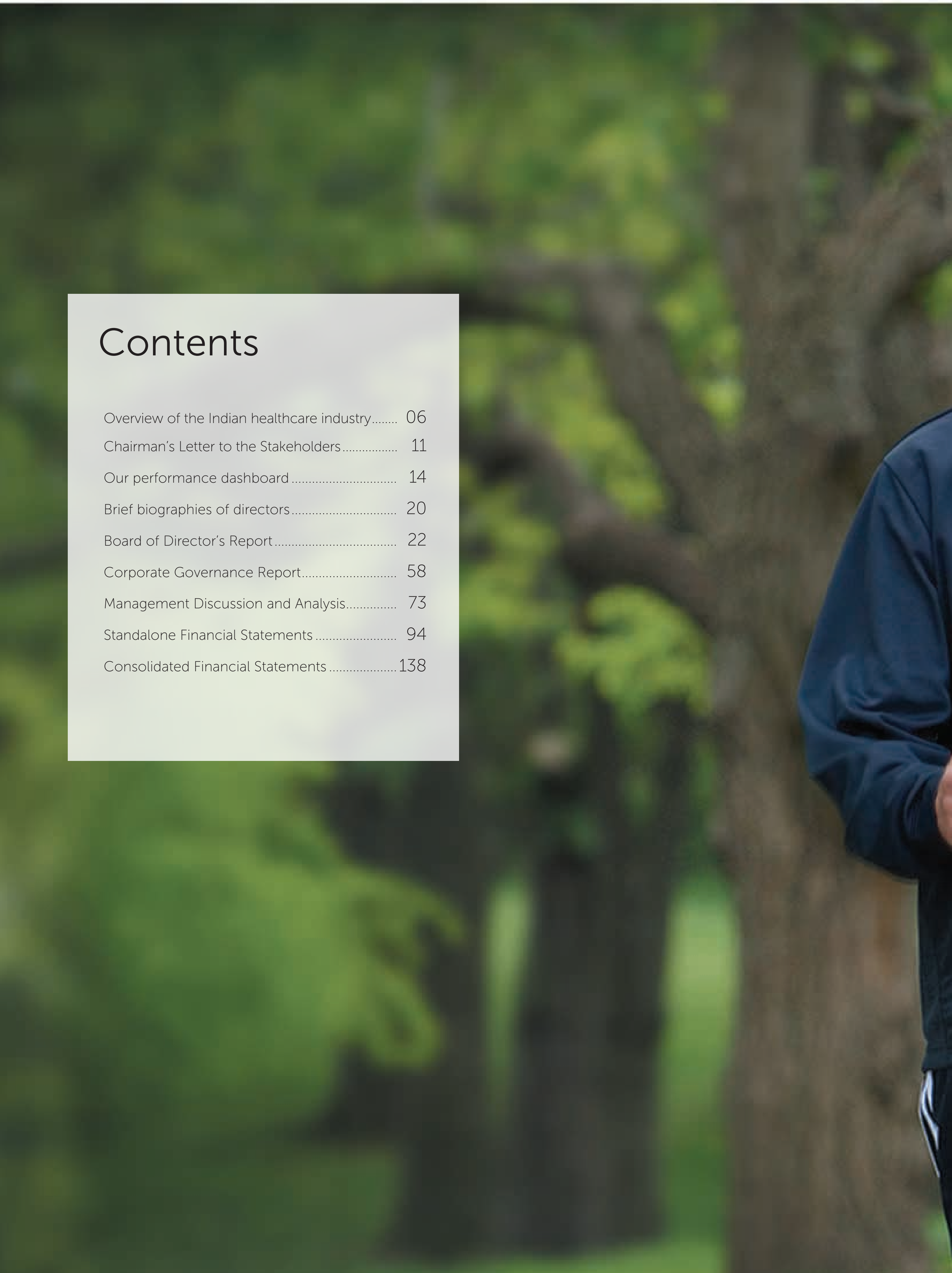
adding life to years

ANNUAL REPORT

2015-16



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Waking up to cancer

Curtis Carpenter was suffering from cancer when he came to HCG.

It would have been simplistic to merely treat him; being devoutly religious, he laid down a condition: he would not seek blood transfusion from another person.

Since blood transfusion is critical to bone marrow transplantation, most health care centres politely pointed him in other directions.

Finally, Curtis sought his luck across the world and his destiny drew him to India.

More specifically, to HCG.

HCG rose to the challenge.

HCG turned to the Bloodless Autologous Transplant, one of only two global centers with this rare therapeutic technology.

The bloodless bone marrow transplant was possibly the only one of its type in Asia.

Following this one-of-a-kind procedure, Curtis is back in the USA.

Healthier than ever. Stronger than ever.

HealthCare Global Enterprise Limited.
Engaged in fighting a grim cancer reality in India

600,000 Number of people who succumb to cancer each year in India	**10,00,000** Number of new cancer cases reported each year in India	**7** Cancer-related deaths in India as % of all deaths	**40** Percentage of cancer centres in India in-equipped to provide advanced cancer care	**300** Number of cancer care centres in India today (*source: Health Ministry*)
600 Number of cancer care centres needed by 2020	**1/100,000** Number of cancer care centres per 100,000 of population	**8** Percentage of every new global cancer patient who is Indian *(Source: US Department of Health and Human Services)*	**56** Percentage of new cancer patients in India who are women	**7.5** Percentage increase in the number of Indian cancer patients
19 Percentage of stomach cancer survival cases in India	**37** Percentage of colon cancer survival cases in India	**4** Percentage of liver cancer survival cases in India	**60** Percentage of breast and prostate cancer survival cases in India	**1/5** One of five cancer-related deaths in the world is from India
70 Percentage of cancer-related deaths in the first year in India due to late detection and poor healthcare access	**80** Percentage of Indian cancer patients who consult doctors at an advanced stage	**71** Percentage of cancer deaths in India in the age band of 30-69 (higher incidence in developed countries for people 50+)	**15** Percentage of Indian cancer patients who are children and adolescents	**43** Percentage of Indian breast cancer cases diagnosed at early stages (i.e., stage I or stage II)

(Source: Ernst & Young)

Our goal at HCG is to provide accurate diagnosis and precision treatment resulting in improved outcomes. Our motto of 'adding life to years' signifies that the quality of life of patients is core to treatment approach and protocol.

HCG.
Also countering infertility.

1>

Percentage of Indian women (40 to 69 years) who participated in recommended breast screening mammograms once in 24 months

27.5

Number (million) of couples suffering from infertility in India

32

Indicative number (million) of couples likely to suffer from infertility in India, 2020

0.3>

Number of Indian couples who seek fertility treatment

(Source: Call for Action: Expanding cancer care in India dated July 2015, page number 14, published by Ernst & Young)[1]

HCG has presence in the emerging field of reproductive sciences

Overview of the Indian healthcare industry

Even as India is one of the most under-penetrated countries in terms of modern healthcare access, spending on healthcare represents only around 4% of India's GDP.

