GARGESH & CO,
CHARTERED ACCOUNTANTS
HO: # 54, Chamaraja Road, Fort Mohalla, MYSORE – 570004
Branch : #1878, 6th Cross, 20th Main, J.P.Nagar, 2nd Phase, Bangalore - 560078
: HO : 0821-2445607, Branch : 080-26595991 E-mail :gargesh.company@gmail.com

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INDEPENDENT AUDITOR'S REPORT

TO THE PARTNERS OF HCG NCHRI ONCOLOGY LLP

Report on the Financial Statements

We have audited the accompanying financial statements of HCG NCHRI ONCOLOGY LLP ("the LLP"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and Cashflow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The LLP's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the LLP in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable to the LLP. This responsibility also includes safeguarding the assets of the LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of the financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the LLP as at 31 March 2018;

(b) in the case of the Statement of Profit and Loss, of the loss of the LLP for the year ended on that date; and

(c) in the case of the Cashflow Statement, of the cashflow of the LLP for the year ended on that date

Report on Other Requirements

We report that

(a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the LLP so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss and the Cashflow Statement dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable to the LLP.

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

Ravi G R
Partner
Membership No.: 205958

Place: Bangalore
Date: 18 May 2018

GARGESH & CO,
CHARTERED ACCOUNTANTS
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(: HO : 0821-2445607, Branch : 080-26595991 E-mail :gargesh.company@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE PARTNERS OF HCG NCHRI ONCOLOGY LLP

We have examined the attached Proforma IND AS Balance Sheet of **HCG NCHRI ONCOLOGY LLP** ('LLP') a subsidiary of the HealthCare Global Enterprises Limited (the "Holding Company") as at 31 March 2018 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 under 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

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

Ravi G R
Partner
Membership No.: 205958

Place: Bangalore
Date: 18 May 2018

HCG NCHRI ONCOLOGY LLP

Rs. in Million

Balance Sheet as at	Note No.	31 March 2018	31 March 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	343.13	-
(b) Capital work-in-progress	5	-	226.10
(c) Other intangible assets	6	9.31	-
(d) Financial assets			
(i) Other financial assets	7	18.84	40.38
(e) Deferred tax assets (net)	24.2	24.76	(2.81)
(f) Income tax assets (net)	24.3	6.18	-
(g) Other non-current assets	8	86.13	79.27
Total Non - Current Assets		**488.35**	**342.94**
Current assets			
(a) Inventories	9	9.71	-
(b) Financial assets			
(i) Trade receivables	10	12.21	-
(ii) Cash and cash equivalents	11	1.79	1.28
(iii) Bank balances other than (ii) above	11	-	-
(v) Other financial assets	7	11.43	-
(c) Current tax assets (net)			
(d) Other current assets	8	6.07	-
Total current assets		**41.21**	**1.28**
Total assets		**529.56**	**344.22**
CAPITAL AND LIABILITIES			
Partners' capital			
(a) Partners' capital account	12(a)	1.00	1.00
(b) Partners' current account	12(b)	161.51	81.21
Total Capital		**162.51**	**82.21**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	293.77	255.35
(ii) Other financial liabilities	14	1.75	-
(b) Provisions	15	0.48	-
(c) Other liabilities	17	41.80	-
Total Non - Current Liabilities		**337.80**	**255.35**
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	16	26.88	0.28
(ii) Other financial liabilities	14	1.27	6.23
(b) Provisions	15	0.14	-
(c) Other liabilities	17	0.96	0.15
Total Current Liabilities		**29.25**	**6.66**
Total Liabilities		**367.05**	**262.01**
Total Capital and Liabilities		**529.56**	**344.22**

