GARGESH & CO,
CHARTERED ACCOUNTANTS
HO: Mysuru <>Branch : Bengaluru

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INDEPENDENT AUDITOR'S REPORT

TO THE PARTNERS OF HCG NCHRI ONCOLOGY LLP

Opinion

1. We have audited the financial statements of HCG NCHRI ONCOLOGY LLP ("the LLP"), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss and Cashflow Statement for the year then ended, and notes to the Financial Statements including a summary of the significant accounting.

2. In our opinion, the accompanying Financial give a true and fair view of the Financial position of the LLP as at 31 March 2020, and of its Financial Performance and Cash for the year then ended in accordance with the 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.

GARGESH & Co * Chartered Accountant *

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:

(a) 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.

(b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(d) 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.

(e) 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.

GARGESH & Co. Chartered Accountant

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

For Gargesh & Co
Chartered Accountants
Firm's Registration No.:07669S

GARGESH & Co. * Chartered Accountants *

Ravi G R
Partner
Membership No.: 205958

Place: Bangalore
Date:
UDIN: 20205958AAAABJ5781

HCG NCHRI ONCOLOGY LLP

Balance Sheet as at 31st March, 2020

Particulars	Note No.	31st March, 2020 (Amount in ₹)		31st March, 2019 (Amount in ₹)	
I. EQUITY AND LIABILITIES					
1 Partners' funds					
Partners' capital account	3	1,000,000		1,000,000	
Partners' current account	3	92,448,742	93,448,742	153,707,234	154,707,234
2 Non-current liabilities					
Long-term borrowings	4	262,374,370		84,038,949	
Long-term provisions	5	1,197,787	263,572,157	897,716	84,936,665
3 Current liabilities					
Trade payables	6	88,554,936		75,901,191	
Other current liabilities	7	51,730,315		246,933,949	
Short-term provisions	8	426,556	140,711,807	352,510	323,187,650
TOTAL			497,732,706		562,831,549
II. ASSETS					
1 Non-current assets					
Fixed assets					
Tangible assets		271,724,181		292,629,297	
Intangible assets	9	795,355		7,017,256	
Capital work-in-progress				146,901	
Deferred tax assets (Net)	10	-		37,417,000	
Long term loans and advances	11	123,316,163		119,257,549	
Other non-current assets	12	11,558,700	407,394,399	2,967,280	459,435,293
2 Current assets					
Inventories	13	4,842,269		9,368,670	
Trade receivables	14	73,636,306		58,437,366	
Cash and bank balances	15	517,230		15,172,344	
Short-term loans and advances	16	10,256,753		17,839,870	
Other Current Assets	17	1,085,749	90,338,307	2,578,006	103,396,256
TOTAL			497,732,706		562,831,549

Firm information and Significant Accounting Policies 1 & 2

Notes Forming Part of Financial Statements 3-31

In terms of our report attached
For Gargesh & Co
Chartered Accountants
Firm's Registration No. 07669...

GARGESH & Co * Chartered Accountants

Ravi G B
Partner
Membership No. 205958

Place: Bengaluru
Date: 17th July, 2020

For HCG NCHRI ONCOLOGY LLP

Srinivasa V. Raghavan
Designated Partner

Place: Bengaluru
Date: 16th July, 2020

Ajay Mehta
Designated Partner

Place: Nagpur
Date: 17th July, 2020

HCG NCHRI ONCOLOGY LLP

Statement of Profit and loss for the year ended 31st March, 2020

Particulars	Note No.	Period ended 31st March 2020 (Amount in ₹)	Year ended 31st March 2019 (Amount in ₹)
Revenue from operations	18	125,275,692	154,102,277
Other income	19	1,559,920	915,412
Total Revenue		126,835,612	155,017,689
Expenses:			
Purchases of stock-in-trade	20	37,040,549	49,196,218
Changes in inventory of stock-in-trade	20	4,526,401	340,030
Employee benefits expense	21	45,312,186	43,831,134
Finance costs	22	30,453,583	16,534,433
Depreciation and amortization	9	41,425,317	29,220,509
Other expenses	23	113,277,527	113,382,677
Total expenses		272,035,563	252,505,001
Profit / (Loss) before tax		(145,199,951)	(97,487,312)
Tax expense:			
(a) Current tax			
(c) Deferred tax		37,417,000	(15,014,000)
Profit / (Loss) for the year		(182,616,951)	(82,473,312)

