

B S R & Co. LLP

Chartered Accountants

Embassy Golf Links Business Park
Pebble Beach, B Block, 3rd Floor
Off Intermediate Ring Road
Bengaluru 560 071 India

Telephone +91 80 4682 3000
Fax +91 80 4682 3999

INDEPENDENT AUDITORS' REPORT

To the Partners of HCG Oncology LLP

Opinion

We have audited the accompanying Statement of Accounts of HCG Oncology LLP ("the LLP"), which comprise the Statement of Assets and Liabilities as at 31 March 2021, the Statement of Income and Expenditure, Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (collectively referred to as "the Statement of Accounts"). The Statement of Accounts have been prepared by the LLP's Management as required by rule 24(8) of the Limited Liability Partnership Rules, 2009 ("the Rules").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Statement of Accounts give a true and fair view of the financial position of the LLP as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by Institute of Chartered Accountants of India.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Statement of Accounts* section of our report. We are independent of the LLP in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 2.2 in the financial statements, which describes the economic and social consequences the entity is facing as a result of COVID-19 which is impacting supply chains/demand/personnel available for work and/or being able to access offices/hospitals. Our opinion is not modified in respect of this matter.

Management's Responsibility for the Statements of Accounts

The LLP's Management is responsible for the preparation of these Statement of Accounts that give a true and fair view of the financial position, financial performance and cash flows of the LLP in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI and the provisions of the Limited Liability Partnership Act, 2008 ('the Act'). This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement of Accounts that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT (continued)
Auditor's Responsibilities for the Audit of the Statements of Accounts

Our objectives is to obtain reasonable assurance about whether the Statement of Accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Statement of Accounts.

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

- Identify and assess the risks of material misstatement of the Statement of Accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the LLP's Management.
- Conclude on the appropriateness of the LLP's Management 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 LLP'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 Statement of Accounts 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 auditors' report. However, future events or conditions may cause the LLP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement of Accounts, including the disclosures, and whether the Statement of Accounts represent the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITORS' REPORT (continued)

Auditor's Responsibilities for the Audit of the Statements of Accounts (continued)

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide the Management 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 **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Siddhartha Sharma
Partner

Membership No. 118756
UDIN: 21118756AAAABZ2654

Place: Bengaluru
Date: 7 September 2021

HCG Oncology LLP**Statement of assets and liabilities**

(All amounts in Indian rupees, except share data and unless otherwise specified)

	Note No.	As at 31 March 2021	As at 31 March 2020
Contribution and Liabilities			
Partners' funds			
Contribution	3	11,34,28,617	11,34,28,617
Reserves and surplus	4	(27,02,45,680)	(21,02,73,740)
		(15,68,17,063)	(9,68,45,123)
Non-current liabilities			
Long-term borrowings	5	30,00,50,060	34,45,33,151
Other non-current liabilities	6	2,98,27,685	2,66,48,854
Long-term provisions	7	11,86,662	7,65,336
		33,10,64,407	37,19,47,341
Current liabilities			
Short-term borrowings	8	-	1,53,91,320
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	9	10,77,70,162	17,30,49,198
Other current liabilities	10	14,61,36,542	6,81,93,912
Short-term provisions	11	9,80,672	5,59,724
		25,48,87,376	25,71,94,154
Total		42,91,34,720	53,22,96,372
Assets			
Non-current assets			
Property, Plant and Equipment			
-Tangible assets	12	30,10,92,819	30,38,96,329
-Intangible assets	13	1,55,542	2,63,415
Long-term loans and advances	14	6,70,68,465	6,84,98,777
Other non-current assets	15	36,69,552	29,32,606
		37,19,86,378	37,55,91,127
Current assets			
Inventories	16	81,10,059	1,41,51,139
Trade receivables	17	3,00,08,737	6,98,93,638
Cash and cash equivalents	18A	47,94,898	4,30,12,625
Bank balance other than cash and cash equivalents above	18B	-	1,24,25,000
Short-term loans and advances	19	58,94,413	90,47,191
Other current assets	20	83,40,235	81,75,652
		5,71,48,342	15,67,05,245
Total		42,91,34,720	53,22,96,372

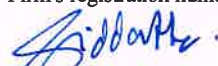
Significant accounting policies 2
The accompanying notes are an integral part of these statement of accounts

As per our reports of even date attached

for B S R & Co. LLP

Chartered Accountants

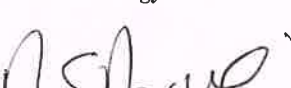
Firm's registration number: 101248W/W -100022



Siddhartha Sharma

Partner

Membership Number: 118756

for and on behalf of
HCG Oncology LLP


Dr. B S Ajaikumar

Designated Partner

DIN : 00713779



Dr. Rajiv Gopinath Bhatt

Partner

DIN : 06719548

Place: Bengaluru

Date : 07 September 2021

Place: Bengaluru

Date : 07 September 2021

Place: Bengaluru

Date : 07 September 2021

HCG Oncology LLP**Statement of income and expenditure**

(All amounts in Indian rupees, except share data and unless otherwise specified)

