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

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 2021, the Statement of Profit and Loss and Cashflow Statement for the year then ended, and notes to the Financial Statements including a summary of the significant accounting.

2. In our opinion, the accompanying Financial give a true and fair view of the Financial position of the LLP as at 31 March 2021, and of its Financial Performance and Cash for the year then ended in accordance with the in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

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

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

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

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

GARGESH & Co
Chartered Accountant

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

GARGESH & Co. Chartered Accountants

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

GARGESH & Co. ★ Chartered Accountant ★

Place: Bangalore
Date: 20/05/2021
UDIN: 21205958AAAABH1936

HCG NCHRI ONCOLOGY LLP

Balance Sheet as at 31st March, 2021

	Particulars	Note No.	31st March, 2021 (Amount in ₹)		31st March, 2020 (Amount in ₹)	
I.	**EQUITY AND LIABILITIES**					
1	Partners' funds					
	Partners' capital account	3	1,000,000		1,000,000	
	Partners' current account	3	80,827,123	81,827,123	92,448,742	93,448,742
2	Non-current liabilities					
	Long-term borrowings	4	255,354,890		262,374,370	
	Long term provisions	5	920,608	256,275,498	1,197,787	263,572,157
3	Current liabilities					
	Trade payables	6	178,076,919		88,554,936	
	Other current liabilities	7	67,485,000		51,730,315	
	Short-term provisions	8	1,243,554	246,805,473	426,556	140,711,807
	TOTAL			584,908,094		497,732,706
II.	ASSETS					
1	Non-current assets					
	Fixed assets					
	Tangible assets		258,327,770		271,724,181	
	Intangible assets	9	117,280		795,355	
	Capital work-in-progress		-		-	
	Deferred tax assets (Net)	10	-		-	
	Long-term loans and advances	11	146,014,548		123,316,163	
	Other non-current assets	12	1,982,218	398,441,816	11,558,700	407,394,399
2	Current assets					
	Inventories	13	14,884,746		4,842,269	
	Trade receivables	14	166,033,042		73,636,306	
	Cash and bank balances	15	2,907,076		517,230	
	Short-term loans and advances	16	2,621,770		10,256,753	
	Other Current Assets	17	19,644	186,466,278	1,085,749	90,338,307
	TOTAL			584,908,094		497,732,706

Firm information and Significant Accounting Policies	1 & 2
Notes Forming Part of Financial Statements	3-31

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

GARGESH & Co. * Chartered Accountant *

Ravi G R
Partner
Membership No. 205958

Place: Bengaluru
Date: 20/05/2021

For HCG NCHRI ONCOLOGY LLP

Srinivasa V. Raghavan
Designated Partner

Place: Bengaluru
Date:

Ajay Mehta
Designated Partner

Place: Nagpur
Date:

HCG NCHRI ONCOLOGY LLP

Statement of Profit and loss for the year ended 31st March, 2021

Particulars	Note No.	Period ended 31st March 2021 (Amount in ₹)	Year ended 31st March 2020 (Amount in ₹)
Revenue from operations	18	250,963,686	125,275,692
Other income	19	578,133	1,559,920
Total Revenue		251,541,819	126,835,612
Expenses:			
Purchases of stock-in-trade	20	130,934,364	37,040,549
Changes in inventory of stock-in-trade	20	(10,042,477)	4,526,401
Employee benefits expense	21	38,820,617	45,312,186
Finance costs	22	44,599,086	30,453,583
Depreciation and amortization	9	28,172,509	41,425,317
Other expenses	23	109,071,964	113,277,527
Total expenses		341,556,063	272,035,563
Profit / (Loss) before tax		(90,014,244)	(145,199,951)
Tax expense:			
(a) Current tax		-	-
(c) Deferred tax		-	37,417,000
Profit / (Loss) for the year		(90,014,244)	(182,616,951)

