

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Designated Partners of HCG Oncology LLP

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HCG Oncology LLP (“the LLP”), which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as “the financial statements”).

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the LLP as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (“ICAI”) and in conformity with the accounting principles generally accepted in India.

Basis for Opinion

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

Responsibilities of Designated Partners for the Financial Statements

The Designated Partners of LLP are responsible for the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the LLP in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Designated Partners are responsible for assessing the LLP Fund'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 Designated Partners those charged with governance⁸ either intends to liquidate the LLP or to cease operations, or has no realistic alternative but to do so.

The Designated Partners are responsible for overseeing the LLP financial reporting process.

Registered Office:

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 opinion on the effectiveness of the LLP's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Designated Partners.
- Conclude on the appropriateness of the Designated Partners use of the going concern basis of accounting in preparation of the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the LLP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

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

B S R & Co. LLP

We also provide Designated Partners with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For B S R & Co. LLP
Chartered Accountants
(Firm's Registration No. 101248W/W-
100022)

Place: Bengaluru
Date: 8 August 2024

Sd/-
Vikash Gupta
Partner
Membership No. 064597
UDIN:24064597BKDHQO7646

HCG Oncology LLP
Balance Sheet as at 31 March 2024

Particulars	Note No.	Amount in Rs.	
		As at 31 March 2024	As at 31 March 2023
PARTNERS' FUNDS AND LIABILITIES			
Partners' funds			
Partners' capital account	3	151,990,000	151,990,000
Reserves and surplus	4	(289,202,872)	(302,623,274)
		(137,212,872)	(150,633,274)
Non-current liabilities			
Long-term borrowings	5	264,147,939	312,402,950
Other long-term liabilities	6	29,649,878	31,207,683
Long-term provisions	7	3,112,879	2,077,183
		296,910,696	345,687,816
Current liabilities			
Short-term borrowings	8	48,877,437	50,124,946
Trade payables	9	225,199,518	159,608,568
Other current liabilities	10	40,028,879	52,708,072
Short-term provisions	11	3,217,492	67,939,013
		317,323,326	330,380,599
Total		477,021,150	525,435,141
ASSETS			
Non-current assets			
Property, Plant and Equipment and Intangible assets			
-Property, plant and equipment	12	237,653,295	243,071,433
-Intangible assets	13	4,991	12,441
-Capital work in progress	12	601,067	3,511,198
Long-term loans and advances	14	20,462,910	22,842,560
Other non-current assets	15	38,570,879	35,913,545
		297,293,142	305,351,177
Current assets			
Inventories	16	21,215,054	14,452,027
Trade receivables	17	107,970,978	59,769,052
Cash and bank balances	18	47,034,640	143,687,851
Short-term loans and advances	19	3,322,336	1,787,015
Other current assets	20	185,000	388,019
		179,728,008	220,083,964
Total		477,021,150	525,435,141

Significant accounting policies 2
The accompanying notes are an integral part of these Financial Statements

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

for and on behalf of
HCG Oncology LLP
LLPIN : AAC-9917

Vikash Gupta
Partner

Sd/-
Dr. B. S. Ajaikumar
Designated Partner on
behalf of HealthCare
Global Enterprises Limited

Sd/-
Dr. Rajiv Gopinath Bhatt
Partner

Membership Number: 064597

DPIN : 00713779

DPIN: 06719548

Place: Bengaluru
Date : 08 August 2024

Place: Bengaluru
Date : 08 August 2024

Place: Baroda
Date : 08 August 2024

HCG Oncology LLP
Statement of Profit and Loss for the year ended 31 March 2024

Particulars	Note No.	Amount in Rs.	
		For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	21	729,635,154	621,889,451
Other income	22	4,435,177	2,558,095
Total income		734,070,331	624,447,546
Expenses			
Purchase of medical and non medical items	23	252,081,879	208,945,007
Changes in inventories	24	(6,763,027)	(5,481,209)
Employee benefits expense	25	91,139,777	87,480,778
Finance costs	26	36,741,174	33,808,284
Depreciation and amortisation expense	27	38,141,676	35,765,597
Other expenses	28	309,308,450	267,246,993
Total Expenses		720,649,929	627,765,450
Profit/(Loss) before tax		13,420,402	(3,317,904)
Tax expense		-	-
Profit/ (Loss) after tax		13,420,402	(3,317,904)