	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	21	44,18,20,715	47,91,13,714
Other income	22	18,81,876	19,79,623
Total income		44,37,02,591	48,10,93,337
Expenditure			
Purchase of medical and non medical items	23	12,07,68,442	15,07,76,324
Changes in inventories	24	60,41,080	(26,67,256)
Employee benefits expense	25	7,10,53,160	7,79,58,800
Depreciation and amortisation expense	12 & 13	3,54,62,748	3,72,31,596
Finance costs	26	3,56,04,131	3,73,43,187
Other expenses	27	20,92,94,352	21,35,47,048
Total expenditure		47,82,23,913	51,41,89,699
Loss before exceptional items and tax		(3,45,21,322)	(3,30,96,362)
Exceptional items	28	2,54,50,618	-
Loss before tax		(5,99,71,940)	(3,30,96,362)
Tax expense			
Current tax expense		-	-
Deferred tax		-	-
Net tax benefit		-	-
Loss after tax		(5,99,71,940)	(3,30,96,362)

Significant accounting policies

2

The accompanying notes are an integral part of these statement of accounts

As per our reports of even date attached

for B S R & Co. LLP

Chartered Accountants



Firm's registration number: 101248W/W -100022



Siddhartha Sharma

Partner

Membership Number: 118756

for and on behalf of
HCG Oncology LLP
 × 
Dr. B S Ajai Kumar
Designated Partner

DIN : 00713779

Dr. Rajiv Gopinath Bhatt
Partner

DIN: 06719548

Place: Bengaluru

Date : 07 September 2021

Place: Bengaluru

Date : 07 September 2021

Place: Bengaluru

Date : 07 September 2021

HCG Oncology LLP
Cashflow Statement for the year ended 31 March 2021
(All amounts in Indian rupees, except share data and unless otherwise specified)

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities			
Loss before tax		(5,99,71,940)	(3,30,96,362)
Adjustments for:			
Finance costs		3,56,04,131	3,73,43,187
Depreciation and amortisation expense		3,54,62,748	3,72,31,596
Interest income		(14,58,810)	(16,11,821)
Rent equalisation		31,78,831	35,82,338
Exceptional Items	30	2,54,50,618	-
Provision for doubtful debts		5,00,000	28,30,321
Operating profit before working capital changes		3,87,65,578	4,62,79,259
Changes in working capital:			
Inventories		60,41,080	(26,67,256)
Trade receivables		3,93,84,901	(2,16,96,616)
Other current assets		34,88,195	1,39,889
Trade payables		(6,52,79,036)	5,35,40,900
Other liabilities		19,92,910	13,33,532
Provisions		8,42,274	5,70,680
Cash generated from operations		2,52,35,902	7,75,00,388
Income tax paid (net)		10,21,762	(1,31,07,286)
Net cash flow from operating activities (A)		2,62,57,664	6,43,93,102
B. Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances		(11,72,678)	(83,95,425)
Bank deposits		1,14,25,000	(35,55,437)
Interest received		17,21,864	32,91,764
Net cash used in investing activities (B)		1,19,74,186	(86,59,098)
C. Cash flow from financing activities			
Proceeds from borrowings		-	1,93,91,320
Repayment of borrowings		(4,08,45,446)	(43,61,571)
Interest and other borrowing cost paid		(3,56,04,131)	(3,81,93,676)
Net cash used in financing activities (C)		(7,64,49,577)	(2,31,63,927)
Net increase in cash and cash equivalents (A+B+C)		(3,82,17,727)	3,25,70,077
Cash and cash equivalents at the beginning of the year		4,30,12,625	1,04,42,548
Cash and cash equivalents at the end of the year	18	47,94,898	4,30,12,625

Notes to cash flow statement:

Components of cash and cash equivalents

(a) Cash on hand	5,43,941	45,81,079
(b) Cheques, drafts on hand	12,27,005	25,27,004
(c) Balances with banks		
- In current accounts	17,22,644	3,59,04,542
- In EEFC accounts	13,01,308	-
	47,94,898	4,30,12,625

Significant accounting policies

The accompanying notes are an integral part of these statement of accounts

As per our reports of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W -100022



Siddhartha Sharma

Partner

Membership Number: 118756



for and on behalf of
HCG Oncology LLP


Dr. B S Ajalkumar
 Designated Partner
 DIN : 00713779


Dr. Rajiv Gopinath Bhatt
 Partner
 DIN: 06719548

Place: Bengaluru

Date : 07 September 2021

Place: Bengaluru

Date : 07 September 2021

Place: Bengaluru

Date : 07 September 2021

1 Corporate information

HCG Oncology LLP ('the Firm') is a hospital offering specialized services in cancer treatment. The registered office of the Firm is situated at #1, Maharashtra Society, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006. The Firm was incorporated on 29 November 2014.

2 Summary of significant accounting policies**2.1 Basis of accounting, preparation of statement of accounts and going concern basis and impact of covid-19**

The statement of accounts of the Firm have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and relevant provision of Rule 24 of the Limited Liability Partnership Rules, 2009 (The Rules). The statement of accounts have been prepared on accrual basis under the historical cost convention.

