



**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

t : HO : 0821-2445607, Branch : 080-26595991 E-mail :gargesh.company@gmail.com

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 2019, the Statement of Profit and Loss and Cash flow 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 2019, 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.



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.



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

Ravi G R
Partner
Membership No.: 205958



Place: Bangalore
Date: 21/5/19



**GARGESH & CO,
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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 2019 and related Proforma IND AS Statement of Profit and Loss for the year then ended, annexure thereto, together referred to as the 'Financial Statements'.

These Financial Statements has been prepared by the management of the Holding Company 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 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: 21/5/19

HCG NCHRI ONCOLOGY LLP
Balance Sheet as at 31 March 2019

Particulars	Note No	As at 31 March 2019 (Amount in ₹)	As at 31 March 2018 (Amount in ₹)
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	317,800,497	343,135,430
Capital work in Progress		146,901	-
Other Intangible Assets	4	7,017,280	9,313,534
Financial assets:			
Other financial assets	5	23,026,202	18,839,981
Other non-current assets	7	96,875,825	86,123,104
Deferred tax assets (net)	23.2	49,313,440	24,760,000
Income tax assets (net)	23.1	14,325,359	6,183,174
Total Non-Current Assets		508,505,504	488,355,223
Current Assets			
Trade Receivable	8	58,437,366	12,210,000
Other Current Assets	5 & 7	14,065,056	17,521,137
Inventories	6	9,368,670	9,710,000
Financial Assets:			
Cash and cash equivalents	9	6,872,124	1,790,000
Total Current Assets		88,743,216	41,231,137
Total Assets		597,248,720	529,586,360
EQUITY AND LIABILITIES			
Equity			
Partners Fixed Capital account		1,000,000	1,000,000
Partners Contribution including Reserves & Surplus	10	151,409,056	161,536,360
Total contribution		152,409,056	162,536,360
Non-current liabilities			
Financial Liabilities:			
Borrowings	11	82,536,182	293,770,000
Other liabilities	12	35,049,537	41,800,000
Provisions	13	897,716	477,000
Total Non-current liabilities		118,483,435	336,047,000
Current liabilities			
Financial Liabilities:			
Trade payables	14	75,927,295	26,880,000
Other Financial Liabilities	15	245,763,942	3,020,000
Other Current liabilities	16	4,396,832	960,000
Provisions	17	268,160	143,000
Total current liabilities		326,356,229	31,003,000
Total liabilities		444,839,664	367,050,000
Total Equity and liabilities		597,248,720	529,586,360
See accompanying notes to the financial statements.			

In terms of our report attached.
For GARGESH & CO.
Chartered Accountants
Firm Registration No. 076698

RAVI G. R
Partner
Membership No: 205958



For HCG NCHRI ONCOLOGY LLP

Dinesh Madhavan
Designated Partner

Place : Bangalore
Date : 21st May, 2019

Ajay Mehta
Designated Partner

Place : Nagpur
Date : 20th May, 2019

HCG NCHRI ONCOLOGY LLP
Statement of Profit and Loss for the period ended 31 March, 2019

Particulars	Note No.	For the period ended	For the year ended
		31 March, 2019	31 March, 2018
		(Amount in ₹)	(Amount in ₹)
I Revenue from operations	18	157,428,997	77,570,000
II Other income	19	915,412	1,270,000
III Total income (I+II)		158,344,409	78,840,000
IV Expenses			
Purchases of stock-in-trade		45,978,469	25,220,000
Changes in inventory of stock-in-trade		340,030	-9,710,000
Employee benefits expense	20	43,916,368	25,860,000
Finance costs	21	38,896,011	16,580,000
Depreciation and amortisation expense	3 & 4	31,318,277	22,310,000
Other expenses	22	118,481,955	78,990,000
Total expenses (IV)		278,931,110	159,250,000
V Profit/(loss) before tax (III-IV)		(120,586,701)	(80,410,000)
VI Tax expense:			
(a) Current tax expense for current year		-	-
(b) Deferred tax	23.2	-24,556,237	-26,610,000
		(24,556,237)	(26,610,000)
VII Profit after tax for the year (V-VI)		(96,030,464)	(53,800,000)
Other comprehensive income			
(a) Remeasurements of the defined benefit liabilities/(assets)	26.2	85,234	40,000
		85,234	40,000
VIII Total other comprehensive income [A(i-ii) + B(i-ii)]		85,234	40,000
IX Total comprehensive income for the year (VII + VIII)		(95,945,230)	(53,760,000)
See accompanying notes to the financial statements.			