Significant accounting policies 2
The accompanying notes are an integral part of these Financial Statements

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

for and on behalf of
HCG Oncology LLP
LLPIN : AAC-9917

Vikash Gupta
Partner

Sd/-
Dr. B. S. Ajaikumar
Designated Partner on
behalf of HealthCare
Global Enterprises Limited

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Dr. Rajiv Gopinath Bhatt
Partner

Membership Number: 064597

DPIN : 00713779

DIN: 06719548

Place: Bengaluru
Date : 08 August 2024

Place: Bengaluru
Date : 08 August 2024

Place: Baroda
Date : 08 August 2024

HCG Oncology LLP
Statement of Cash Flows for the year ended 31 March 2024

Particulars	Note No.	Amount in Rs.	
		For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities			
Profit / (loss) before tax		13,420,402	(3,317,904)
Adjustments for:			
Finance costs		36,741,174	33,808,284
Depreciation and amortisation expense		38,141,676	35,765,597
Interest income		(4,118,656)	(2,031,114)
Rent equalisation		(1,557,805)	(1,798,833)
Provision for doubtful debts		6,452,869	(20,000)
Operating profit before working capital changes		89,079,660	62,406,030
Changes in working capital:			
Inventories		(6,763,027)	(5,481,209)
Trade receivables		(54,654,795)	(22,290,651)
Other current assets, non-current assets and loans and advances		(576,389)	220,198
Trade payables		65,590,950	75,738,986
Other current liabilities and other non-current liabilities		(43,650,901)	7,163,483
Long-term provisions and short-term provisions		1,485,301	(351,764)
Cash generated from operations		50,510,799	117,405,073
Income tax refund (net)		3,152,267	6,636,132
Net cash generated from operating activities (A)		53,663,066	124,041,205
Cash flow from investing activities			
Purchase of fixed assets, including capital advances		(32,725,464)	(12,643,394)
Proceeds from maturity of term deposits		-	1,000,000
Investment in margin money		(1,000,000)	-
Interest received		3,852,280	1,777,212
Net cash used in investing activities (B)		(29,873,184)	(9,866,182)
Cash flow from financing activities			
Proceeds from borrowings		-	73,300,000
Repayment of borrowings		(49,567,201)	(30,585,951)
Interest and other borrowing cost paid		(70,875,892)	(29,419,396)
Net cash (used in)/ generated from financing activities (C)		(120,443,093)	13,294,653
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(96,653,211)	127,469,676
Cash and cash equivalents at the beginning of the year		143,687,851	16,218,175
Cash and cash equivalents at the end of the year	18	47,034,640	143,687,851
For the purpose of statement of cash flows, cash and cash equivalent comprises the followings:			
		As at 31 March 2024	As at 31 March 2023
(a) Cash on hand		500,505	1,003,188
(b) Balance with banks in:			
- in current accounts		46,534,135	141,684,663
- in deposit accounts		-	1,000,000
		47,034,640	143,687,851

Significant accounting policies

The accompanying notes are an integral part of these Financial Statements

As per our reports of even date attached

For B S R & Co. LLP

Chartered Accountants

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

for and on behalf of
HCG Oncology LLP
 LLPIN : AAC-9917

Vikash Gupta
 Partner

Membership Number: 064597

Place: Bengaluru
 Date : 08 August 2024

Sd/-
Dr. B. S. Ajaikumar
 Designated Partner on behalf of
 HealthCare Global Enterprises
 Limited

DPIN : 00713779

Place: Bengaluru
 Date : 08 August 2024

Sd/-
Dr. Rajiv Gopinath Bhatt
 Partner

DIN: 06719548

Place: Baroda
 Date : 08 August 2024

1 Corporate information

HCG Oncology LLP ('the Firm' or 'LLP') is a hospital offering specialized services in cancer treatment. The registered office of the Firm is situated at #1, Maharashtra Society, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006. The Firm was incorporated on 29 November 2014. HealthCare Global Enterprises Limited (HCG) and Dr. Rajiv Gopinath Bhatt are partners in LLP having capital and profit sharing ratio of 74:26.

2 Summary of 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 Limited Liability Partnership Act, 2008. Indian GAAP comprise the Accounting Standards and the Guidance Note issued by the Institute of Chartered Accountants of India. The Financial Statements have been prepared on accrual basis under the historical cost convention.