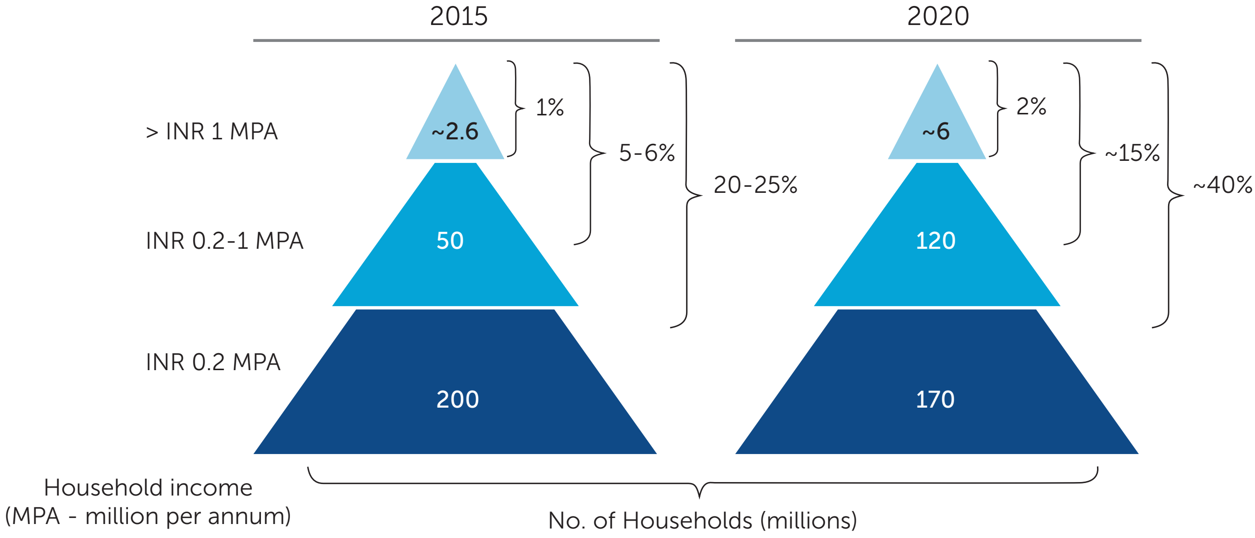
At a market value of US$81.3 billion, India was the sixth largest healthcare market globally in 2014, addressing the second most populous country *(Source: India Brand Equity Foundation, http://www.ibef.org/industry/healthcare-presentation)* Much of India's health care spending is accounted for by its hospital segment, comprising about 71% of the total healthcare revenue in India at 2012 estimates. Interestingly, the private sector accounts for almost 72% of the country's healthcare expenditure *(Source: India Brand Equity Foundation)*.

The Indian healthcare industry is expected to grow at a CAGR of 17% between 2008 and 2020; by 2020, the Indian healthcare industry is expected to enjoy a market value of US$280 billion *(Source: India Brand Equity Foundation)*.

Lifestyle transformation

For decades, India's muted health care spending was the result of a relatively low presence of accessible, available and affordable healthcare on the one hand and low incomes on the other. This reality is being corrected faster than ever. An increase in healthcare awareness is driving investments in the sector; increased incomes are catalysing healthcare expenditure. This trend is not just likely to sustain; it is projected to accelerate. The number of Indian households earning more than Rs. 0.2 million per annum is expected to increase from around 50 million in 2015 to around 120 million by 2020, translating into a demand for better quality and accessibility of health care.

Projected income levels in India



(Source: Ernst & Young)[1]

Cancer: The growing scourge

Within India's health care industry, the incidence of lifestyle diseases is expected to increase faster than any other segment; within the lifestyle space, we see the occurrence of cancer increasing faster than ever. The total number of cancer patients in India is estimated to be 3.9 million people in 2015, with 1.1 million reported new cancer cases during the year even as data from large randomised screening trials suggest that the real incidence of the disease could be 1.5 to 2 times higher than the reported incidence, or an estimated 1.6 to 2.2 million new cancer cases during 2015 *(Source: Ernst & Young)*.

In India, the challenge is not only quantity; it is also quality. The subject of cancer is a moving goalpost. In 2000, the most prevalent cancers in India were head and neck cancers in men (associated with oral tobacco use) and cervical cancer in women (associated with human papillomavirus infection and poor female sanitation). In just the last decade-and-a-half, breast cancer has surpassed cervical cancer as the most prevalent cancer in Indian women. Interestingly, the incidence rates of gastrointestinal cancers, traditionally low in India in comparison to developed nations and China, also increased *(Source: Ernst & Young)*.

The reported cancer incidence in India is based on data collected from cancer registries, which cover less than 10% of the population, resulting in a significant margin of estimation error. There is also evidence to suggest that much of the problem in India is the result of low awareness that in turn results in staggered diagnosis and delayed treatment. Fewer than 1% of women in India aged between 40 and 69 years participated in recommended breast screening mammograms once in 24 months, as compared to 30% in China and 65% in the United States in 2014. The result is that between 2009 and 2011, only 43% breast cancer cases were diagnosed at early stages (i.e., stage I or stage II) of the disease in India; the corresponding number was 62% in the United States, 81% in the United Kingdom and 72% in China, holding out positive prospects for companies like HCG combating one of mankind's most lethal killers.

Long-term relevance

One of the points that we wish to emphasise is that HCG is engaged in verticals that are expected to remain relevant well into the long-term. The prevalence of cancer in India is expected to only increase: from an estimated 3.9 million in 2015 to an estimated 7.1 million people by 2020; the reported cancer incidence in India is expected to increase from an estimated 1.1 million in 2015 to 2.1 million by 2020 *(Source: Ernst & Young)*.

The reasons why the impact of the disease are expected to grow across the long-term are because our lifestyles, the principal disease cause, are unlikely to change for the better across the foreseeable future.

Take demographic changes, for instance. India's population over the age of 50 years is expected to increase from 228 million in 2015 to 262 million by 2020. As India ages, the incidence of cancer is likely to increase; it is estimated that demographic factors alone are expected to increase cancer incidence by 100,000 to 350,000 cases a year *(Source: Ernst & Young)*.

Besides, a number of prevalent social evils like tobacco use, alcohol consumption, use of processed food and meat, reduced fiber content in diets and growing obesity are expected to increase disease vulnerability. Besides, there is growing evidence to indicate that urban air is increasingly carcinogenic. These factors, when taken cumulatively, indicate that there could be an increase in cancer incidence by 350,000 to 450,000 cases a year in India *(Source: Ernst & Young)*.

Hope

From what has been indicated it would appear that the scenario is grim and that mankind is staring down a darkening tunnel. At HealthCare Global Enterprises, we perceive hope. There is a growing cancer awareness, a stronger emphasis on screening and improvements in cancer diagnosis. The result is that even as the numbers in India appear discouraging at first glance, the needle has indeed moved and cancer diagnosis is now happening quicker and more comprehensively in the country. As the largest dedicated cancer adversary in India, we believe that while timely diagnosis could result in lower mortality rates, it is also expected to increase reported cancer incidence in the next five years, widening opportunities for our company.

A question of preparedness

Even as there is growing cancer awareness coupled with increased incomes, the challenging reality is a dearth of adequate infrastructure and mass screening programs for accurate and affordable diagnosis in India. For instance, as of 2014, there were only 2,700 mammograms in India, or 1 per 220,000 women, compared to 1 per 10,000 women in the United States. Besides there were only 121 PET-CT scanners installed in India in 2015, a majority in metropolitan cities, making it increasingly challenging to accurately diagnose, stage and response monitor cancer *(Source: Ernst & Young)*.

The sad reality is that as of 2014, only 30% of India's cancer centres possessed advanced imaging technologies like PET-CT, as a result of which an estimated 200,000 to 250,000 PET-CT scans were conducted in India in 2014, compared to approximately 1.6 million in the United States during the same year *(Source: Ernst & Young)*[1]

For the successful address of cancer incidence in India, the availability of diagnostic equipment and infrastructure are not enough; what is critical in this price-sensitive geography is the affordable service pricing.

It is here that India is attractively placed. Even at for-profit hospitals in India, the cost of cancer care, including treatment with advanced technologies like PET-CT and LINAC-based radiation therapy, is one of the lowest in the world and a fraction of the treatment cost in the United States and Europe after adjusting for purchasing power parity. And the irony is that despite this encouraging reality, quality cancer care continues to be unaffordable and inaccessible to a large proportion of the Indian population.

The other challenge in India is the sheer quantum of diagnostic intervention infrastructure required to address the projected increase in cancer incidence. Given that only 15% to 20% of cancer patients can currently undergo radiation treatment in India, compared to an actual clinical need of 40% to 45% of cancer patients, it is estimated that India needs an estimated 750 to 900 LINAC installations by 2020, virtually doubling its existing availability *(Source: Ernst & Young)*[1]

A similar trend is visible in treatment infrastructure. In 2015, cancer patients underwent an approximate 1.4 to 2.0 million chemotherapy cycles, which is expected to increase to 2.3 to 3.5 million chemotherapy cycles by 2020.

Similarly, 0.3 to 0.4 million cancer surgeries were performed in India during 2015, generating demand for about 4,500 dedicated cancer beds. The demand for cancer surgeries is estimated to increase to 0.6 to 0.75 million surgical cases by 2020, resulting in a demand for 9,000 to 10,000 dedicated cancer beds. In the absence of constraints relating to affordability and availability of cancer care in India, the potential need for cancer surgeries would be 1.2 to 1.6 million surgeries a year, generating a need for 17,000 to 22,000 cancer beds by 2020 *(Source: Ernst & Young)*.