The Firm has incurred losses during the year and partner's fund (networth) is negative as at 31 March 2021. However, these statement of accounts have been prepared on a going concern basis based on Management's estimates of future operations and the letter of support received from the HealthCare Global Enterprises Limited (the Holding Company).

2.2 Impact of Covid 19:

The number of new cases of Covid which had reached its lowest level in the first week of February 2021 increased in March 2021. The Firm is taking necessary actions to secure the health and safety of its employees and extended ecosystem. Different forms of restrictions have been imposed by the government and local bodies to control this strong second wave of the pandemic but these restrictions are not as severe as the lockdown during first wave. The Firm's operations are currently running at normal levels. However, the Firm will continue to monitor changes to the future economic conditions for any material impact as the situation evolves.

Management believes that it has taken into account the possible impacts of known events arising out of COVID-19 pandemic in the preparation of statement of accounts including but not limited to firm's recoverable values of its property plant and equipment, allowance for trade receivables and net realisable value of other assets.

2.3 Use of estimates

The preparation of the statement of accounts 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 statement of accounts 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.

2.4 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:

- It is expected to be realized in, or is intended for sale or consumption in, the Firm's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- 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:

- It is expected to be settled in the Firm's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be settled within 12 months after the reporting date; or
- The Firm 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 Firm and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Firm has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.5 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average cost 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 GST wherever applicable applying First in First out (FIFO) method.

2.6 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 deposit), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



2.7 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 Firm are segregated based on the available information.

2.8 Revenue recognition

Medical 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 net of discount given to patients 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.

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 uncertainty 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.

Other operating income

Revenue is recognised as and when services are rendered and right to receive the consideration is established.

2.9 Other income

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

2.10 Property, plant and equipment

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 Firm 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	10 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	3 years



2.11 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the firm 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.

2.12 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 firm'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 cannot carry-forward a portion of the unutilized accrued compensated absences and receive cash compensation at the end of the financial year. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The Firm records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement.

2.13 Borrowing costs

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

2.14 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 Firm 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 Firm.

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 Firm 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.

2.15 Provisions and contingencies

A provision is recognised when the Firm 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 statement of accounts.

Onerous contracts

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



2.16 Leases

A finance lease (also known as a capital lease or a sales lease) is a type of lease in which a finance firm 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.

2.17 Government grants

Government grants available to the Firm are recognised

(i) where there is reasonable assurance that the Firm will comply with the conditions attached to them; and

(ii) where such benefits have been earned by the Firm and it is reasonably certain that the ultimate collection will be made.

Government grants related to the acquisition of fixed assets are shown as a deduction from the gross value of the respective fixed assets.

2.18 Impairment

The Firm 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 firm 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.



3	Contribution Particulars	As at	As at
		31 March 2021	31 March 2020
	Capital account		
	Fixed capital contribution		
	HealthCare Global Enterprises Limited (Designated partner Dr. B S Ajaikumar)	3,70,000	3,70,000
	Dr. Rajiv Bhatt	1,30,000	1,30,000
		5,00,000	5,00,000
	Variable capital contribution		
	HealthCare Global Enterprises Limited (Designated partner Dr. B S Ajaikumar)		
	Balance at the beginning of the year	7,38,01,217	7,38,01,217
	Add: Additional contribution	-	-
	Balance at the end of the year	7,38,01,217	7,38,01,217
	Dr. Rajiv Bhatt*		
	Balance at the beginning of the year	3,91,27,400	3,91,27,400
	Add: Additional contribution	-	-
	Balance at the end of the year	3,91,27,400	3,91,27,400
		11,34,28,617	11,34,28,617

* The initial capital contribution and variable contribution is made by each partner as per agreement mentioned in the LLP agreement between the partners. The excess variable capital contribution made by Dr. Rajiv Bhatt is temporary and doesn't bear any interest.

** The initial capital contribution is made by each partner as per the arrangement mentioned in the LLP agreement between the partners. Variable capital represents additional financial assistance by respective partner with a right to convert to fixed capital at such time and as per the terms and conditions, as agreed between the Partners of the LLPs.

4	Reserves and surplus Particulars	As at	As at
		31 March 2021	31 March 2020
	Deficit (statement of income and expenditure)		
	At the commencement of the year	(21,02,73,740)	(17,71,77,378)
	Add: loss for the year	(5,99,71,940)	(3,30,96,362)
	Amount available for appropriation	(27,02,45,680)	(21,02,73,740)
	Share of losses appropriated to HealthCare Global Enterprises Limited	(19,99,81,803)	(15,56,02,568)
	Share of losses appropriated to Dr. Rajiv Bhatt	(7,02,63,877)	(5,46,71,172)
	At the end of the year	(27,02,45,680)	(21,02,73,740)

5	Long-term borrowings Particulars	As at	As at
		31 March 2021	31 March 2020
	Secured:		
	- Term loan from banks (refer note (i))	7,51,10,060	8,10,33,151
	- Term loan from others (refer note (ii))	22,49,40,000	24,45,00,000
	Unsecured:		
	- Loan from holding company (refer note (iii))	-	1,90,00,000
		30,00,50,060	34,45,33,151