In terms of our report attached.

For GARGESH & CO.

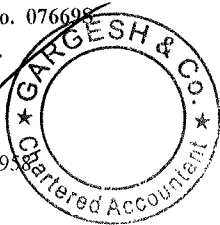
Chartered Accountants

Firm Registration no. 076698

RAVI G. R

Partner

Membership No: 20593



Place : Bangalore

Date : 21st May, 2019

For HCG NCHRI ONCOLOGY LLP

Dinesh Madhavan

Designated Partner

Place : Bangalore

Date : 21st May, 2019

Ajay Mehta

Designated Partner

Place : Nagpur

Date : 20th May, 2019

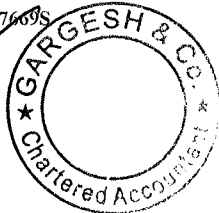
HCG NCHRI ONCOLOGY LLP

Cash Flow Statement for the years ended	31 March 2019 (Amount in ₹)	31 March 2018 (Amount in ₹)
Cash flows from operating activities		
Profit/(loss) before tax for the year	-120,586,701	-80,410,000
Adjustments for:		
Finance costs recognised in profit or loss	14,525,175	8,070,000
Investment income recognised in profit or loss	-735,412	-1,210,000
Depreciation and amortisation of non-current assets	31,318,277	22,310,000
Other Comprehensive Income	3,673,392	2,470,007
Movements in working capital:		
(Increase)/decrease in trade receivables	-46,227,366	-12,210,000
(Increase)/decrease in inventories	341,330	-9,710,000
(Increase)/decrease in other assets	-11,680,383	-27,642,705
Increase/(decrease) in trade payables	49,047,295	26,600,000
Increase/(decrease) in provisions	545,876	620,000
Increase/(decrease) in other liabilities	6,251,571	810,000
Cash (used in)/generated from operations	-73,526,946	-70,302,698
Income taxes paid	-8,139,388	-7,141,378
Net cash used in operating activities	-81,666,334	-77,444,076
Cash flows from investing activities		
Interest received	1,546,496	665,850
Payments for property, plant and equipment	-14,662,584	-108,503,187
Margin money deposits refund/(placed)	-1,554,019	17,786,519
Net cash used in investing activities	-14,670,107	-90,050,818
Cash flows from financing activities		
Proceeds from Contribution of Partners' Capital	85,817,926	134,054,894
Proceeds from borrowings	23,256,405	38,420,000
Interest paid	-7,655,767	-4,470,000
Net cash generated by financing activities	101,418,564	168,004,894
Net increase in cash and cash equivalents	5,082,123	510,000
Cash and cash equivalents at the beginning of the year	1,790,000	1,280,000
Cash and cash equivalents at the end of the year	6,872,123	1,790,000

In terms of our report attached.

For GARGESH & CO
Chartered Accountants
Firm Registration no.- 07669S

Ravi G R
Partner
Membership No. 205958



Place : Bengaluru
Date : 21st May, 2019

For HCG NCHRI ONCOLOGY LLP

Dinesh Medhavan
Designated Partner

Ajay Mehta
Designated Partner

Place : Bengaluru
Date : 21st May, 2019

Place : Nagpur
Date : 20th May, 2019

HCG NCHRI ONCOLOGY LLP
Notes to the Financial Statements

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, 2019 were approved by the Partners and authorised for issue on May 21, 2019.

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

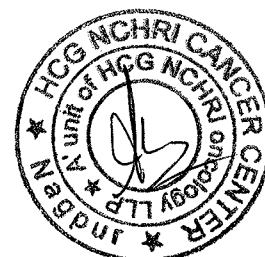
The Firm reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

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

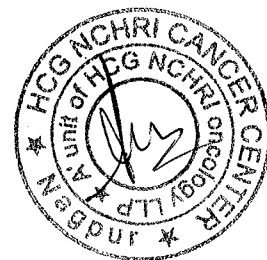
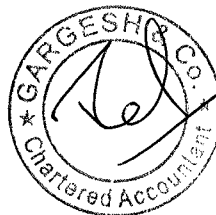
The functional currency of the Firm is the Indian Rupee.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on monetary items 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 (to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised), 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	10 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.