Cost of Cancer Treatment

(Amounts in ₹)

Type of treatment	India	United States	United States (purchasing power parity adjusted)
Chemotherapy	150,000 - 240,000	1.3 - 1.8 million	510,000 - 720,000
Surgery	60,000 - 100,000	1.5 - 1.8 million	600,000 - 720,000
Radiation Therapy	60,000 - 100,000	1.1 - 1.4 million	430,000 - 540,000

(Source: Ernst & Young)

The widening infertility landscape

The area of infertility is also among challenging spaces in India, which, if unaddressed, could affect population demographics, size and national competitiveness, even without considering the emotional cost of such an incidence.

The total fertility rate in India (average number of children born to a woman during her lifetime) declined from 3.9 in 1990 to 2.3 in 2013. Several Indian states, including Karnataka, Tamil Nadu and Kerala, have total fertility rates less than 2.0, which is considered to be the rate below which population could decline.

An estimated 220 million women in India are of reproductive age (between 20 and 44 years); about 27.5 million couples are estimated to be suffering from infertility. Even as this reality exists, the number of infertile couples in India is expected to increase from 27.5 million in 2015 to between 29 and 32 million by 2020 *(Source: Ernst & Young)*.

Infertility causes

The incidence of infertility has been rising in India on account of demographic changes – even as the number of women of reproductive age in India is forecast to increase by 14% between 2010 and 2020, the number of women between 30 and 44 years, is forecast to increase by about 20% during this period. Besides, a combination of rising marriage age, increasing number of working women, growing alcohol and tobacco consumption and life stress are catalysing the incidence of infertility *(Source: Ernst & Young)*.

Besides, there are a host of clinical factors like the Poly-Cystic Ovarian Syndrome, Endometrium Tuberculosis, obesity and ethnicity that are contributing to infertility.

Even as this reality is only increasing, the IVF market in India continues to be significantly underpenetrated. India recorded 2,786 IVF cycles per million infertile women aged between 20 and 44 years in 2015, compared to 46,042 IVF cycles in the United States in 2013, and 6,494 IVF cycles in China in 2014 *(Source: Ernst & Young)*.

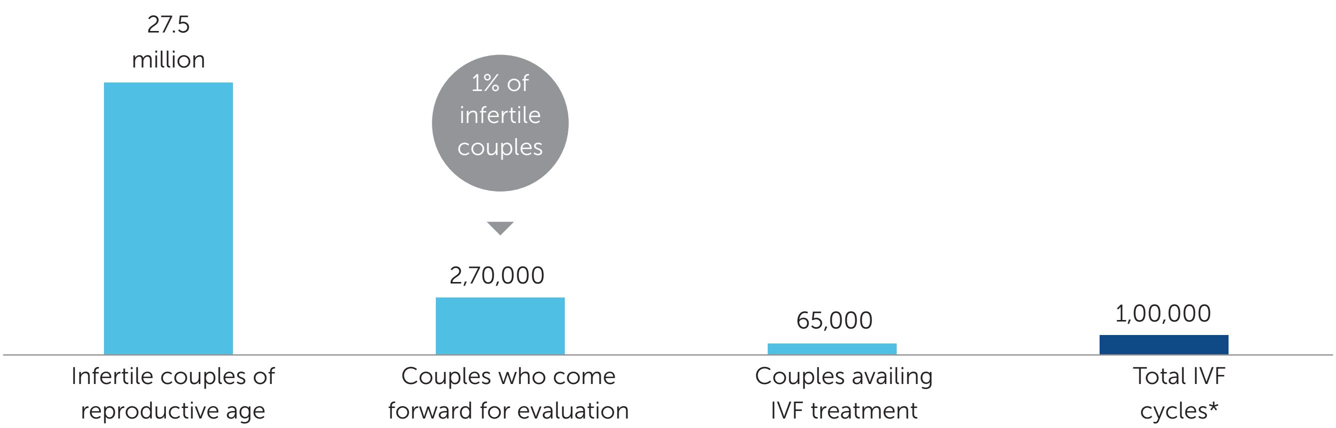
In 2015, less than 1% of the 27.5 million couples suffering from infertility in India were presented for fertility assessment. We believe that based on these trends, the potential demand for IVF cycles in these cities is estimated to be nine to twelve times larger.

Besides, the past is a reasonable guide; the number of IVF cycles performed in India grew at a compounded annual growth rate of 18.1% in the last 10 years.

As an extrapolation, it would be reasonable to believe that the number of couples seeking infertility treatment and evaluation in India would increase from 270,000 in 2015 to around 650,000 to 700,000 annually in 2020; correspondingly, the number of IVF cycles performed in India is forecast to increase from 100,000 in 2015 to an estimated 260,000 in 2020.

Several Indian states, including Karnataka, Tamil Nadu and Kerala have total fertility rates less than 2.0, which is considered to be the rate below which population could tend to decline.

Landscape of Infertility Treatment in India



**IVF cycles represent a stimulation cycle resulting in egg collection*

(Source: Ernst & Young).

The most important strategic initiative for the future is that we are strengthening the HCG brand. We believe that in a business based on trust, it is imperative to enhance positioning, recall and visibility. In line with this, we intend to strengthen our patient support groups comprising cancer survivors to enhance cancer screening awareness and educate patients.

Our growth strategy

At HCG, we are prepared for emerging opportunities.

For one, we intend to expand our cancer care network. We plan to establish new cancer centres across India while expanding the capacity and service offerings of our existing HCG cancer centres. As on the date of the report, we were in the process of establishing 9 new comprehensive cancer centres in India (to be commissioned during FY 2017 and 2018). As on the date of the report, we are also expanding our existing HCG comprehensive cancer centre at Ahmedabad. We will continue to expand our network through greenfield projects, partnership arrangements and acquisitions.

The big message that we wish to send out to our shareholders is that HCG does not intend to scale its operations only in India; we intend to scale our presence in the large and relatively under-penetrated African market. There are a number of reasons why we are convinced that an attractive future lies in Africa: African cancer patients need to travel outside the continent at a significant cost to access quality cancer care; a number have accessed services at our Bangalore Centre of Excellence. We believe that this growing demand presents an opportunity to establish a network of speciality cancer centres in Africa through partnership arrangements and acquisitions. In the first phase, we plan to establish comprehensive cancer centres in Kenya, Tanzania and Uganda.

At HCG, we are also widening our fertility service through a proposed expansion of our Milann network. The number of infertile couples seeking fertility treatment in India is estimated to increase from 270,000 to around 650,000 or 700,000 by 2020 in response to which we plan to expand our Milann network through greenfield centres, partnership arrangements and selective acquisitions.

Concurrent with these strategic initiatives, we will continue strengthening our IT infrastructure to enhance care quality, clinical best practices and research around a private cloud-computing system, and a centralised EMR system seamlessly integrated with various other centralised systems. We believe that this momentum will facilitate paperlessness, centralise medical records (laboratory, radiology, medical, radiation and surgical oncology data), enhance operating efficiencies, empower longitudinal research studies and associate clinical outcomes with mutation and other genomic findings in cancer patient tissues maintained in our bio-repository.

The most important strategic initiative for the future is that we are strengthening the HCG brand. We believe that in a business based on trust, it is imperative to enhance positioning, recall and visibility. In line with this, we intend to strengthen our patient support groups comprising cancer survivors to enhance cancer screening awareness and educate patients regarding cancer treatment options and benefits. We intend to sustain direct consumer marketing (including advertising in print, television, outdoor and digital media) primarily through patient testimonials and socially relevant messages.

We believe that this combination of enhanced visibility, knowledge, competence, presence and infrastructure will translate into a stronger effectiveness in countering disease and, in turn, reinforce our business sustainability.

Chairman's Letter to the Stakeholders

Dear Stakeholders,

I would like to thank you for your support and trust in HCG and participating in this wonderful journey.

This year has been a remarkable year for healthcare in India, particularly for HCG. Your Company has become one of the specialty-focused, tertiary care providers in the country, to successfully list on the BSE and NSE. We are now amongst an elite group of healthcare organizations, who are listed on the stock exchanges. This is a significant historic event in the journey of HCG and this milestone would not have been accomplished without the unstinted support and cooperation of all our stakeholders. On behalf of the Board of Directors, I would like to extend my gratitude to each and every one of you.