See accompanying notes to the financial statements

In terms of our report attached
For Gargesh & Co
Chartered Accountants

Ravi G R
Partner
Membership No: 205958

Place : Bengaluru
Date : 18 May 2018

For HCG NCHRI ONCOLOGY LLP

Dinesh Madhavan
Designated Partner

Place : Bengaluru
Date : 18 May 2018

HCG NCHRI ONCOLOGY LLP

Rs. in Million

	Statement of Profit and Loss for the years ended	Note No.	31 March 2018	31 March 2017
I	Revenue from operations	18	77.57	-
II	Other Income	19	1.27	9.27
III	**Total Income (I+II)**		**78.84**	**9.27**
IV	**Expenses**			
	Purchases of stock-in-trade		25.22	-
	Changes in inventory of stock-in-trade		(9.71)	-
	Employee benefits expense	20	25.86	-
	Finance costs	21	16.58	-
	Depreciation and amortisation expense	22	22.31	-
	Other expenses	23	78.99	0.18
	Total expenses (IV)		**159.25**	**0.18**
V	**Profit/(loss) before tax (III-IV)**		**(80.41)**	**9.09**
VI	**Tax expense**			
	Deferred tax	24.1	(26.61)	2.81
			(26.61)	**2.81**
VII	**Profit/(loss) for the year (V-VI)**		**(53.80)**	**6.28**
VIII	**Other Comprehensive Income /(loss)**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (assets)	27.2	0.04	-
	(b) Income tax on the above		-	-
			0.04	**-**
IX	**Total comprehensive income / (losses) for the year (VII+VIII)**		**(53.76)**	**6.28**

See accompanying notes to the financial statements

In terms of our report attached.

For Gargesh & Co
Chartered Accountants

Ravi G R
Partner
Membership No: 205958

Place : Bengaluru
Date : 18 May 2018

For HCG NCHRI ONCOLOGY LLP

Dinesh Madhavan
Designated Partner

Place : Bengaluru
Date : 18 May 2018

HCG NCHRI ONCOLOGY LLP

Cash Flow Statement for the years ended	**31 March 2018**	**31 March 2017**
		Rs. in Million
Cash flows from operating activities		
Profit/(loss) before tax for the year	**(80.41)**	**9.09**
Adjustments for:		
Finance costs recognised in profit or loss	8.07	-
Investment income recognised in profit or loss	(1.21)	(0.46)
Depreciation and amortisation of non-current assets	22.31	-
Other Comprehensive Income	2.55	
Movements in working capital:		
(Increase)/decrease in trade receivables	(12.21)	-
(Increase)/decrease in inventories	(9.71)	-
(Increase)/decrease in other assets	(27.75)	(85.34)
Increase/(decrease) in trade payables	26.60	0.28
Increase/(decrease) in provisions	0.62	-
Increase/(decrease) in other liabilities	0.81	0.15
Cash (used in)/generated from operations	**(70.33)**	**(76.28)**
Income taxes paid	(7.14)	-
Net cash used in operating activities	**(77.47)**	**(76.28)**
Cash flows from investing activities		
Interest received	0.67	0.14
Payments for property, plant and equipment	(108.49)	(226.36)
Margin money deposits refund/(placed)	17.79	(27.50)
Net cash used in investing activities	**(90.03)**	**(253.72)**
Cash flows from financing activities		
Proceeds from Contribution of Partners' Capital	134.06	75.93
Proceeds from borrowings	38.42	255.35
Interest paid	(4.47)	-
Net cash generated by financing activities	**168.01**	**331.28**
Net increase in cash and cash equivalents	**0.51**	**1.28**
Cash and cash equivalents at the beginning of the year	1.28	-
Cash and cash equivalents at the end of the year	**1.79**	**1.28**

See accompanying notes to the financial statements

In terms of our report attached.

For Gargesh & Co
Chartered Accountants

Ravi G R
Partner
Membership No: 205958

Place : Bengaluru
Date : 18 May 2018

For HCG NCHRI ONCOLOGY LLP

Dinesh Madhavan
Designated Partner

Place : Bengaluru
Date : 18 May 2018

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.

The financial statements for the year ended March 31, 2018 were approved by the Partners and authorised for issue on May 19, 2018.

