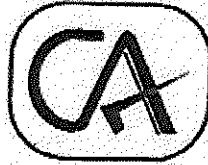


DHINGRA & ASSOCIATES
Chartered Accountants



MEMBERS :
A. DHINGRA, F.C.A. B.S. JAIN, F.C.A.
K.C. AGARWAL, F.C.A. RAKESH GUPTA, F.C.A.
PANKAJ KUMPAWAT, F.C.A.

Off. : 0512 - 2352402
Resi. : 0512 - 2547305, 2525125
Mob. : 9839470209, 9415052167

17/14, THE MALL,
KANPUR - 208 001

INDEPENDENT AUDITOR'S REPORT

To the Members of
HCG REGENCY ONCOLOGY HEALTHCARE PRIVATE LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **HCG REGENCY ONCOLOGY HEALTHCARE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 Ind AS 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



Branches : G-20 Dewan House, Ajay Enclave New Delhi - 110 018, Ph. : 25409266, 25139266
Bhaiyan Wall Gali, Bahadurgarh, Haryana.
155 Chedipurwa, Gonda.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS 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 Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

The comparative financial information of the company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and report for the year ended 31st March 2016 and 31st March 2015 dated 16th May 2016 and 15th April 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.



Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A"

A statement on the matters specified in paragraphs 3 and 4 of the Order.

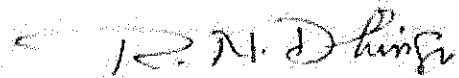
2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge on Auditor's Report under Ind AS for Transition Phase 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 Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and Auditor's Report under Ind AS for Transition Phase the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company



iv. The Company had not deposited any Specified Bank Notes (old currency notes) during the period from 8th November 2016 to 30th December 2016.

For Jain Dhingra & Associates
Chartered Accountants
Firm Regn. No. 000987C



(R. N. Dhingra)
Partner

Membership No. 15385

Kanpur, 12th May, 2017



ANNEXURE "A"

To the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on other legal and Regulatory Requirements' section of our report of even date of HCG Regency Oncology Healthcare Pvt. Ltd)

- i) a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As informed to us during the year company has started Cancer hospital. Most of the assets were installed during the year under review. Installation of many assets are in progress. The company has a program of verification of fixed assets. There were no disposal of fixed assets during the year.
 - c) According to information and explanation given to us and on the basis of our examination of the records of the company the title deeds of immovable properties are held in the name of the company as at the Balance Sheet date.
- ii) Company has not held any inventory during the year of any stock.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv) The Company has not granted any loans or made investments or provided guarantees which are covered under the provisions of Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- v) According to the information and explanations given to us the company has not accepted any deposit during the year in terms of the provisions of section 73 and 76 or any other relevant provisions of the Companies Act, 2013.
- vi) The maintenance of cost records under section 148(i) of the Companies Act, 2013 is not applicable to the Company.
- vii) According to information and explanations given to us in respect of statutory dues.



- a) The company has been regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Service Tax, Custom duty value added Tax Cess and other material statutory dues applicable to it with the appropriate authorities.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company did not raise money by way of initial public offer (including debt instruments) during the year.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to information and explanations given by the management, no managerial remuneration has been paid or provided during the year.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.
- xiv) During the year Company has made private placement of shares during the year under review. The requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been utilized for the purposes for which the fund were raised.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.



xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Jain Dhingra & Associates
Chartered Accountants
Firm Regn. No. 000987C



(R. N. Dhingra)

Partner

Membership No. 15385

Kanpur, 12th May, 2017



"Annexure B" to the Independent Auditor's Report of even date to the members of HCG REGENCY ONCOLOGY HEALTHCARE PRIVATE LIMITED, on the Financial Statements for the year ended 31st March 2017

Annexure-B

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HCG REGENCY ONCOLOGY HEALTHCARE PRIVATE LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".