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

GARGESH & Co. * Chartered Accountants *

Ravi G B
Partner
Membership No. 205958

Place: Bengaluru
Date: 20/5/2021

For HCG NCHRI ONCOLOGY LLP

Srinivasa V. Raghavan
Designated Partner

Place: Bengaluru
Date:

Ajay Mehta
Designated Partner

Place: Nagpur
Date:

NCHRI ONCOLOGY LLP

Flow Statement for the years ended	31 March 2021	31 March 2020
i flows from operating activities		
it/(loss) before tax for the year	(90,014,244)	(145,199,951)
istments for:		
Finance costs recognised in profit or loss	43,434,340	27,794,854
Investment income recognised in profit or loss	(294,943)	(811,759)
Depreciation and amortisation of non-current assets	28,172,509	41,425,317
Other Income	11,432	124,256
rements in working capital:		
(Increase)/decrease in trade receivables	(92,396,736)	(15,198,940)
(Increase)/decrease in inventories	(10,042,477)	4,526,401
(Increase)/decrease in other assets	(21,633,178)	(1,505,417)
Increase/(decrease) in trade payables	89,521,983	12,653,745
Increase/(decrease) in provisions	539,819	374,117
Increase/(decrease) in other liabilities	616,485	(340,781)
n (used in)/generated from operations	(52,085,010)	(76,158,158)
ome taxes paid	7,705,284	5,672,817
cash used in operating activities	(44,379,726)	(70,485,341)
h flows from investing activities		
Interest received	275,299	695,060
Payments for property, plant and equipment	(6,406,341)	(21,529,739)
Margin money deposits refund/(placed)	9,966,725	(748,126)
t cash used in investing activities	3,835,683	(21,582,805)
h flows from financing activities		
Proceeds from Contribution of Partners' Capital	78,392,625	121,358,459
Proceeds from borrowings	(7,023,487)	(26,109,043)
Interest paid	(28,435,250)	(17,836,384)
t cash generated by financing activities	42,933,888	77,413,032
t increase in cash and cash equivalents	2,389,846	(14,655,114)
sh and cash equivalents at the beginning of the year	517,230	15,172,344
sh and cash equivalents at the end of the year	2,907,076	517,230

e accompanying notes to the financial statements

terms of our report attached.
r Gargesh & Co
artered Accountants
m's Registration No. 078695

GARGESH & CO. Chartered Accountants

vi G R
rtner
embership No. 205958

ace . Bengaluru
te: 20/05/2021

For HCG NCHRI ONCOLOGY LLP

Srinivasa V. Raghavan
Designated Partner

Ajay Mehta
Designated Partner

Place : Bengaluru
Date:

Place: Nagpur
Date:

1 General Information

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

2 Significant accounting policies

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

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

2.2 Use of estimates

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

2.3 Current and non-current classification

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

Assets

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

a) It is expected to be realized in, or is intended for sale or consumption in, the LLP's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is expected to be realized within 12 months after the reporting date; or

d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

All other assets are classified as non-current.

Liabilities

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

a) It is expected to be settled in the LLP's normal operating cycle;

b) It is held primarily for the purpose of being traded;

c) It is expected to be settled within 12 months after the reporting date; or

d) The LLP does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect the classification.

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

All other assets are classified as non-current.

Operating cycle

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

2.4 Inventories

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

2.5 Cash and cash equivalents

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

2.6 Cash flow statement

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

2.7 Revenue recognition

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Billing of the same is done by M/s Nagpur Cancer Hospital & Research Institute Pvt Ltd in terms of the Medical Service Agreement entered into with them and the amounts received by them to their Bank Account is shared by them to the Firm as per agreed formula. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients. Revenue is recorded and recognized during the period in which the hospital service is provided, based upon the estimated amounts due from patients and/or medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service.