In terms of our report attached
For Gargesh & Co
Chartered Accountants
Firm's Registration No. 076695

GARGESH & CO. Chartered Accountant

Ravi G R
Partner
Membership No. 205958

Place: Bengaluru
Date: 17th July, 2020

For HCG NCHRI ONCOLOGY LLP

Srinivasa V. Raghavan
Designated Partner

Place: Bengaluru
Date: 16th July, 2020

Ajay Mehta
Designated Partner

Place: Nagpur
Date: 17th July, 2020

HCG NCHRI ONCOLOGY LLP

Cash Flow Statement for the years ended	31 March 2020	31 March 2019
Cash flows from operating activities		
Profit/(loss) before tax for the year	(145,199,951)	(92,487,312)
Adjustments for:		
Finance costs recognised in profit or loss	27,794,854	13,584,717
Investment income recognised in profit or loss	(811,759)	(735,412)
Depreciation and amortisation of non-current assets	41,425,317	29,220,509
Other Comprehensive Income	124,256	99,767
Movements in working capital:		
(Increase)/decrease in trade receivables	(15,198,940)	(46,258,726)
(Increase)/decrease in inventories	4,526,401	340,000
(Increase)/decrease in other assets	(1,505,417)	(10,438,655)
Increase/(decrease) in trade payables	12,653,745	49,080,[illegible]
Increase/(decrease) in provisions	374,117	548,578
Increase/(decrease) in other liabilities	(340,781)	2,908,816
Cash (used in)/generated from operations	(76,158,158)	(65,137,834)
Income taxes paid	5,672,817	(8,142,185)
Net cash used in operating activities	(70,485,341)	(73,280,019)
Cash flows from investing activities		
Interest received	595,060	682,346
Payments for property, plant and equipment	(21,529,739)	(4,574,016)
Margin money deposits refund/(placed)	(648,126)	6,746,200
Net cash used in investing activities	(21,582,805)	2,854,530
Cash flows from financing activities		
Proceeds from Contribution of Partners' Capital	121,358,459	85,817,975
Proceeds from borrowings	(26,109,043)	5,641,117
Interest paid	(17,836,384)	(7,655,991)
Net cash generated by financing activities	77,413,032	83,803,101
Net increase in cash and cash equivalents	(14,655,114)	13,377,613
Cash and cash equivalents at the beginning of the year	15,172,344	1,794,731
Cash and cash equivalents at the end of the year	517,230	15,172,344

See accompanying notes to the financial statements

In terms of our report attached.
For Gargesh & Co
Chartered Accountants
Firm's Registration No. 07669S

GARGESH & Co. Chartered Accountants

Ravi G R
Partner
Membership No: 205958

Place : Bengaluru
Date: 17th July, 2020

For HCG NCHRI ONCOLOGY LLP

Srinivasa V. Raghavan
Designated Partner

Place : Bengaluru
Date : 16th July, 2020

Ajay Mehta
Designated Partner

Place : Nagpur
Date : 17th July, 2020

1 **General Information**

HCG NCHRI Oncology LLP ("the Firm" or "LLP") is a hospital offering specialized services in cancer treatment. The registered office of the Firm is situated at #8, P. Kalinga Rao Road, Sampangi Ram Nagar, Bengaluru - 560 027. The Firm was incorporated on 3rd September 2014.