2 Significant accounting policies

2.1 *Statement of compliance*

These financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) prescribed by the Institute of Chartered Accountants of India (ICAI), as applicable. For the year ended March 31, 2016, the Firm prepared its financial statements in accordance with the then applicable Accounting Standards prescribed by the ICAI (‘previous GAAP’). Pursuant to the adoption of Ind AS, the financial statements for the previous year has been recasted to be compliant with the Ind AS. Refer Note 3 for the explanations of transition to Ind AS including the details of first-time adoption exemptions availed by the LLP.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of estimates and judgement

2.3.1 In the application of the accounting policies, the management of the LLP are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.3.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Revenue Recognition

Revenue from fees charged for inpatient and outpatient hospital/clinical services rendered to insured and corporate patients are subject to approvals from the insurance companies and corporates. Accordingly, the Firm estimates the amounts likely to be disallowed by such companies based on past trends.
Estimations based on past trends are also required in determining the value of consideration from customers to be allocated to award credits for customers.

b) Useful lives of property, plant and equipment

The Firm reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

c) Deferred tax assets

The carrying amount of deferred tax asset is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

d) Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

e) Provisions and contingent liabilities

A provision is recognised when the firm has a present obligation as a result of past event 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 and compensated absences) are not discounted to its present value and are determined based on 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 not recognised in the financial statements. A contingent asset is neither recognised or disclosed in the financial statements.

2.4 Revenue recognition

2.4.1 Rendering of services

Healthcare Services

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

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.

Other Services

Income from Clinical Trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.
Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

2.4.2 Sale of Goods

Pharmacy Sales are recognised when the significant risks and rewards of ownership is transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates and loyalty points granted upon purchase and are stated net of returns and discounts wherever applicable.

2.4.3 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Firm and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance Lease

Assets held under finance leases are initially capitalised as assets of the Firm at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating Lease

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.6 Foreign currency translation

The functional currency of the Firm is the Indian Rupee.
Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

• exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

• exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Firm for the period immediately before the beginning of the first Ind AS financial reporting period (prior to April 1, 2016), as per the previous GAAP, pursuant to the Firm's choice of availing the exemption as permitted by Ind AS 101.

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.

2.7 Borrowing costs

Borrowing costs include:
(i) interest expense calculated using the effective interest rate method,
(ii) finance charges in respect of finance leases, and
(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.8 Government grants

Government grants are not recognised until there is reasonable assurance that the Firm will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Firm with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.9 Employee benefits

2.9.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item ‘Employee benefits expense’. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The net interest expense is recognised in the line item 'Finance costs'.

2.9.2 Defined contribution plan

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

2.9.3 Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Firm’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.10.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Firm expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.11 Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Cost of Property, plant and equipment which are qualifying assets includes, borrowing costs capitalised in accordance with the Firm's accounting policy.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Buildings (Freehold)	60 years
Buildings (Leasehold) and other leasehold improvements	Lease term or useful life whichever is lower
Plant and Medical Equipment	10-15 years
Data processing equipment	3-6 years
Laboratory equipment	10 years
Electrical installations	20 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of profit and loss.

2.12 Intangible assets

2.12.1 Intangible assets acquired separately

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.

2.12.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.12.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Computer software and data processing software	6 years

2.13 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out (FIFO) basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for VAT wherever applicable applying FIFO method.
Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction.

2.14 Provisions

Provisions are recognised when the Firm has a present obligation (legal or constructive) as a result of a past event, it is probable that the Firm will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.15 Financial instruments

Financial assets and financial liabilities are recognised when the Firm becomes a party to the contractual provisions of the instruments.
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Cash and cash equivalents

The Firm considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest rate method

2.16 Impairment

(i) Financial assets (other than at fair value)

The Firm assesses at each date of balance sheet, whether a financial asset is impaired. Ind AS 109 requires expected credit losses to be measured though a loss allowance. The Firm recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(ii) Non-financial assets

(a) Property, Plant and equipment and Intangible assets

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to it's recoverable amount. An impairment loss is recognised in the statement of profit and loss.