2.2 Going concern basis

The Firm has incurred losses in the previous year and partner's fund (net worth) is negative as at 31 March 2024 and as at 31 March 2023. However, the Firm has generated positive cashflows in the current year and previous year. The management expects profits and positive operating cash flows in future periods. Considering this and the support letter received from the Holding Company (HealthCare Global Enterprise Limited), the Management has prepared the Financial Statements on a going concern basis.

2.3 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.

2.4 Current and non-current classification

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

Assets

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

- 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.

Liabilities

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

- a) It is expected to be settled in the Firm's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be settled within 12 months after the reporting date; or
- d) The Firm does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect the classification.

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

All other assets are classified as non-current.

HCG Oncology LLP**Notes to the Financial Statements for the year ended 31 March 2024 (continued)****2.4 Current and non-current classification (continued)***Operating cycle*

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

2.5 Inventories

Inventories are measured at the lower of cost and net realisable value. 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.

2.6 Cash and cash equivalents

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

2.7 Cash flow statement

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

2.8 Revenue recognition**Medical services**

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. Revenue is recorded net of discount given to patients recognised during the period in which the hospital service is provided, based upon the estimated amounts due from patients and/or medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service.

Sale of medical and non-medical items

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

Other operating income

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

2.9 Other income

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

2.10 Property, plant and equipment*Property, plant and equipment*

Property, plant and equipment are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment 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 expenses 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 expenses directly attributable to the acquisition of the asset.

The Firm depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. The estimated useful lives of assets as follows:

Asset category	Useful life as per the management
Plant and equipment	10, 13 and 15 years
Lab Equipment	10 years
Office Equipments	05 years
Furniture and Fixtures	10 years
Data Processing Equipments	3-6 years
Electrical Installation	10 years
Vehicles	8 years

HCG Oncology LLP

Notes to the Financial Statements for the year ended 31 March 2024 (continued)

2.10 Property, plant and equipment (continued)

Useful lives are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Estimates in respect of certain items of plant and equipment were revised in the year ended 31 March 2023. Refer note 12.

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

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

Intangible assets

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

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

Asset category	Useful life as per the management
Computer software	3 years

2.11 Foreign currency transactions

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

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

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

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

2.12 Employee benefits

Defined contribution plan

Contributions to the recognized provident fund which are defined contribution schemes, are charged to the statement of profit and loss.

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 balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the statement of profit and loss and on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and 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. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

Share-based payment transactions

HCG Oncology LLP

Certain employees of the LLP have received stock options (Employee Stock Option Plan ESOP) of the holding company HealthCare Global Enterprises Limited. Accordingly, the LLP is subject to cross charge of ESOP costs from HealthCare Global Enterprises Limited. The compensation cost relating to share-based payments are measured using the fair valuation method. Compensation expense is amortized over the vesting period of the option.

HCG Oncology LLP

Notes to the Financial Statements for the year ended 31 March 2024 (continued)

2.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss 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 up to 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 profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

2.14 Taxes on income

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Firm will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet 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 balance sheet date for their realisability.

2.15 Provisions and contingencies

A provision is recognised when the Firm has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the 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 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.

2.16 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 profit and loss on a straight-line basis over the lease term.

2.17 Government grants

Government grants available to the Firm are recognised

- (i) where there is reasonable assurance that the Firm will comply with the conditions attached to them; and
- (ii) where such benefits have been earned by the Firm and it is reasonably certain that the ultimate collection will be made.

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

HCG Oncology LLP

Notes to the Financial Statements for the year ended 31 March 2024 (continued)

2.18 Impairment

The Firm assesses at each reporting date whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Firm estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash in-flows, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs. 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 profit and loss. 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. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in statement of profit and loss. However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

3 Partners' Capital Account

Particulars	As at	As at
	31 March 2024	31 March 2023
Contributions received		
Fixed capital contribution		
HealthCare Global Enterprises Limited:		
Share of profit/(loss) (%)	74%	74%
Balance at the beginning of the year	112,472,600	112,472,600
Balance at the end of the year	112,472,600	112,472,600
Dr. Rajiv Bhatt:		
Share of profit/(loss) (%)	26%	26%
Balance at the beginning of the year	39,517,400	39,517,400
Balance at the end of the year	39,517,400	39,517,400
	151,990,000	151,990,000