2 **Significant accounting policies**

2.1 ***Basis of accounting and preparation of statements of account***

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

2.2 **Use of estimates**

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

2.3 **Current and non-current classification**

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

Assets

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

a) It is expected to be realized in, or is intended for sale or consumption in, the LLP'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 LLP'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 LLP 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 LLP and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the LLP has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.4 **Inventories**

Inventories are measured at the lower of cost and net realisable value on the weighted average cost basis, and shown net of provision for obsolescence. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for VAT/GST wherever applicable applying weighted average cost basis.

2.5 **Cash and cash equivalents**

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

2.6 **Cash flow statement**

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

2.7 **Revenue recognition**

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Billing of the same is done by M/s Nagpur Cancer Hospital & Research Institute Pvt Ltd in terms of the Medical Service Agreement entered into with them and the amounts received by them to their Bank Account is shared by them to the Firm as per agreed formula. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients. Revenue is recorded and recognized 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.

The service revenues are presented net of related doctor fees and diagnostic charges in cases where the Firm is not the primary obligator and does not have the pricing latitude.

Revenue is recognized to the extent that it is probable that economic benefit will flow to the LLP and revenue can be reliably measured.

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 uncertainity exists regarding the amount of the consideration that will be derived from the sale of goods and regarding its collection. Revenue is measured excluding taxes or duties collected on behalf of the government.

2.8 Other income

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

2.9 Fixed assets

'Tangible assets

Tangible assets are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of tangible assets comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Cost includes expenditures directly attributable to the acquisition of the asset.

The LLP depreciates Tangible assets over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. The estimated useful lives of assets as follows:

Asset category	Useful life as per the management
Plant and equipment	10-15 years
Lab equipment	10 years
Office equipments	05 years
Furniture and fixures	10 years
Data processing equipments	3-6 years
Electrical installation	20 years
Vehicles	8 years

The cost and related accumulated depreciation are eliminated from the statement of assets and liabilities upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of income and expenditure. Amounts paid towards the acquisition of tangible assets outstanding as of each reporting date are recognized as capital advance and the cost of tangible assets not ready for intended use before such date are disclosed under capital work- in-progress.

Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term

Intangible assets

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

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

Asset category	Useful life as per the management
Computer software	6 years
Tenancy Rights	5 years

2.10 Foreign currency transactions

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

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

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

2.11 Employee benefits

Defined contribution plan

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

Defined benefit plans

The LLP'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 LLP records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement

2.12 Borrowing costs

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

2.13 Taxes on income

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

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

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 LLP 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.

The carrying values of assets / cash generating units at each Statement of assets and liabilities date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of profit and loss.

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 recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of profit and loss, to the extent the amount was previously charged to the Statement of income and expenditure

2.14 Provisions and contingencies

A provision is recognised 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Statement of assets and liabilities date. These are reviewed at each Statement of assets and liabilities date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the statements of account.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the LLP 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 LLP recognises any impairment loss on the assets associated with that contract.

2.15 Leases

A finance lease (also known as a capital lease or a sales lease) is a type of lease in which a LLP is typically the legal owner of the asset for the duration of the lease, while the lessee not only has operating control over the asset, but also has a substantial share of the economic risks and returns from the change in the valuation of the underlying asset.

If "substantially all the risks and rewards" of ownership are transferred to the lessee then it is a finance lease. If it is not a finance lease then it is an operating lease.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of income and expenditure on a straight-line basis over the lease term.

2.16 Impairment

The LLP 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 LLP 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.