Kanpur, 12th May, 2017

For Jain Dhingra & Associates
Chartered Accountants
Firm Regn. No. 000987C

R. N. Dhingra

(R. N. Dhingra)
Partner

Membership No. 15385

HCG Regency Oncology Healthcare Private Limited
Balance Sheet as at 31 March 2017

Particulars	Note No	As at 31 March 2017 Rs.	As at 31 March 2016 Rs.	As at 1 April 2015 Rs.
ASSETS				
Non-Current Assets				
Property, plant and equipment	3	304811735	59674037	59604695
Capital work In Progress	3	397405201	515074866	142998611
Other intangible assets	3	634651	450000	450000
Financial assets:				
Non-Current investments		0	0	0
Other financial assets	4	12252192	676590	0
Other non-current assets	8	20507768	39942761	50125309
Deferred tax assets (net)	19	2296939	0	0
Total Non-Current Assets		822908566	615818644	253238505
Current Assets				
Inventories		0	0	0
Financial Assets:				
Investments		0	0	0
Trade receivables		0	0	0
Cash and cash equivalents	5	1490143	5267369	9441636
Other financial assets	4	6133763	0	0
Other current assets	6	979937	157900	0
Total Current Assets		8603243	5425269	9441636
Total Assets		831512809	621243913	262680141
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	7	244610630	144639520	100200000
Other Equity	8	17568123	12473509	8027557
Shares pending allotment		0	0	0
Total Equity/Equity attributable to owners of the Company		262178753	157138029	108227557
Non-current liabilities				
Financial Liabilities:				
Borrowings	9	486992095	433220422	150268212
Other financial liabilities		0	0	0
Provisions		0	0	0
Total Non-current liabilities		486992095	433220422	150268212
Current liabilities				
Financial Liabilities:				
Borrowings		0	0	0
Trade payables	11	2893771	0	0
Other financial liabilities	10	6688092	22369552	0
Other Current liabilities	12	12681093	8520910	4184372
Provisions		0	0	0
Total current liabilities		82341961	30890462	4184372
Total liabilities		569334056	464110884	154452584
Total Equity and liabilities		831512809	621243913	262680141

See accompanying notes to the financial statements.

In terms of our report attached:

For Jain Dhingra & Associates
Chartered Accountants
Registration No. 000987C

R.N. Dhingra
Partner
Mem. No. 15385

Place : KANPUR
Date : 12/05/2017



On behalf of the Board of Directors
For HCG Regency Oncology Healthcare Private Limited

Jain Dhingra
Director

Rachna
Director

Company Secretary

Place : KANPUR

HCG Regency Oncology Healthcare Private Limited
Statement of Profit and Loss for the year ended 31 March, 2017

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2017	31 March, 2016
		Rs	Rs
I Revenue from operations			
II Other income	13		0
III Total income (I+II)	14	19687154	0
		25135	0
		19713289	0
IV Expenses			
(a) Purchase of stock-in-trade			0
(b) (Increase) / Decrease in stock-in-trade	15	11755025	0
(c) Employee benefits expense		0	0
(d) Depreciation and amortisation expense	16	1858739	0
(e) Finance costs	3	3658849	0
(f) Other expenses	17	1517561	9
Total expenses (IV)	18	6120581	0
V Profit before exceptional items and tax (III-IV)		26910725	0
Exceptional items		-7197436	0
Profit/(Loss) after exceptional items		0	0
VI Tax expense:		-7197436	0
(a) Current tax expense for current year		0	0
(b) (Less): MAT credit (where applicable)		0	0
(c) Deferred tax		2296939	0
VII Profit after tax for the year (V-VI)		-2296939	0
Other comprehensive income		-4900497	0
A(i) Items that may be reclassified to profit or loss		0	0
A(ii) Income tax relating to items that may be reclassified to profit or loss		0	0
B(i) Items that will not be reclassified to profit or loss:		0	0
(a) Re-measurement gains/(losses) on defined benefit plans		0	0
Income tax effect		0	0
B(ii) Income tax relating to items that will not be reclassified to profit or loss		0	0
VIII Total other comprehensive income (A(i-ii) + B(i-ii))		0	0
IX Total comprehensive income for the year (VII + VIII)		0	0
Earnings Per Share of Rs 10 each - Basic		-4900497	0
Earnings Per Share of Rs 10 each - Diluted	27	-0.2	0
	27	-0.2	0

See accompanying notes to the financial statements.

