Unconditional and irrevocable corporate guarantee and debt shortfall undertaking from the Partners in the LLP. | | |
| Repayment terms and interest: Repayment in quarterly structured installments with a moratorium of 3 years. Rate of interest is 1.25% spread over and above the bank's half yearly MCLR. | | |
| Unsecured loan | | |
| Non-current portion | 1,55,61,527 | - |
| Amounts included under current maturities of long-term debt | - | - |
| Repayment terms and interest: Repayment in installments after a period of 3 years from the transaction date. Rate of interest / commission is 0.75% p.a. | | |

14 Provision

| Particulars | 31-Mar-19 | 31-Mar-18 |
|----------------------------------|-----------------|-----------|
| Non-current provision | | |
| Provision for employee benefits: | | |
| Gratuity (Refer note 16) | 1,11,956 | - |
| Total | 1,11,956 | - |

15 Other liabilities

| Particulars | 31-Mar-19 | 31-Mar-18 |
|------------------------------------|--------------------|--------------------|
| Deferred income (Refer note below) | 3,40,12,467 | 3,32,52,013 |
| Total | 3,40,12,467 | 3,32,52,013 |

Note: Deferred income represents present value of exemption from payment of custom duty on import of capital goods, subject to fulfilment of certain conditions related to export of services under the Export Promotion Capital Goods (EPCG) Scheme of the Government of India. The LLP has considered the EPCG benefit availed is to compensate the import cost of the assets and classified EPCG benefit as capital grant. Such grant is recognised as income over the useful life of the capital asset.



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Notes forming part of proforma IND AS financial statements
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Note
No.

16 Trade payables

| Particulars | 31-Mar-19 | 31-Mar-18 |
|--|------------------|---------------|
| Total outstanding dues of micro enterprises and small enterprises (Refer note below) | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 73,09,354 | 88,502 |
| Total | 73,09,354 | 88,502 |

Note: There are no dues to Micro and Small Enterprises. The information disclosed with regard to Micro and Small Enterprises is based on information collected by the Management. This has been relied upon by the auditors.

17 Other financial liabilities

| Particulars | 31-Mar-19 | 31-Mar-18 |
|--------------------------------------|---------------------|------------------|
| Other payables | | |
| Current maturities on long-term debt | 11,14,85,388 | - |
| Statutory remittances | 6,68,003.70 | 1,36,965 |
| Payable on purchase of fixed assets | 2,24,51,564 | 39,93,789 |
| Others | - | - |
| Accrued salary benefits | 22,16,613 | - |
| Total | 13,68,21,569 | 41,30,754 |

18 Other liabilities

| Particulars | 31-Mar-19 | 31-Mar-18 |
|------------------------------------|------------------|-----------------|
| Deferred income (Refer note below) | - | 7,49,429 |
| Advance received from patients | 15,80,969 | - |
| Total | 15,80,969 | 7,49,429 |

19 Provision

| Particulars | 31-Mar-19 | 31-Mar-18 |
|----------------------------------|-----------------|-----------|
| Current provision | | |
| Provision for employee benefits: | | |
| Compensated absences | 2,47,455 | - |
| Total | 2,47,455 | - |

20 Revenue from operations

| Particulars | 31-Mar-19 | 31-Mar-18 |
|------------------------|--------------------|-----------|
| Pharmacy sales | 18,44,103 | - |
| Medical service income | 1,21,38,405 | - |
| Total | 1,39,82,508 | - |

21 Other income

| Particulars | 31-Mar-19 | 31-Mar-18 |
|------------------------|------------------|-----------------|
| Interest income from : | | |
| - Deposits with bank | 11,53,592 | 3,24,641 |
| EPCG income | 9,57,353 | - |
| Total | 21,10,945 | 3,24,641 |

22 Employee benefit expenses

| Particulars | 31-Mar-19 | 31-Mar-18 |
|--|------------------|-----------|
| Salaries and wages | 11,45,205 | - |
| Contributions to provident and other funds | -2,16,940 | - |
| Staff welfare expenses | 1,33,552 | - |
| Total | 10,61,817 | - |

23 Finance costs

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---|-------------------|------------------|
| Interest on term loan | 26,44,663 | - |
| Bank charges | 1,02,842 | - |
| Corporate guarantee expenses | 14,97,884 | - |
| Interest on defined benefit obligation | 38,257 | - |
| Net loss on foreign currency transactions and translation | -63,30,358 | 11,00,010 |
| Other borrowing cost | - | 10,79,554 |
| Total | -20,46,711 | 21,79,564 |