4 Reserves and surplus

Particulars	As at	As at
	31 March 2024	31 March 2023
Undistributed deficit (balance in statement of profit and loss)		
At the commencement of the year	(302,623,274)	(299,305,370)
Add: Profit/(loss) for the year	13,420,402	(3,317,904)
Amount available for appropriation	(289,202,872)	(302,623,274)
Share of losses appropriated to HealthCare Global Enterprises Limited	(214,010,125)	(223,941,223)
Share of losses appropriated to Dr. Rajiv Bhatt	(75,192,747)	(78,682,051)
At the end of the year	(289,202,872)	(302,623,274)

5 Long-term borrowings

Particulars	As at	As at
	31 March 2024	31 March 2023
Secured:		
- Term loan from banks (refer note (i) & note 8)	264,061,312	312,402,950
	264,147,939	312,402,950

Notes:

Particulars	As at	As at
	31 March 2024	31 March 2023

(i) Secured term loan from banks:**Facility -1**

Non-current portion	22,667,562	40,446,700
Amounts included under current maturities of long-term borrowings	18,314,937	19,562,446

- Secured by exclusive charge on equipments purchased from these loans, first charge on immovable fixed assets (land and building / structures there upon) and movable fixed assets (both present and future, not charged exclusively to any other lender) and second pari-passu charge on all current assets and receivables (both present and future)

- Rate of interest : Repo-rate + 3.25%

- Repayment terms: Repayable in quarterly structured instalments in 6 years after moratorium period of 1 year from the date of borrowing

Facility -2

Non-current portion	168,093,750	198,656,250
Amounts included under current maturities of long-term borrowings	30,562,500	30,562,500

- Secured by first pari-passu charge on movable fixed assets (both present and future, excluding those funded out exclusively by other lenders) and second pari-passu charge by way of hypothecation on entire current assets of HCG Oncology LLP and Corporate Guarantee from Healthcare Global Enterprises Limited.

- Rate of interest: Repo-rate + 2.85% p.a.

- Repayable in installments over a period of 9.5 years including 1.5 years of moratorium from the date of borrowing.

Facility -3

Borrowed during the previous year	73,300,000	73,300,000
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Details of security and terms of repayment for the amounts borrowed during the current year:

- Extension of second charge over primary, collateral security for existing facilities and 100% credit guarantee by National Credit Guarantee Trustee Company Limited (NCGTC)

- Rate of interest: Repo-rate + 1.90% p.a.

- Repayable in installments over a period of 5 years including 2 years of moratorium from the date of borrowing.

312,938,749	362,527,896
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6 Other long-term liabilities		As at	As at
Particulars		31 March 2024	31 March 2023
Rent equalisation reserve		29,649,878	31,207,683
		29,649,878	31,207,683
7 Long-term provisions		As at	As at
Particulars		31 March 2024	31 March 2023
Gratuity (refer note 31)		3,112,879	2,077,183
		3,112,879	2,077,183
8 Short-term borrowings		As at	As at
Particulars		31 March 2024	31 March 2023
Current maturities of long-term borrowings (refer note 5(i))		48,877,437	50,124,946
		48,877,437	50,124,946
9 Trade payable		As at	As at
Particulars		31 March 2024	31 March 2023
Total outstanding dues of micro enterprises and small enterprises (refer note 29)		1,080,000	705,000
Total outstanding dues of creditors other than micro enterprises and small enterprises*		224,119,518	158,903,568
		225,199,518	159,608,568
* For details relating to payable to related parties, please refer note 33			
10 Other current liabilities		As at	As at
Particulars		31 March 2024	31 March 2023
TDS payable		1,536,774	3,575,425
Employee related statutory payables		1,218,453	1,149,145
Advance from customers		4,148,577	2,984,815
Payable to related parties (refer note 33)		23,711,394	36,091,329
Accrued salaries and benefits		9,413,681	8,907,358
		40,028,879	52,708,072
11 Short-term provision		As at	As at
Particulars		31 March 2024	31 March 2023
Provision for gratuity (refer note 31)		975,718	626,189
Provision for compensated absence		1,034,934	934,858
Provision for tax contingency (refer note (i) below)		1,206,840	66,377,966
		3,217,492	67,939,013

(i) Details of provisions

Under the Foreign Trade Policy, importers are allowed to discharge the custom duty payable on imported assets through EPCG licenses wherein importers need to achieve certain level of exports. In the past, the Firm has availed the benefit under this policy and has imported various assets. As the Firm could not generate revenue from foreign exchange, the Management has evaluated the impact of possible shortfall in meeting such export obligations and accordingly recognised the provision for tax contingency towards customs duty and other taxes, details of which are given below. During the year ended 31 March 2024, the Company has settled provision for contingencies for taxes Rs. 67,587,037 (including interest).