Notes:

Particulars	As at	As at
	31 March 2021	31 March 2020
(i) Secured term loan from banks:		
Non-current portion	7,51,10,060	8,10,33,151
Amounts included under current maturities of long-term debt	98,54,357	1,03,85,392
Security: Exclusive charge on all assets (Equipments) and other fixed assets purchased through bank finance. First pari passu charge on all the movable fixed assets and current assets (both present and future). Corporate guarantee of Healthcare Global Enterprises Limited on the borrowing amount.		
Repayment terms: Repayable in quarterly structured installments in 6 years after moratorium period of 1 year from the date of borrowing.		
Rate of interest: Yes Bank base rate+ 1.00%		
(ii) Secured term loan from others:		
Non-current portion	22,49,40,000	24,45,00,000
Amounts included under current maturities of long-term debt	1,95,60,000	-
Security: First pari-passu mortgage, charge and by way of hypothecation of entire immovable and movable properties of the borrower, both present & future, including all movable properties. A second pari-passu charge on the entire current assets, cashflow, receivables, book debts and revenue of the borrower, including Trust & Retention Account / Escrow Account, of whatsoever nature and arising both present & future. First pari-passu charge on entire intangible assets of the borrower, including but not limited to, goodwill and uncalled capital, intellectual property, intangible assets, both present & future.		
Repayment terms: Repayable in quarterly structured installments in 9 years after 3 years of moratorium period from the date of borrowing.		
Rate of interest: NBFCs spread rate @ 1.05% + 5 years IDFC IFL benchmark rate @ 8.70% p.a. (9.75%).		
(iii) Loan from holding company (unsecured) (refer note 33)		
Non-current portion	-	1,90,00,000
Rate of interest 12.00%		
Payable on demand		
		35,49,18,543



6	Other non-current liabilities		
	Particulars	As at 31 March 2021	As at 31 March 2020
	Rent equalisation reserve	2,98,27,685	2,66,48,854
		<u>2,98,27,685</u>	<u>2,66,48,854</u>
7	Long-term provisions		
	Particulars	As at 31 March 2021	As at 31 March 2020
	Gratuity (refer note 31)	11,86,662	7,65,336
		<u>11,86,662</u>	<u>7,65,336</u>
8	Short-term borrowings		
	Particulars	As at 31 March 2021	As at 31 March 2020
	Secured loans repayable on demand:		
	- Cash credit facility from banks (refer note (i))	-	1,53,91,320
		<u>-</u>	<u>1,53,91,320</u>
	Note:		
	Particulars		
	(i) Secured loans repayable on demand:		
	Security: Exclusive charge on all assets (Equipments) and other fixed assets purchased through bank finance, First pari passu charge on all the movable fixed assets and current assets (both present and future). Corporate guarantee of Healthcare Global Enterprises Limited on the borrowing amount		
	Rate of interest :Yes Bank base rate+ 1.00%		
9	Trade payable		
	Particulars	As at 31 March 2021	As at 31 March 2020
	Total outstanding dues of micro enterprises and small enterprises (refer note 29)	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises*	10,77,70,162	17,30,49,198
		<u>10,77,70,162</u>	<u>17,30,49,198</u>
	* For details relating to payable to related parties, please refer note 33		
10	Other current liabilities		
	Particulars	As at 31 March 2021	As at 31 March 2020
	Current maturities of long-term debt (refer note 5(i))	98,54,357	1,03,85,392
	Current maturities of long-term debt (refer note 5(ii))	1,95,60,000	-
	Statutory remittances	17,38,978	39,34,870
	Provision for contingency for taxes (refer note 28)	5,69,20,755	-
	Creditors of capital goods	1,62,500	1,62,500
	Advance from customers	94,98,792	81,50,557
	Advance payable to holding company (refer note 33)	4,37,92,431	3,95,93,658
	Accrued salaries and benefits	46,08,729	59,66,935
		<u>14,61,36,542</u>	<u>6,81,93,912</u>
11	Short-term provision		
	Particulars	As at 31 March 2021	As at 31 March 2020
	Provision for gratuity (refer note 31)	4,14,621	94,078
	Provision for compensated absence (refer note 31)	5,66,051	4,65,646
		<u>9,80,672</u>	<u>5,59,724</u>



