INDEPENDENT AUDITOR'S REPORT

TO THE PARTNERS OF HCG SUN HOSPITALS LLP

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanyingfinancial statements (or collectively referred as "the Statement of Account") of **HCG SUN Hospitals LLP**("the LLP"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Statement of Cash Flowsfor the year then ended, and a summary of significant accounting policies and other explanatory information, as required by rule 24(8) of the Limited Liability Partnership Rules, 2009 ('the Rules').

In my opinion and to the best of information and according to the explanations given to me, the aforesaidfinancial statements give a true and fair view in conformity with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and other accounting principles generally accepted in India.

Basis for Opinion

I conducted my audit of the financial statements in accordance with the Standards on Auditing. My responsibilities under those SAs are further described in the Auditor's Responsibility for the Audit of the financial statements section of my report. Iam independent of the LLP in accordance with the Code of Ethics issued by the ICAItogether with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. I believe that the audit evidence obtained by meis sufficient and appropriate to provide a basis for my auditopinion on the financial statements.

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

The Management of the LLP are responsible for the preparationof these financial statements that give a true and fair view of the financial position, financial performanceand cash flows of the LLP in accordance with the aforesaid AS and other accounting principles generally accepted in Indiaand the provisions of the Limited Liability Partnership Act, 2008 ('the Act') and Rules, to the extent applicable.

In preparing the financial statements, management is responsible for assessing the LLP'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 LLP 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.

M/S ALPESH KOTHARI & ASSOCIATES AHMEDABAD

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Auditor's Responsibilityfor the audit of the financial statements

My objectivesare 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 anauditor's report that includes my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- 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 my 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 management.
- 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 LLP's ability to continue as a going concern. If I conclude that a material uncertainty exists, Iam required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

M/S. ALPESH KOTHARI & ASSOCIATES AHMEDABAD

Basis of Accounting

This report is issued solely to comply with the aforementioned Act and related Rules and as a result, it may not be suitable for another purpose and should not be used for any other purpose without my prior written consent.

For ALPESH KOTHARI & ASSOCIATES
Chartered Accountants
(Firm Registration No.141864W)

M/S. ALPESH KOTHARI & ASSOCIATES AHMEDABAD

Alpesh Kothari.

ALPESH KOTHARI
Proprietor
(Membership No.133584)

Place: Ahmedabad
Date: 18/05/2019

HCG SUN Hospitals LLP
Balance sheet as at 31 March 2019

(Amount in Rs)

	Note No.	As at 31 March 2019	As at 31 March 2018
Contribution And Liabilities			
Partners' funds			
Contribution	3	141,975,972	51,243,268
Reserves and surplus	4	(49,985,450)	(886,418)
		91,990,522	50,356,850
Non-current liabilities			
Long-term borrowings	5	133,362,954	-
Other non-current liabilities	6	3,397,484	-
Long-term provisions	7	78,570	-
		136,839,008	-
Current liabilities			
Trade payables	8	43,289,129	35,400
Other current liabilities	9	63,649,433	-
Short-term provisions	10	272,834	-
		107,211,396	35,400
Total		336,040,926	50,392,250
Assets			
Non-current assets			
Property, plant and equipment	11	208,795,364	-
Intangible assets	12	1,270,612	-
Capital work-in-Progress	11	-	2,137,808
Deferred tax assets (net)		21,259,000	283,673
Long-term loans and advances	14	55,022,559	47,970,769
Other non-current assets	15	1,017,019	-
		287,364,554	50,392,250
Current assets			
Inventories	16	8,717,989	-
Trade receivables	17	5,466,472	-
Cash and bank balances	18	8,304,305	-
Short-term loans and advances	19	20,207,292	-
Other current assets	20	5,980,314	-
		48,676,372	-
Total		336,040,926	50,392,250

The accompanying notes are an integral part of these financial statements

As per our reports of even date attached
for Alpesh Kothari & Associates
Chartered Accountants
FRN - 141864W