Note 3 Partners' Capital

(Amount in ₹)

Particulars	As at 31st March 2020			
	HealthCare Global Enterprises Limited (HCG)	Nagpur Cancer Hospital and Research Institute Private Limited	Dr. Ajay Mehta	Total
Fixed Capital Account				
Opening	760,000	80,000	160,000	1,000,000
Addition/(Deduction during the year)	-	-	-	-
Closing	760,000	80,000	160,000	1,000,000
Current Capital Account				
Opening	126,701,140	19,023,785	7,982,309	153,707,234
Contribution during the year	110,158,459	-	11,200,000	121,358,459
Add- Capital Reserve on Consolidation	-	-	-	-
Add: General Reserve	-	-	-	-
Add- Share of loss for the year	(138,788,883)	(14,609,356)	(29,218,712)	(182,616,951)
Total	**98,070,716**	**4,414,429**	**(10,036,403)**	**92,448,742**

Note 4 Long term borrowings

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Secured Loans		
From Banks:		
Term Loan from Yes Bank Limited	280,345,217	76,960,500
	280,345,217	76,960,500
Less: Current maturities of Long term borrowings (Disclosed under Note 7 Other Current Liabilities)	17,970,847	1,924,013
	262,374,370	**75,036,487**
Unsecured Loans		
Deferred payment liabilities	12,074,912	241,568,672
Less: Current maturities of Deferred payment liabilities (Disclosed under Note 7 Other Current Liabilities)	12,074,912	232,566,210
	-	**9,002,462**
Total	**262,374,370**	**84,038,949**

4.1	The Term Loans of ₹ 28,03,45,217/- (Previous Year : ₹ 7,69,60,500/-) referred above are secured against exclusive charge on all the movable fixed assets & current assets of the LLP, including refundable deposits placed with NCHRI Pvt Ltd and Unconditional and Irrevocable Corporate Guarantee from Healthcare Global Enterprises and NCHRI Pvt Ltd.
4.2	The repayment of term loans is by quarterly instalments payable from October 2019 to May 2027 over a period of 10 years after 3 year moratorium from the date of borrowing. The rate of interest for term loans is MCLR plus 70 bps per annum.
4.3	Unsecured 'Deferred payment liabilities are interest free deferred payment liabilities with NIL rate of Interest. These are to be repaid in instalments over a period of 12 to 35 months.

Note 5 Long-term provisions

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Provision for gratuity	667,371	375,451
Provision for compensated absences	530,416	522,265
Total	**1,197,787**	**897,716**

Note 6 Trade payables

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Related Parties	50,600,077	46,610,663
Others	37,954,859	29,290,528
Total	**88,554,936**	**75,901,191**

There are no micro and small enterprises to whom the LLP owes dues which are outstanding as at the balance sheet date. The information regarding Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the LLP.

Note 7 Other current liabilities

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Current maturities of long term borrowing	17,970,847	1,924,013
Current maturities of Deferred payment liabilities	12,074,912	232,566,210
Interest on Borrowings accrued & but not due	2,447,739	679,809
Interest on Borrowings accrued and due	15,749,681	7,559,141
Liabilities towards purchase of Fixed Assets	-	220,030
Security Deposits	110,300	150,000
Statutory Liabilities Payable	852,195	1,009,024
Advance from patients	-	10,983
Salary Payable	2,524,641	2,814,739
Total	**51,730,315**	**246,933,949**

Note 8 Short term provisions

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Provision for gratuity	55,676	20,008
Provision for compensated absences	286,530	248,152
Provision for Tax	84,350	84,350
Total	**426,556**	**352,510**

Note 10 Deferred tax assets (Net)

10.1 Deferred tax balances

	As at 31 March 2020	As at 31 March 2019
Deferred Tax Assets	-	37,417,000
Total	-	**37,417,000**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance
Property, plant, equipment & intangible Assets	(34,669,000)	34,669,000	-	-
Ind AS DPO valuation	-	-	-	-
Defined benefit obligation	360,000	(360,000)	-	-
Provision for Doubtful Debts	5,787,000	(5,787,000)	-	-
Tax losses	65,939,000	(65,939,000)	-	-
Previous yr adjustment	-	-	-	-
	37,417,000	**(37,417,000)**	-	-