In terms of our report attached,
For Jain Dhingra & Associates
Chartered Accountants
Registration No. 000587C

R.N. Dhingra
Partner
Mem. No. 15385



Place : KANPUR
Date : 12/05/2017

On behalf of the Board of Directors
For HCG Regency Oncology Healthcare Private Limited

[Signature]
Director

[Signature]
Director

Company Secretary
Place : KANPUR

HCG Regency Oncology Healthcare Private Limited
CASH FLOW STATEMENT FOR YEAR ENDED 31st MARCH, 2017

Particulars	31/03/2017	31/03/2016
I Net Profit Before Tax as per Statement of Profit & Loss	(7,197,435.74)	
Add/(Deduct):		
Depreciation	5,658,849.00	16,848.22
Interest & Financial Charges	39,013,008.00	22,200,934.00
Operating Profit before Working Capital Changes	37,474,421.26	22,217,782.22
Add/(Deduct):		
Inventories		
Trade Receivables		
Long Term and Short Term Loans & Advances and other assets	3,904,580.98	10,024,548.00
Trade Payables other Liabilities and provisions	51,451,499.76	26,706,089.67
Cash Inflow from Operations	97,830,502.00	58,948,419.89
Interest Paid	39,013,008.00	22,200,934.00
Taxation		
Preliminary Expenditure incurred		
Net Cash inflow Operating Activities	58,817,494.00	36,747,485.89
II CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	218,312,612.92	372,102,454.89
Proceeds from Sale of Assets		
Investment in Bank deposits	8,000,000.00	676,980.00
Net Cash used in Investing Activities	226,312,612.92	372,779,434.89
	(167,495,118.92)	(336,031,949.00)
III CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital	109,946,221.00	48,905,472.00
Proceeds from term Loans & Other Borrowings	74,951,525.70	282,952,210.00
Repayment of term Loans & Other Borrowings	(21,179,853.00)	
Transfer on account of Merger		
Net Cash from Financing Activities	163,717,893.70	331,857,682.00
Net Increase/(decrease) in Cash & Cash Equivalent	(3,777,225.22)	(4,174,267.00)
Cash & Cash Equivalent as at 01.04.2017	5,267,368.52	9,441,635.52
Cash or Cash equivalent as at 31.03.2017	1,490,143.30	5,267,368.52
Net Increase/(decrease) in Cash & Cash Equivalent	(3,777,225.22)	(4,174,267.00)

Significant Accounting Policies & Notes to Accounts form an integral part of financial statements

As per our separate report of even date attached

For Jain Dhingra & Associates

Chartered Accountants

Registration No. 000987C

B.N. Dhingra

Partner

Mem. No. 15385

Place : KANPUR

Date : 12/05/2017



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On behalf of the Board of Directors
For HCG Regency Oncology Healthcare Private Limited

Director

Director

Company Secretary

Place : KANPUR

HCG REGENCY ONCOLOGY HEALTHCARE PRIVATE LIMITED

Notes to the financial statements

1. Corporate Information:

HCG REGENCY ONCOLOGY HEALTHCARE PRIVATE LIMITED ("the Company") is a joint venture company owned by Regency Hospital Limited & Healthcare Global Enterprises Limited.

2. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Preparation of Financial Statements :

Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the group under Ind AS.

The financial statements have been prepared on a historical cost basis, except for the few assets and liabilities which have been measured at fair value.

b) Fixed Assets:

All fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses. The cost of fixed assets includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the assets.