2.17 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(Amounts in Rs. Million unless otherwise stated)

5 Property, plant and equipment and capital work-in-progress

	As at 31 March 2018	As at 31 March 2017
Carrying amounts of:		
Plant and equipment - Freehold	103.69	-
Medical & Lab equipment	223.04	-
Office Equipment	1.62	-
Furniture and Fixtures	12.28	-
Data processing equipment	2.50	-
Total	**343.13**	**-**
Capital work-in-progress	-	226.10
	343.13	**226.10**

	Property, plant and equipment					
Description of Assets	**Plant and equipment - Freehold**	**Medical & Lab equipment**	**Office Equipment**	**Furniture and Fixtures**	**Data processing equipment**	**Total**
I. Cost						
Balance as at 31 March 2017	**-**	**-**	**-**	**-**	**-**	**-**
Additions	110.63	233.46	2.46	13.59	3.01	**363.15**
Balance as at 31 March 2018	**110.63**	**233.46**	**2.46**	**13.59**	**3.01**	**363.15**
II. Accumulated Depreciation						
Depreciation expense	-	-	-	-	-	**-**
Balance as at 31 March 2017		**-**	**-**	**-**	**-**	**-**
Depreciation expense	6.94	10.42	0.84	1.31	0.51	**20.02**
Balance as at 31 March 2018	**6.94**	**10.42**	**0.84**	**1.31**	**0.51**	**20.02**
Net Block as at 31 March 2017	**-**	**-**	**-**	**-**	**-**	**-**
Net Block as at 31 March 2018	**103.69**	**223.04**	**1.62**	**12.28**	**2.50**	**343.13**

(Amounts in Rs. Million unless otherwise stated)

6 Other Intangible assets

	As at 31 March 2018	As at 31 March 2017
Carrying amounts of:		
Computer software	0.51	-
Tenancy Rights	8.80	-
Total	**9.31**	**-**

	Other Intangible Assets		
Description of Assets	**Computer software**	**Tenancy Rights**	**Total**
I. Cost			
Balance as at 31 March 2017	**-**	**-**	**-**
Additions	0.60	11.00	**11.60**
Balance as at 31 March 2018	**0.60**	**11.00**	**11.60**
II. Accumulated amortisation and impairment			
Amortisation expense	-	-	**-**
Balance as at 31 March 2017	**-**	**-**	**-**
Amortisation expense	0.09	2.20	**2.29**
Balance as at 31 March 2018	**0.09**	**2.20**	**2.29**
Net Block as at 31 March 2017	**-**	**-**	**-**
Net Block as at 31 March 2018	**0.51**	**8.80**	**9.31**

(Amounts in Rs. Million unless otherwise stated)

7 Other Financial Assets

	As at 31 March 2018		As at 31 March 2017	
	Non Current	**Current**	**Non Current**	**Current**
Security deposits	18.23	0.57	12.56	-
Unbilled revenue	-	0.90	-	-
Term Deposits more than 12 Months maturity	0.61	9.10	27.50	-
Interest accrued on deposits	-	0.86	0.32	-
	18.84	**11.43**	**40.38**	**-**

8 Other Assets (unsecured)

	As at 31 March 2018		As at 31 March 2017	
	Non Current	**Current**	**Non Current**	**Current**
Considered good				
Capital Advances	-	0.10	6.49	-
Prepaid expenses	86.13	5.97	72.78	-
	86.13	**6.07**	**79.27**	**-**

9 Inventories

	As at 31 March 2018	As at 31 March 2017
a) Inventories (lower of cost and net realisable value)		
Medical and non medical items	9.71	-
	9.71	**-**

10 Trade receivables (unsecured)

	As at 31 March 2018	As at 31 March 2017
Trade receivables consist of following		
a) considered good	12.21	-
b) considered doubtful	15.73	-
Less: Provision for doubtful trade receivables	(15.73)	-
	12.21	**-**

11 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

	As at 31 March 2018	As at 31 March 2017
Balances with Banks		
In current accounts	1.78	1.28
Cash on hand	0.01	-
Cash and cash equivalents as per balance sheet	**1.79**	**1.28**
Bank overdrafts	-	-
Cash and cash equivalents as per statement of cash flows	**1.79**	**1.28**