HCG EKO Oncology LLPNotes forming part of proforma IND AS financial statements
(Amount in Rupees, unless otherwise specifically mentioned)Note
No.**24 Other expenses**

| Particulars | 31-Mar-19 | 31-Mar-18 |
|------------------------------|--------------------|-----------------|
| Medical consultancy charges | 20,12,500 | - |
| Legal and professional fees | 8,77,055 | 2,48,470 |
| Lab charges | 8,35,218 | - |
| Power, fuel and water | 7,30,148 | - |
| Rent including lease rentals | 6,67,644 | - |
| Repairs and maintenance: | | |
| - Buildings | 58,686 | - |
| - Machinery | 1,32,101 | - |
| - Others | 25,960 | - |
| Rates and taxes | 1,091 | 8,850 |
| Communication | 82,182 | - |
| Travelling and conveyance | 17,39,154 | - |
| Printing and stationery | 4,29,743 | - |
| House keeping and security | 4,74,487 | - |
| Business promotion expenses | 29,79,959 | - |
| Payment to auditors | - | - |
| - For statutory audit | 1,18,000 | 59,000 |
| - For other services | 59,000 | 29,500 |
| Miscellaneous expenses | 78,865 | - |
| Total | 1,13,01,793 | 3,45,820 |

25 Financial instruments**25.01 Gearing ratio: The gearing ratio at end of the reporting period was as follows**

| Particulars | 31-Mar-19 | 31-Mar-18 |
|---------------------------------|---------------------|---------------------|
| Debt | 18,79,31,600 | 21,51,36,655 |
| Less: Cash and bank balances | 33,95,879 | 17,39,070 |
| Net debt (A) | 18,45,35,721 | 21,33,97,585 |
| Total capital (B) | 15,37,80,721 | 8,91,55,364 |
| Net debt to capital ratio (A/B) | 1.20 | 2.39 |

25.02 Categories of financial instruments

| Particulars | 31-Mar-19 | 31-Mar-18 |
|-------------------------------|--------------|--------------|
| Financial assets: | | |
| Measured at amortised cost | | |
| Trade receivables | 1,15,036 | - |
| Cash and cash equivalents | 33,95,879 | 17,39,070 |
| Other financial assets | 1,99,83,651 | 1,68,97,803 |
| Financial liabilities: | | |
| Measured at amortised cost | | |
| Loans and borrowings | 18,79,31,600 | 21,51,36,655 |
| Trade payables | 95,35,679 | 88,502 |
| Other financial liabilities | 13,61,53,565 | 41,30,754 |

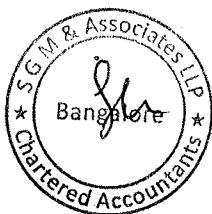
25.03 Fair value of the LLP's financial liabilities that are measured at fair value on a recurring basis

| Particulars | 31-Mar-19 | | 31-Mar-18 | |
|----------------------|----------------|--------------|----------------|--------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Loans and borrowings | 18,79,31,600 | 19,10,86,102 | 21,51,36,655 | 22,20,46,179 |

25.04 Foreign currency exposure and sensitivity analysis

Foreign currency exposure: The details of un-hedged foreign currency exposure are as follows:

| Particulars | 31-Mar-19 | | 31-Mar-18 | |
|-------------|-----------|-------------|-----------|--------------|
| | Forex | INR | Forex | INR |
| USD | 18,81,952 | 1,55,61,527 | 22,79,035 | 14,13,28,328 |



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Notes forming part of proforma IND AS financial statements
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Note
No.

Foreign currency sensitivity analysis: Financial instruments affected by changes in foreign exchange rates include borrowings, deferred payment obligations, etc. The LLP considers US Dollar. The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against INR is given below:

| Particulars | 31-Mar-19 | | 31-Mar-18 | |
|-------------------------|-----------|-------------|-----------|--------------|
| | Forex | INR | Forex | INR |
| Appreciation in the USD | 19,76,050 | 1,63,39,607 | 23,92,987 | 14,83,94,760 |
| Depreciation in the USD | 17,87,854 | 1,47,83,447 | 21,65,083 | 13,42,61,896 |

Interest rate sensitivity analysis

If interest rates had been 1% higher/lower and all other variables were held constant, the company's profit for the period ended / year ended would have impacted in the following manner:

| Particulars | Impact on profit before tax for the year ended | |
|--|--|-------------|
| | 31-Mar-19 | 31-Mar-18 |
| Decrease in interest rate by 1% Increase in profit | 18,79,316 | (21,51,367) |
| Increase in interest rate by 1% Decrease in profit | (18,79,316) | (21,51,367) |

Liquidity analysis for non-derivative liabilities

The following table details the LLPs remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the LLP can be required to pay. The table include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the LLP may be required to pay.