12 Tangible assets

Description of assets	Leasehold Improvements	Plant and equipment	Lab equipment	Office equipment	Furniture and fixtures	Data processing equipment	Electrical installation	Vehicles	Total (A)	Capital work in progress (B)	Total
I. Cost											
Balance as at 01 April 2018	4,42,62,467	33,54,95,650	19,85,792	28,36,755	2,66,10,912	97,58,601	37,48,592	15,24,415	42,62,23,184	-	42,62,23,184
Additions	2,26,770	24,39,322	-	1,40,147	1,69,710	4,64,319	-	-	34,40,268	-	34,40,268
Balance as at 31 March 2019	4,44,89,237	34,38,65,693	19,85,792	29,76,902	2,67,80,622	82,28,659	37,48,592	15,24,415	43,35,99,912	-	43,35,99,912
Additions	3,59,459	38,67,712	-	7,55,156	7,93,021	6,41,244	3,52,283	-	67,68,875	-	67,68,875
Balance as at 31 March 2020	4,48,48,696	34,77,33,405	19,85,792	37,32,058	2,75,73,643	88,69,903	41,00,875	15,24,415	44,03,68,787	-	44,03,68,787
Additions *	-	3,17,45,044	-	-	8,06,321	-	-	-	3,25,51,365	-	3,25,51,365
Balance as at 31 March 2021	4,48,48,696	37,94,78,449	19,85,792	37,32,058	2,83,79,964	88,69,903	41,00,875	15,24,415	47,29,20,152	-	47,29,20,152
II. Accumulated depreciation											
Balance as at 31 March 2019	91,68,528	7,29,35,115	5,83,254	14,43,399	84,71,805	70,25,200	10,31,119	3,99,890	10,10,58,310	-	10,10,58,310
Depreciation expense	38,71,291	2,62,23,045	2,19,574	6,67,590	25,71,861	12,82,189	3,88,046	1,90,552	3,54,14,148	-	3,54,14,148
Balance as at 31 March 2020	1,30,39,819	9,91,58,160	8,02,828	21,10,989	1,10,43,666	83,07,389	14,19,165	5,90,442	13,64,72,458	-	13,64,72,458
Depreciation expense	38,96,998	2,65,02,689	2,24,909	7,48,853	26,74,729	7,06,054	4,10,091	1,90,552	3,53,54,875	-	3,53,54,875
Balance as at 31 March 2021	1,69,36,817	12,56,60,849	10,27,737	28,59,842	1,37,18,395	90,13,443	18,29,256	7,80,994	17,18,27,333	-	17,18,27,333
Net block as at 31 March 2020	3,18,08,877	24,85,75,245	11,82,964	16,21,069	1,65,29,977	5,62,514	26,81,710	9,33,973	30,38,96,329	-	30,38,96,329
Net block as at 31 March 2021	2,79,11,879	25,38,17,600	9,58,055	8,72,216	1,46,61,569	(1,43,540)	22,71,619	7,43,421	30,10,92,819	-	30,10,92,819

Refer notes 5 and 8 for details of charge created on property, plant and equipment.

* Includes Rs. 31,470,137 representing duties and taxes towards import of assets under EPCG scheme in the prior years. Refer note 28.



HCG Oncology LLP

Notes to statement of accounts for the year ended 31 March 2021

(All amounts in Indian rupees, except share data and unless otherwise specified)

13 Intangible assets

Description of assets	Computer software	Total
I. Cost		
Balance as at 31 March 2019	58,08,173	58,08,173
Additions	-	-
Balance as at 31 March 2020	58,08,173	58,08,173
Additions	-	-
Balance as at 31 March 2021	58,08,173	58,08,173
II. Accumulated amortisation and impairment		
Balance as at 31 March 2019	37,27,310	37,27,310
Amortisation expense	18,17,448	18,17,448
Balance as at 31 March 2020	55,44,758	55,44,758
Amortisation expense	1,07,873	1,07,873
Balance as at 31 March 2021	56,52,631	56,52,631
Net Block as at 31 March 2020	2,63,415	2,63,415
Net Block as at 31 March 2021	1,55,542	1,55,542

Refer note 5 and 8 for details of charge created on intangible assets.



14 Long-term loans and advances

Particulars	As at	
	31 March 2021	31 March 2020
Unsecured, considered good		
Capital advances	6,11,704	5,20,254
Security deposits	3,22,21,995	3,27,21,995
Advance income tax and tax deducted at source, net of provision for tax	3,42,34,766	3,52,56,528
	6,70,68,465	6,84,98,777

15 Other non-current assets*

Particulars	As at	
	31 March 2021	31 March 2020
Margin money Deposit	31,85,000	21,85,000
Interest accrued on deposits	4,84,552	7,47,606
	36,69,552	29,32,606

*Refer note 5 and 8 for details of charge created on other non-current assets.

16 Inventories (At lower of cost and net realisable value)*

Particulars	As at	
	31 March 2021	31 March 2020
Medical and non medical items	81,10,059	1,41,51,139
	81,10,059	1,41,51,139

*There are nil provision towards written down to net realisable value.

*Refer note 5 and 8 for details of charge created on Inventories.

17 Trade receivables*

Particulars	As at	
	31 March 2021	31 March 2020
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
- Unsecured, considered good	61,55,634	2,10,59,170
- Doubtful	9,37,377	29,86,836
	70,93,011	2,40,46,006
Less: Provision for doubtful trade receivables	(9,37,377)	(29,86,836)
	61,55,634	2,10,59,170
Other trade receivables:		
- Unsecured, considered good	2,38,53,103	4,88,34,468
- Doubtful	89,51,482	69,02,023
	3,28,04,585	5,57,36,491
Less: Provision for doubtful trade receivables	(89,51,482)	(69,02,023)
	2,38,53,103	4,88,34,468
	3,00,08,737	6,98,93,638

*Refer note 5 and 8 for details of charge created on Trade Receivables.