(Amounts in Rs. Million unless otherwise stated)

12 Partners' Capital

12(a) Partners' Capital Account

Fixed Capital Account	**As at 31 March 2018**	**As at 31 March 2017**
Capital Contribution - HealthCare Global Enterprises Limited (HCG)	0.76	0.76
Capital Contribution - Nagpur Cancer Hospital and Research Institute Private Limited	0.08	0.08
Capital Contribution - Dr. Ajay Mehta	0.16	0.16
	1.00	**1.00**

12(b) Partners Current Account

Name of the Partner	HealthCare Global Enterprises Limited	Nagpur Cancer Hospital & Research Institute Private Limited	Dr Ajay Mehta	Total
Percentage of Profit	**76.00%**	**8.00%**	**16.00%**	**100.00%**
Balance as at April 1, 2016	-		-	-
Contribution during the year	31.13	6.17	37.63	74.93
Share of profit for the year	4.78	0.50	1.00	6.28
Balance as at March 31, 2017	**35.91**	**6.67**	**38.63**	**81.21**
Contribution during the year	127.50	8.43	(10.80)	125.13
Add- Capital Reserve on Consolidation	0.89	0.09	0.19	1.17
Add: General Reserve	7.76	-	-	7.76
Add- Share of loss for the year	(40.86)	(4.30)	(8.60)	(53.76)
Balance as at March 31, 2018	**131.20**	**10.89**	**19.42**	**161.51**

13 Borrowings

	As at 31 March 2018		**As at 31 March 2017**	
	Non Current	**Current**	**Non Current**	**Current**
Secured - at amortised cost				
Term loans				
from banks (refer note 13.1.1)	72.63	-	49.90	-
Unsecured - at amortised cost				
Deferred payment liabilities (refer note 13.1.2)	221.14	-	205.45	-
Total	**293.77**	**-**	**255.35**	**-**

13.1 Summary of borrowing arrangements

Details of security and terms of repayment of term loans and other loans (except loans repayable on demand) are stated below.

	Terms of repayment and security	31-Mar-18	31-Mar-17
13.1.1	**Term loans from banks - Secured**		
	Non-current portion	72.63	49.90
	Amounts included under current maturities of long-term debt	-	-
	- Loan processing charges of Rs. 4.33 Mn has been reduced from corresponding Term Loan balance. - Secured by exclusive charge on all movable fixed assets and current assets (both present and future) including refundable deposits placed with NCHRI. This excludes assets charged exclusively to any other lender) - Rate of interest: bank's base rate + 0.7% p.a. - Repayable in quarterly structured instalments over a period of 10 years after 3 year moratorium from the date of borrowing.		
	Total of term loans from bank - secured	**72.63**	**49.90**

	Terms of repayment	31-Mar-18	31-Mar-17
13.1.2	**Deferred payment liabilities - Unsecured**		
	Non-current portion	221.14	205.45
	Amounts included under current maturities of long-term debt	-	-
	- Rate of interest - Nil. These are interest free deferred payment liabilities - Repayment in instalments over a period of 12 to 35 months		

(Amounts in Rs. Million unless otherwise stated)

14 Other financial liabilities

	As at 31 March 2018		As at 31 March 2017	
	Non Current	Current	Non Current	Current
Interest accrued on borrowings	1.75	0.56	-	-
Payables on purchase of fixed assets	-	0.71	-	6.23
Total	**1.75**	**1.27**	**-**	**6.23**

15 Provisions

	As at 31 March 2018		As at 31 March 2017	
	Non Current	Current	Non Current	Current
Employee benefits				
Gratuity (Refer note 27.2)	0.20	0.01	-	-
Compensated absences	0.28	0.13	-	-
Total	**0.48**	**0.14**	**-**	**-**

16 Trade Payables

	As at 31 March 2018	As at 31 March 2017
Trade payables	26.88	0.28
Total	**26.88**	**0.28**

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.