Capital work - in - progress comprises of and amounts expended on development/acquisition of Fixed Assets that are not yet ready for their intended use at the Balance Sheet Date. Expenditure during construction period directly attributable to the projects under implementation is included under Capital work-in-progress, pending allocation to the assets. Advances paid to acquire fixed assets have been included under long term loans and advance as per revised Schedule III.

c) Impairment of assets

The carrying amount of the asset is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the asset's net selling price and value in use, which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or

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its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there is change in the estimates used to determine the recoverable amount.

d) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognized when the cancer treatment of patient is completed.

e) Borrowing Costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

f) Employee Benefits:

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost.

Gratuity

Since the company has not completed five years of its operation, therefore no employees qualified under Gratuity Act, 1972. Therefore provision of gratuity has not been made by the Company.

Leave Encashment Benefits

The Company has a policy to accumulate leave encashment benefits of the employees. The Company pays leave encashment Benefits to employees at end of each accounting period.

g) Taxation:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

h) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company 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 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 liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements as this may result in the recognition of income that may never be realized.

i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

k) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

l) Trade and other payables

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

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HCG Reservey Oncology Healthcare Private Limited
 Notes forming part of the financial statements for the year ended 31 Mar, 2017

Note 3: Property, Plant and Equipment & Intangible Asset

Particulars	Property, Plant and Equipment **										Intangible Assets**		
	Freehold Land	Leasehold Land*	Buildings @	Buildings (Finance lease)	Plant and Equipment (Owned)	Plant and Equipment (Leased)	Facility and Office Equipment	Furniture and Fittings	Computer Equipment	Vehicles		Electrical Fittings	Total Plant and Equipment
Cost or Deemed cost													
At 1 April 2015	59629000											59629000	450000
Additions													
Reclass													
Disposals													
At 31 March 2016	59629000	0	73333137	0	260830060	0	11000	66511	59700	0	59689700	59689700	450000
Additions													
Disposals													
At 31 March 2017	59629000	0	73333137	0	260830060	0	1122237	66511	4953004	0	563297	340797546	184651
Accumulated Depreciation													
At 1 April 2015	0	0	0	0	0	0	1742	0	7073	0	0	8815	0
Reclass													
Depreciation charge for the year													
Disposals													
At 31 March 2016	0	0	0	0	0	0	2090	0	24758	0	0	18048	0
Additions													
Disposals													
At 31 March 2017	0	0	301970	0	4958555	0	3332	955	21831	0	0	23663	0
Accumulated Depreciation													
At 1 April 2015	0	0	0	0	0	0	50011	955	33267	0	0	13890	0
Reclass													
Depreciation charge for the year													
Disposals													
At 31 March 2017	0	0	301070	0	4958555	0	53844	955	35208	0	0	505840	0
Carrying Amount													
At 1 April 2015	59629000	0	0	0	0	0	9158	0	26127	0	0	59664685	450000
At 31 March 2016	59629000	0	0	0	0	0	7169	0	37859	0	0	59674037	450000
At 31 March 2017	59629000	0	73333137	0	25587505	0	1568394	65556	4597706	0	540407	394812755	634651
Capital work in progress													
At 1 April 2015	142995611												
At 31 March 2016	515074866												
At 31 March 2017	392405281												

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HCG Regency Oncology Healthcare Private Limited
Notes forming part of the standalone financial statements

Note 4 Other Financial Assets*

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs.	Rs.	Rs.
Non-Current			
(a) Security Deposits	3517500	0	0
(b) Inter-Corporate deposits	0	0	0
(c) Loans and advances to subsidiary (Related Party)	0	0	0
(d) Term Deposit more than 12 months Maturity (Refer note (i) below)	8676980	576980	0
(e) Interest Accrued on Long Term Deposit	57712	0	0
Total Other Non-Current Financial Assets	12252192	576980	0
Total Other Current Financial Assets			
(a) Due from Related Parties	6132166	0	0
(b) Advance to employees	1597	0	0
(c) Interest Accrued on short term deposits/loans	0	0	0
	6133763	0	0