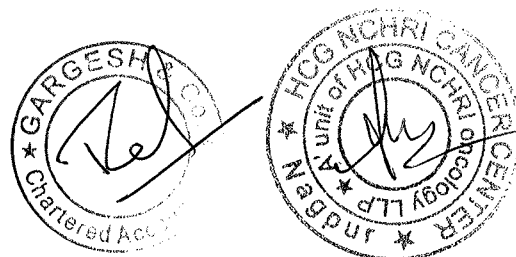
2.12.3 Useful lives of intangible assets

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 through 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

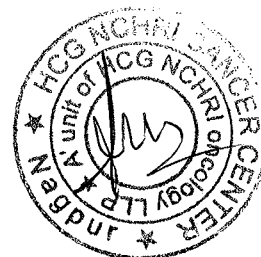
(a) Property, Plant and equipment and intangible assets

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 its 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.

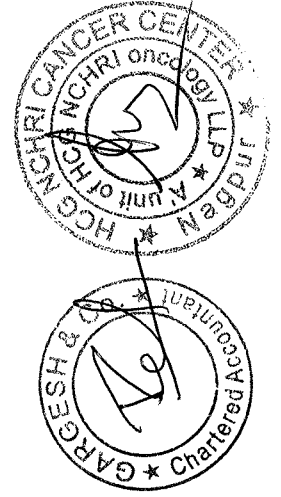


HCG NCHRI ONCOLOGY LLP
Notes to the Financial Statements

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

	(Amount in ₹)	(Amount in ₹)
	As at 31 March 2019	As at 31 March 2018
Carrying amounts of:		
Furniture & Fixtures	10,620,855	10,837,937
Office Equipment	3,356,652	3,879,426
Data Processing Equipment-Own	1,539,278	2,284,136
Electrical Installation	38,422	-
Lab Equipment	13,176	-
Medical Equipment-Own	302,053,791	326,198,519
Non Medical Equipment - Own	13,817	-
Plant & Machinery-Own	164,505	12,469
Total	317,800,497	343,212,488
Capital work-in-progress	146,901	-
	317,947,398	343,212,488

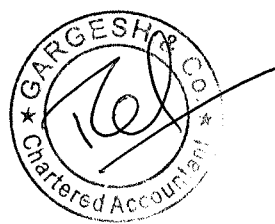
Description of Assets	Furniture & Fixtures		Office Equipment		Data Processing Equipment-Own		Electrical Installation		Lab Equipment		Medical Equipment-Own		Non Medical Equipment - Own		Plant & Machinery-Own		Total	
I. Cost																		
Balance as at 31 March 2018	11,895,465	4,758,004	2,780,138	-	-	343,707,289	-	14,181	363,155,077									
Additions	985,224	354,506	-	41,338	13,776	2,120,163	14,362	157,588	3,686,958									
Balance as at 31 March 2019	12,880,690	5,112,510	2,780,138	41,338	13,776	345,827,453	14,362	171,769	366,842,035									
II. Accumulated Depreciation																		
Balance as at 31 March 2018	-1,057,528	-878,578	-496,002	-	-	-17,585,828	-	-1,712	-20,019,648									
Depreciation expense	-1,202,306	-877,280	-744,858	-2,915	-600	-28,187,834	-545	-5,552	-29,021,891									
Balance as at 31 March 2019	-2,259,835	-1,755,858	-1,240,860	-2,915	-600	-43,773,662	-545	-7,264	-49,041,539									
Net Block as at 31 March 2018	10,837,937	3,879,426	2,284,136	-	-	326,121,461	-	12,469	343,135,430									
Net Block as at 31 March 2019	10,620,855	3,356,652	1,539,278	38,422	13,176	302,053,791	13,817	164,505	317,800,497									



HCG NCHRI ONCOLOGY LLP
Notes to the Financial Statements

	(Amount in ₹)	(Amount in ₹)
4 Other Intangible assets	As at 31 March 2019	As at 31 March 2018
Carrying amounts of:		
Computer software	417,280	513,534
Tenancy Rights	6,600,000	8,800,000
Total	7,017,280	9,313,534