18 Cash and cash equivalents*

Particulars	As at	
	31 March 2021	31 March 2020
A Cash and cash equivalents		
Cash on hand	5,43,941	45,81,079
Cheques, drafts on hand	12,27,005	25,27,004
Balances with banks:		
- in current accounts	17,22,644	3,59,04,542
- in EEFC accounts	13,01,308	-
Cash and cash equivalents	47,94,898	4,30,12,625
B Bank balance other than cash and cash equivalents above		
- On deposit accounts (due to mature within 12 months of the reporting date)*	-	1,24,25,000
	-	1,24,25,000

* The above deposits are restrictive as it pertain to margin money

For the purpose of the statement of cash flows, cash and cash equivalent comprise the following:

Particulars	As at	
	31 March 2021	31 March 2020
Cash on hand	5,43,941	45,81,079
Cheques, drafts on hand	12,27,005	25,27,004
Balances with banks:		
- in current accounts	17,22,644	3,59,04,542
- in EEFC accounts	13,01,308	-
Cash and cash equivalents as per statement of cash flows	47,94,898	4,30,12,625

*Refer note 5 and 8 for details of charge created on Cash and Cash Equivalents.



HCG Oncology LLP

Notes to statement of accounts for the year ended 31 March 2021

(All amounts in Indian rupees, except share data and unless otherwise specified)

19 Short-term loans and advances*

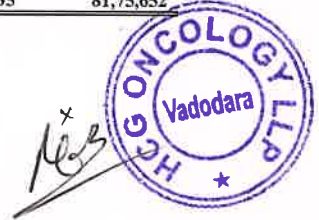
Particulars	As at	
	31 March 2021	31 March 2020
<i>Unsecured, considered good</i>		
Loans and advances to employees	57,380	3,100
Prepaid expenses	6,93,767	13,38,010
Advance to vendor	51,43,266	77,06,081
	<u>58,94,413</u>	<u>90,47,191</u>

*Refer note 5 and 8 for details of charge created on Short term loans and advances.

20 Other current assets*

Particulars	As at	
	31 March 2021	31 March 2020
Unbilled revenue	83,40,235	81,75,652
	<u>83,40,235</u>	<u>81,75,652</u>

*Refer note 5 and 8 for details of charge created on Other current assets.



HCG Oncology LLP

Notes to statement of accounts for the year ended 31 March 2021

(All amounts in Indian rupees, except share data and unless otherwise specified)

21 Revenue from operations

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Medical service income *	42,64,32,301	46,14,60,049
Sale of medical and non medical items*	1,45,61,407	1,58,81,770
Other operating Revenue	8,27,007	17,71,895
	44,18,20,715	47,91,13,714

* includes sales to related parties (refer note 32)

22 Other income

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Interest income	14,58,810	16,11,821
Net gain on foreign currency transactions and translation	-	15,871
Other income	4,23,066	3,51,931
	18,81,876	19,79,623

23 Purchase of medical and non-medical items

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Medical and non-medical items*	12,07,68,442	15,07,76,324
	12,07,68,442	15,07,76,324

* includes purchases from related parties (refer note 33)

24 Changes in inventories

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Inventories at the end of the year:	81,10,059	1,41,51,139
Inventories at the beginning of the year:	1,41,51,139	1,14,83,883
Net increase	60,41,080	(26,67,256)

25 Employee benefits expense

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Salaries and wages	6,62,11,381	7,27,96,949
Contributions to provident and other funds (refer note 31)	42,41,013	45,22,772
Expense on employee stock option scheme (refer note 32)	66,269	1,98,239
Staff welfare expenses	5,34,497	4,40,840
	7,10,53,160	7,79,58,800

Depreciation and amortisation expense

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Depreciation of property, plant and equipment	3,53,54,875	3,54,14,148
Amortisation of intangible assets	1,07,873	18,17,448
	3,54,62,748	3,72,31,596

26 Finance costs

Particulars	Year ended	Year ended
	31 March 2021	31 March 2020
Interest expense on borrowings*	3,35,78,866	3,52,63,378
Interest on cash credit	2,02,156	5,18,735
Bank charges	18,23,109	15,61,074
Loan processing charges		
	3,56,04,131	3,73,43,187

* refer note 32



HCG Oncology LLP

Notes to statement of accounts for the year ended 31 March 2021

(All amounts in Indian rupees, except share data and unless otherwise specified)