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Property, plant, equipment & intangible Assets	(23,585,000)	(11,084,000)	-	(34,669,000)
Ind AS DPO valuation	-	-	-	-
Defined benefit obligation	191,000	169,000	-	360,000
Provision for Doubtful Debts	4,860,000	927,000	-	5,787,000
Tax losses	40,937,000	25,002,000	-	65,939,000
Previous yr adjustment	-	-	-	-
	22,403,000	15,014,000	-	37,417,000

10.2 Income tax assets (net)

	As at 31 March 2020	As at 31 March 2019
Advance tax (net of provision for tax)	8,652,542	14,325,359
	8,652,542	**14,325,359**

Note 11 Long term loans and advances
(Unsecured, Considered good)

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Security Deposits	118,630,073	113,430,074
Capital Advances	104,223	104,223
Prepaid Expenses	4,581,867	5,723,252
Total	**123,316,163**	**119,257,549**

Note 9 Fixed Assets

Particulars	Gross Block					Depreciation					Net Block	
	As at 1st April, 2019	Addition during the year	Deduction/ Adjustment	Reclassification	As at 31st March, 2020	Up to 31st March, 2019	Depreciation / Amortization during the year	Deduction/ Adjustment	Reclassification	Total till 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
A. Tangible Assets												
Plant and equipment - Freehold	101,045,434	150,844		(100,676,080)	520,198	29,192,846	164,511		29,094,997	262,360	257,838	71,852,456
Medical & Lab equipment	216,699,246	14,580,604	6,514,443	100,116,490	324,881,897	10,515,808	25,713,945	92,142	(29,231,766)	65,369,377	259,512,519	206,183,439
Office Equipment	2,753,851	86,097	-	2,333,109	5,173,057	1,676,720	1,271,426		(93,846)	3,041,992	2,131,065	1,077,131
Furniture and Fixtures	14,559,628	124,549	203,054	(1,495,596)	12,985,527	2,799,507	1,455,154	45,696	181,024	4,027,941	8,957,586	11,760,121
Data processing equipment	3,041,343	54,280	-	58,243	3,153,866	1,285,192	959,770		(43,732)	2,288,694	865,172	1,756,150
Total Tangible Assets	**338,099,502**	**14,996,374**	**6,717,497**	**336,166**	**346,714,545**	**45,470,073**	**29,564,806**	**137,838**	**(93,323)**	**74,990,364**	**271,724,181**	**292,629,297**
Previous Year	**334,412,412**	**3,687,089**	-	-	**334,412,412**	**18,545,970**	**26,924,236**	-	-	**45,470,206**	**292,629,297**	**315,866,442**
B. Intangible Assets												
Computer Software	599,834	5,881,443	-	(336,166)	6,145,111	182,568	5,260,511		93,323	5,349,756	795,355	417,266
Tenancy Rights	11,000,000				11,000,000	4,400,000	6,600,000			11,000,000	-	6,600,000
Total Intangible Assets	**11,599,834**	**5,881,443**	-	**(336,166)**	**17,145,111**	**4,582,568**	**11,860,511**	-	**93,323**	**16,349,756**	**795,355**	**7,017,266**
Previous Year	**11,599,834**	-	-		**11,599,834**	**2,286,295**	**2,296,273**	-	-	**4,582,567**	**7,017,266**	**9,313,539**
C. Capital work-in-progress	**146,901**	-	**146,901**		-	-	-			-	-	146,901
D. Intangible assets under development	-	-	-		-	-	-			-	-	-
Total Fixed Assets (A+B+C+D)	**349,846,237**	**20,877,817**	**6,864,398**	**0**	**363,859,656**	**50,052,641**	**41,425,317**	**137,838**	**(0)**	**91,340,120**	**272,519,536**	**299,793,464**
Total Previous Year	**346,012,246**	**3,833,990**	-		**349,846,237**	**20,832,265**	**29,220,509**	-	-	**50,052,774**	**299,793,464**	**325,179,981**