17 Other Liabilities

	As at 31 March 2018		As at 31 March 2017	
	Non Current	Current	Non Current	Current
Advances from customers	-	-	-	-
Others - Statutory remittances	-	0.96	-	0.15
Deferred EPCG Income	41.80	-	-	-
Total	**41.80**	**0.96**	**-**	**0.15**

(Amounts in Rs. Million unless otherwise stated)

18 Revenue from Operations

	Year ended 31 March 2018	Year ended 31 March 2017
(a) Income from medical services	72.72	-
(b) Sale of medical and non-medical items	2.34	-
(c) Other operating revenues	2.51	-
	77.57	**-**

19 Other Income

	Year ended 31 March 2018	Year ended 31 March 2017
a) Interest income on bank deposits	1.21	0.46
b) Miscellaneous income	0.06	8.81
	1.27	9.27

20 Employee benefits expense

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and wages	24.62	-
Contribution to provident and other funds (Refer note 28.1)	0.52	-
Gratuity expenses (Refer note 28.2)	0.24	-
Staff welfare expenses	0.48	-
	25.86	**-**

21 Finance costs

	Year ended 31 March 2018	Year ended 31 March 2017
(a) Interest costs :-		
Interest on bank overdrafts and loans	4.61	-
Interest on unsecured loans from Partners'	1.75	-
Interest on defined benefit obligations (Refer note 27.2)	0.42	-
(b) Other borrowing costs :-		
Bank charges	7.36	-
Corporate Guarantee Expenses	1.29	-
Exchange differences regarded as an adjustment to borrowing costs	1.15	-
	16.58	**-**

22 Depreciation and amortisation expense

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	20.02	-
Amortisation of intangible assets	2.29	-
	22.31	**-**

(Amounts in Rs. Million unless otherwise stated)

23 Other expenses

	Year ended 31 March 2018	Year ended 31 March 2017
Medical consultancy charges	28.35	-
Power and fuel	9.37	-
House Keeping & Security Expenses	9.51	-
Rent (Refer note 26.1)	1.41	-
Repairs and Maintenance		
- Machinery	0.07	-
- Others	1.41	-
Insurance	0.26	-
Rates and Taxes	0.18	0.05
Printing & Stationery	0.63	-
Telephone Expenses	1.08	-
Advertisement, Publicity & Marketing	4.40	-
Travelling & Conveyance	0.61	-
Legal & Professional Fees	1.79	0.10
Lab Charges	3.71	-
Audit Fee (Refer note 23.1)	0.15	0.03
Provision for Doubtful Debts	15.73	-
Miscellaneous expenses	0.33	-
	78.99	**0.18**

23.1 Payments to auditors

a) For audits	0.15	0.03
b) Service tax / GST on the above	-	-
	0.15	**0.03**

(Amounts in Rs. Million unless otherwise stated)

24 Income tax expense

24.1 Income tax recognised in the Statement of profit and loss

<u>Current tax:</u>		
In respect of the current year	-	-
<u>Deferred tax</u>		
In respect of the current year	(26.61)	2.81
Total income tax expense recognised in the Statement of profit and loss	**(26.61)**	**2.81**

The reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to loss before taxes is as follows:

Loss before tax for the year	(80.41)	9.09
Enacted income tax rate in India	30.90%	30.90%
Computed expected tax expense	-	2.81
Effect of:		
Effect of expenses that are not deductible in determining taxable profit		
	-	**2.81**

24.2 Deferred tax balances

	As at 31 March 2018	As at 31 March 2017
Deferred Tax Assets	24.76	(2.81)
Total	**24.76**	**(2.81)**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2018 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	-	(24.80)	-	(24.80)
Ind AS DPO valuation	(2.81)	(1.21)	-	(4.02)
Defined benefit obligation	-	0.19	-	0.19
Tax losses	-	49.62	-	49.62
Previous yr adjustment		2.81		2.81
	(2.81)	**26.61**	**-**	**23.80**

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2017 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 and equipment	-	1.54	-	1.54
	-	**1.54**	**-**	**1.54**

24.3 Income tax assets (net)

	As at 31 March 2018	As at 31 March 2017
Advance tax (net of provision for tax)	6.18	-
	6.18	**-**

25 Commitments

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

(Amounts in Rs. Million unless otherwise stated)

26 Leasing arrangements:

26.1 Operating lease arrangements

Firm has taken premises on operating lease. Gross rental expenses for the year ended 31st March 2018 is Rs 0.12 mn (PY Rs. Nil) which has been included under the head "Other expenses - Rent" in the Statement of Profit and Loss. These leases are cancellable.