Description of Assets	Other Intangible Assets		
	Computer software	Tenancy Rights	Total
I. Cost			
Balance as at 31 March 2018	599,800	11,000,000	11,599,800
Additions			
Balance as at 31 March 2019	599,800	11,000,000	11,599,800
II. Accumulated Depreciation			
Balance as at 31 March 2018	-86,266	-2,200,000	-2,286,266
Depreciation expense	-96,253	-2,200,000	-2,296,253
Balance as at 31 March 2019	-182,520	-4,400,000	-4,582,520
Net Block as at 31 March 2018	513,534	8,800,000	9,313,534
Net Block as at 31 March 2019	417,280	6,600,000	7,017,280



HCG NCHRI ONCOLOGY LLP
Balance Sheet as at 31 March 2019

5 Other Financial Assets	Particulars	(Amount in ₹)		(Amount in ₹)	
		31-Mar-19		31-Mar-18	
		Non Current	Current	Non Current	Current
Non-Current					
Security deposits	20,058,922	2,094,256	18,230,000	574,594	
Unbilled revenue	-	2,524,940	-	900,000	
Term Deposits more than 12 Months maturity (Refer note)	2,967,280	8,300,220	609,981	9,103,500	
Interest accrued on deposits	-	53,066	-	864,150	
Other advances	-	870,001	-	-	
Total	23,026,202	13,842,483	18,839,981	11,442,244	

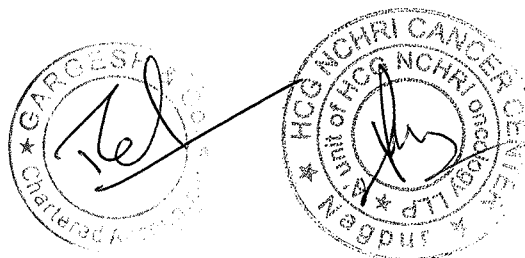
Term Deposits of Rs. 10,575,902/- (Previous year Rs. 9,103,500/-) have been placed as Margin money with bank for procuring assets under deferred payment obligation & Rs.691,599/- (Previous year Rs. 609,981/-) have been placed under Debt Service Reserve Account as commitment for servicing of Term Loan.

6 Inventories	Particulars	31-Mar-19	31-Mar-18
Inventories (lower of cost and net realisable value)			
	Medical and non medical items	9,368,670	9,708,700
	Total	9,368,670	9,708,700

7 Other Assets (unsecured)	31-Mar-19		31-Mar-18	
	Non Current	Current	Non Current	Current
Considered good				
Capital Advances	104,223	-	-	104,223
Prepaid expenses	96,771,602	-	86,123,104	5,974,670
Advances to vendors	-	222,573	-	-
Total	96,875,825	222,573	86,123,104	6,078,893

8 Trade receivables (unsecured)	(Amount in ₹)		(Amount in ₹)	
	As at 31 March, 2019		As at 31 March, 2018	
	Rs	Rs	Rs	Rs
Trade receivables consist of following				
a) considered good	58,437,366	12,210,000		
b) considered doubtful	18,727,185	15,727,185		
Less: Provision for doubtful trade receivables	(18,727,185)	(15,727,185)		
Total	58,437,366	12,210,000		

9 Cash and Cash Equivalents	Particulars	As at 31 March,	
		2019	2018
	(a) Cash on hand	22,929	10,000
	(c) Balances with banks		
	(i) In current accounts	6,849,195	1,780,000
	(ii) In deposit accounts	-	-
	Total	6,872,124	1,790,000
	Total Cash and Cash Equivalents	6,872,124	1,790,000
	Total Cash and Cash Equivalents	6,872,124	1,790,000



HCG NCHRI ONCOLOGY LLP
Balance Sheet as at 31 March 2019

10 Partners' Capital
Partners' Capital Account

	(Amount in ₹)	(Amount in ₹)
	As at	As at
	31 March 2019	31 March 2018
Fixed Capital Account		
Capital Contribution - HealthCare Global Enterprises Limited (HCG)	760,000	760,000
Capital Contribution - Nagpur Cancer Hospital and Research Institute Private Limited	80,000	80,000
Capital Contribution - Dr. Ajay Mehta	160,000	160,000
	1,000,000	1,000,000

Fixed Capital Account
Capital Contribution - HealthCare Global Enterprises Limited (HCG)
Capital Contribution - Nagpur Cancer Hospital and Research Institute Private Limited
Capital Contribution - Dr. Ajay Mehta