Alpesh Kothari

M/S. ALPESH KOTHARI & ASSOCIATES AHMEDABAD

CA Alpesh Kothari
Proprietor
Membership No. - 133584

Place: Ahmedabad
Date: May 18, 2019

for and on behalf of
HCG SUN Hospitals LLP

Dr. Bharat Gadhavi
Designated Partner

Place: Ahmedabad
Date: May 18, 2019

Dr. Sudhir Bhimani
Designated Partner

Place: Ahmedabad
Date: May 18, 2019

HCG SUN Hospitals LLP

Statement of Profit and Loss for the year ended 31 March 2019

(Amount in Rs)

	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	21	83,526,839	-
Other income	22	94,310	-
Total Revenue		83,621,149	-
Expenditure			
Cost of materials consumed		20,748,635	
Purchase of medical and non medical items	23	13,280,043	-
Changes in inventories	24	(3,816,689)	-
Employee benefits expense	25	26,342,452	321,592
Finance costs	26	9,720,904	-
Depreciation and amortisation expense	27	16,426,913	-
Other expenses	28	70,993,250	848,499
Total Expense		153,695,508	1,170,091
Profit/(Loss) before tax		(70,074,359)	(1,170,091)
Tax expense / (benefit):			
Current tax expense		-	-
Deferred tax		(20,975,327)	(283,673)
Net tax (benefit)		(20,975,327)	(283,673)
Profit/(Loss) after tax		(49,099,032)	(886,418)

The accompanying notes are an integral part of these financial statements

As per our reports of even date attached
for Alpesh Kothari & Associates
Chartered Accountants
FRN - 141864W

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Date: May 18, 2019

HCG SUN Hospitals LLP
Cashflow Statement for the year ended 31 March 2019

(Amount in Rs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities		
(Loss) before tax	(70,074,359)	(1,170,091)
Adjustments for:		
Finance costs	9,720,904	-
Depreciation and amortisation expense	16,426,913	-
Provision for Discount and Disallowance	1,000,000	
Interest income	(11,910)	-
Rent equalisation	3,397,484	-
Operating profit before working capital changes	(39,540,968)	(1,170,091)
Changes in working capital:		
Inventories	(8,717,989)	-
Trade receivables	(6,466,472)	-
Other current assets	(26,187,606)	(22,624,000)
Other Non-current assets	(25,133,407)	
Trade payables	43,253,729	35,400
Other liabilities	10,955,910	-
Provisions		
- Short-term provisions	272,834	-
- Long-term provisions	78,570	-
Cash generated from operations	(51,485,399)	(23,758,691)
Income taxes paid (net of refunds)	(270,191)	-
Net cash (used in) operating activities (A)	(51,755,590)	(23,758,691)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(157,549,230)	(27,484,577)
Deposits placed	(1,776,166)	-
Interest received	(5,109)	-
Net cash (used in) investing activities (B)	(159,330,505)	(27,484,577)
C. Cash flow from financing activities		
Proceeds from contribution of members	90,732,704	51,243,268
Proceeds from long-term borrowings	142,324,139	-
Repayment from long-term borrowings	(6,000,000)	-
Finance cost	(8,442,609)	-
Net cash in financing activities (C)	218,614,234	51,243,268
Net increase in cash and cash equivalents (A+B+C)	7,528,139	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	7,528,139	-
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 18)	7,528,139	-
Balances considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	7,528,139	-
Cash and cash equivalents at the end of the year comprises		
(a) Cash on hand	284,926	-
(b) Cheques, drafts on hand	219,990	-
(c) Balances with banks		
- In current accounts	7,023,223	-
Total	7,528,139	-

The accompanying notes are an integral part of these financial statements

The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 on "Cash Flow Statement"

As per our reports of even date attached
For Alpesh Kothari & Associates
Chartered Accountants
FRN - 141864W

Alpesh Kothari

M/S. ALPESH KOTHARI & ASSOCIATES AHMEDABAD

CA Alpesh Kothari
Proprietor
Membership No. - 133584

Place: Ahmedabad
Date: May 18, 2019

for and on behalf of
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Dr. Bharat Gadhavi
Designated Partner

Dr. Sudhir Bhimani
Designated Partner

Place: Ahmedabad
Date: May 18, 2019

Place: Ahmedabad
Date: May 18, 2019

1 Corporate information

HCG Sun Hospitals LLP ("the Firm" or "LLP") is a hospital offering multi-specialty treatment. The registered office of the Firm is situated at HCG Tower, No.8 P. Kalinga Rao Road,, Sampangi Rama Nagar, Bangalore, Karnataka, 560027, India. The Firm was incorporated on 22nd September 2017.