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

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

Sale of medical and non-medical items

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

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2.8 Other income

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

2.9 Fixed assets

'Tangible assets

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

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

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

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

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

Intangible assets

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

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

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

2.10 Foreign currency transactions

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

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

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

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

2.11 Employee benefits

Defined contribution plan

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

Defined benefit plans

The LLP's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Statement of assets and liabilities date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Statement of Income and Expenditure and on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The LLP records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement.

2.12 Borrowing costs

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

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2.13 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.
Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the LLP will pay normal income tax. Accordingly, MAT is recognised as an asset in the Statement of assets and liabilities when it is highly probable that future economic benefit associated with it will flow to the LLP.

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

The carrying values of assets / cash generating units at each Statement of assets and liabilities date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:
(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.
If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of profit and loss.
The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.
When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of profit and loss, to the extent the amount was previously charged to the Statement of income and expenditure.

2.14 Provisions and contingencies

A provision is recognised when the LLP has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Statement of assets and liabilities date. These are reviewed at each Statement of assets and liabilities date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the statements of account.
Onerous contracts
A contract is considered to be onerous when the expected economic benefits to be derived by the LLP from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the LLP recognises any impairment loss on the assets associated with that contract.

2.15 Leases

A finance lease (also known as a capital lease or a sales lease) is a type of lease in which a LLP is typically the legal owner of the asset for the duration of the lease, while the lessee not only has operating control over the asset, but also has a substantial share of the economic risks and returns from the change in the valuation of the underlying asset.
If "substantially all the risks and rewards" of ownership are transferred to the lessee then it is a finance lease. If it is not a finance lease then it is an operating lease.
Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of income and expenditure on a straight-line basis over the lease term.

2.16 Impairment

The LLP assesses at each Statement of Assets and Liabilities date whether there is any indication that an asset may be impaired. If any such indication exists, the LLP estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Income and Expenditure. If at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

HCG NCHRI ONCOLOGY LLP
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Note 3 Partners' Capital

(Amount in ₹)

Particulars	As at 31st March 2021			
Fixed Capital Account	HealthCare Global Enterprises Limited (HCG)	Nagpur Cancer Hospital and Research Institute Private Limited	Dr. Ajay Mehta	Total
Opening	760,000	80,000	160,000	1,000,000
Addition/(Deduction during the year)	-	-	-	-
Closing	760,000	80,000	160,000	1,000,000
Current Capital Account				
Opening	98,070,716	4,414,429	(10,036,403)	92,448,742
Contribution during the year	78,392,625	-	-	78,392,625
Add- Capital Reserve on Consolidation	-	-	-	-
Add: General Reserve	-	-	-	-
Add- Share of loss for the year	(68,410,826)	(7,201,140)	(14,402,279)	(90,014,244)
Total	108,052,515	(2,786,711)	(24,438,682)	80,827,123

Note 4 Long term borrowings

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Secured Loans		
From Banks:		
Term Loan from Yes Bank Limited	285,396,642	280,345,217
	285,396,642	280,345,217
Less: Current maturities of Long term borrowings	30,041,752	17,970,847
(Disclosed under Note 7 Other Current Liabilities)		
	255,354,890	**262,374,370**
Unsecured Loans		
Deferred payment liabilities	-	12,074,912
Less: Current maturities of Deferred payment liabilities		
(Disclosed under Note 7 Other Current Liabilities)	-	12,074,912
	-	-
Total	**255,354,890**	**262,374,370**

4.1	The Term Loans of ₹ 28,53,96,642/- (Previous Year : ₹ 28,03,45,217/-) referred above are secured against exclusive charge on all the movable fixed assets & current assets of the LLP, including refundable deposits placed with NCHRI Pvt Ltd and Unconditional and Irrevocable Corporate Guarantee from Healthcare Global Enterprises and NCHRI Pvt Ltd.
4.2	The repayment of term loans is by quarterly instalments payable from October 2019 to May 2027 over a period of 10 years after 3 year moratorium from the date of borrowing. The rate of interest for term loans is MCLR plus 70 bps per annum.
4.3	Unsecured 'Deferred payment liabilities are interest free deferred payment liabilities with NIL rate of Interest. These are fully paid by 31st March 2021.