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%	8%	16%	100%
Balance as at April 1, 2016	-	-	-	-
Contribution during the year	31,134,059	6,167,417	37,628,055	74,929,531
Share of profit for the year	4,767,427	501,834	1,003,669	6,272,930
Balance as at March 31, 2017	35,901,486	6,669,251	38,631,724	81,202,461
Contribution during the year	127,498,659	8,431,074	-10,799,566	125,130,177
Add- Capital Reserve on Consolidation	888,622	93,539	187,078	1,169,239
Add- General Reserve	7,763,017	-	-	7,763,017
Add- Share of loss for the year	-40,833,685	-4,298,283	-8,596,566	-53,728,534
Balance as at March 31, 2018	131,218,099	10,895,581	19,422,680	161,536,360
Contribution during the year	68,517,926	15,000,000	2,300,000	85,817,926
Add- Share of loss for the year	-72,918,375	-7,675,618	-15,351,237	-95,945,230
Balance as at March 31, 2019	126,817,650	18,219,963	6,371,443	151,409,056

(Amount in ₹) (Amount in ₹)

11 Borrowings

Non-current borrowings

Particulars	As at 31 March, 2019	As at 31 March, 2018
Secured - at amortised cost		
Term Loans:		
From Banks - Secured (Refer note i)	71,226,085	72,630,000
Unsecured - at amortised cost		
Deferred payment obligations (Refer note ii)	11,310,097	221,140,000
Total	82,536,182	293,770,000

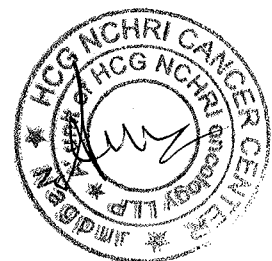
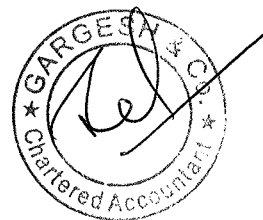
Secured Term Loans from Banks- at amortised cost

i) Security

- Loan processing charges of Rs. 38,10,402/- 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.

ii) Deferred payment obligations - Unsecured

- Rate of interest - Nil. These are interest free deferred payment liabilities.
- Repayment in instalments over a period of 12 to 35 months



HCG NCHRI ONCOLOGY LLP
Balance Sheet as at 31 March 2019

(Amount in ₹) (Amount in ₹)

12 Other liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Non-Current Deferred EPCG Income	35,049,537	41,800,000
Total	35,049,537	41,800,000

13 Long term Provisions

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for compensated absences	522,265	281,000
Provision for gratuity	375,451	196,000
Total	897,716	477,000

14 Trade payables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade payables -Total outstanding dues of creditors other than micro enterprises and small enterprises:	75,927,295	26,880,000
Total	75,927,295	26,880,000

15 Other financial liabilities

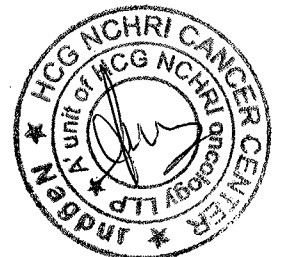
Particulars	As at 31 March, 2019	As at 31 March, 2018
Current maturities of long term loans	1,924,013	-
Current maturities of deferred payment obligation	232,566,210	-
Payable on Purchase of Fixed Assets	220,030	710,000
Interest on Borrowings accrued & but not due	8,238,950	2,310,000
Salaries payable	2,814,739	-
Total Other Current Financial Liabilities	245,763,942	3,020,000
Total	245,763,942	3,020,000

16 Other current liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Statutory remittances	1,009,024	960,000
Deferred EPCG Income	3,376,825	-
Deposits From Patients	10,983	-
Total	4,396,832	960,000

17 Short term Provisions

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for compensated absences	248,152	129,000
Provision for gratuity	20,008	14,000
Total	268,160	143,000



HCG NCHRI ONCOLOGY LLP
Notes forming part of the standalone financial statements

(Amount in ₹) (Amount in ₹)

18 Revenue from operations

Particulars	31-Mar-19	31-Mar-18
Income from medical services	144,734,961	72,720,000
Sale of medical and non-medical items	9,105,878	2,340,000
Other operating revenues	3,588,158	2,510,000
Total	157,428,997	77,570,000