The healthcare services landscape in India, along with its demographics, is dynamic with great opportunities. The industry is growing at a tremendous pace owing to its strengthening coverage, services, and increasing expenditure by public as well as private players. The expectations of patients have also changed as there is a significant portion of society that stands poised to move from a lower socio-economic group to the middle/upper-middle class group. As this move takes place, people will expect high

Our cancer care experts treat cancer, committing their time and talent to treating every stage of the disease with a collaborative approach, state-of-the-art technologies, and innovative treatment options.

quality healthcare centers closer to their towns. This is encouraging as it allows healthcare delivery to become accessible and affordable.

The prevalence of cancer in India was reported to be 3.9 million people in 2015, with 1.1-1.5 million reported new cancer cases during the year. The real incidence of cancer in India could be significantly higher than the reported figure. The reported incidence of cancer in India is based on data collected from the cancer registries, which covers less than 10% of the population, resulting in a significant margin of error in estimation. The gap between reported and real cancer incidence can primarily be attributed to the under-diagnosis of cancer in India. If you look at the rate of cancer incidence in India, we anticipate the number of new patients to increase from 1.5 million to 2.5-3 million (approximately) in the next five years. Also, the number of patients living with cancer will increase from 3.9 million cases today to over 7 million cases by 2020.

HCG is uniquely positioned to address this issue by being a cancer care focussed group. We believe that every cancer is as unique as the person fighting it. Cancer has the ability to adapt, mutate, and change; and our sole focus is on precision medicine. This includes identifying as many genetic mutations as possible in different cancers, faster and more effective techniques for sequencing tumors, new methods to accurately match treatments to patients, and developing more targeted therapies.

Our cancer care experts treat cancer, committing their time and talent to treating every stage of the disease with a collaborative approach, state-of-the-art technologies, and innovative treatment options. We have a multi-disciplinary team dedicated to treating cancer while using evidence-based therapies to help patients manage cancer as a chronic disease. The expert team of doctors and other clinicians take time to understand the patient's unique diagnosis and needs; after which they all work together, under one roof, to develop an integrative treatment plan tailored to suit the patient.

The Company's multi-disciplinary approach focuses on outcomes, patient safety and patient-centric cancer care. Its formidable leadership team, its presence in tier 2 and 3-tier cities, its hub-and-spoke model, adoption of cutting-edge technologies, partnerships with clinical experts, value systems with the highest ethics, transparency and corporate governance, strong operating systems and robust processes, gives us an extremely strong competitive advantage.

Our extensive network, and many new centers in the pipeline, will ensure cancer patients, whose treatment could continue over months, and maybe even years, do not have to travel long distances to get high quality care. Our sole focus has not only been in building world-class cancer care infrastructure and providing comprehensive services, but also in addressing this huge gap in the 'end-to-end value chain' in the treatment of cancer in India.

Additionally, HCG has a presence in the emerging field of reproductive sciences, under the brand 'Milann', where we offer highly specialised and comprehensive In Vitro Fertilization (IVF) and related services. This is an unorganised and underserved market, with huge growth potential. The prevalence of infertility in India has been rising owing to demographic changes, lifestyle changes, prevalence of several known clinical factors, and ethnicity. We plan to expand our Milann network by setting up greenfield centers and also by entering into partnership arrangements and undertaking selective acquisitions. We believe that in expanding our Milann network, we are positioned well to leverage HCG's successful track record of growing through partnerships with specialist physicians and hospitals.

The consolidated income from operations for FY16 was Rs. 5,819.77 millions as compared to Rs. 5,193.75 millions in the previous fiscal year, reflecting a growth of 12%. EBITDA in FY16 was Rs. 896.48 millions compared to Rs. 762.40 millions in FY15, reflecting a year-on-year increase of 17.6%. EBITDA margin for the year was 15.4% compared to 14.7% in FY15, reflecting an increase of 70 basis points. PAT in the fiscal year was Rs. 12.21 millions compared to Rs. 8.34 millions in FY15, reflecting a year-on-year increase of 47.6%.

The revenue growth was driven by a 12% growth from HCG centers (which includes cancer care centers and multi-specialty hospitals) while Milann centers contributed to a growth of 14%. HCG centers constituted 92% of the consolidated revenues for the Company and the remaining 8% of the consolidated revenues was contributed by Milann centers.

The key takeaway from the financial results is that your Company demonstrated strong growth in revenues, EBITDA and a healthy PAT with overall margin improvements for the year.

Looking at the operations across centers in India, Karnataka continues to report a steady increase in the number of international patients. Hubli and Gulbarga are exhibiting the fastest growth within the Company. The Bhavnagar, a multi-specialty hospital, which started in April 2015, is performing well. Additionally, we have many new centers in the pipeline. Under 'Milann', we added new centers in Bengaluru in the current fiscal. In addition to a center in Delhi, we intend to have a presence in Ahmedabad, Cuttack, and Chandigarh, to tap the potential opportunities in this space.

Your Company expects to grow to 26 cancer care centers and nine fertility centers by the end of FY18. This will make your Company one of the largest specialty-focussed providers across India, delivering the highest quality care.

Over the past decade, your Company redefined the ecosystem in cancer care treatment and fertility to that of an ecosystem of hope in line with its motto of 'adding life to years'.

It is this ecosystem of hope that energizes us on our journey. I would like to thank all our stakeholders - our investors, trusted patients, partners, vendors, bankers, auditors, advisors and indeed our network of doctors and employees. We value your contribution that has helped HCG build trust, add life to the way a patient is treated, and made us a leader in this space. We are committed to focusing on delivering quality, accessible and affordable cancer care of global standards and creating sustainable value for all the stakeholders.

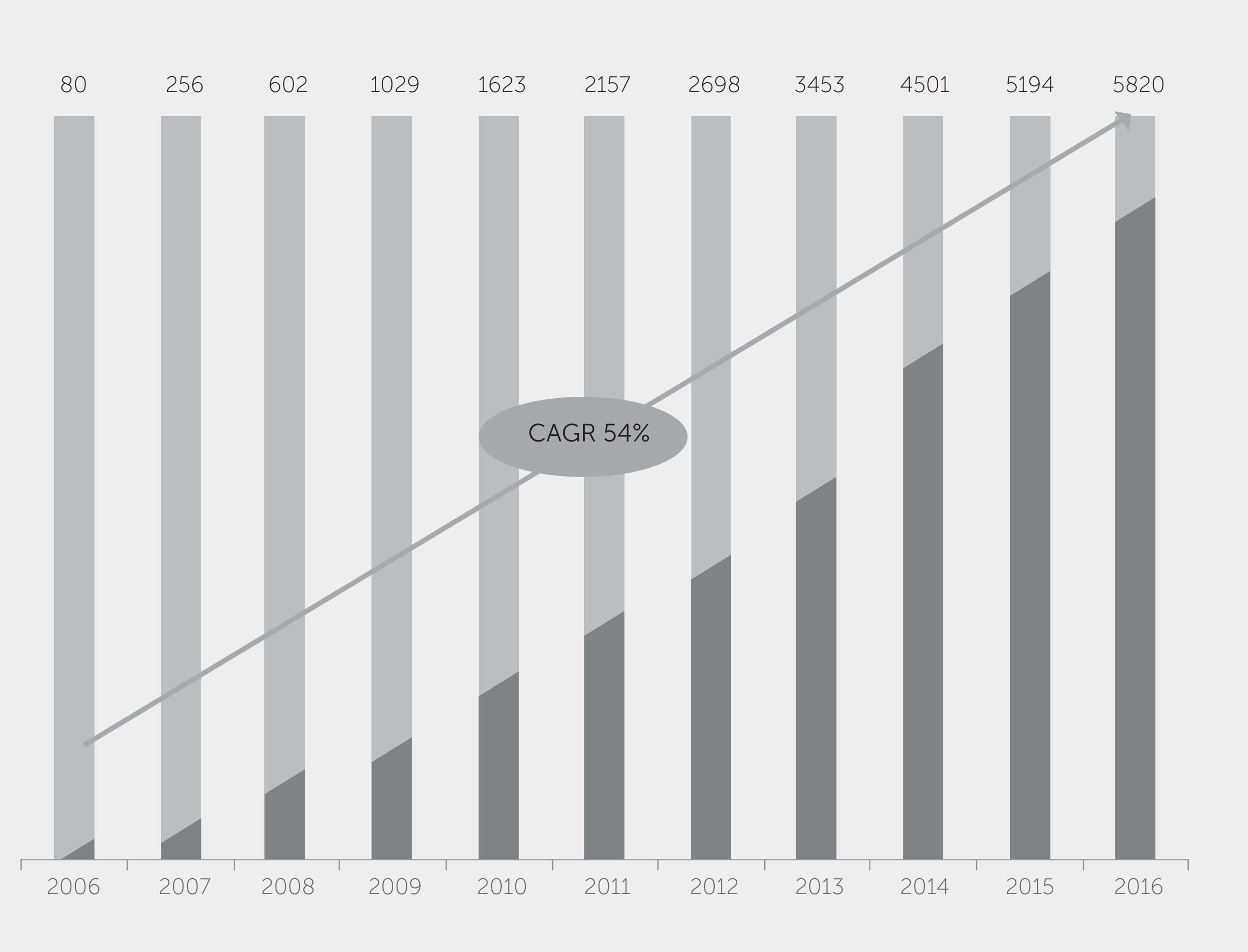
I look forward to your continued support in our journey.