Note 5 Long-term provisions

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Provision for gratuity	920,608	667,371
Provision for compensated absences	-	530,416
Total	**920,608**	**1,197,787**

HCG NCHRI ONCOLOGY LLP NAGPUR

Note 6 Trade payables

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Related Parties	66,963,714	50,600,077
Others	111,113,205	37,954,859
Total	178,076,919	88,554,936

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

Note 7 Other current liabilities

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Current maturities of long term borrowing	30,041,752	17,970,847
Current maturities of Deferred payment liabilities	-	12,074,912
Interest on Borrowings accrued & but not due	2,120,927	2,447,739
Interest on Borrowings accrued and due	31,075,583	15,749,681
Security Deposits	60,300	110,300
Statutory Liabilities Payable	995,312	852,195
Salary Payable	3,191,126	2,524,641
Total	67,485,000	51,730,315

Note 8 Short term provisions

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Provision for gratuity	2,603	55,676
Provision for compensated absences	1,156,601	286,530
Provision for Tax	84,350	84,350
Total	1,243,554	426,556

Note 10 Deferred tax assets (Net)

10.1 Deferred tax balances

	As at 31 March 2021	As at 31 March 2020
Deferred Tax Assets	-	-
Total	-	-

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 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	-	-	-	-
Ind AS DPO valuation	-	-	-	-
Defined benefit obligation	-	-	-	-
Provision for Doubtful Debts	-	-	-	-
Tax losses	-	-	-	-
Previous yr adjustment	-	-		-
	-	-	-	-

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

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

10.2 Income tax assets (net)

	As at 31 March 2021	As at 31 March 2020
Advance tax (net of provision for tax)	947,258	8,652,542
	947,258	**8,652,542**

Note 11 Long term loans and advances

(Unsecured, Considered good)

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Security Deposits	142,118,073	118,630,073
Capital Advances	104,223	104,223
Prepaid Expenses	3,792,252	4,581,867
Total	**146,014,548**	**123,316,163**

Note 12 Other non-current assets

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Fixed Deposits # # Having maturity more than 12 months, pledged with Bank as Margin for Bank Guarantee.	1,982,218	11,558,700
Total	**1,982,218**	**11,558,700**

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

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Stores and Spares	14,884,746	4,842,269
Total	**14,884,746**	**4,842,269**

Note 14 Trade receivables

(Unsecured, Considered good)

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Other Trade Receivables	169,886,938	73,636,306
Less: Provision for doubtful trade receivables	(3,853,896)	-
Total	**166,033,042**	**73,636,306**

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Note 15 Cash and bank balances

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Cash and cash equivalents :		
Cash in hand	19,431	49,702
Balances with Banks		
- In Current Accounts	2,820,962	10,602
	2,840,393	**60,304**
Other bank balances :		
- In Fixed Deposits #	66,683	456,926
# Having maturity less than 12 months, pledged with Bank as Margin for Bank Guarantee.		
Total	**2,907,076**	**517,230**

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

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Others :		
Advances Recoverable in Cash Or in Kind for Value to be Received	319,936	153,478
Prepaid Expenses	1,354,576	1,450,733
Balances with Government Authorities	947,258	8,652,542
Total	**2,621,770**	**10,256,753**

Note 17 Other Current Assets

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Interest Accrued	19,644	116,699
Unbilled revenue	-	969,050
Total	**19,644**	**1,085,749**

Note 18 Revenue from operations

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Income from Medical Services	237,453,569	117,799,328
Income from Sale of medical and non-medical items	13,498,685	7,267,286
Other Operating Revenues	11,432	209,078
Total	**250,963,686**	**125,275,692**

During the current financial year 2020-21, the LLP has recorded revenue to the tune of Rs. 23.63 Cr (PY Rs. 11.71 Cr) of joint revenue of Rs.30.64 Cr (PY Rs. 16.76Cr).