Note 5 Cash and Cash Equivalents

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs.	Rs.	Rs.
(a) Cash on hand	232325	13054	26840
(b) Cheques, drafts on hand	0	0	0
(c) Balances with banks			
(i) In current accounts	1257818	5254315	9414796
(ii) In EFEC accounts	0	0	0
(iii) In deposit accounts with original maturity less than 3months	0	0	0
(iv) Balance in Escrow account			
Total A	1490143	5267369	9441636
(d) Other Bank Balance in Earmarked deposits			
Total Cash and Cash Equivalents	0	0	0
Total Cash and Cash Equivalents	1490143	5267369	9441636

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

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs.	Rs.	Rs.
(a) Cash on hand	232325	13054	26840
(b) Cheques, drafts on hand	0	0	0
(c) Balances with banks			
(i) In current accounts	1257818	5254315	9414796
(ii) In deposit accounts with original maturity less than 3months	0	0	0
	1490144	5267369	9441636

Note 8 Other Assets

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs.	Rs.	Rs.
Non-current			
(a) Advance income tax	687765	0	0
(b) MAT Credit Entitlement	17398	17398	17398
(c) Prepaid expenses	0	0	0
(d) Capital advances	19427605	39812863	50107811
(e) Security Deposit	0	12500	0
(f) Advance Rent	375000	0	0
(g) Interest accrued on Long Term Deposit			
Total	20507768	39942761	50125209
Current			
(a) Prepaid expenses	170338	0	0
(b) Others Advances			
Advance to vendors	499625	157900	0
Rental advance	0	0	0
Imprest Cash	20000	0	0
Advance for Expenses	1200	0	0
(c) Unbilled Receivables	0	0	0
Goods in Transit	398114	0	0
Total	979317	157900	0

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HFC Regency Oncology Healthcare Private Limited
Notes forming part of the standalone financial statements

Note 7 Share Capital

Particulars	Equity Shares Number of shares	Amount
(a) Authorised As 1 April 2015, 31 March 2016 and 31 March 2017 Equity shares of 10 each with voting rights	30000000	50000000
(b) Issued, Subscribed and Fully Paid Up Equity shares of 10 each with voting rights		
Balance as at 1 April 2015	10020000	10020000
Increase during the year	4443952	4443952
Balance as at 31 March 2016	14463952	14463952
Increase during the year	8991110	8991110
Balance as at 31 March 2017	23455062	23455062
Total	23455062	23455062
Refer Notes below	23455062	23455062

(ii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 March, 2017		As at 31 March, 2016	
	Number of shares held	% holding	Number of shares held	% holding
Regency Hospital Limited	11990525	49.00%	7218680	49.90%
Healthcare Global Enterprises Ltd.	12474537	51.00%	7247271	50.10%

Note 8(a)

The Company has only one class of Equity Shares with Voting Rights (one vote per share). The distribution of dividend is in the proportion to the number of equity shares held by the shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of 2% preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 8 Other Equity

Particulars	Amount Rs	Amount Rs	Amount Rs
(a) Securities premium account			
At 1 April 2015			810000
Add: Premium on shares issued during year	810000	810000	
Less: Share issue expenses	(443952)	(443952)	
At 31 March 2016			0
Add: Premium on shares issued during year	1244952	1244952	
Add: Reversal of excess provision for share issue expenses	991110	0	
At 31 March 2017	23442062	1244952	0
(b) Share options outstanding accounts			
At 1 April 2015			
Less: Transferred to Securities premium account on exercise of ESOPs	0	0	0
Less: Deferred stock compensation expense	0	0	0
At 31 March 2016			0
Add: Amounts recorded on grants during the year	0	0	0
Less: Transferred to Securities premium account on exercise of ESOPs	0	0	0
At 31 March 2017		0	0
(c) (Deficit) in Statement of Profit and Loss			
At 1 April 2015			
Add: Loss for the year	72443	72443	72443
At 31 March 2016			0
Add: Profit for the year	(72443)	72443	0
At 31 March 2017	(499157)	0	0
(d) Other Reserves			
At 1 April 2015			
Add: Re-measurement gain/(loss) on defined benefit plan	0	0	0
At 31 March 2016			0
Add: Re-measurement gain/(loss) on defined benefit plan	0	0	0
At 31 March 2017			0
Total	17568113	12473005	8027557

