

**INDEPENDENT AUDITOR'S REPORT  
TO THE PARTNERS OF HEALTHCARE DIWANCHAND IMAGING LLP**

**Report on the Financial Statements**

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

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinion**

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

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

**S G M & Associates LLP**  
**Chartered Accountants**

No.444 Ground Floor, 6<sup>th</sup> Cross, 7<sup>th</sup> Main,  
J P Nagar 3<sup>rd</sup> Phase, Bengaluru 560 078.  
CIN AAI-0262

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

**Report on Other Requirements**

We report that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the LLP so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cashflow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable to the LLP.

**For S G M & Associates LLP**  
Chartered Accountants  
(LLP Registration No. 200058S)

**S Vishwamurthy**  
Partner  
(Membership No.215675)

Bengaluru, 08 August 2018

**HealthCare Diwanchand Imaging LLP****Balance Sheet as at 31 March 2018**

(Amount in Rupees, unless otherwise specifically mentioned)

Particulars	Note	As at	
	No.	31-Mar-18	31-Mar-17
<b>Capital and Liabilities</b>			
Partners' capital account	3	1,000,000	1,000,000
Partners' current account	3	29,263,099	32,386,622
<b>Non-current liabilities</b>			
Other long-term liabilities	4	400,000	400,000
<b>Current liabilities</b>			
Trade payables	5	4,095,773	4,500,129
Other current liabilities	6	28,722	965,762
<b>Total</b>		<b>34,787,594</b>	<b>39,252,513</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property plant and equipment	7	10,012,317	14,533,240
Tangible assets			
Deferred tax asset	8	5,258,635	3,162,000
Long-term loans and advances	9	2,405,718	2,096,575
<b>Current assets</b>			
Trade receivables	10	13,640,643	19,322,276
Cash and cash equivalents	11	3,470,281	138,422
<b>Total</b>		<b>34,787,594</b>	<b>39,252,513</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
**For S G M & Associates LLP**  
Chartered Accountants

**For HealthCare Diwanchand Imaging LLP**

**S Vishwamurthy**  
Partner

**Dr. B S Ajaikumar**  
Designated Partner

**Shailendra Tandon**  
Designated Partner

Bengaluru  
Date: 08 August 2018

Bengaluru  
Date: 08 August 2018

Delhi  
Date: 07 August 2018

**HealthCare Diwanchand Imaging LLP****Statement of Profit and Loss for the year ended 31 March 2018**

(Amount in Rupees, unless otherwise specifically mentioned)

Particulars	Note	For the year ended	
	No.	31-Mar-18	31-Mar-17
Revenue from operations	12	-	25,750,891
Other income	13	1,223,072	629,119
<b>Total revenue (A)</b>		<b>1,223,072</b>	<b>26,380,010</b>
<b>Expenses</b>			
Employee benefits expense	15	-	5,126,868
Depreciation and amortisation expense	7	4,520,923	4,535,850
Finance costs	15	7,116	39,773
Other expenses	16	1,915,190	22,762,158
<b>Total expenses (B)</b>		<b>6,443,229</b>	<b>32,464,649</b>
<b>Loss before tax (C) = (A-B)</b>		<b>(5,220,157)</b>	<b>(6,084,639)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax	8	(2,096,635)	(1,845,000)
<b>Total tax expense / (income) (D)</b>		<b>(2,096,635)</b>	<b>(1,845,000)</b>
<b>Loss for the year transferred to partners' current account (E) = (C-D)</b>		<b>(3,123,522)</b>	<b>(4,239,639)</b>

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For S G M & Associates LLP**

Chartered Accountants

**S Vishwamurthy**

Partner

Bengaluru

Date: 08 August 2018

**For HealthCare Diwanchand Imaging LLP****Dr. B S Ajaikumar**

Designated Partner

Bengaluru

Date: 08 August 2018

**Shailendra Tandon**

Designated Partner

Delhi

Date: 07 August 2018

**HealthCare Diwanchand Imaging LLP**  
**Notes forming part of financial statements**

**Note**

**No.**

**1 Nature of operations:**

The HealthCare Diwan Chand Imaging LLP ('HealthCare Diwan Chand' or 'LLP') is a Limited Liability Partnership registered under Limited Liability Partnership Act, 2008 and incorporated on 15 October 2009. HealthCare Global Enterprises Limited (HCG) and Diwan Chand Medical Services Private Limited (DCMSPL) are partners in LLP having capital and profit sharing ratio of 75 : 25.