The financial statements or Statement of Accounts for the year ended March 31, 2019 were approved by the Partners and authorised for issue on June 18, 2019.

2 Summary of significant accounting policies

2.1 Basis of accounting and preparation of Financial Statements

The Limited Liability Partnership (LLP) has prepared Financial statements in accordance with the accouting standards issued by Institute of Chartered accountant of india (ICAI) and other generally accepted acouting principles in India.

The financial statement has been prepared on accrual basis and under historical cost convention. The accouting policies adopted in the preparetion of the financial statements are consistent with those of the previous year.

The LLP has incured losses during the year and its current liability exceeds current assets. However, financial statements have been prepared on a going concern basis on Management's estimates of future operation and the letter of support received from Healthacre Global Enterprises Limited (The Holding Company). Considering this, no adjustment have been made to the carring values or classification of the balance sheet.

2.2 Use of estimates

The preparation of the Financial Statements 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 Financial Statements 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.

Operating cycle of the LLP is the time between the acqisition of assets for processing and their realisation in cash or cash equivalents. As the LLP's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

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 Firm'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.

2.4 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 weighted average method.

2.7 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 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.

Other operating income

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

2.8 Interest income

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

2.9 Property, Plan and Equipments and Intangible 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 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 of Assets
Plant and equipment	10, 13, 15
Lab Equipment	10
Office Equipments	5
Furniture and Fixures	10
Data Processing Equipments	3, 6
Electrical Installation	10
Vehicles	8

The cost and related accumulated depreciation are eliminated from the statement of assets and liabilities upon sale or disposition of the asset

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 of Assets
Computer software	6

2.10 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.

2.11 Employee benefits

Defined contribution plan
Contributions to the recognized provident fund which are defined contribution schemes, are charged to the Statement of Profit and Loss account.

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.

2.12 Borrowing costs

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

2.13 Taxes on income

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

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

2.14 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 Financial Statements.

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.

2.15 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the LLP receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the assets.

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 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 31 March 2019	As at 31 March 2018
Capital account		
Fixed capital contribution		
HealthCare Global Enterprises Limited	740,000	740,000
Shiv - Sun Medical Services LLP	260,000	260,000
	1,000,000	1,000,000
Variable capital contribution		
HealthCare Global Enterprises Limited		
Balance at the beginning of the year	40,503,268	-
Add: Additional contribution	86,627,279	40,503,268
Balance at the end of the year	127,130,547	40,503,268
Shiv - Sun Medical Services LLP		
Balance at the beginning of the year	9,740,000	-
Add: Additional contribution	4,105,425	9,740,000
Balance at the end of the year	13,845,425	9,740,000
	141,975,972	51,243,268

4 Reserves and surplus

Particulars	As at 31 March 2019	As at 31 March 2018
Deficit in statement of Profit and Loss		
Balance at the Beginning of the year	(886,418)	-
Add: loss for the year	(49,099,032)	(886,418)
Amount available for appropriation	(49,985,450)	(886,418)
Share of losses appropriated to HealthCare Global Enterprises Limited	(36,989,233)	(655,949)
Share of losses appropriated to Shiv - Sun Medical Services LLP	(12,996,217)	(230,469)
At the end of the year	(49,985,450)	(886,418)

5 Long-term borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Secured:		
- Term loan from banks (refer note (i))	133,362,954	-
	133,362,954	-

Notes:

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Secured term loan from banks:		
Non-current portion	133,362,954	-
Amounts included under current maturities of long-term debt	2,961,185	-
	136,324,139	-

6 Other non-current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Rent equalisation reserve	3,397,484	-
	3,397,484	-

7 Long-term provisions

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for Gratuity (Refer note 32)	78,570	-
	78,570	-

8 Trade payable

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payables:		
- Total outstanding dues of micro enterprises and small enterprises (refer note 29)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	43,289,129	35,400
	43,289,129	35,400