27 Employee benefit plans

27.1 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 2018**	**Year ended 31 March 2017**
Contribution to Provident Fund & Pension Scheme	0.52	-
	0.52	**-**

27.2 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 2018	**31 March 2017**
Discount rate(s)	7.10%	7.10%
Expected rate(s) of salary increase	5.00%	5.00%
Rate of return on plan assets	NA	NA
Employee turnover rate	25.00%	25.00%

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows.	**31 March 2018**	**31 March 2017**
Current service cost	0.15	-
Net interest expense	0.01	-
Components of defined benefit costs recognised in the Statement of profit and loss	**0.16**	**-**
Service cost recognised in employee benefits expense in Note 21	0.24	-
Net interest expense recognised in finance costs in Note 22	0.42	-
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	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	-	-
Actuarial (gains) / losses arising from experience adjustments	(0.04)	-
Others [describe]	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement on the net defined benefit liability recognised in other comprehensive income	**(0.04)**	**-**

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 2018	**31 March 2017**
Present value of funded defined benefit obligation	0.21	-
Fair value of plan assets	-	-
Unfunded status	**0.21**	**-**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**0.21**	**-**

Movements in the present value of the defined benefit obligation are as follows.	**31 March 2018**	**31 March 2017**
Opening defined benefit obligation	0.09	-
Current service cost	0.15	-
Interest cost	0.01	-
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	(0.04)	-
Past service cost	-	-
Benefits paid	-	-
Closing defined benefit obligation	**0.21**	**0.09**

(Amounts in Rs. Million unless otherwise stated)

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 0.01 million (increase by Rs 0.01 million) as at March 31, 2018
If salary growth rate increases (decreases) by 1%, the defined benefit obligation would increase by Rs 0.01 million (decrease by Rs 0.01 million) as at March 31, 2018
If attrition rate increases (decreases) by 10%, the defined benefit obligation would decrease by Rs 0.02 million (increase by Rs 0.02 million) as at March 31, 2018

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, 2018 is 7.32 years (as at March 31, 2017: 6.20 years)

Maturity profile of defined benefit obligation:

Particulars	As at	
	31 March 2018	**31 March 2017**
Within 1 year	0.01	
1-2 year	0.01	
2-3 year	0.01	-
3-4 year	0.01	-
4-5 year	0.06	-
5-10 year	0.16	-
> 10 years	0.07	
	0.33	**-**

(Amounts in Rs. Million unless otherwise stated)

28 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2018 & March 31, 2017 is as follows:

Particulars	Carrying value as at		Fair value as at	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Financial assets				
Amortised cost				
Loans	-	-	-	-
Trade receivables	12.21	-	12.21	-
Cash and cash equivalents	1.79	1.28	1.79	1.28
Other financial assets	30.27	40.38	30.27	40.38
Total assets	**44.27**	**41.66**	**44.27**	**41.66**
Financial liabilities				
Amortised cost				
Loans and borrowings	293.77	255.35	293.77	255.35
Trade payables	26.88	0.28	26.88	0.28
Other financial liabilities	1.27	6.23	1.27	6.23
Total liabilities	**321.92**	**261.86**	**321.92**	**261.86**

The management assessed that fair value of cash and cash equivalents, trade receivables, unbilled revenue, loans and trade payables, approximate their carrying amounts largely due to the short-term maturities of these instruments. Difference between carrying amounts and fair values of bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

29 Financial risk management

The Firm's activities expose it to a variety of financial risks: credit risk, liquidity risk and price risks which may adversely impact the fair value of its financial instruments. The Firm has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Firm.