Note 12 Other non-current assets

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Fixed Deposits #	11,558,700	2,967,280
# Having maturity more than 12 months, pledged with Bank as Margin for Bank Guarantee & Letter of Credit		
Total	11,558,700	2,967,280

Note 13 Inventories (valued at lower of cost and net realisable value)

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Stores and Spares	4,842,269	9,368,670
Total	4,842,269	9,368,670

Note 14 Trade receivables
(Unsecured, Considered good)

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Other Trade Receivables	73,636,306	77,164,551
Less: Provision for doubtful trade receivables	-	(18,727,185)
Total	73,636,306	58,437,366

Note 15 Cash and bank balances

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Cash and cash equivalents :		
Cash in hand	49,702	22,929
Balances with Banks		
- In Current Accounts	10,602	6,849,195
	60,304	6,872,124
Other bank balances :		
- In Fixed Deposits #	456,926	8,300,220
Fixed Deposits of ₹ 6,80,732/- (PY : ₹ 6,09,980/-) have been placed under Debt Service Reserve Account as commitment for servicing of Term Loan.		
Total	517,230	15,172,344

Note 16 Short-term loans and advances
(Unsecured, Considered good)

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Others :		
Security Deposits	-	40,000
Advances Recoverable in Cash Or in Kind for Value to be Received	153,478	1,066,471
Prepaid Expenses	1,450,733	2,408,040
Balances with Government Authorities	8,652,542	14,325,359
Total	10,256,753	17,839,870

Note 17 Other Current Assets

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Interest Accrued	116,699	53,066
Unbilled revenue	969,050	2,524,940
Total	1,085,749	2,578,006

Note 18 Revenue from operations

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Income from Medical Services	117,799,328	144,785,066
Income from Sale of medical and non-medical items	7,267,286	9,105,878
Other Operating Revenues	209,078	211,333
Total	**125,275,692**	**154,102,277**

During the current financial year 2019-20, the LLP has recorded revenue to the tune of Rs. 11.71 Cr of joint revenue of Rs. 16.76Cr.

Note 19 Other Income

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Interest Income on Bank Deposits	811,759	735,412
Miscellaneous Income	748,161	180,000
Total	**1,559,920**	**915,412**

Note 20 Operating expenses

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
- Purchases of Stock-in-trade	37,040,549	49,196,218
Changes in inventory of stock-in-trade	4,526,401	340,030
Inventories at the end of the year:	4,842,269	9,368,670
Inventories at the beginning of the year:	9,368,670	9,708,700
Total	**41,566,950**	**49,536,248**

Note 21 Employees benefit expenses

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Salaries, Wages and Allowances	41,081,857	42,316,043
Contribution to P.F and Other Funds	3,611,297	478,901
Welfare and Other Amenities	619,032	1,036,190
Total	**45,312,186**	**43,831,134**

Note 22 Finance costs

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Interest on bank overdrafts and loans	19,459,453	7,700,022
Interest on unsecured loans from Partners'	8,228,253	5,805,990
Interest on Defined Benefit Obligation	107,148	78,705
Bank Charges	2,649,608	3,237,932
Exchange differences regarded as an adjustment to borrowing costs	9,121	(288,216)
Total	**30,453,583**	**16,534,433**

Note 23 Other expenses

Particulars	(Amount in ₹) As at 31st March 2020	(Amount in ₹) As at 31st March 2019
Medical Consultancy Charges (Note no 29)	49,853,696	49,556,675
Power and Fuel	17,768,079	20,438,484
Housekeeping and Security Expenses	12,121,293	16,324,056
Rent	167,701	249,000
Advertisement and Business Promotion	4,725,633	3,516,162
Communication	1,221,090	1,880,655
Repairs and maintenance - IT	343,001	309,772
Insurance	417,362	622,707
Legal and professional fees	1,905,844	846,979
Printing and stationery	764,714	2,452,651
Rates and taxes	258,389	184,330
Remuneration to Auditors (Note 28)	175,020	331,139
Diagnostic charges	15,165,060	7,923,732
Repairs and maintenance - others	3,610,768	4,321,287
Provision for Doubtful Debts	3,200,000	3,000,000
Bad Trade receivables written off	21,927,185	-
(Less): Provisions released	(21,927,185)	-
Travelling and conveyance	1,126,732	914,463
Miscellaneous expenses	453,145	510,585
Total	**113,277,527**	**113,382,677**