* For details relating to payable to related parties, please refer note 31

9 Other current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long-term debt (For details of terms and security, refer note 5 above)		
From banks	2,961,185	-
Interest accrued but not due on borrowings	1,278,295	-
Statutory remittances	3,082,781	-
Creditors of capital goods	48,454,043	-
Advance from customers	4,430,513	-
Accrued salaries and benefits	3,442,616	-
	63,649,433	-

10 Short-term provision

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for Gratuity (Refer note 32)	10,478	-
Provision for Compensated absence (Refer note 32)	262,356	-
	272,834	-

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

	As at 31-Mar-19	As at 31-Mar-18
Plant and equipment - Freehold	17,535,037	-
Medical & Lab equipment	131,818,366	-
Office Equipment	229,341	-
Furniture and Fixtures	25,280,074	-
Data processing equipment	5,946,739	-
Electrical installation	961,701	-
Vehicles	2,566,756	-
Total	208,795,364	-
Capital work-in-progress	0	2,137,808
	208,795,364	2,137,808

Description of Assets	Property, plant and equipment								
	Leasehold Improvements	**Plant and equipment - Freehold**	**Medical & Lab equipment**	**Office Equipment**	**Furniture and Fixtures**	**Data processing equipment**	**Electrical installation**	**Vehicles**	**Total**
I. Cost									
Balance as at 31 March, 2018	-	-	-	-	-	-	-	-	-
Additions	24,578,951	18,533,413	140,531,547	463,670	30,057,177	7,111,476	1,136,182	2,651,808	225,064,224
Balance as at 31 March, 2019	24,578,951	18,533,413	140,531,547	463,670	30,057,177	7,111,476	1,136,182	2,651,808	225,064,224
II. Accumulated Depreciation									
Depreciation expense	121,601	998,376	8,713,181	234,329	4,777,103	1,164,737	174,481	85,052	16,268,860
Balance as at 31 March, 2019	121,601	998,376	8,713,181	234,329	4,777,103	1,164,737	174,481	85,052	16,268,860
Net Block as at 31 March, 2019	24,457,350	17,535,037	131,818,366	229,341	25,280,074	5,946,739	961,701	2,566,756	208,795,364

HCG SUN Hospitals LLP

Notes to the Financial Statements for the year ended March 31, 2019

12 Intangible assets

Description of assets	Computer software	Total
I. Cost		
Balance as at 31 March 2018	-	-
Additions	1,428,665	1,428,665
Balance as at 31 March 2018	**1,428,665**	**1,428,665**
II. Accumulated amortisation and impairment		
Balance as at 31 March 2018	-	-
Amortisation expense	158,053	158,053
Balance as at 31 March 2019	**158,053**	**158,053**
Net block as at 31 March 2018	-	-
Net block as at 31 March 2019	**1,270,612**	**1,270,612**

HCG SUN Hospitals LLP
Notes to statement of accounts

14 Long-term loans and advances

Particulars	As at 31 March 2019	As at 31 March 2018
Capital advances	6,994,961	25,346,769
Security deposits	45,158,000	22,624,000
Prepaid expenses	2,599,407	-
Advance Income tax	270,191	-
	55,022,559	47,970,769

15 Other non-current assets

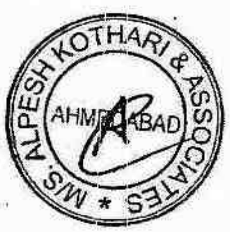
Particulars	As at 31 March 2019	As at 31 March 2018
Bank Deposit	1,000,000	-
Interest accerued on deposits	17,019	-
	1,017,019	-

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

Particulars	As at 31 March 2019	As at 31 March 2018
Pharmacy Items	3,816,689	-
Consumable Items	4,901,300	
	8,717,989	-

17 Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables		
- Unsecured, considered good	5,466,472	-
- Doubtful	1,000,000	-
	6,466,472	-
Less: Provision for doubtful trade receivables	1,000,000	-
	5,466,472	-



HCG SUN Hospitals LLP
Notes to statement of accounts

18 Cash and bank balances

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents		
Cash on hand	284,926	-
Cheques, drafts on hand	219,990	-
Balances with banks:		
- On current accounts	7,023,223	-
Cash and cash equivalents	7,528,139	-
other bank balances		
- On deposit accounts (due to mature within 12 months of the reporting date)	776,166	-
	8,304,305	-

Note to cash flow

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts.