Note 19 Other income

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Interest Income on Bank Deposits	294,943	811,759
Interest income Others	283,190	529,963
Miscellaneous Income	-	218,198
Total	**578,133**	**1,559,920**

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Note 20 Operating expenses

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
- Purchases of Stock-in-trade	130,934,364	37,040,549
Changes in inventory of stock-in-trade	(10,042,477)	4,526,401
Inventories at the end of the year:	14,884,746	4,842,269
Inventories at the beginning of the year:	4,842,269	9,368,670
Total	120,891,887	41,566,950

Note 21 Employees benefit expenses

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Salaries, Wages and Allowances	35,366,498	41,081,857
Contribution to P.F and Other Funds	3,282,593	3,611,297
Welfare and Other Amenities	171,526	619,032
Total	38,820,617	45,312,186

Note 22 Finance costs

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Interest on bank overdrafts and loans	28,091,649	19,459,453
Interest on unsecured loans from Partners'	15,288,163	8,228,253
Interest on Defined Benefit Obligation	54,528	107,148
Bank Charges	1,164,746	2,649,608
Exchange differences regarded as an adjustment to borrowing costs	-	9,121
Total	44,599,086	30,453,583

Note 23 Other expenses

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
Medical Consultancy Charges (Note no 29)	51,149,179	49,853,696
Power and Fuel	14,304,651	17,768,079
Housekeeping and Security Expenses	10,972,281	12,121,293
Rent	30,206	167,701
Advertisement and Business Promotion	3,026,576	4,725,633
Communication	1,079,030	1,221,090
Repairs and maintenance - IT	358,638	343,001
Insurance	590,158	417,362
Legal and professional fees	3,495,003	1,905,844
Printing and stationery	468,817	764,714
Rates and taxes	132,578	258,389
Remuneration to Auditors (Note 28)	128,800	175,020
Diagnostic charges	5,619,243	15,165,060
Repairs and maintenance - others	10,720,762	3,610,768
Provision for Doubtful Debts	6,023,896	3,200,000
Bad Trade receivables written off	2,170,000	21,927,185
(Less): Provisions released	(2,170,000)	(21,927,185)
Travelling and conveyance	180,338	1,126,732
Miscellaneous expenses	791,808	453,145
Total	109,071,964	113,277,527

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

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

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

Note 25 Employee benefit plans

25.1 Defined contribution plans

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Contribution to Provident Fund & Pension Scheme	2,547,027	2,529,459
	2,547,027	**2,529,459**

25.2 Defined benefit plans

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

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

	Valuation as at 31 March 2021	Valuation as at 31 March 2020
Discount rate(s)	5.80%	6.30%
Expected rate(s) of salary increase	5.00%	5.00%
Rate of return on plan assets	NA	NA
Employee turnover rate	30.00%	30.00%

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

	31 March 2021	31 March 2020
Current service cost	293,961	235,132
Net interest expense	54,528	49,065
Components of defined benefit costs recognised in the Statement of profit and loss	**348,489**	**284,197**
Service cost recognised in employee benefits expense	277,271	172,976
Net interest expense recognised in finance costs	54,528	107,148
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(320.00)
Actuarial (gains) / losses arising from changes in financial assumptions	17,126	26,294.00
Actuarial (gains) / losses arising from experience adjustments	7,624	79,573.00
Others [describe]	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Remeasurement on the net defined benefit liability recognised in other comprehensive income	**24,750**	**105,547**

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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 2021	31 March 2020
Present value of funded defined benefit obligation	923,211	723,047
Fair value of plan assets	-	-
Unfunded status	**923,211**	**723,047**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**923,211**	**723,047**

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

	31 March 2021	31 March 2020
Opening defined benefit obligation	723,047	395,459
Current service cost	293,961	235,132
Interest cost	54,528	49,065
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	24,750	105,547
Past service cost	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(173,075)	(62,156)
Closing defined benefit obligation	**923,211**	**723,047**

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 37,000/- (increase by Rs 40,000/-) as at March 31, 2021.