27 Other expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Medical consultancy charges (refer note 33)	10,18,10,092	11,00,78,743
Lab charges (refer note 33)	52,96,628	18,02,773
Power and fuel	1,22,44,809	1,10,74,143
House keeping and security	36,88,858	74,93,908
Rent (refer note 34)	5,72,87,683	5,64,39,826
Repairs and maintenance:		
- Buildings	23,74,997	8,81,164
- Machinery	1,27,60,205	92,22,826
- Others	17,66,533	9,04,972
Insurance	6,29,630	6,50,405
Rates and taxes, excluding taxes on income	5,11,148	5,75,601
Printing and stationery	3,79,189	1,09,844
Business promotion	37,82,979	50,88,958
Travelling and conveyance	13,59,627	37,30,901
Legal and professional	14,43,215	-
Payments to auditors:		
- As statutory auditors	6,50,000	6,50,000
- Out of pocket expenses and tax on above	1,22,000	1,22,000
Communication	15,48,046	14,06,534
Provision for doubtful debts	5,00,000	28,30,321
Miscellaneous expenses	11,38,713	4,84,129
	20,92,94,352	21,35,47,048

28 Exceptional items

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Provision for customs duty (refer note (i) below)	2,54,50,618	-
	2,54,50,618	-

(i) Under the Foreign Trade Policy, importers are allowed to discharge the custom duty payable on imported assets through EPCG licenses wherein importers need to achieve certain level of exports. In the past, the Firm has availed the benefit under this policy and has imported various assets. Due to Covid-19 and the restrictions on foreign travel, the Firm's revenue from foreign exchange has undergone a substantial dip. During the year ended 31 March 2021, the Management has evaluated the impact of possible shortfall in meeting such export obligations and has accordingly recognised the provision for contingency of Rs. 56,920,755 (refer note 10) by debiting plant and equipment for custom duty payable Rs. 31,470,137 and interest of Rs. 25,450,618 under exceptional items.

29 Due to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 has been made in the statements of account based on information received and available with the Limited liability Partnership. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Limited liability Partnership has not received any claim for interest from any supplier.

Particulars	31 March 2021	31 March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	-	-
Interest	-	-
The amount of interest paid by the buyer under MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

30 The Company does not have any unhedged foreign currency exposure as at 31 March 2021 and 31 March 2020.



31 Employee benefit plans

Defined contribution plans

The Firm makes Provident Fund contributions to defined contribution plan for qualifying employees. Under the Scheme, the Firm is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Firm has recognized the following amounts in the Statement of income and expenditure towards its contributions to provident fund.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Contribution to provident fund included under contribution to provident and other funds	34,02,221	40,49,218

Defined benefit plans

The Firm offers the Gratuity benefits (included as part of 'Employee benefit expense' in Note 25 Employee benefits expense) to its employees. The following table sets out the status of the Gratuity and the amount recognised in the Statement of assets and liabilities:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Components of employer expense		
Current service cost	4,05,933	2,46,452
Interest cost	87,150	54,174
Actuarial losses/(gains)	3,45,709	1,72,928
Total expense/ (credit) recognised in the Statement of income and expenditure	8,38,792	4,73,554
Actual contribution and benefits payments		
Present value of defined benefit obligation (DBO)	(16,01,283)	(8,59,414)
Net asset/(liability) recognised in balance sheet	(16,01,283)	(8,59,414)
Current	(4,14,621)	(94,078)
Non-current	(11,86,662)	(7,65,336)
Total asset / (liability) recognised in the balance sheet	(16,01,283)	(8,59,414)
Change in defined benefit obligations		
Present value of DBO at beginning of period	8,59,414	3,85,860
Current service cost	4,05,933	2,46,452
Interest cost	87,150	54,174
Actuarial (gains)/ losses	3,45,709	1,72,928
Benefits paid	(96,923)	-
Present value of DBO at the end of period	16,01,283	8,59,414
Actuarial assumption		
Discount rate	5.00%	5.90%
Expected return on plan assets	NA	NA
Salary escalation	5.00%	5.00%
Attrition rate	45.00%	45.00%
Retirement age	58 years	58 years
Mortality	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult

Actuarial valuation experience adjustment

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Defined benefit obligation	(16,01,283)	(8,59,414)
(Deficit)	(16,01,283)	(8,59,414)
Experience adjustment on plan liabilities	3,12,922	1,46,255

Note:

The discount rate is based on the prevailing market yields of Bonds of Government of India securities as at the Statement of assets and liabilities date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Compensated absence: Expenses recognised in the Statement of income and expenditure in respect of compensated absences amounts to Rs.125,038 (previous year: Rs.324,706). This employee benefit is not funded.

32 Segment information

The Firm's operations comprises of only one segment viz., setting up and managing cancer hospitals, cancer centers and medical diagnostic services. The Firm's operations are in India and therefore there are no secondary geographical segments



HCG Oncology LLP

Notes to statement of accounts for the year ended 31 March 2021

(All amounts in Indian rupees, except share data and unless otherwise specified)

33 Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Designated partner	Dr. B S Ajaikumar (Healthcare Global Enterprises Limited)
Partner	Dr. Rajiv Gopinath Bhatt
Common control entity	Strand Life Sciences Private Limited
Enterprise in which KMP / Relatives of KMP can exercise significant influence	HCG Foundation