19 Short-term loans and advances

Particulars	As at 31 March 2019	As at 31 March 2018
Loans and advances to employees	16,334	-
Prepaid expenses	396,037	-
Advance to vendor	19,794,921	-
	20,207,292	-

20 Other current assets

Particulars	As at 31 March 2019	As at 31 March 2018
Unbilled revenue	5,980,314	-
	5,980,314	-

HCG SUN Hospitals LLP

Notes to the Financial Statements for the year ended March 31, 2019

21 Revenue from operations

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Income from Medical service	78,465,755	-
Sale of medical and non medical items	3,641,784	-
Other operating income	1,419,300	-
	83,526,839	-

(Revenue is after adjustment of provision for discounts and disallowance of Rs. 10,00,000/-)

22 Other income

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income	11,910	-
Other income	82,400	-
	94,310	-

23 Purchase of medical and non-medical items

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Pharmacy*	13,280,043	-
	13,280,043	-

* includes purchases from related parties (refer note 31)

24 Changes in inventories

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Inventories at the end of the year:	8,717,989	-
- Pharmacy stock	3,816,689	
- Consumable stock	4,901,300	
Inventories at the beginning of the year:	-	-
Net (increase) / decrease	(8,717,989)	-

25 Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and wages	25,142,805	321,592
Contributions to provident fund (refer note 32)	1,110,599	-
Gratuity expense (refer note 32)	89,048	-
	26,342,452	321,592

26 Finance costs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on borrowings	6,625,817	-
Bank charges	663,297	-
Corporate Guarntee Expenses	2,431,790	-
	9,720,904	-

27 Depreciation and amortisation expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	16,268,860	-
Amortisation of intangible assets	158,053	-
	16,426,913	-

28 Other expenses

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Medical consultancy charges (refer note 31)	30,423,571	85,714
Lab charges	3,315,215	-
Power and fuel	6,700,909	-
House keeping and security	5,067,801	11,950
Rent (refer note 33)	10,177,177	-
Repairs and maintenance:		
- Buildings	390,683	-
- Machinery	125,110	-
- Others	369,335	2,351
Insurance	69,826	-
Rates and taxes	4,940	-
Printing and stationery	22,069	-
Business promotion	10,738,086	540,711
Travelling and conveyance	962,179	16,064
Legal and professional	1,624,303	140,531
Payments to auditors:		
- As statutory auditors	141,600	35,400
- Other expenses	20,805	-
Communication	730,462	-
Miscellaneous expenses	109,179	15,778
	70,993,250	848,499

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 2019 has been made in the statement of accounts 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 2019	31 March 2018
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	-	-

HCG SUN Hospitals LLP
Notes to the Financial Statements for the year ended March 31, 2019

30 Segment Report

The LLP's operations comprises of only one segment viz., setting up and managing hospitals and offfering multi-specialty treatment. The LLP's operations are in India and therefore there are no secondary geographical segments

31 Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Holding Company	Healthcare Global Enterprises Limited
Fellow Subsidiaries	HCG Medi-Surge Hospitals Pvt. Ltd.
Enterprse Having Significant Influence	Shiv Sun Medical Services LLP
	Sun Medisurge Pvt. Ltd.
Key Management Personnel (KMP)	Dr. Bharat Ghadhavi
	Dr. Sudhir Bhimani

Details of related party transactions during the year ended 31 March 2019

Transactions During the Year ended	31 March 2019	31 March 2018
Purchase of pharmacy products and consumables		
- HealthCare Global Enterprises Limited	8,638,733	-
Medical consultancy charges		
- Partners of Shiv Sun Medical Services LLP	4,105,425	
Rent and Amenity charges		
- Sun Medisurge Pvt. Ltd.	21,354,839	-
Loans Taken		
- HCG Medi-Surge Hospitals Pvt. Ltd.	6,000,000	-
Loans Repayment		
- HCG Medi-Surge Hospitals Pvt. Ltd.	6,000,000	-
Interest on Capital Contribution		
- HealthCare Global Enterprises Limited	1,420,328	-
Interest on loan		
- HCG Medi-Surge Hospitals Pvt. Ltd.	90,740	-
Corporate Guarantee Issued		
- HealthCare Global Enterprises Limited	136,324,139	
Corporate Guarantee Commission		
- HealthCare Global Enterprises Limited	2,060,839	-
Contribution of capital		
- HealthCare Global Enterprises Limited	86,627,279	41,243,268
- Shiv Sun Medical Services LLP	4,105,425	10,000,000