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HCG Regency Oncology Healthcare Private Limited
Notes forming part of the standalone financial statements

Note 9 - Borrowings

A. Non-current borrowings

Particulars	As at 31 March, 2017 Rs	As at 31 March, 2016 Rs	As at 1 April, 2015 Rs
Secured			
Term Loans:			
From Banks - Secured (Refer notes i to iii)	474564548	391209585	150268212
From Other Parties (Refer notes iv to vi)	21875401	42010837	0
Vehicle loans	0	0	0
Unsecured			
Deferred payment obligations	9447854	0	0
Long term maturities of finance lease obligations (at amortised cost)	0	0	0
Total	486992095	433220422	150268212

B. Current borrowings - Secured

Particulars	As at 31 March, 2017 Rs	As at 31 March, 2016 Rs	As at 1 April, 2015 Rs
Loans repayable on demand - From Bank - Overdraft	0	0	0
Total	0	0	0

Note 10 Other financial liabilities

Particulars	As at 31 March, 2017 Rs	As at 31 March, 2016 Rs	As at 1 April, 2015 Rs
Non-Current			
Payable on purchase of fixed assets	0	0	0
Current			
Current maturity of long term loans from banks and others	47919018	21005418	0
Current maturity of deferred payment obligations	0	0	0
Current maturity of finance lease obligations (at amortised cost)	0	0	0
Interest on Borrowings accrued & but not due	0	0	0
Payable on purchase of fixed assets	18941090	1364134	0
Total Other Current Financial Liabilities	66860098	22369552	0
Total Other Financial Liabilities	66860098	22369552	0

Note 11 Trade payables

Particulars	As at 31 March, 2017 Rs	As at 31 March, 2016 Rs	As at 1 April, 2015 Rs
Trade payables			
Other than acceptances			
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 42)	0	0	0
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2800771	0	0
Trade payables to related parties			
Total	2800771	0	0

Note 12 Other current liabilities

Particulars	As at 31 March, 2017 Rs	As at 31 March, 2016 Rs	As at 1 April, 2015 Rs
(a) Statutory remittances	563009	9924	5844
(b) Deposits from patients	279000	0	0
(c) Gratuity payable (Refer Note 30)	0	0	0
(e) Employee Related Payable	1483406	172588	70472
(f) Other Accrued Liabilities	10356678	8338398	4108056
Total	12681093	8520910	4184372

Additional Disclosure

Summary of significant accounting policies and other explanatory information for the year ended 31 March, 2017
(All amounts are in rupees, unless otherwise stated)

Name of bank / financial institution	As at 31 March 2017	As at 31 March 2016	Terms of repayment	Details of security
Bank of Baroda	343,372,076	237,980,586	Door to Door Period 144 months with moratorium of 48 months & repayable in 96 monthly installments commencing from July 2017.	Secured by way of DP Note (LDOC 4), Letter of Installment with acceleration Clause (LDOC 57), hypothecation of Equipments, Equitable mortgage of Land & Building situated at A-4 Sarvodaya Nagar, Kampur and Corporate Guarantee of Regency Hospital Limited and Healthcare Global Enterprises Ltd.
Total	343,372,076	237,980,586		
Current maturities of long term debts	20,706,000			
Disclosed as long term	324,672,076	237,980,586		

The above loans carry an interest of Base plus 1.60% p.a.