Note 24 Contingent Liabilities and Commitments (To the extent not provided for)

The LLP has provided bank guarantees aggregating to Rs 6,04,67,822/- (PY : Rs 6,04,67,822/-) to Customs department relating to import of various equipments. Further the LLP has provided bank guarantee of Rs. 40,000/- (PY : NIL) to Central Railways, Nagpur.

Estimated amounts of contracts remaining to be executed on Capital Accounts and not provided for (net of advances) are ₹ NIL (PY : ₹ NIL).

Note 25 Employee benefit plans

25.1 Defined contribution plans

The Firm has defined contribution plan in form of Provident Fund & Pension Scheme for qualifying employees. Under the Schemes, the Firm is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss in respect of such schemes are given below:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Contribution to Provident Fund & Pension Scheme	2,529,459	2,153,470
	2,529,459	**2,153,470**

25.2 Defined benefit plans

The Firm offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

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

	Valuation as at	
	31 March 2020	31 March 2019
Discount rate(s)	6.30%	7.10%
Expected rate(s) of salary increase	5.00%	5.00%
Rate of return on plan assets	NA	NA
Employee turnover rate	30.00%	30.00%

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows.

	31 March 2020	31 March 2019
Current service cost	235,132	243,305
Net interest expense	49,065	30,425
Components of defined benefit costs recognised in the Statement of profit and loss	**284,197**	**273,730**
Service cost recognised in employee benefits expense	172,976	243,305.00
Net interest expense recognised in finance costs	107,148	78,705.00
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	(320)	(79,264.00)
Actuarial (gains) / losses arising from changes in financial assumptions	26,294	(1,880.00)
Actuarial (gains) / losses arising from experience adjustments	79,573	(4,090.00)
Others [describe]	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement on the net defined benefit liability recognised in other comprehensive income	**105,547**	**(85,234)**

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

	31 March 2020	31 March 2019
Present value of funded defined benefit	723,047	395,459.00
Fair value of plan assets	-	-
Unfunded status	723,047	395,459.00
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**723,047**	**395,459.00**

Movements in the present value of the defined benefit obligation are as follows.	31 March 2020	31 March 2019
Opening defined benefit obligation	395,459	206,963
Current service cost	235,132	243,305
Interest cost	49,065	30,425
Remeasurement (gains)/losses:		
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	105,547	(85,234)
Past service cost	-	-
Liabilities extinguished on settlements	(62,156)	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing defined benefit obligation	723,047	395,459

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses 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.

If discount rate increases (decreases) by 1%, the defined benefit obligation would decrease by Rs 30,000/- (increase by Rs 32,000/-) as at March 31, 2020.

If salary growth rate increases (decreases) by 1%, the defined benefit obligation would increase by Rs 72,000/- (decrease by Rs 64,000/-) as at March 31, 2020.

If attrition rate increases (decreases) by 10%, the defined benefit obligation would decrease by Rs 53,000/- (increase by Rs 57,000) as at March 31, 2020.

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.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation at March 31, 2020 is 6.17 years (as at March 31, 2019: 6.10 years)

Maturity profile of defined benefit obligation:

Particulars	As at 31 March 2020	As at 31 March 2019
Within 1 year	56,000	20,000
1-2 year	41,000	15,000
2-3 year	169,000	16,000
3-4 year	163,000	108,000
4-5 year	142,000	111,000
5-10 year	318,000	252,000
> 10 years	82,000	64,000
	971,000	586,000

Note 26 Segment Reporting

Firm's business is to provide Medical is a hospital offering specialized services in cancer treatment. In the city of Nagpur. All other activities of the firm revolve around the main business and thus operates in single Geographical and Business segment in terms of Accounting Standard AS-17.