Credit risk

Credit risk is the risk of financial loss to the Firm if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Firm is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

a) Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluate credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased. The receivables are mainly unsecured, the Firm does not hold any collateral or a guarantee as security.

The Firm's exposure to customers is not much diversified. Single customer i.e NCHRI Pvt Ltd contributes to more than 10% of the outstanding receivable as of March 31, 2018

Geographic concentration of credit risk: The Firm has a geographic concentration of trade receivables and unbilled revenue in India.

b) Investments and cash deposits

The Firm limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Firm does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Liquidity risk

Liquidity risk is the risk that the Firm will not be able to meet its financial obligations as they become due. The Firm manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Firm has unutilized credit limits with banks.

The Firm's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Firm is given below:

Particulars	As at 31-Mar-18	As at 31-Mar-17
Cash and cash equivalents	1.79	1.28
Total	**1.79**	**1.28**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018 and March 31, 2017

Particulars	As at March 31, 2018				
	Less than 1 year	**1-2 years**	**2-3 years**	**3-4 years**	**5 years and above**
Borrowings	0.00	0.00	-	14.69	279.08
Trade payables	26.88	-	-	-	-
Other financial liabilities	1.27	-	-	-	-

Particulars	As at March 31, 2017				
	Less than 1 year	**1-2 years**	**2-3 years**	**3-4 years**	**5 years and above**
Borrowings	-	-	-	-	255.35
Trade payables	0.28	-	-	-	-
Other financial liabilities	6.23	-	-	-	-

Foreign currency risk

The Firm's exchange risk arises mainly from its foreign currency borrowings. As a result, depreciation of Indian rupee relative to these foreign currencies will have a significant impact on the financial performance of the Firm. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Firm has a foreign currency advisory committee which meets on a periodic basis to formulate the strategy for foreign currency risk management.

The following table presents unhedged foreign currency risk from financial instruments as of March 31, 2018 and March 31, 2017

As at March 31, 2018				**Rs in million**
Particulars	**US $**	**Euro**	**Pound Sterling**	**Total**
Assets	-	-	-	-
Liabilities				-
Borrowings	221.14	-	-	221.14
Net assets/(liabilities)	**(221.14)**	**-**	**-**	**(221.14)**

As at March 31, 2017				**Rs in million**
Particulars	**US $**	**Euro**	**Pound Sterling**	**Total**
Assets	-	-	-	
Liabilities				
Borrowings	205.45	-	-	205.45
Net assets/(liabilities)	**(205.45)**	**-**	**-**	**(205.45)**

For the year ended March 31, 2018 and March 31, 2017 every 1% increase/decrease of the respective foreign currencies compared to functional currency of the Firm would not materially impact operating margins.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Firm's exposure to the risk of changes in market interest rates relates primarily to the Firm's debt obligations with floating interest rates and investments. Such risks are overseen by the Firm's corporate treasury department as well as senior management.

HCG NCHRI ONCOLOGY LLP
Notes to the Financial Statements

(Amounts in Rs. Million unless otherwise stated)

30 Related Party Disclosures

A List of related parties

	Description of relationship	Names of related parties
	Investing Partner	HealthCare Global Enterprises Limited

B Details of related party transactions during the period:

	Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
	Purchase of pharmacy products and consumables		
	- HealthCare Global Enterprises Limited	14.53	-
	Diagnostic charges		
	- HealthCare Global Enterprises Limited	2.84	-
	Contribution of capital in Limited Liability Partnership		
	- HealthCare Global Enterprises Limited	127.50	36.67
	Interest on excess capital contributed in Limited Liability Partnership		
	- HealthCare Global Enterprises Limited	0.11	-

C Details of related party balances outstanding:

	Balances outstanding as at	As at 31-Mar-18	As at 31-Mar-17
	Trade Payables		
	- HealthCare Global Enterprises Limited	14.88	-
	Partner's Fixed Capital Account		
	- HealthCare Global Enterprises Limited	0.76	0.76
	Partner's Current Account		
	- HealthCare Global Enterprises Limited	131.20	35.91