**2 Significant accounting policies**

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

The financial statements of the LLP have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and relevant provisions of the Limited Liability Partnership Act 2008. The accrual method of accounting is followed, except where otherwise stated.

**2.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. 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 recognized in the periods in which the results are known / materialize.

**2.3 Revenue recognition**

Income is recognised on accrual basis. Fees are recognised on the basis of net revenue sharing with business facilitators.

Rental income is recognised on accrual basis and as per the term & conditions of the rental agreement.

Interest income on deposits with banks is accounted on accrual basis.

**2.4 Property plant and equipment**

Property plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Costs directly attributable to the acquisition are capitalized until the asset is ready for use, as intended by the management. Subsequent expenditure relating to Property plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

**2.5 Depreciation and amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible Property plant and equipment has been provided on the written-down value method at the rates arrived on the basis of useful life of the assets assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, maintenance support, etc., except in case of Property plant and equipment costing up to Rs. 5,000/- where it is being depreciated 100% in the year of acquisition itself. Following are the rates at which the assets are depreciated:

Plant and medical equipment: 10-15 years

Data processing equipment: 3-6 years

Furniture and fixtures: 10 years

Office equipment: 5 years

**2.6 Inventories**

Inventories consist of consumables that are carried at lower of cost or net realisable value. Cost is determined on first-in-first -out basis.

**2.7 Foreign currency transactions**

Initial recognition: Transactions in foreign currencies entered into by the LLP are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

**2.8 Borrowing costs**

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of assets. All the borrowing cost are recognised as expenses in the year in which they are incurred.

**2.9 Employee benefits**

- (i) Short Term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the period in which the related service is rendered. Privilege leaves are short term employee benefits and are charged to the statement of income and expenditure at the amount based on the management's decision.
- (ii) Post employment benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered service. The expense is recognised at the present value of the amount payable towards contribution. The present value is determined using the market yields of government bonds, at the balance sheet date, as the discounting rate.
- (iii) Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

**HealthCare Diwanchand Imaging LLP**  
**Notes forming part of financial statements**

**Note**

**No.**

**2.10 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.

Alternate Minimum Tax (AMT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the LLP will pay normal income tax. Accordingly, AMT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the LLP.

Deferred tax is recognized 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 recognized for all timing differences. Deferred tax assets are recognized 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 realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the LLP has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

**2.11 Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the Statement of Profit and Loss.

**2.12 Provisions and contingencies**

A provision is recognized when the LLP has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognized in the financial statements.

**2.13 Operating cycle**

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

**HealthCare Diwanchand Imaging LLP**

**Notes forming part of financial statements**

(Amount in Rupees, unless otherwise specifically mentioned)

Note  
No.

**3 Partners' Capital Account**

Particulars	As at					
	31-Mar-18			31-Mar-17		
	HCG	DCMSPL	Total	HCG	DCMSPL	Total
<b>Fixed capital</b>						
Opening balance	750,000	250,000	1,000,000	750,000	250,000	1,000,000
Invested / (withdrawn) during the year	-	-	-	-	-	-
<b>Closing balance</b>	<b>750,000</b>	<b>250,000</b>	<b>1,000,000</b>	<b>750,000</b>	<b>250,000</b>	<b>1,000,000</b>

**Partners' Current Account:**

Particulars	As at					
	31-Mar-18			31-Mar-17		
	HCG	DCMSPL	Total	HCG	DCMSPL	Total
Opening balance	27,680,699	4,705,923	32,386,622	27,797,983	5,765,833	33,563,816
Add: Invested during the year	-	-	-	3,062,445	-	3,062,445
Add: Share of loss for the year	(2,342,642)	(780,881)	(3,123,523)	(3,179,729)	(1,059,910)	(4,239,639)
<b>Closing balance</b>	<b>25,338,057</b>	<b>3,925,042</b>	<b>29,263,099</b>	<b>27,680,699</b>	<b>4,705,923</b>	<b>32,386,622</b>

**4 Other long-term liabilities**

Particulars	31-Mar-18	31-Mar-17
Security deposit	400,000	400,000
<b>Total</b>	<b>400,000</b>	<b>400,000</b>

**5 Trade payables**

Particulars	31-Mar-18	31-Mar-17
Total outstanding dues of micro enterprises and small enterprises (Refer note below)		
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,095,773	4,500,129
<b>Total</b>	<b>4,095,773</b>	<b>4,500,129</b>

Note: There are no dues to Micro and Small Enterprises. The information disclosed with regard to Micro and Small Enterprises is based on information collected by the Management. This has been relied upon by the auditors.