| Particulars | 31-Mar-19 | | | | Total | Carrying |
|-----------------------------|--------------|-----------|--------------|--|--------------|--------------|
| | < 1 year | 1-3 years | > 3 years | | | |
| Borrowings | - | - | 19,10,86,102 | | 19,10,86,102 | 18,79,31,600 |
| Trade payables | 95,35,679 | - | - | | 95,35,679 | 95,35,679 |
| Other financial liabilities | 13,61,53,565 | - | - | | 13,61,53,565 | 13,61,53,565 |

| Particulars | 31-Mar-18 | | | | Total | Carrying value |
|-----------------------------|-----------|-----------|--------------|--|--------------|----------------|
| | < 1 year | 1-3 years | > 3 years | | | |
| Borrowings | - | - | 22,20,46,179 | | 22,20,46,179 | 21,51,36,655 |
| Trade payables | 88,502 | - | - | | 88,502 | 88,502 |
| Other financial liabilities | 41,30,754 | - | - | | 41,30,754 | 41,30,754 |

26 Employee benefit plans

Defined contribution plans

The Group makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the group is required to contribute a specified percentage of the payroll cost to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes and the Group has no obligations beyond its contributions.

| Particulars | 31-Mar-19 |
|--|-----------|
| Contribution to Provident Fund and Employee State Insurance Scheme in the Statement of Profit and Loss | - |

Defined benefit plan

The Company and its Indian subsidiaries offers gratuity benefits, a defined employee benefit scheme to its employees. The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

| | |
|----------------|---|
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |
| Interest risk | The fund has invested 100% of the funds in 'Schemes of insurance - conventional products' which are risk averse as whole of the risk is borne by the Insurance company. |



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Notes forming part of proforma IND AS financial statements
(Amount in Rupees, unless otherwise specifically mentioned)

Note
No.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars | 31-Mar-19 |
|-------------------|------------|
| Discount rate | 10.00% |
| Salary escalation | 12.00% |
| Attrition rate | 9.00% |
| Retirement age | 60 Years |
| Mortality | IALM 06-08 |

Amounts recognised in consolidated statement of profit and loss in respect of these defined benefit plans are as follows:

| Particulars | 31-Mar-19 |
|--|-----------------|
| Service cost | |
| Current service cost | 86,045 |
| Past service cost and (gain)/loss from settlements | - |
| Net interest expense | 25,911 |
| Components of defined benefit costs recognised in profit or loss | 1,11,956 |
| Remeasurement on the net defined benefit liability | |
| Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return | - |
| Actuarial (gains) / losses arising from changes in demographic assumptions | - |
| Actuarial (gains) / losses arising from changes in financial assumptions | - |
| Actuarial (gains) / losses arising from experience adjustments | 2,90,639 |
| Components of defined benefit costs recognised in other comprehensive income | 2,90,639 |
| Total | 4,02,595 |

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

| Particulars | 31-Mar-19 |
|--|-----------------|
| Present value of funded defined benefit obligation | 4,02,595 |
| Fair value of plan assets | - |
| Funded status | 4,02,595 |
| Restrictions on asset recognised | - |
| Net liability arising from defined benefit obligation | 4,02,595 |
| Current | - |
| Non-current | 4,02,595 |

Movements in the present value of the defined benefit obligation are as follows

| Particulars | 31-Mar-19 |
|--|-----------------|
| Opening defined benefit obligation | - |
| Add/(Less) on account of acquisitions /business transfers | - |
| Expenses recognised in the statement of profit and loss | |
| Current service cost | 86,045 |
| Interest cost | 25,911 |
| Remeasurement (gains)/losses recognised in other comprehensive income | |
| Actuarial gains and losses arising from changes in demographic assumptions | - |
| Actuarial gains and losses arising from changes in financial assumptions | - |
| Actuarial gains and losses arising from experience adjustments | 2,90,639 |
| Acquisition / Divestiture | - |
| Benefits paid | - |
| Closing defined benefit obligation | 4,02,595 |

Movements in the fair value of the plan assets are as follows:

| Particulars | 31-Mar-19 |
|---|-----------|
| Opening fair value of the asset | - |
| Acquisition adjustment | - |
| Interest income on plan assets | - |
| Employer contributions | - |
| Return of plan assets greater / (lesser) than discount rate | - |
| Benefits paid | - |
| Closing fair value of assets | - |



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Note
No.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

| Particulars | 31-Mar-19 |
|-----------------------------------|------------|
| If the discount rate increases 1% | 1,00,000 |
| If the discount rate decreases 1% | (1,00,000) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Expected future cash outflows towards the plan are as follows:

| Particulars | 31-Mar-19 |
|--------------------|-----------|
| Year 1 | 1,34,000 |
| Year 2 to 5 | 2,51,000 |
| Year 6 to 10 | 96,000 |
| More than 10 years | 15,000 |

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