Sincerely,

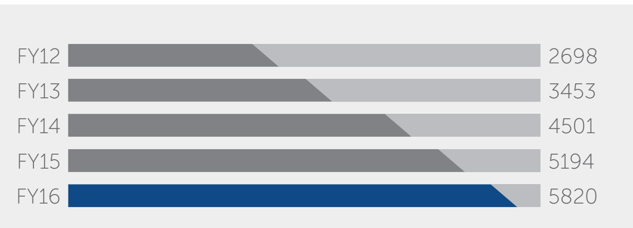
Dr. BS Ajaikumar
Chairman & CEO

Our performance dashboard

Consolidated revenues (in Rs. million)



Revenues (in Rs. million)



EBITDA (in Rs. million)

Revenues

Why we measure

This index measures the effectiveness of our service, presence, professionalism, brand managementand focus.

Performance

A 12% sales increase over FY15 was the result of our ability to distribute a prudent product mix, enter new genres, establish an excellent partner-connect and penetrate relatively under-penetrated markets.

EBITDA

Why we measure

EBITDA indicates the extent of profits generated by the Company before the financial expenses, depreciation and taxes.

Performance

HCG strengthened its EBITDA over the years, robust profitability.

Driving excellence at HCG

Integration leading to innovation

At HCG, we pride on our people. These are among the most qualified, experienced and competent professionals in our chosen spaces in India.

This HCG multi-disciplinary team has delivered a number of pioneering services in India.

- Asia's first bloodless Bone Marrow Transplant
- India's first Computer Assisted Tumour Navigation Surgery (CATS)
- India's first hospital to introduce Flattening Free Filter (FFF) mode treatment technology
- First in Asia to have treated a patient with 3D radio-guided surgery (Surgic Eye)
- First in India to introduce biological reconstruction to treat bone cancer
- First Indian hospital to remove a tumour in the left heart ventricle through CyberKnife technology
- First Indian hospital to save a patient's vocal chord through the world's advanced laser technology
- First hospital in India to introduce high precision Trans Oral Laser Surgery (TOLS) endoscopically
- First in India to introduce whole body Hyperthermia

This ability to combine specialised knowledge and validated hands-on experience is expected to continue strengthening the HCG recall: a health care brand that makes it possible to treat patients comprehensively and return them to fullest health in the shortest time.

Driving excellence at HCG

Widening and deepening footprint to mitigate the burden of cancer.

At HCG, our objective is to serve the largest number across the widest area in the most comprehensive way.

During the last number of years, HCG's cancer centres have extended cancer care beyond metropolitan cities to patients across the vast national landmass.

The HCG network is spread across 14 Indian cities and towns in eight states. This network is the largest cancer care provider in India in terms of the total number of cancer treatment centres licensed by the AERB as of March 31, 2015 *(Source: Atomic Energy Regulatory Board)*.

There are three expansion plays currently at work at HCG. The Company is engaged in upgrading its existing centres with wider and more advanced services; the Company plans to establish new cancer centres across India; the Company intends to widen its service offerings to select markets in Africa.

As on the date of the report, HCG operated 17 cancer centres, three freestanding diagnostic centres, one day care chemotherapy centre and two multi-specialty centres in India. In FY 2015-16, we registered 37,315 new cancer patients across our HCG network and delivered radiation therapy to 12,220 patients. We also performed 22,555 PET-CT procedures, 52,052 chemotherapy administrations and 9,215 surgeries across our HCG network during the year under review.

As on the date of the report, the Company was in the process of establishing 9 new comprehensive cancer centres in India, all of which under various stages of development, to commence operations during the course of 2016-17- and 2017-18.

Going ahead, we believe that we will get closest to where patients live, enhancing their access, minimising patient inconvenience and in doing so, strengthening our ability to counter one of mankind's most dreaded diseases.

Driving excellence at HCG

Leading the way in integrating cutting-edge technologies with expertise.

At HCG, we believe that the most threatening diseases can be countered combining intellect and technology.

Over the years, HCG has invested in state-of-the-art equipment for diagnosis and treatment options. These have comprised PET CT, 3T MRI and radiation therapies (SRS, SRT, SBRT, VMAT IGRT, IMRT and CyberKnife robotic radio surgery).

HCG was among the first to introduce CyberKnife technology in India; we have treated close to 2000 patients using this technology.

HCG was among the first Indian healthcare providers to standardise molecular diagnostics technologies, which comprised genomic testing and molecular imaging, including 128 slice PET-CT scans in the diagnosis and staging of cancer.

HCG introduced high intensity-flattening filter-free mode radiotherapy, stereotactic radiosurgery and robotic radiosurgery for cancer treatment in India.

HCG was the first Indian healthcare provider to perform computer-assisted tumour navigation surgery, enhancing quality and standardised cancer care.

HCG introduced TrueBeam, India's first advanced radiation therapy system with multileaf, delivering precise tumour targeting, while lowering toxicity and improving outcomes.

HCG's proactive investment in digital mammogram/ MRI instead of conventional mammograms or ultrasound, accurately identify suspicious lesions over historical alternatives; image-guided biopsies helped reduce false negative rates; PET CT (compared to conventional CT/Ultrasound of abdomen and pelvis) and bone scan to radiologically stage cancer helped accurately stage disease and facilitate the right treatment; tumour markers (Prostate specific antigen, CA19-9, CEA, AFP etc and other immunohistochemical markers) have facilitated accurate pathological diagnosis.

HCG's advanced technologies, including molecular pathology and molecular imaging for accurate diagnosis and staging of cancer, have made it possible to use appropriate treatment depending on patient realities.

HCG utilised targeted nuclear medicine therapies and advanced radiation treatments to minimise side-effects and improve treatment outcomes.

HCG was among the first Indian healthcare providers to standardise molecular diagnostics technologies, including genomic testing and molecular imaging (including 128 slice PET-CT scans in the diagnosis and staging of cancer, as well as to introduce high intensity flattening filter free mode radiotherapy, stereotactic radiosurgery and robotic radiosurgery, in the treatment of cancer in India.

HCG was the first healthcare provider in India to perform computer-assisted tumour navigation surgery, helping deliver quality and standardised cancer care.

The result of our focus on knowledge and technology is reflected in our five-year survival rate for breast cancer patients: comparable with the best U.S. benchmarks *(Source: Harvard Business Review)*

Driving excellence at HCG

Entering competence-strengthening partnerships for the benefit of patients

At HCG, we believe that the most effective counter-strategy related to the treatment of cancer and infertility is drawn from the power of partnerships.

At HCG, we believe that to widen our presence in the shortest time, what is needed are business-strengthening partnerships.

At HCG, we have entered into partnerships with a number of specialist physicians and hospitals. These arrangements have extended to the setting up of joint venture companies or limited liability partnerships with partners (who own a minority ownership interest) who enjoy revenue and profit sharing arrangements.