**6 Other current liabilities**

Particulars	31-Mar-18	31-Mar-17
Current maturities of deferred payment obligation (Refer note (i))	-	601,244
Interest accrued but not due on borrowings	-	17,018
Other payables		
Statutory remittances	28,722	347,500
<b>Total</b>	<b>28,722</b>	<b>965,762</b>

**(i) Deferred payment obligations - Unsecured**

	31-Mar-18	31-Mar-17
Non-current portion		
Amounts included under current maturities of long-term debt	-	601,244

**HealthCare Diwanchand Imaging LLP****Notes forming part of financial statements**

(Amount in Rupees, unless otherwise specifically mentioned)

Note  
No.**8 Deferred tax asset**

<b>Particulars</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
<b>Tax effect of items constituting deferred tax liability</b>		
- On difference between book balance and tax balance of fixed assets	1,670,727	1,149,000
<b>Tax effect of items constituting deferred tax assets</b>		
- Provision for doubtful debts / advances	423,753	436,000
- Disallowances under Section 43B of the Income Tax Act, 1961	-	17,000
- Unabsorbed depreciation carried forward	3,164,155	1,560,000
<b>Total</b>	<b>5,258,635</b>	<b>3,162,000</b>

**9 Long-term loans and advances**

<b>Particulars</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Security deposits	34,000	34,000
Advance income tax and TDS	2,081,426	1,793,479
Term deposit more than 12 months maturity	273,409	235,373
Interest accrued on long-term deposit	16,883	33,723
<b>Total</b>	<b>2,405,718</b>	<b>2,096,575</b>

**10 Trade receivables**

<b>Particulars</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	13,640,643	19,732,453
- Doubtful	1,397,141	1,000,000
	<b>15,037,784</b>	<b>20,732,453</b>
Less: Provision for doubtful trade receivables	(1,397,141)	(1,410,177)
	<b>13,640,643</b>	<b>19,322,276</b>
<b>Total</b>	<b>13,640,643</b>	<b>19,322,276</b>

**11 Cash and cash equivalents**

<b>Particulars</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
Balances with banks		
In current accounts	3,470,281	138,422
<b>Total</b>	<b>3,470,281</b>	<b>138,422</b>



## HealthCare Diwanchand Imaging LLP

Notes forming part of financial statements

(Amount in Rupees, unless otherwise specifically mentioned)

Note  
No.

### 7 Fixed assets

Particulars	Gross Carrying Value			Depreciation			Net Carrying Value	
	Balance as at 01.04.2017	Additions	Disposals	Balance as at 31.03.2018	Balance as at 01.04.2017	Depreciation expense for the year	Balance as at 31.03.2018	Balance as at 31.03.2017
<b>Tangible Assets</b>								
Data Processing Equipments	161,464	-	-	161,464	118,357	16,798	135,155	26,309
	<i>161,464</i>	-	-	<i>161,464</i>	<i>88,843</i>	<i>29,514</i>	<i>118,357</i>	<i>43,107</i>
Plant & Equipments	55,838,993	-	-	55,838,993	41,624,369	4,391,210	46,015,579	9,823,414
	55,835,233	10,013	6,253	55,838,993	37,233,315	4,391,054	41,624,369	14,214,624
Furniture and Fixtures	877,366	-	-	877,366	604,056	111,398	715,454	161,912
	877,366	-	-	877,366	492,658	111,398	604,056	273,310
Office Equipments	271,449	-	-	271,449	269,250	1,517	270,767	682
	271,449	-	-	271,449	265,638	3,612	269,250	2,199
<b>Total</b>	<b>57,149,272</b>	<b>-</b>	<b>-</b>	<b>57,149,272</b>	<b>42,616,032</b>	<b>4,520,923</b>	<b>47,136,955</b>	<b>10,012,317</b>
<i>Previous Year</i>	<i>57,145,512</i>	<i>10,013</i>	<i>6,253</i>	<i>57,149,272</i>	<i>38,080,454</i>	<i>4,535,578</i>	<i>42,616,032</i>	<i>14,533,240</i>
Intangible Assets								
Software	18,050	-	-	18,050	18,050	-	18,050	-
	18,050	-	-	18,050	17,778	272	18,050	272
<b>Total</b>	<b>18,050</b>	<b>-</b>	<b>-</b>	<b>18,050</b>	<b>18,050</b>	<b>-</b>	<b>18,050</b>	<b>-</b>
<i>Previous Year</i>	<i>18,050</i>	<i>-</i>	<i>-</i>	<i>18,050</i>	<i>17,778</i>	<i>272</i>	<i>18,050</i>	<i>272</i>