(b) Foreign Letter of Credit

Name of bank	As at 31 March 2017	As at 31 March 2016	Terms of repayment	Details of security
Bank of Baroda	143,339,850	153,228,999	100% payable on 15 Nov. 2018	
Bank of Baroda	6,213,600	-	100% payable on 24 Apr. 2017	Secured by way of Stamped Letter of Credit application, Letter depositing FDR (LDOC 16), Counter indemnity from supplier for Bank Guarantee of 15% as margin of L.C.
Total	149,553,450	153,228,999		
Current maturities of long term debts	6,213,600			
Disclosed as long term	143,339,850	153,228,999		

(c) Unsecured

Name of bank	As at 31 March 2017	As at 31 March 2016	Terms of repayment
Siemens Healthcare GmbH	39,985,587	63,016,255	35 Months (3 equal instalment of Rs. 2,10,05,418/- beginning from 16 Sep., 2016, 2nd instalment due on 16 Sep., 2017 & 3rd instalment due on 16 August, 2018)
Total	39,985,587	63,016,255	
Current maturities of long term debts	21,005,418	21,005,418	
Disclosed as long term	18,980,169	42,010,837	

NCS Regency Oncology Healthcare Private Limited
Notes forming part of the standalone financial statements

Note No.

	As at 31 March, 2017	As at 31 March, 2016
13 Revenue from operations		
Particulars		
Income from medical services	19687154	0
Income from Pharmacy	0	0
Other operating income	0	0
Total	19687154	0
14 Other income		
Particulars		
Interest income from:		
- Deposits with bank	29155	0
- Income tax refund	0	0
- Unsecured loans given to subsidiaries	0	0
- Inter corporate deposits	0	0
Income from sale of mutual fund	0	0
Unrealised gain on MTM of mutual fund	0	0
Net gain on foreign currency transactions and translation	0	0
Other non-operating income (Refer note (i) below)	0	0
Total	26235	0
15 Purchase of stock-in-trade		
Particulars		
Pharmacy	0	0
Consumables	11755025	0
Gross purchases	11755025	0
Stock-in-trade	11755025	0
Total	11755025	0
16 Employee benefits expense		
Particulars		
Salaries and wages	1688577	0
Contributions to provident fund	109170	0
Gratuity Expense	0	0
Expense on employee stock option scheme	0	0
Staff welfare expenses	0	0
Total	109992	0
17 Finance costs		
Particulars		
Interest expense on:		
- Term loans and working capital facilities with banks	0	0
- Finance lease and deferred payment obligations	1509712	0
- Defined benefit obligations	0	0
Other borrowing cost:		
- Loan processing charges	0	0
- Bank charges	0	0
Total	7840	0
	1517551	0
18 Other expenses		
Particulars		
Medical consultancy charges	1657278	0
Legal and professional charges	171938	0
Lab charges	0	0
Power, fuel and water	0	0
Rent including lease rentals	1718807	0
Repairs and maintenance:	312500	0
- Buildings	0	0
- Machinery	600	0
- Others	0	0
Insurance	186552	0
Rates and taxes	38238	0
Communication	6530	0
Traveling and conveyance	133973	0
Printing and stationery	283537	0
House keeping and supplies	251517	0
Business promotion expenses	863031	0
Payments to auditors (refer note below)	451644	0
Loss on fixed assets sold / scrapped / written off	28750	0
Provision for doubtful trade receivables and loans and advances (net)	0	0
Hospital Expenses	0	0
Miscellaneous expenses	39030	0
Total	37556	0
	6120551	0

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Note No.

19 Deferred Tax

Particulars	As at 31 March, 2017	As at 31 March, 2016
Deferred tax assets (net)		
Difference in Loss as per I. Tax Act & Companies Act	6018403	0
Loss carried forward for subsequent years	2224008	0
Deferred tax assets	8242410	0
Impact of timing difference on tangible assets depreciation	5945471	0
Deferred tax liability	5945471	0
Total	2296939	0

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HCG REGENCY ONCOLOGY HEALTHCARE PRIVATE LIMITED

Notes to the financial statements

Note 20:

Particulars	2016-17 Rs.	2015-16 Rs.
Contingent Liability		
Foreign Letter of Credit (USD 23,10,000)	14,98,92,472.00	15,32,28,999.00
Foreign Letter of Credit (EURO 90,000)	62,13,600.00	0.00
Bank Guarantee for EPCG Scheme	84,46,429.00	84,46,429.00