If salary growth rate increases (decreases) by 1%, the defined benefit obligation would increase by Rs 89,000/- (decrease by Rs 79,000/-) as at March 31, 2021.

If attrition rate increases (decreases) by 10%, the defined benefit obligation would decrease by Rs 63,000/- (increase by Rs 66,000) as at March 31, 2021.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that
Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the
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, 2021 is 5.01 years (as at March 31, 2020: 6.17 years)

Maturity profile of defined benefit obligation:

Particulars	As at 31 March 2021	As at 31 March 2020
Within 1 year	3,000	56,000
1-2 year	185,000	41,000
2-3 year	206,000	169,000
3-4 year	191,000	163,000
4-5 year	162,000	142,000
5-10 year	362,000	318,000
> 10 years	93,000	82,000
	1,202,000	**971,000**

Note 26 Segment Reporting

Firm's business is to provide Medical is a hospital offering specialized services in cancer treatment. in the city of Nagpur. All other activities of

HCG NCHRI ONCOLOGY LLP NAGPUR

Note 27 Related Party Disclosures

A List of related parties :

Investing Partner

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

Associate of Investing partner

a) Strand Lifesciences Pvt Ltd

B. Details of related party transactions during the period:

		(Amount in ₹)	
		As at 31st March 2021	As at 31st March 2020
Nature of transaction		Investing Partner	
Purchase of pharmacy products and consumables			
HealthCare Global Enterprises Limited		-	4,832,630
Diagnostic charges			
Strand Lifesciences Pvt Ltd		1,251,031	4,914,167
Assets procurement			
- Strand Lifesciences Pvt Ltd		5,535,946	-
Medical Services			
Dr Ajay Mehta		15,448,606	19,905,622
NCHRI Pvt Ltd		236,374,041	117,107,493
Contribution of capital in Limited Liability Partnership			
HealthCare Global Enterprises Limited		78,392,625	110,158,459
Dr Ajay Mehta		-	11,200,000
NCHRI Pvt Ltd		-	-
Security Deposit given			
NCHRI Pvt Ltd		23,500,000	5,200,000
Interest on excess capital contributed in Limited Liability Partnership			
HealthCare Global Enterprises Limited		15,288,163	8,228,253
Balances with/of related parties :			
Trade Payables			
HealthCare Global Enterprises Limited		50,452,303	50,600,077
Strand Lifesciences Pvt Ltd		16,511,411	-
Trade Receivables			
NCHRI Pvt Ltd		168,907,255	72,087,637
Security Deposit			
NCHRI Pvt Ltd		142,118,073	118,618,073
Partner's Fixed Capital Account			
HealthCare Global Enterprises Limited		760,000	760,000
Dr Ajay Mehta		160,000	160,000
NCHRI Pvt Ltd		80,000	80,000
Partner's Current Account			
HealthCare Global Enterprises Limited		108,052,515	98,070,716
Dr Ajay Mehta		(24,438,682)	(10,036,403)
NCHRI Pvt Ltd		(2,786,711)	4,414,429
Interest liability on excess capital contributed in Limited Liability Partnership			
HealthCare Global Enterprises Limited		29,322,577	13,996,530
Dr Ajay Mehta		1,168,793	1,168,793
NCHRI Pvt Ltd		584,384	584,384

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te 28 Remuneration to Auditors :

Particulars	(Amount in ₹) As at 31st March 2021	(Amount in ₹) As at 31st March 2020
a) For audits	152,542	148,322
b) Service tax / GST on the above	27,458	26,698
c) Others (reversal of provision)	(51,200)	-
Total	128,800	175,020

te 29 Medical consultancy charges
Includes Medical Service Fee paid to Dr Ajay Mehta Rs.1,54,48,606 (PY: Rs. Rs.19,905,622) as per Medical Services Agreement dated March 20, 2017 executed between HCG NCHRI Oncology LLP & Dr Ajay Mehta.

te 30 Operating leases
Firm had taken premises on operating lease. Gross rental expenses for the year ended 31st March 2021 were Rs 9,000/- (PY Rs 1,67,700/-) which has been included under the head "Other expenses - Rent" in the Statement of Profit and Loss. These leases were cancellable.