Balances outstanding	31 March 2019	31 March 2018
Interest Payable		
- HealthCare Global Enterprises Limited	1,278,295	-
Corporate Guarantee Issued		
- HealthCare Global Enterprises Limited	136,324,139	
Other Payable (Corporate Guarantee Commission)		
- HealthCare Global Enterprises Limited	2,060,839	-
Trade Payables		
- HealthCare Global Enterprises Limited	9,586,527	-
Loans and Advances		
- Sun Medi-Surge Pvt. Ltd.	19,440,000	-
Partners Capital Account (Fixed)		
- HealthCare Global Enterprises Limited	740,000	740,000
- Shiv Sun Medical Services LLP	260,000	260,000
Partners Current Account (Variable)		
- HealthCare Global Enterprises Limited	90,141,314	39,847,319
- Shiv Sun Medical Services LLP	849,208	9,509,531

32 **Employee benefit plans**

Defined contribution plans

The LLP has defined contribution plan in form of Provident Fund & Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the LLP 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-Mar-19**	**Year ended 31-Mar-18**
Contribution to Provident Fund & Pension Scheme	1,110,599	-
	1,110,599	-

Defined benefit plans

The LLP offers gratuity plan for its qualified exployees 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-Mar-19	31-Mar-18
Discount rate(s)	7.00%	0.00%
Expected rate(s) of salary increase	5.00%	0.00%
Rate of return on plan assets	NA	NA
Employee turnover rate	45.00%	0.00%

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

	31-Mar-19	31-Mar-18
Current service cost	57,720	-
Net interest expense	4,903	-
Components of defined benefit costs recognised in the Statement of profit and loss	**62,623**	-
Net interest expense recognised in finance costs in Note 22	4,903	-
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(2,067)	-
Actuarial (gains) / losses arising from experience adjustments	12,012	-
Others [describe]	-	-
Adjustments for restrictions on the defined benefit asset	-	-
	9,945	-

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

	31-Mar-19	31-Mar-18
Present value of funded defined benefit obligation	89,048	-
Net liability arising from defined benefit obligation	**89,048**	-

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

	31-Mar-19	31-Mar-18
Opening defined benefit obligation	16,480	-
Current service cost	57,720	-
Interest cost	4,903	-
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	(2,067)	-
Actuarial gains and losses arising from experience adjustments	12,012	-
Closing defined benefit obligation	**89,048**	-

Compensated absence: Expenses recognised in the Statement of Profit and Loss amounts to Rs. 1,60,564/-. This employee benefit is not funded.

33 Details of leasing arrangements

The LLP has entered into operating lease arrangements for hospital building. The lease shall be locked-in for the entire lease term of 18 years for Lessor and for a period of 9 years for the Lessee. The lease agreements provide for an increase in the lease payments by 12% of every 3 years.

Particulars	31-Mar-19
	Rs.
Upto One year	24,000,000
More than one year and upto five years	134,236,800
More than five years	418,988,773
	577,225,573
Lease payments recognised in the Statement of Profit and Loss with respect to above mentioned operating lease arrangement.	5,000,000

34 Commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided	4,801,877	-

35 Previous period figures have been regrouped / reclassified, whereever necessary to confirm to current year presentation.

As per our reports of even date attached
for Alpesh Kothari & Associates
Chartered Accountants
FRN - 141864W

Alpesh Kothari

M/S. ALPESH KOTHARI & ASSOCIATES * AHMEDABAD

CA Alpesh Kothari
Proprietor
Membership No. - 133584

Place: Ahmedabad
Date: May 18, 2019

for and on behalf of
HCG SUN Hospitals LLP

Dr. Bharat Gadhavi	**Dr. Sudhir Bhimani**
Designated Partner	Designated Partner
Place: Ahmedabad	Place: Ahmedabad
Date: May 18, 2019	Date: May 18, 2019