Particulars	As at 31 March 2023	Additions*	Utilisation/Repa yment	Reversal	As at 31 March 2024
Provision for tax contingency	66,377,966	2,415,911	(67,587,037)	-	1,206,840

*relates to interest accrued in the current year

Particulars	As at 31 March 2022	Additions#	Utilisation	Reversal	As at 31 March 2023
Provision for tax contingency	61,657,442	4,720,524	-	-	66,377,966

#relates to interest accrued in the previous year

12 Property, plant and equipment and Capital-work-in-progress

Description of assets	Leasehold Improvements	Plant and equipment	Lab equipment	Office equipment	Furniture and fixtures	Data processing equipment	Electrical installation	Vehicles	Total (A)	Capital work in progress (B)	Total (A+B)
I. Cost											
Balance as at 01 April 2022	45,429,552	384,558,946	1,985,792	3,809,994	28,519,794	9,367,812	4,278,619	1,524,415	479,474,924	987,911	480,462,835
Additions	-	9,044,213	-	147,146	380,986	696,579	108,206	-	10,377,130	2,523,287	12,900,417
Balance as at 31 March 2023	45,429,552	393,603,159	1,985,792	3,957,140	28,900,780	10,064,391	4,386,825	1,524,415	489,852,054	3,511,198	493,363,252
Additions	8,673,963	18,181,102	-	2,267,549	1,276,851	1,616,723	699,900	-	32,716,088	7,902,820	40,618,908
Capitalisation during the year	-	-	-	-	-	-	-	-	-	(10,812,950)	(10,812,950)
Balance as at 31 March 2024	54,103,515	411,784,261	1,985,792	6,224,689	30,177,631	11,681,114	5,086,725	1,524,415	522,568,142	601,067	523,169,209
II. Accumulated depreciation											
Balance as at 01 April 2022	20,853,863	156,256,488	1,252,646	3,324,061	16,489,567	9,651,670	2,250,411	971,546	211,050,252	-	211,050,252
Depreciation expense	4,074,271	27,574,611	224,909	219,213	2,717,030	292,462	437,321	190,552	35,730,369	-	35,730,369
Balance as at 31 March 2023	24,928,134	183,831,099	1,477,555	3,543,274	19,206,597	9,944,132	2,687,732	1,162,098	246,780,621	-	246,780,621
Depreciation expense *	4,740,479	28,526,502	224,909	450,683	2,822,747	712,105	466,249	190,552	38,134,226	-	38,134,226
Balance as at 31 March 2024	29,668,613	212,357,601	1,702,464	3,993,957	22,029,344	10,656,237	3,153,981	1,352,650	284,914,847	-	284,914,847
Net block as at 31 March 2023	20,501,418	209,772,060	508,237	413,866	9,694,183	120,259	1,699,093	362,317	243,071,433	3,511,198	246,582,631
Net block as at 31 March 2024	24,434,903	199,426,660	283,328	2,230,731	8,148,287	1,024,877	1,932,745	171,765	237,653,295	601,067	238,254,362

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

* During the year ended 31 March 2023, the Firm revised the estimated useful life for certain category of its Plant and equipment with effect from 1 April 2022 based on its technical evaluation. The effect of these changes on actual and expected depreciation expense is as follows:

Particulars	YE 31 March 2023	YE 31 March 2024	YE 31 March 2025	YE 31 March 2026	YE 31 March 2027	YE 31 March 2028 and later
(Decrease) / increase in depreciation expense	(3,438,751)	(3,438,751)	(3,438,751)	(3,438,751)	3,319,140	10,435,863

13 Intangible assets

Description of assets	Computer software	Total
I. Cost		
Balance as at 01 April 2022	5,808,173	5,808,173
Additions	-	-
Balance as at 31 March 2023	5,808,173	5,808,173
Additions	-	-
Balance as at 31 March 2024	5,808,173	5,808,173
II. Accumulated amortisation and impairment		
Balance as at 01 April 2022	5,760,504	5,760,504
Amortisation expense	35,228	35,228
Balance as at 31 March 2023	5,795,732	5,795,732
Amortisation expense	7,450	7,450
Balance as at 31 March 2024	5,803,182	5,803,182
Net block as at 31 March 2023	12,441	12,441
Net block as at 31 March 2024	4,991	4,991

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

HCG Oncology LLP

Notes to the Financial Statements for the year ended 31 March 2024 (continued)

Amount in Rs.