A number of our partners are surgical oncologists or hospitals. Our partnership arrangements allow us to leverage the reputation of partners in local communities. These arrangements reduce the time taken to establish or expand centres. These arrangements also facilitate a stronger presence in each market that we serve. Our partners leverage our experience, brand, technological capabilities and network. In turn, our partners enhance our brand and network by making recommendations to other specialist physicians to join.

The result is a time- and resource-efficient model that makes it possible to scale our business with speed in respond to the vast inequity in the treatment of cancer and infertility in India.

Brief biographies of Directors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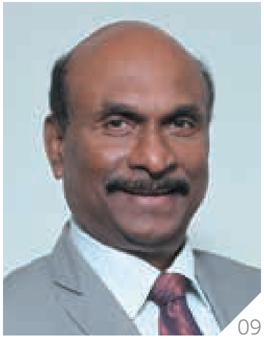
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01 **Dr. B.S. Ajai Kumar** is the Chairman and Chief Executive Officer of our Company. He has been a Director of our Company since March 7, 2000. He was re-appointed as the Chief Executive Officer with effect from July 1, 2015. He holds a Bachelor's Degree in Medicine and Surgery from St. John's Medical College, Bangalore, India. He completed his Residency in Oncology from the University of Virginia Hospital, Charlottesville and his Residency in Radiotherapy from the University of Texas System Cancer Centre, MD Anderson Hospital and Tumour Institute, Texas, United States of America. He has been awarded the Ernst and Young Entrepreneur of the Year Award for the start-up category in healthcare and the BC Roy Award by the Indian Science Monitor. He has also been awarded the CII Regional Emerging Entrepreneurs Award for the contribution made by our company in the field of healthcare.

02 **Gangadhara Ganapati** is a Non-Executive Director of our Company. He has been a Director of our Company since December 21, 2005. He holds a Bachelor's Degree in Mechanical Engineering from the Indian Institute of Technology, Madras, and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He also holds a Master's Degree in Business Administration from the Wharton School, University of Pennsylvania. In the past, he has worked as the Managing Director of Adamas India Pharmaceuticals Private Limited, and as Vice President, Corporate Development of NeuroMolecular Pharmaceuticals, Inc. He founded Triesta Sciences, Inc. and served as its Chief Executive Officer from 2002 until 2006. He served in the Tata Administrative Service at Tata Industries Limited from 1990 to 1994.

03 **Prakash Parthasarathy** is a Non-Executive Director of our Company. He has been a Director of our Company since April 23, 2008. He holds a Bachelor's Degree in Computer Science from the Birla Institute of Technology and Sciences, Pilani and a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore. He also serves as the Chief Investment Officer of Premiji Invest and its affiliates and is a Director on the boards of the NSE and FabIndia Overseas Private Limited.

04 **Dr. Jennifer Gek Choo Lee** is a Non-Executive Director of our Company. She has been a Director of our Company since March 7, 2013. She holds a Bachelor's Degree in Medicine from the University of Singapore and a Master's Degree in Business Administration from the National University of Singapore. She

is also the chairperson of the Agency for Integrated Care Pte Limited which caters to the long term health and social needs of the elderly in Singapore. She is a Corporate Advisor with Temasek International Advisors Pte. Ltd. She serves on the boards of the MOH Holdings Pte Limited, Whiterock Medical Company Somnetics Global Pte Limited and Esplanade Co. Limited. In the past she has served as the Chief Executive Officer of KK Women's and Children's Hospital, Singapore. She was a nominated member of the Singapore Parliament between 1999 and 2004 and also served as President of the Singapore Council of Women's Organisations between 2002-2004.

05 **Rajesh Singhal** is a Non - Executive Director of our Company. He has been a Director of our Company since September 25, 2013. He holds a Bachelor's Degree in Technology from the Indian Institute of Technology, Bombay and a Post Graduate Diploma in Management from the Indian Institute of Management, Lucknow. He serves on the boards of AIM Education Private Limited, Capricorn Food Products India Limited, IBOF Investment Management Private Limited, IMS Learning Resources Private Limited and Resonance Eduventures Private Limited.

06 **Dr. Sudhakar Rao** is a Non-Executive, Independent Director of our Company. He has been a Director of our Company since February 25, 2015. He holds Master's Degree in Arts from the Delhi University and a Master's Degree in Public Administration from the Kennedy School of Government, Harvard University. He is a retired Indian Administrative Service Officer and he has held several posts in the government including the post of the Chief Secretary to the Government of Karnataka. He has previously been a Director on the boards of Indian Oil Corporation Limited and Binani Industries Limited. He has been awarded the Kannada Rajyotsava Award by the Government of Karnataka.

07 **Shanker Annaswamy** is a Non-Executive, Independent Director of our Company. He has been a Director of our Company since February 25, 2015. He holds a Bachelor's Degree in Electronics and Communication Engineering from Madras University and a Diploma in Management from the All India Management Association, New Delhi. He is experienced in the field of business management. In the past he has been the Managing Director of IBM India Private Limited, and the Regional General Manager of IBM in India/South Asia. He has also been the President and Chief Executive officer of GE Medical Systems, South Asia and the Managing Director of Wipro-GE Medical Systems. He was an elected member of NASSCOM's Executive Council in the past and he has held the position of the Chairman of the National Committee of IP Owners (Confederation of Indian Industry) in 2010 and co-chaired the Confederation of Indian Industry's National Innovation Mission in 2007. In 2009, Business Week magazine listed him as one of India's 50 Most Powerful People. In October 2011, Mr Annaswamy has received a leadership award at the Forbes India Leadership Awards.

08 **Sampath Thattai Ramesh** is a Non-Executive, Independent Director of our Company. He has been a Director of our Company since May 29, 2015. He has also been awarded a Doctor of Letters in Management from the University of Tumkur. He is a retired civil servant who served in the Karnataka Police Department and the Government of India. He was the former Director General and Inspector General of Police, Karnataka. He has also been the Chairman of the National Road Safety Committee on Enforcement. He has received the President's Police Medal for Meritorious Service in 1995 and the President's Police Medal for Distinguished Service in 2007.

09 **Suresh Chandra Senapaty** is a Non-Executive, Independent Director of our Company. He has been a Director of our Company since May 29, 2015. He holds a Bachelor's Degree in Commerce from Utkal University and is a member of the Institute of Chartered Accountants of India. He has held several positions at Wipro Limited including that of the Chief Financial Officer. He has also been a Director of Wipro Corporation, Wipro GE Healthcare and Wipro Enterprises Limited.

10 **Bhushani Kumar** is a Non-Executive, Independent Director of our Company. She has been a Director of our Company since May 29, 2015. She holds a Bachelor's Degree in Science from the University of Mysore, a Bachelor's Degree in Law from Bangalore University and a Master's Degree in Law from Bangalore University. She is presently the Secretary at Women's Peace League, Basavanagudi, Bangalore.

Board of Director's Report

Dear members,

Your Directors have pleasure in presenting the Annual Report of your Company together with the Audited Standalone and Consolidated Financial Statements and the Auditors' Report thereon for the year ended March 31, 2016.

The financial statements and other reports annexed to the Annual report are in compliance with the requirements of the Companies Act, 2013.

1. Financial Results

The highlights of consolidated financial results of your Company and its subsidiaries and your Company as a standalone entity are as follows:

	2015-16 (Rs. in millions)	2014-15 (Rs. in millions)
Consolidated		
Income from operations	5,819.77	5,193.75
Total Expenditure excluding Depreciation, Interest cost, tax and exceptional items	4,923.29	4,431.35
Profit before other income, Depreciation, Interest cost, tax and exceptional items	896.48	762.40
Other income	34.51	48.15
Depreciation, Finance Charges and exceptional items	880.97	780.41
Profit before tax	50.02	30.14
Profit after tax before share of profit of minority interest	54.33	46.97
Profit after tax	12.21	8.34
Standalone		
Income from operations	4,702.13	4,201.50
Total Expenditure excluding Depreciation, Interest cost, tax and exceptional items	4,027.79	3,637.02
Profit before other income, Depreciation, Interest cost, tax and exceptional items	674.34	564.48
Other income	29.95	42.91
Depreciation, Finance Charges and exceptional items	761.87	683.48
Profit/(Loss) before tax	(57.58)	(76.09)
Profit/Loss after tax	(28.45)	(23.66)

2. Performance Overview

Consolidated Operations

The consolidated income from operations for FY 2015 - 16 was Rs. 5,819.77 millions as compared to Rs. 5,193.75 millions in the previous fiscal year, reflecting a growth of 12%. EBITDA in FY 2015- 16 was Rs. 896.48 millions as compared to Rs. 762.40 millions in FY 2014-15, reflecting a year-on-year increase of 17.6%. EBITDA margin for the year was 15.4% as compared to 14.7% in FY 2014-15, reflecting an increase of 70 basis points. PAT in the fiscal year was Rs. 12.21 millions as compared to Rs. 8.34 millions in FY 2014-15 reflecting a year-on-year increase of 47.6%.