Note 27 Related Party Disclosures

A **List of related parties :**

Investing Partner

a) HealthCare Global Enterprises Limited
b) Dr Ajay Mehta
c) NCHRI Pvt Ltd

Associate of Investing partner

a) Strand Lifesciences Pvt Ltd

B. Details of related party transactions during the period:

		(Amount in ₹) As at 31st March 2020	As at 31st March 2019
Nature of transaction		**Investing Partner**	
Purchase of pharmacy products and consumables			
HealthCare Global Enterprises Limited		4,832,630	28,898,843
Diagnostic charges			
HealthCare Global Enterprises Limited		4,914,167	6,963,192
Medical Services			
Dr Ajay Mehta		19,905,622	14,456,751
NCHRI Pvt Ltd		117,107,493	136,897,641
Contribution of capital in Limited Liability Partnership			
HealthCare Global Enterprises Limited		110,158,459	68,517,926
Dr Ajay Mehta		11,200,000	2,300,000
NCHRI Pvt Ltd		-	15,000,000
Security Deposit given			
NCHRI Pvt Ltd		5,200,000	14,250,000
Interest on excess capital contributed in Limited Liability Partnership			
HealthCare Global Enterprises Limited		8,228,253	5,805,990
Balances with/of related parties :			
Trade Payables			
HealthCare Global Enterprises Limited		50,600,077	46,610,663
Strand Lifesciences Pvt Ltd		-	5,131,158
Trade Receivables			
NCHRI Pvt Ltd		72,087,637	76,817,758
Partner's Fixed Capital Account			
HealthCare Global Enterprises Limited		760,000	760,000
Dr Ajay Mehta		160,000	160,000
NCHRI Pvt Ltd		80,000	80,000
Partner's Current Account			
HealthCare Global Enterprises Limited		98,070,716	126,701,140
Dr Ajay Mehta		(10,036,403)	7,982,309
NCHRI Pvt Ltd		4,414,429	19,023,785
Interest liability on excess capital contributed in Limited Liability Partnership			
HealthCare Global Enterprises Limited		13,996,530	5,805,964
Dr Ajay Mehta		1,168,793	1,168,793
NCHRI Pvt Ltd		584,384	584,384

Note 28 Remuneration to Auditors :

Particulars	(Amount in ₹) As at 31st	(Amount in ₹) As at 31st March
a) For audits	148,322	200,000
b) Service tax / GST on the above	26,698	36,000
c) Others		95,139
Total	175,020	331,139

Note 29 **Medical consultancy charges**

Includes Medical Service Fee paid to Dr Ajay Mehta Rs.19,905,622 (PY: Rs. 14,456,751) as per Medical Services Agreement dated March 20, 2017 executed between HCG NCHRI Oncology LLP & Dr Ajay Mehta.

Note 30 **Operating leases**

Firm had taken premises on operating lease. Gross rental expenses for the year ended 31st March 2020 were Rs 1,67,700/- (PY Rs 2,49,000/-) which has been included under the head "Other expenses - Rent" in the Statement of Profit and Loss. These leases were cancellable.

Note 31 Previous year figures have been regrouped and rearranged wherever necessary.

In terms of our report attached
For Gargesh & Co
Chartered Accountants
Firm's Registration No. 076695

GARGESH & CO. Chartered Accountants

Ravi G R
Partner
Membership No. 205958

Place: Bengaluru
Date: 17th July, 2020

For HCG NCHRI ONCOLOGY LLP

Srinivasa V Raghavan
Designated Partner

Place: Bengaluru
Date: 16th July, 2020

Ajay Mehta
Designated Partner

Place: Nagpur
Date: 17th July, 2020