Details of related party transactions during the year ended and

Transactions during the year ended	31 March 2021	31 March 2020
Purchase of pharmacy products and consumables		
HealthCare Global Enterprises Limited	-	5,32,299
Medical consultancy charges		
Dr. Rajiv Gopinath Bhatt	6,32,54,509	5,30,32,302
Lab charges		
Strand Life Sciences Private Limited	-	68,775
Purchase of pharmacy products and consumables		
Strand Life Sciences Private Limited	-	6,63,491
Sales of pharmacy products and consumables		
Strand Life Sciences Private Limited	-	9,21,369
Purchase of Fixed Assets		
Strand Life Sciences Private Limited	-	92,646
Expense incurred on behalf of strand		
Strand Life Sciences Private Limited	-	39,29,848
Medical Service Income		
HCG Foundation	2,16,725	3,32,713
Reimbursement of expense on employee stock option scheme cross charged by the Company		
HealthCare Global Enterprises Limited	66,269	1,98,239
Interest on loan		
HealthCare Global Enterprises Limited	9,02,294	24,80,657
Loan received		
HealthCare Global Enterprises Limited	-	1,40,00,000
Loan repaid		
HealthCare Global Enterprises Limited	1,90,00,000	1,00,00,000
Corporate Guarantee Expenses		
HealthCare Global Enterprises Limited	25,44,007	24,77,694
Capital expenditure/ revenue expenditure repayed		
HealthCare Global Enterprises Limited	-	-

Balances outstanding	31 March 2021	31 March 2020
Long-term borrowings		
HealthCare Global Enterprises Limited	-	1,90,00,000
Trade Payables		
HealthCare Global Enterprises Limited	2,76,34,287	2,86,07,412
Strand Life Sciences Private Limited	4,80,392	-
Dr. Rajiv Gopinath Bhatt	-	57,13,893
Trade Receivable		
HCG Foundation	5,42,937	4,76,724
Other current liabilities		
HealthCare Global Enterprises Limited	4,37,92,431	3,95,93,658
Partners Capital Account (fixed)		
HealthCare Global Enterprises Limited	3,70,000	3,70,000
Dr. Rajiv Gopinath Bhatt	1,30,000	1,30,000
Partners Current Account (variable)		
HealthCare Global Enterprises Limited	7,38,01,217	7,38,01,217
Dr. Rajiv Gopinath Bhatt	3,91,27,400	3,91,27,400
Share of losses appropriated to		
HealthCare Global Enterprises Limited	(19,99,81,803)	(15,56,02,568)
Dr. Rajiv Gopinath Bhatt	(7,02,63,877)	(5,46,71,172)



34 Details of leasing arrangements

The firm has entered into operating leases arrangements for building. These lease are non-cancellable for a period of 12 years and renewable for a further period of 3 years. The expense incurred on non-cancellable operating lease during the year.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Upto one year	3,66,07,950	3,66,07,950
More than one year and upto five years	22,21,41,617	21,03,35,553
More than five years	5,24,48,515	10,08,62,529
	31,11,98,082	34,78,06,032
Lease payments recognised in the Statement of income and expenditure with respect to above mentioned operating lease arrangement.	4,31,97,381	4,27,27,844

The firm has entered into operating leases arrangements for building for a period of 9 years and renewable for a further period of 5 years. These lease are non-cancellable (lock in period for Lessor) for a period of 4 years (Lock-in period for Lessee 1 year). The expense incurred on non-cancellable operating lease during the year.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Upto one year	5,28,000	5,28,000
More than one year and upto five years	29,78,580	28,67,700
More than five years	8,78,460	15,17,340
	43,85,040	49,13,040
Lease payments recognised in the Statement of income and expenditure with respect to above mentioned operating lease	6,23,040	3,89,400

Total rental expenses incurred during the year under cancellable operating leases amounted to Rs. 13,467,262 (previous year: Rs. 13,322,582).

35 Contingent liabilities

The Hon'ble Supreme Court has, in a decision dated 28 February 2019, ruled that special allowance would form part of wages for computing the Provident Fund (PF) contribution. The firm keeps a close watch on further clarifications and directions from the respective department based on which suitable action would be initiated.

Other litigations

The Firm is involved in disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, including tax and commercial matters that arise from time to time in ordinary course of business. The Firm believes that there are no such pending matters that are expected to have any material adverse effect on its statement of accounts.

36 Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for

	As at 31 March 2021	As at 31 March 2020
	10,640	8,69,594

37 Deferred taxation

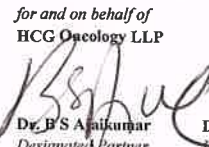
The Firm has a deferred tax asset (net) position as at 31 March 2021 and 31 March 2020. Recognition of deferred tax asset is restricted to the extent of deferred tax liability only. No further deferred tax asset (net) is recognized on losses as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised by the Firm.

As per our reports of even date attached
 for BSR & Co. LLP
 Chartered Accountants
 Firm's registration number: 101248W/W -100022


 Siddhartha Sharma
 Partner
 Membership Number: 118756



for and on behalf of
 HCG Oncology LLP


 Dr. B S Anikumar
 Designated Partner
 DIN : 00713779


 Dr. Rajiv Gopinath Bhatt
 Partner
 DIN: 06719548

Place: Bengaluru
 Date : 07 September 2021

Place: Bengaluru
 Date : 07 September 2021