14 Long-term loans and advances

Particulars	As at	As at
	31 March 2024	31 March 2023
Unsecured, considered good		
Capital advances	3,054,467	134,960
Prepaid expenses	254,069	2,400,959
Advance income tax and tax deducted at source, net of provision for tax	17,154,374	20,306,641
	20,462,910	22,842,560

15 Other non-current assets

Particulars	As at	As at
	31 March 2024	31 March 2023
Security deposits	34,075,777	32,887,819
Term deposit including margin money deposit	3,184,981	2,185,000
Interest accrued on deposits	1,310,121	840,726
	38,570,879	35,913,545

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

Particulars	As at	As at
	31 March 2024	31 March 2023
Medical and non medical items	21,215,054	14,452,027
	21,215,054	14,452,027

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

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

17 Trade receivables*

Particulars	As at	As at
	31 March 2024	31 March 2023
Trade receivables outstanding for a period exceeding six months from the date they were due for		
- Unsecured, considered good	22,726,732	11,210,476
- Doubtful	9,514,344	1,369,507
	32,241,076	12,579,983
Less: Provision for doubtful trade receivables	(9,514,344)	(1,369,507)
	22,726,732	11,210,476
Other trade receivables:		
- Unsecured, considered good	76,879,777	44,217,485
- Doubtful	2,425,259	4,633,938
	79,305,036	48,851,423
Less: Provision for doubtful trade receivables	(2,425,259)	(4,633,938)
	76,879,777	44,217,485
Unbilled receivables:		
- Unsecured, Considered good	8,364,469	4,341,091
- Considered doubtful	660,800	144,271
	9,025,269	4,485,362
Less: Provision for doubtful trade receivables	(660,800)	(144,271)
	8,364,469	4,341,091
	107,970,978	59,769,052

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

* For details relating to receivables from related parties, please refer note 33.

18 Cash and bank balances

Particulars	As at 31 March 2024	As at 31 March 2023
a) Cash and cash equivalents		
Cash on hand	500,505	1,003,188
Balances with banks:		
- in current accounts	46,534,135	141,684,663
- in deposit accounts with original maturity less than 3 months	-	1,000,000
	47,034,640	143,687,851
For the purpose of the statement of cash flows, cash and cash equivalent comprise the following:		
a) Cash on hand	500,505	1,003,188
b) Balances with banks:		
- in current accounts	46,534,135	141,684,663
- in deposit accounts	-	1,000,000
Cash and cash equivalents as per statement of cash flows	47,034,640	143,687,851

19 Short-term loans and advances*

Particulars	As at 31 March 2024	As at 31 March 2023
<i>Unsecured, considered good</i>		
Loans and advances to employees	533,166	158,617
Prepaid expenses	1,615,990	478,451
Advance to vendor	1,173,180	1,149,947
	3,322,336	1,787,015

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

20 Other current assets*

Particulars	As at 31 March 2024	As at 31 March 2023
Interest accrued on deposits	-	203,019
Receivable from revenue authorities	185,000	185,000
	185,000	388,019