Note: Previous year numbers are in italics

**HealthCare Diwanchand Imaging LLP**

Notes forming part of financial statements

(Amount in Rupees, unless otherwise specifically mentioned)

Note  
No.**12 Revenue from operations**

Particulars	31-Mar-18	31-Mar-17
Income from medical services	-	25,345,020
Other operating income	-	405,871
<b>Total</b>	<b>-</b>	<b>25,750,891</b>

**13 Other income**

Particulars	31-Mar-18	31-Mar-17
Interest income from :		
- Deposits with bank	23,072	20,757
- Income tax refund	-	534,738
Net gain on foreign currency transactions and translation	-	1,714
Other non-operating income (Refer note (i) below)	1,200,000	71,910
<b>Total</b>	<b>1,223,072</b>	<b>629,119</b>

Note:

**14 Employee benefits expense**

Particulars	31-Mar-18	31-Mar-17
Salaries and wages	-	4,978,510
Contributions to provident fund	-	13,624
Gratuity Expense	-	-
Staff welfare expenses	-	134,734
<b>Total</b>	<b>-</b>	<b>5,126,868</b>

**15 Finance cost**

Particulars	31-Mar-18	31-Mar-17
Interest expense on:		
- Finance lease and deferred payment obligations	7,001	39,773
Other borrowing cost:		
- Bank charges	115	-
<b>Total</b>	<b>7,116</b>	<b>39,773</b>

**16**

Particulars	31-Mar-18	31-Mar-17
Medical consultancy charges	1,723,278	5,373,593
Consumables	-	7,496,647
Legal and professional charges (Refer note 18)	118,000	264,134
Lab charges	-	72,200
Power, fuel and water	-	636,487
Repairs and maintenance:		
- Machinery	-	5,792,253
- Others	-	17,428
Insurance	66,472	-
Rates and taxes	1,673	27,398
Communication	5,543	44,669
Travelling and conveyance	-	33,622
Printing and stationery	-	454,639
House keeping and security	-	1,015,914
Business promotion expenses	-	129,987
Provision for doubtful trade receivables and loans and advances (net)	-	1,000,000
Miscellaneous expenses	224	403,187
<b>Total</b>	<b>1,915,190</b>	<b>22,762,158</b>

**HealthCare Diwanchand Imaging LLP**

Notes forming part of financial statements

(Amount in Rupees, unless otherwise specifically mentioned)

**Note  
No.**

- 17 Contingent liabilities and commitments (to the extent not provided for): There were no contingent liabilities during the current year and in the previous year.

**18 Auditors remuneration**

Particulars	31-Mar-18	31-Mar-17
Statutory audit fee	25,000	100,000
Tax audit fee (includes fees for financial year 2016-17)	50,000	-
Other service	25,000	149,134
GST	18,000	15,000
Total	118,000	264,134

**19 Related party disclosure****Name of related party and nature of relationship**

Name of Related Party	Nature
HealthCare Global Enterprises Limited (HCG)	Majority partner
Diwan Chand Medical Services Private Limited (DCMSPL)	Partner

**Transaction during the period with related parties**

Particulars	HCG	DCMSPL
Capital infusion	-	-
	3,062,445	-
Medical services income	-	-
	12,016,510	-

**Closing Balance as on 31 March 2018**

Particulars	HCG	DCMSPL
Fixed Contribution	750,000	250,000
	750,000	250,000
Current Contribution (net)	25,338,057	3,925,042
	27,680,699	4,705,923
Trade Receivables	9,992,316	1,238,693
	10,816,700	1,238,693

*Note: Previous year numbers are in italics*

- 20 During the year and in the previous year, no foreign currency transactions has been entered by the LLP
- 21 Unhedged foreign currency exposures as at 31 March 2018 and 31 March 2017 is Nil
- 22 The LLP's operations comprises of only one segment viz., setting up and managing cancer centers and medical diagnostic / imaging services. The LLP's operations are in India and therefore there are no secondary geographical segments.
- 23 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. The financial statements for the year ended 31 March 2017 were audited by another firm of Chartered Accountants and audited financial statements for the year then ended did not include the Cashflow Statements and accordingly the prior year corresponding figures have not been included in the Cashflow Statements for the year ended 31 March 2017.