The revenue growth was driven by 12% growth from HCG Centres (including the multi-specialty hospitals) while the Milann centres contributed growth of 14%. HCG Centres constituted 92% of the consolidated revenues for the Company and the remaining 8% of the consolidated revenue was contributed by Milann Centres.

Standalone Operations

The Company ended the year FY 2015-16 with income from operations of Rs. 4,702.13 millions as compared to Rs. 4,201.50 millions, reflecting an increase of 12%, compared to the previous fiscal year. Our EBITDA before exceptional items for FY 2015-16 was Rs. 704.29 millions with EBITDA margin of 15%.

3. Business Strategy

Expand the reach of our cancer care network in India

HCG plans to expand its network in India by establishing new cancer centres across India and by expanding the capacity and service offering of the existing HCG cancer centres. We carry out a competitive assessment of the markets in which HCG plans to expand the network based on a number of factors, including the estimated incidence of cancer in the primary and secondary catchment population, the number of comprehensive cancer centres, if any, in the catchment; the average distance patients have to travel to avail of such comprehensive cancer care; affordability of healthcare generally and cancer care in particular; and the available third party payer options, whether corporate, government or private insurance. HCG will continue to expand its network through green field projects, partnership arrangements and acquisitions; and affirmed that the past experiences will aid the Management in identifying potential opportunities in the future and assist HCG in integrating new cancer centres into the existing HCG network.

Strengthen our HCG brand to reach more cancer patients

We believe that our HCG brand distinguishes us from our competitors. As we establish new comprehensive cancer centres across India, we plan to invest in building our brand, enhancing our market presence, brand image and visibility. We intend to strengthen our patient support groups comprising cancer survivors to further spread awareness of cancer screening and to educate patients regarding cancer treatment options and their relative outcomes and benefits. Through these initiatives, we seek to further strengthen our brand and our commitment to the community, cancer patients and their families.

Expand our cancer care network to Africa

We believe that despite the growing incidence of cancer, there is a shortage of cancer centres in many countries in Africa. As a result, patients suffering from cancer often travel outside the region at a significant cost for availing quality cancer care, including to our comprehensive cancer centres in India. In the past, we have experienced an increase in the number of patients travelling from Africa and other regions to our centre of excellence in Bengaluru, as well as to our other comprehensive cancer centres in India for cancer treatment. We believe that this growing demand presents us with an opportunity to establish a network of speciality cancer centres in Africa.

Upgrade and strengthen our information technology infrastructure

We are in the process of significantly upgrading our information technology infrastructure in order to enhance the quality of care delivered to patients and to further enhance our clinical best practices and research capabilities. Our planned information technology infrastructure will be based on a private cloud-computing system and will encompass a centralised EMR system seamlessly integrated with various other centralised systems including HIS and ERP system. We believe that the implementation of these information systems will maximise efficiencies through the greater integration of our network and help us fine tune protocols through knowledge sharing and collaboration. Further, we believe that these initiatives will enhance our ability to conduct longitudinal research studies (which are long-term observational research studies), and associate clinical outcomes with mutation and other genomic findings in cancer patient tissues maintained at our biorepository. We believe that this will position us as a partner of choice for cancer researchers and academia.

Expand our Milann network of fertility centres across India and build our Milann brand

We believe that in expanding our Milann network, we are well-positioned to leverage HCG's successful track record of growing through partnerships with specialist physicians and hospitals, as well as our relationship base within the medical community.

We intend to invest in building our Milann brand through targeted media campaigns focusing on building patient awareness of fertility treatment primarily through patient testimonials and socially relevant messages. We also intend to undertake community outreach programmes, strengthen our patient support groups and undertake other awareness building activities among corporate entities. In addition, we intend to undertake various direct consumer marketing activities, including advertising in print, television, outdoor and digital media.

4. Management's Discussion and Analysis Report

The Management's Discussion and Analysis Report on the company's financial and operational performance, industry trends, business outlook and Initiatives and other material changes with respect to the company and its subsidiaries, wherever applicable, are presented in separate section which forms part of the Annual Report.

5. Transfer to reserves

There are no appropriations to/from the General reserves of the company during the year under review.

6. Dividend

Keeping in view the growth strategy of the Company, the Board of Directors of your Company have decided to plough back the profits and thus, not recommended any dividend for the financial year under review.

7. Consolidated financial statements

The consolidated financial statements of the company for the financial year ended March 31, 2016, prepared in accordance with Indian GAAP forms part of this Annual Report.

8. Subsidiaries and Associates

In accordance with Section 129(3) of the Companies Act, 2013 read with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable accounting standards, the consolidated financial statements of the Company, prepared in accordance with the relevant accounting standards specified under Section 133 of the Companies Act, 2013 read with the rules made there under, forms part of this Annual Report. In view of the same, the financial statements and other documents of each Subsidiaries and Associate Companies are not attached to this Report.

Further, pursuant to proviso 3 and 4 of Section 136 (1) of the Companies Act, 2013:

a) The Annual Report of the Company, containing therein its standalone and consolidated financial statements are available on the website of the Company, being www.hcgel.com.

b) The audited financial statements of subsidiary companies will be made available on the website of the Company, being www.hcgel.com, post approval by shareholders of the Company.

As on March 31, 2016, the Subsidiaries and Associate Companies of the Company including proposed investments are as under, of which none are material subsidiaries. All the subsidiaries are engaged in health care activities. Pursuant to the provisions of the section 133 of the Companies Act 2013, a statement containing the salient features of the financial statements of the Company's subsidiaries and associates in Form AOC-1, is annexed herewith as "Annexure 6" and forms part of the Report.

Sl. No.	Name of the entity	Country of Incorporation	% of ownership held by the Company as at March 31, 2016
A	HCG Medi-Surge Hospitals Private Limited	India	74.00%
B	Malnad Hospital & Institute of Oncology Private Limited	India	70.25%
C	HealthCare Global Senthil Multi Specialty Hospitals Private Limited	India	100.00%
D	MIMS HCG Oncology Private Limited	India	100.00%
E	BACC Healthcare Private Limited	India	50.10%
F	HealthCare Diwan Chand Imaging LLP	India	75.00%
G	HCG Pinnacle Oncology Private Limited	India	50.10%
H	APEX HCG Oncology Hospitals LLP	India	50.10%
I	HCG Regency Oncology Healthcare Private Limited	India	50.10%
J	DKR Healthcare Private Limited (formerly Parenthood Healthcare Private Limited) 100% subsidiary of BACC Healthcare Private Limited, which is subsidiary of the company	India	50.10%
K	HCG NCHRI Oncology LLP	India	51.00%
L	HCG Oncology LLP	India	74.00%
M	Strand-Triesta Cancer Genomics LLP	India	30.00%
N	HCG EKO Oncology LLP (incorporated on May 15, 2015)	India	50.50%
O	HCG (Mauritius) PVT. LTD. (incorporated on May 22, 2015)	Mauritius	100.00%

Sl. No.	Name of the entity	Country of Incorporation	% of ownership held by the Company as at March 31, 2016
P	Healthcare Global (Africa) PVT. LTD. (incorporated on May 22, 2015) subsidiary of HCG (Mauritius) PVT. LTD, which is subsidiary of the company	Mauritius	100.00%
Q	HealthCare Global (Uganda) Private Limited, subsidiary of HCG (Africa) PVT. LTD, which is subsidiary of the company	Uganda	100.00%
R	HealthCare Global (Kenya) Private Limited, subsidiary of HCG (Africa) PVT. LTD, which is subsidiary of the company	Kenya	100.00%
S	HealthCare Global (Tanzania) Private Limited, subsidiary of HCG (Africa) PVT. LTD, which is subsidiary of the company	Tanzania	100.00%