Note 21: Capital Commitments:

Particulars	2016-17 Rs.	2015-16 Rs.
Estimated value of contracts in capital account remaining to be executed and not provided for [net of capital advance]	1,27,94,829.00	5,71,19,588.00

Note 22: Related Party Disclosures:

(a) Related Parties:- As per AS-18, related parties of the Company are as under:

Name of the related party	Relationship
Healthcare Global Enterprise Limited	Holding Company
Regency Hospital Limited	Company having substantial Interest in the Company as shareholder
Dr. Atul Kapoor	Director
Dr. Rashmi Kapoor	Director
Shri Anant Shrinivas Kittur	Director
Shri Basavalinga Ajaikumar Sadashivaiah	Director

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(b) Transactions with Related parties:

Name of the related party	Relation with the Company	Description of transactions during the year	2016-17 (inRs.)	2015-16 (inRs.)
Regency Hospital Limited	Company having substantial Interest in the Company as shareholder	Investments in Equity Shares	5,24,46,273.00	2,44,05,491.00
		Purchase of Medicines and Services	1,14,94,531.00	0.00
		Outstanding at the close of year	1,14,94,531.00	0.00
Healthcare Global Enterprises Limited	Holding Company	Investment in Equity Shares	5,74,99,948.00	2,44,99,981.00
		Purchase of Medicines	2,98,114.02	0.00
		Outstanding at the close of year	2,98,114.02	0.00

Note 23: Remuneration to Auditors (excluding service tax):

Particulars	2016-17 (inRs.)	2015-16 (inRs.)
Audit Fee	1,00,000.00	15,000.00
Other services certification	0.00	0.00

Note 24: Details of dues due to Micro, Small and Medium Enterprises as per MSMED Act, 2006
Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The management has confirmed that none of the suppliers have confirmed that they are registered under the provision of the Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

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Note 25: Loans and Advances:

In the opinion the Board of Directors, the Current Assets, Loans and Advances are approximately of the value stated, if realized in ordinary course of business and provision for depreciation and other known liabilities is adequate.

Note: 26:**(a) Value of Imports calculated on CIF basis:**

Particulars	2016-17 (inRs.)	2015-16 (inRs.)
i) Raw Materials	0.00	0.00
ii) Capital Goods	1,10,05,066.00	21,62,45,254.00
iii) Stores and spare parts	0.00	0.00

(b) Expenditure in Foreign Currency:

Particulars	2016-17 (inRs.)	2015-16 (inRs.)
Expenditure	1,10,05,066.00	21,62,45,254.00

Note 27 Earnings Per Share**Particulars**

	2016-17 (inRs.)	2015-16 (inRs.)
Basic earnings per share		
Net Loss for the year attributable to the equity shareholders	-4900496.87	0
Weighted average number of equity shares	24461063	14465952
Par value per share		
Earnings per share from continuing operations - Basic	(0.20)	0
Diluted earnings per share		
Net Loss for the year attributable to the equity shareholders	-4900496.87	0
Weighted average number of equity shares	24461063	14465952
Par value per share		
Earnings per share, from continuing operations - Diluted	(0.20)	0

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Note 28: Previous year figures have been reclassified /regrouped wherever necessary to correspond with the Current year's classification /disclosure.

Note 29: These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013. Previous period figures have been recasted /restated wherever necessary to compare from the figures of current year .

As per our separate report of even date attached
Significant Accounting Policies & Notes to Accounts form an integral part of financial statements

**FOR JAIN DHINGRA &
ASSOCIATES**

Chartered Accountants
Registration No.000987C

R.N. Dhingra
R. N. Dhingra
Partner
Membership No.15385



DATE : 12/05/2017
PLACE : KANPUR

**For and on behalf of
Board**

Atul Kapoor
Dr. Atul Kapoor
Director

Rashmi Kapoor

Dr. Rashmi Kapoor
Director

Meghna Srivastava
Company Secretary