19 Other income

Particulars	31-Mar-19	31-Mar-18
Interest income on bank deposits	735,412	1,210,000
Miscellaneous Income	180,000	60,000
Total	915,412	1,270,000

20 Employee benefits expense

Particulars	31-Mar-19	31-Mar-18
Salaries and wages	42,627,945	24,620,000
Contributions to provident and other funds (Refer note no 26.1)	8,928	520,000
Gratuity expenses (Refer note 26.2)	243,305	240,000
Staff welfare expenses	1,036,190	480,000
Total	43,916,368	25,860,000

21 Finance costs

Particulars	31-Mar-19	31-Mar-18
Interest costs :-		
Interest on bank overdrafts and loans	7,700,022	4,610,000
- Interest on Loan from holding company	5,805,990	-
Interest on unsecured loans from Partners'	-	1,750,000
Interest on defined benefit obligations (Refer note 26.2)	78,705	420,000
Interest on deferred payment obligations	7,088,452	4,903,859
Other borrowing cost:		
Bank charges	3,237,932	2,456,141
Corporate Guarantee Expenses	940,458	1,290,000
Exchange differences regarded as an adjustment to borrowing costs	14,044,452	1,150,000
Total	38,896,011	16,580,000

22 Other expenses

Particulars	31-Mar-19	31-Mar-18
Medical consultancy charges	49,556,675	28,350,000
Legal and professional charges	4,064,728	1,790,000
Lab charges	7,923,732	3,710,000
Power, fuel and water	20,438,484	9,370,000
Rent including lease rentals	2,130,529	1,410,000
Repairs and maintenance:		
- Machinery	184,291	70,000
- Others	4,446,768	1,410,000
Insurance	622,707	260,000
Rates and taxes	184,330	180,000
Communication	1,880,655	1,080,000
Travelling and conveyance	914,463	610,000
Printing and stationery	2,452,651	630,000
House keeping and security	16,324,056	9,510,000
Advertisement, Publicity & Marketing	3,516,162	4,400,000
Payments to auditors (refer note below)	331,139	150,000
Provision for Doubtful Debts	3,000,000	15,730,000
Miscellaneous expenses	510,585	330,000
Total	118,481,955	78,990,000

22.1 Payments to auditors

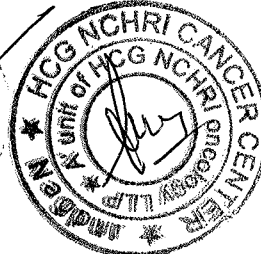
- a) For audits
b) Service tax / GST on the above
c) Others

200,000 146,400

36,000 3,600

95,139 -

331,139 150,000



23 Income tax expense

23.1 Income tax recognised in the Statement of profit and loss

Current tax:	-	-
In respect of the current year	-	-
Deferred tax	-24,556,237	-26,610,000
In respect of the current year		
Total income tax expense recognised in the Statement of profit and loss		

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	-120,586,701	-80,410,000
Enacted income tax rate in India	30.90%	30.90%
Computed expected tax expense	-	-
Effect of:		
Effect of expenses that are not deductible in determining taxable profit	-	-
	-	-

23.2 Deferred tax balances

Deferred Tax Assets	49,313,440	24,757,203
Total	49,313,440	24,757,203

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

	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance
Deferred tax assets / (liabilities) in relation to				
Property, plant, equipment & intangible Assets	-24,800,000	-12,182,296	-	-36,982,296
Ind AS DPO valuation	-4,020,000	2,190,332	-	-1,829,668
Defined benefit obligation	180,000	24,320	-	214,320
Tax losses	49,620,000	34,523,881	-	84,143,881
Previous yr adjustment	3,767,203	-	-	3,767,203
	24,757,203	24,556,237	-	49,313,440

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

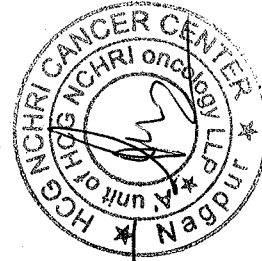
Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment	1,540,000	-	-	1,540,000

23.3 Income tax assets (net)

Advance tax (net of provision for tax)	14,325,359	6,183,174
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24 Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
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HCG NCHRI ONCOLOGY LLP
Notes to the Financial Statements

25 Leasing arrangements:

25.1 Operating lease arrangements

Firm has taken premises on operating lease. Gross rental expenses for the year ended 31st March 2019 is Rs 2,49,000/- (PY Rs.1,20,000/-) which has been included under the head "Other expenses - Rent" in the Statement of Profit and Loss. These leases are cancellable.