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

erms of our report attached
Gargesh & Co
artered Accountants
m's Registration No. 076695

GARGESH & Co. Chartered Accountants

vi G R
rtner
embership No. 205958

ce: Bengaluru
te: 20/5/2021

For HCG NCHRI ONCOLOGY LLP

S. Raghavan
Srinivasa V. Raghavan
Designated Partner

Place: Bengaluru
Date:

Ajay Mehta
Designated Partner

Place: Nagpur
Date:

Notes to the financial statements for the year ended 31st March 2021

Note 9 Fixed Assets

Particulars	Gross Block					Depreciation					Net Block	
	As at 1st April, 2020	Addition during the year	Deduction/ Adjustment	Reclassification	As at 31st March, 2021	Up to 31st March, 2020	Depreciation / Amortization during the year	Deduction/ Adjustment	Reclassification	Total till 31st March, 2021	As at 31st March, 2021	As at 31st March, 2021
A. Tangible Assets												
Plant and equipment - Freehold	520,198	4,971,045		-	5,491,243	262,360	544,063		-	806,423	4,684,820	257,838
Medical & Lab equipment	324,881,897	794,251	-	-	325,676,148	65,369,377	24,505,173	-	-	89,874,550	235,801,595	259,512,519
Office Equipment	5,173,057	21,795	-	-	5,194,852	3,041,992	752,254		-	3,794,246	1,400,606	2,131,065
Furniture and Fixtures	12,985,527	257,511	-	-	13,243,038	4,027,941	1,220,746	-	-	5,248,687	7,994,351	8,957,586
Data processing equipment	3,153,866	23,936	-	-	3,177,802	2,288,694	442,711		-	2,731,405	446,398	865,172
Total Tangible Assets	**346,714,545**	**6,068,538**	**-**	**-**	**352,783,083**	**74,990,364**	**27,464,947**	**-**	**-**	**102,455,311**	**250,327,770**	**271,724,181**
Previous Year	**338,099,502**	**14,996,374**	**6,717,497**	**336,166**	**346,714,545**	**45,470,073**	**29,564,806**	**137,838**	**(93,323)**	**74,990,364**	**271,724,181**	**292,629,297**
B. Intangible Assets												
Computer Software	6,145,111	29,487	-	-	6,174,598	5,349,756	707,562		-	6,057,318	117,280	795,355
Tenancy Rights	11,000,000				11,000,000	11,000,000	-			11,000,000	-	-
Total Intangible Assets	**17,145,111**	**29,487**	**-**	**-**	**17,174,598**	**16,349,756**	**707,562**	**-**	**-**	**17,057,318**	**117,280**	**795,355**
Previous Year	**11,599,834**	**5,881,443**	**-**	**(336,166)**	**17,145,111**	**4,582,568**	**11,860,511**	**-**	**93,323**	**16,349,756**	**795,355**	**7,017,266**
C. Capital work-in-progress	-	-	-		-	-	-			-	-	-
D. Intangible assets under development	-	-	-		-	-	-			-	-	-
Total Fixed Assets (A+B+C+D)	**363,859,656**	**6,098,025**	**-**	**-**	**369,957,681**	**91,340,120**	**28,172,509**	**-**	**-**	**119,512,629**	**250,445,050**	**272,519,536**
Total Previous Year	**349,846,237**	**20,877,817**	**6,864,398**	**0**	**363,859,656**	**50,052,641**	**41,425,317**	**137,838**	**(0)**	**91,340,120**	**272,519,536**	**299,793,464**

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