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

21 Revenue from operations			
Particulars		Year ended 31 March 2024	Year ended 31 March 2023
Medical service income *		708,943,821	601,066,096
Sale of medical and non medical items		19,263,489	18,968,488
Other operating Revenue		1,427,844	1,854,867
		729,635,154	621,889,451
* includes sales to related parties (refer note 33)			
22 Other income			
Particulars		Year ended 31 March 2024	Year ended 31 March 2023
Interest income		4,118,656	2,031,114
Other income		316,521	526,981
		4,435,177	2,558,095
23 Purchase of medical and non-medical items			
Particulars		Year ended 31 March 2024	Year ended 31 March 2023
Medical and non-medical items*		252,081,879	208,945,007
		252,081,879	208,945,007
* includes purchases from related parties (refer note 33)			
24 Changes in inventories			
Particulars		Year ended 31 March 2024	Year ended 31 March 2023
Inventories at the end of the year		21,215,054	14,452,027
Inventories at the beginning of the year		14,452,027	8,970,818
Net increase		(6,763,027)	(5,481,209)
25 Employee benefits expense			
Particulars		Year ended 31 March 2024	Year ended 31 March 2023
Salaries and wages		81,184,911	79,106,471
Contributions to provident and other funds (refer note 31)		3,171,246	3,655,401
Gratuity Expenses (refer note 31)		1,627,787	1,040,239
Expense on employee stock option scheme (refer note 33)		665,711	348,675
Staff welfare expenses		4,490,122	3,329,992
		91,139,777	87,480,778
26 Finance costs			
Particulars		Year ended 31 March 2024	Year ended 31 March 2023
Interest expense on borrowings		32,111,335	26,941,017
Interest on provision for tax contingency		2,415,911	4,720,524
Bank charges		2,213,928	2,146,743
		36,741,174	33,808,284
27 Depreciation and amortisation expense			
Particulars		Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment		38,134,226	35,730,369
Amortisation of intangible assets		7,450	35,228
		38,141,676	35,765,597

28 Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Medical consultancy charges (refer note 33)	150,409,228	136,934,512
Lab charges (refer note 33)	10,103,121	7,245,466
Power and fuel	15,889,154	13,291,479
House keeping and security	9,654,658	7,163,624
Rent (refer note 34)	64,640,412	55,229,930
Repairs and maintenance:		
- Buildings	1,010,523	1,484,393
- Machinery	15,748,638	17,829,223
- Others	10,480,967	5,697,040
Insurance	670,440	361,074
Rates and taxes, excluding taxes on income	233,433	607,079
Printing and stationery	2,413,417	1,720,073
Business promotion	12,860,516	10,406,169
Travelling and conveyance	2,583,822	2,860,450
Legal and professional	2,683,985	3,983,931
Payments to auditors:		
- As statutory auditors	800,000	800,000
- Out of pocket expenses and tax on above	203,600	191,200
Communication	816,291	912,352
Provision for doubtful debts	6,452,869	(20,000)
Miscellaneous expenses	1,653,376	548,998
	309,308,450	267,246,993

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 2024 and 31 March 2023 has been made in the statements of account based on information received and available with the Limited liability Partnership. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Limited liability Partnership has not received any claim for interest from any supplier.

Particulars	31 March 2024	31 March 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	1,080,000	705,000
Interest	-	-
The amount of interest paid by the buyer under MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

30 The Firm does not have any unhedged foreign currency exposure as at 31 March 2024 and 31 March 2023.

31 Employee benefit plans

Defined contribution plans

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

The Firm has recognized the following amounts in the statement of profit and loss towards its contributions to provident fund.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contribution to provident fund included under contribution to provident and other funds	3,171,246	3,655,401

Defined benefit plans

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

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Components of employer expense		
Current service cost	804,916	505,386
Interest cost	279,859	132,314
Actuarial losses	543,012	402,539
Total expense recognised in the statement of profit and loss	1,627,787	1,040,239
Actual contribution and benefits payments		
Present value of defined benefit obligation (DBO)	4,088,597	2,703,372
Net asset recognised in balance sheet		
Current	975,718	626,189
Non-current	3,112,879	2,077,183
Total asset / (liability) recognised in the balance sheet	(4,088,597)	(2,703,372)
Change in defined benefit obligations		
Present value of DBO at beginning of the year	2,703,372	1,877,916
Current service cost	804,916	505,386
Interest cost	279,859	132,314
Actuarial losses	543,012	402,539
Benefits paid	(242,562)	(214,783)
Present value of DBO at the end of the year	4,088,597	2,703,372
Actuarial assumption		
Discount rate	7.00%	7.30%
Expected return on plan assets	NA	NA
Salary escalation	5.00%	5.00%
Attrition rate	30.00%	30.00%
Retirement age	58 years	58 years

Actuarial valuation experience adjustment

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Defined benefit obligation	(4,088,597)	(2,703,372)
(Deficit)	(4,088,597)	(2,703,372)
Experience adjustment on plan liabilities	505,118	206,039

Note:

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

32 Segment information

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

33 Related party transactions

a. Details of related parties:

Description of relationship	Names of related parties
Ultimate holding company	CVC Capital Partners Asia V L.P.
Intermediate holding companies	Aceso Company Pte Ltd
	Aceso Investment Holding Pte. Ltd.
Holding company / Partner	HealthCare Global Enterprises Limited
Designated partner	Dr. B S Ajaikumar (Healthcare Global Enterprises Limited)
Partner	Dr. Rajiv Gopinath Bhatt
Enterprise over which Partner can exercise significant influence/control	HCG Medi-surge Hospitals Private Limited HCG SUN Hospitals LLP HCG Foundation

b. Details of related party transactions during the year:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchase of pharmacy products and consumables		
HealthCare Global Enterprises Limited	(84,060)	94,025
Medical consultancy charges		
Dr. Rajiv Gopinath Bhatt	79,368,611	78,049,555
Medical Service Income		
HCG Foundation	750,000	593,696
HCG SUN Hospitals LLP	1,010,000	1,128,450
HealthCare Global Enterprises Limited	7,169,850	7,548,672
Medical Service Expenses		
HealthCare Global Enterprises Limited	2,581,250	2,488,000
Reimbursement of expense on employee stock option scheme cross charged by		
HealthCare Global Enterprises Limited	665,711	348,675
Reimbursement of capital expenditure/ revenue expenditure incurred on behalf of the Firm by		
HealthCare Global Enterprises Limited	19,675,314	15,051,761
HCG SUN Hospitals LLP	-	6,768
HCG Medi-surge Hospitals Private Limited	396,931	36,303
Payment to vendor on behalf of the Firm by		
HealthCare Global Enterprises Limited	4,816,542	28,017,488

c. Details of related party balances outstanding:

Particulars	As at 31 March 2024	As at 31 March 2023
Trade Payables		
HealthCare Global Enterprises Limited	340,400	100,800
Dr. Rajiv Gopinath Bhatt	8,835,181	7,999,064
Trade Receivable		
HealthCare Global Enterprises Limited	-	1,252,200
HCG Foundation	750,001	-
HCG SUN Hospitals LLP	803,250	1,257,102
Other current liabilities		
HealthCare Global Enterprises Limited	23,367,593	36,091,329
HCG Medi-surge Hospitals Private Limited	3,400	8,683
Partners Capital Account (fixed)		
HealthCare Global Enterprises Limited	112,472,600	112,472,600
Dr. Rajiv Gopinath Bhatt	39,517,400	39,517,400
Share of losses appropriated to		
HealthCare Global Enterprises Limited	(214,010,125)	(223,941,223)
Dr. Rajiv Gopinath Bhatt	(75,192,747)	(78,682,051)

34 Details of leasing arrangements

The firm has entered into operating leases arrangements for building for a period of 5 to 12 years. These leases are renewable for a further period of 3 to 5 years. The expense incurred on non-cancellable operating leases during the year.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Up to one year	48,965,217	43,131,638
More than one year and up to five years	172,186,722	196,049,367
More than five years	-	-
	221,151,940	239,181,005
Lease payments recognised in the statement of profit and loss with respect to above mentioned operating lease arrangement.	55,468,598	50,427,941

35 Contingent liabilities

The Hon'ble Supreme Court has, in a decision dated 28 February 2019, ruled that special allowance would form part of wages for computing the Provident Fund (PF) contribution. The Firm keeps a close watch on further clarifications and directions from the respective department based on which suitable action would be initiated. Also, the firm believes that impact is not material to the financial statement.

Other litigations

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

36 Commitments

	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account (net of advance) and not provided for	9,446,136	1,137,124

37 Deferred taxation

The Firm has a deferred tax asset (net) position as at 31 March 2024 and 31 March 2023. Recognition of deferred tax asset is restricted to the extent of deferred tax liability only. No further deferred tax asset (net) is recognized on losses and unabsorbed depreciation as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised by the Firm.

As per our reports of even date attached

for **BSR & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

for and on behalf of
HCG Oncology LLP
LLPIN : AAC-9917

Vikash Gupta
Partner

Sd/-
Dr. B. S. Ajaikumar
Designated Partner on behalf of
HealthCare Global Enterprises
Limited

Sd/-
Dr. Rajiv Gopinath Bhatt
Partner

Membership Number: 064597

DPIN : 00713779

DPIN: 06719548

Place: Bengaluru
Date : 08 August 2024

Place: Bengaluru
Date : 08 August 2024

Place: Baroda
Date : 08 August 2024