26 Employee benefit plans

26.1 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	Year ended
	31 March 2019	31 March 2018
Contribution to Provident Fund & Pension Scheme	2,153,470	516,196
	<u>2,153,470</u>	<u>516,196</u>

26.2 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 2019	31 March 2018
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	30.00%	25.00%

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

	31 March 2019	31 March 2018
Current service cost	243,305	153,363
Net interest expense	30,425	11,693
Components of defined benefit costs recognised in the Statement of profit and loss	273,730	165,056
Service cost recognised in employee benefits expense in Note 20	243,305	238,675
Net interest expense recognised in finance costs in Note 21	78,705	418,918

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	-79,264	-
Actuarial (gains) / losses arising from changes in financial assumptions	-1,880	-
Actuarial (gains) / losses arising from experience adjustments	-4,090	-43,405
Others [describe]	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement on the net defined benefit liability recognised in other comprehensive income	-85,234	-43,405

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 2019	31 March 2018
Present value of funded defined benefit obligation	395,459	206,963
Fair value of plan assets	-	-
Unfunded status	395,459	206,963
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	395,459	206,963

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

	31 March 2019	31 March 2018
Opening defined benefit obligation	206,963	85,312
Current service cost	243,305	153,363
Interest cost	30,425	11,693
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	-85,234	-43,405
Past service cost	-	-
Benefits paid	-	-
Closing defined benefit obligation	395,459	206,963



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 19,000/- (increase by Rs 21,000/-) as at March 31, 2019

If salary growth rate increases (decreases) by 1%, the defined benefit obligation would increase by Rs 47,000/- (decrease by Rs 40,000/-) as at March 31, 2019

If attrition rate increases (decreases) by 10%, the defined benefit obligation would decrease by Rs 42,000/- (increase by Rs 47,000) as at March 31, 2019

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.

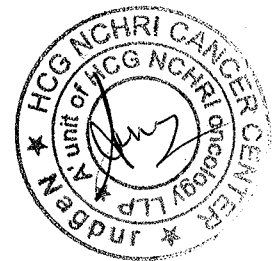
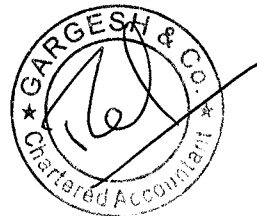
The average duration of the benefit obligation at March 31, 2019 is 6.10 years (as at March 31, 2018: 7.32 years)

Maturity profile of defined benefit obligation:

Particulars

Within 1 year
1-2 year
2-3 year
3-4 year
4-5 year
5-10 year
> 10 years

	As at	
	31-Mar-19	31 March 2018
Within 1 year	20,000	14,000
1-2 year	15,000	11,000
2-3 year	16,000	9,000
3-4 year	108,000	9,000
4-5 year	111,000	56,000
5-10 year	252,000	164,000
> 10 years	64,000	69,000
	586,000	332,000



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(Amount in ₹) (Amount in ₹)

27 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2019 & March 31, 2018 is as follows:

Particulars	Carrying value as at		Fair value as at	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Financial assets				
Amortised cost				
Loans				
Trade receivables	58,437,365.61	12,210,000.00	58,437,365.61	12,210,000.00
Cash and cash equivalents	6,872,123.50	1,790,000.00	6,872,123.50	1,790,000.00
Other financial assets	36,868,685.12	30,282,225.00	36,868,685.12	30,282,225.00
Total assets	102,178,174.23	44,282,225.00	102,178,174.23	44,282,225.00
Financial liabilities				
Amortised cost				
Loans and borrowings	82,536,181.73	293,770,000.00	82,536,181.73	293,770,000.00
Trade payables	75,927,295.33	26,880,000.00	75,927,295.33	26,880,000.00
Other financial liabilities	245,763,942.00	3,020,000.00	245,763,942.00	3,020,000.00
Total liabilities	404,227,419.06	323,670,000.00	404,227,419.06	323,670,000.00

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.

28 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, 2019

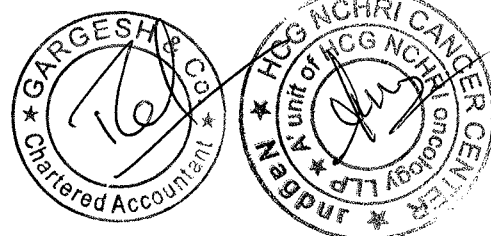
Geographic concentration of credit risk: The Firm has a geographic concentration of trade receivables and unbilled revenue in India.

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	As at
	31-Mar-19	31-Mar-18
Cash and cash equivalents	6,872,123.50	1,790,000.00
Investments in mutual funds (quoted)	-	-
Total	6,872,123.50	1,790,000.00

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 and March 31, 2018

Particulars	As at March 31, 2019				
	Less than 1 year	1-2 years	2-3 years	3-4 years	5 years and above
Borrowings	1,924,013	5,772,038	7,696,050	9,620,063	51,948,337
Trade payables	75,927,295.33	-	-	-	-
Other financial liabilities	245,763,942.00	-	-	-	-

Particulars	As at March 31, 2018				
	Less than 1 year	1-2 years	2-3 years	3-4 years	5 years and above
Borrowings	-	1,924,013	5,772,038	7,696,050	61,568,400
Trade payables	26,880,000.00	-	-	-	-
Other financial liabilities	3,020,000.00	-	-	-	-

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, 2019 and March 31, 2018 (Amount in Rs.)

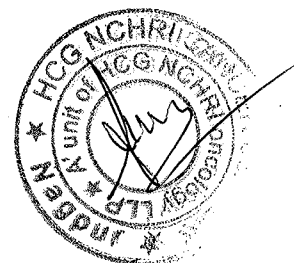
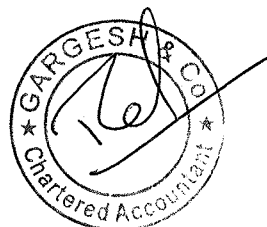
As at March 31, 2019				
Particulars	US \$	Euro	Pound Sterling	Total
Assets	-	-	-	-
Trade receivables	-	-	-	-
Unbilled revenue	-	-	-	-
Liabilities	-	-	-	-
Borrowings	243,876,307	-	-	243,876,307
Trade payables	-	-	-	-
Net assets/(liabilities)	(243,876,307)	-	-	(243,876,307)

As at March 31, 2018				
Particulars	US \$	Euro	Pound Sterling	Total
Assets	-	-	-	-
Trade receivables	-	-	-	-
Unbilled revenue	-	-	-	-
Cash and cash equivalents	-	-	-	-
Liabilities	-	-	-	-
Borrowings	221,140,000	-	-	221,140,000
Trade payables	-	-	-	-
Net assets/(liabilities)	(221,140,000)	-	-	(221,140,000)

For the year ended March 31, 2019 and March 31, 2018 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.



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Notes to the Financial Statements

29 Related Party Disclosures

A List of related parties

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

B Details of related party transactions during the period:

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
	(Amount in ₹)	(Amount in ₹)
Purchase of pharmacy products and consumables - HealthCare Global Enterprises Limited	28,898,843	14,530,986
Diagnostic charges - HealthCare Global Enterprises Limited	-	2,840,554
Medical Services - Dr Ajay Mehta	14,456,751	12,544,448
Contribution of capital in Limited Liability Partnership - HealthCare Global Enterprises Limited - Dr Ajay Mehta	68,517,926 2,300,000	127,498,659 -10,799,556
Interest on excess capital contributed in Limited Liability Partnership - HealthCare Global Enterprises Limited - Dr Ajay Mehta	5,805,990 -	112,138 1,168,793

C Details of related party balances outstanding:

Balances outstanding as at	Year ended 31-Mar-19	Year ended 31-Mar-18
Trade Payables - HealthCare Global Enterprises Limited	46,610,663	14,882,654
Partner's Fixed Capital Account - HealthCare Global Enterprises Limited - Dr Ajay Mehta	760,000 160,000	760,000 160,000
Partner's Current Account - HealthCare Global Enterprises Limited - Dr Ajay Mehta	126,817,650 6,371,443	131,218,099 19,422,680