8.1 Subsidiaries incorporated during the Financial Year

a) HCG (Mauritius) Pvt. Ltd. ("HCG Mauritius"): HCG Mauritius was incorporated on May 22, 2015, under the Companies Act, 2001 of Mauritius, as a private limited company. It has its registered office at St Louis Business Centre, Cnr Desroches and St Louis Streets, Port Louis, Mauritius. HCG Mauritius is authorised to hold companies which are primarily engaged in the business of treating persons with cancer, carrying on research in the field of oncology and providing various services in the field of oncology. HCG (Mauritius) Pvt. Ltd is a Wholly Owned Subsidiary of the Company.

b) HealthCare Global (Africa) Pvt. Ltd ("HCG Africa"): HCG Africa was incorporated on May 22, 2015, under the Companies Act, 2001 of Mauritius, as a private limited company. It has its registered office at St Louis Business Centre, Cnr Desroches and St Louis Streets, Port Louis, Mauritius. HCG Africa is authorised to engage in the business of treating persons with cancer, carrying on research in the field of oncology and providing various services in the field of oncology and hold companies which are engaged in the same business. HCG Mauritius holds 113,002 ordinary shares of USD 1 each aggregating to 100% of the issued and paid up share capital of HCG Africa.

c) HCG EKO Oncology LLP ("HCG EKO LLP"): HCG EKO LLP was incorporated on May 15, 2015, under the LLP Act as a limited liability partnership firm. It has its registered office at HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka. HCG EKO LLP is authorised to primarily engage in the business of setting up hospitals at Kolkata with high end linear accelerators, oncology pharmacy and matters incidental and ancillary thereto.

8.2 Disinvestments made by the Company during the Financial Year

a) Shareholding in other Subsidiaries of Africa: The Company has transferred its entire shareholding in HealthCare Global (Uganda) Private Limited ("HCG Uganda"), HealthCare Global (Kenya) Private Limited ("HCG Kenya") and HealthCare Global (Tanzania) Private Limited ("HCG Tanzania") to HealthCare Global (Africa) Pvt. Ltd. Accordingly, HCG Uganda, HCG Kenya and HCG Tanzania have become level two subsidiaries of the Company.

b) Shareholding in HCG TVH Medical Imaging Private Limited ("HCG TVH"): Our Company has entered into a share purchase agreement dated November 23, 2015 with HCG TVH, our erstwhile subsidiary and Anderson Diagnostics Private Limited. Pursuant to the terms of this agreement, our Company has transferred its entire shareholding in HCG TVH aggregating 51.00% of the total paid up equity share capital of HCG TVH to Anderson Diagnostics Private Limited for an aggregate consideration of Rs.510,000. Accordingly, HCG TVH has ceased to be the subsidiary of the Company during the Financial Year.

9. Public deposits

The company has not accepted any deposits from public in terms of Section 73 of the Companies Act, 2013 during the year under review.

10. Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

Loans/Advances given, Investments made, Guarantees provided, securities extended by the company during the year/previous year covered under Section 186 of the Companies Act, 2013 are as under. The loans and advances were utilized for the furtherance of the objects of these companies and for the operations in the ordinary course of business.

Name of the Company/Entity	2015-16	2014-15
Nagpur Cancer Hospital and Research Institute Private Limited	-	22,163,300
HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	553,615	293,072
HCG TVH Medical Imaging Private Limited	135,428	241,602
MIMS HCG Oncology Private Limited	130,832	134,866
HCG Medi-surge Hospitals Private Limited	20,230,932	27,656,963
Malnad Hospital and Institute of Oncology Private Limited	195,054	832,852
Healthcare Global (Kenya) Private Limited	854,699	1,262,000
Healthcare Global (Tanzania) Private Limited	1,866,962	709,371
HCG Pinnacle Oncology Private Limited	33,944,855	62,207
BACC Healthcare Private Limited	733,181	16,204
HCG Foundation	-	81,254
HCG (Mauritius) Private Limited	620,444	-
HealthCare Global (Africa) Private Limited	620,444	-
Investments made by the company during the year/previous year are as listed below:		
Name of the Company/Entity	2015-16	2014-15
HealthCare Diwan Chand Imaging LLP	130,594	3,879,174
APEX HCG Oncology Hospitals LLP	5,112,200	21,525,000
HCG Regency Oncology Healthcare Private Limited	24,499,993	30,400,000
Healthcare Global (Kenya) Private Limited	1,262,000	3,710,850
Healthcare Global (Tanzania) Private Limited	-	63,100
Malnad Hospital and Institute of Oncology Private Limited	-	2,060,600
HCG (Mauritius) Private Limited	11,155,487	-
HCG Oncology LLP	68,715,301	-
Security/Guarantee provided by the company during the year/previous year are as listed below:		
Name of the Company/Entity	2015-16	2014-15
HCG Medi-surge Hospitals Private Limited	292,000,000	-
Guarantees provided by the company during the year/previous year are as listed below:		
Name of the Company/Entity	2015-16	2014-15
BACC Healthcare Private Limited	18,100,000	33,700,000
HCG Pinnacle Oncology Private Limited	10,900,000	-
HCG Oncology LLP	66500000	-

11. Related party transactions

All transactions entered into with the related parties as defined under the Companies Act, 2013, during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

Disclosures as required under Section 134(3) (h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are given in Form AOC 2 as specified under Companies Act, 2013, which is annexed herewith as "Annexure 5" and forms part of the report.

12. Initial Public Offer

The Board of Directors of the Company and the Shareholders of the Company on May 29, 2015 and June 15, 2015, respectively, had approved the Initial Public Offer of upto 14,000,000 Equity Shares of Rs. 10 each and Offer For Sale of Equity Shares by certain members of the Company, upto 23,000,000 Equity Shares subject to approval of all regulatory authorities concerned in this regard.

During the year, the company has completed its Initial Public Offering of 29,800,000 equity shares of Rs. 10 each, comprising of Fresh Issue of 11,600,000 equity shares and Offer For Sale of 18,200,000 equity shares at a premium of Rs. 208 per equity share. The total issue size was Rs. 6496.4 million. The shares got listed the National Stock Exchange of India Limited and BSE Limited on March 30, 2016.

The proceeds of the initial public offer are proposed to be utilized for the following purposes:

1. Purchase of medical equipment

2. nvestment in IT software, services and hardware

3. Pre-payment of debt; and

4. General Corporate Purposes

During the year under review, the company has not deviated in utilizing the proceeds of issue.

13. Share capital

a) Authorized Capital: There is no change in the authorized share capital of the Company during the year. As on the date of this report, the authorized share capital of the Company is Rs. 1,270,000,000 consisting of 127,000,000 equity shares of Rs. 10 each.

b) The Issued, Subscribed and Paid up Capital has increased from Rs. 699,838,080 consisting of 69,983,808 equity shares of Rs. 10 each to Rs. 850,759,860 consisting of 85,075,986 equity shares of Rs. 10 each during the year.

The increase in the Issued, Subscribed and Paid up Capital was on account of the Preferential allotment of shares made by the Company upon conversion of Series C and Series D share warrants which were issued by the Company to Dr. B.S. Ajai Kumar, Promoter; allotment of shares to Dr. M. Gopichand (Pursuant to the Scheme of merger entered into by and between HealthCare Global Enterprises Limited and its subsidiary HealthCare Global Vijay Oncology Private Limited duly approved by the Hon'ble High Court of Karnataka), allotment of shares to employees pursuant to ESOP Scheme 2010 and 2014, apart from the Fresh Issue of shares to the public through IPO.

14. ERP Implementation

Your company is in the advanced stages of the SAP implementation project at all the hospitals/centres across the country. The implementation of ERP will standardize and improve the operational processes, facilitate control mechanisms through sophisticated checks and balances, minimize duplication and reduce costs.

15. Number of meetings of the Board

The meetings of the Board are scheduled at a regular intervals to decide and discuss on the business performance, policies, strategies and other matters of significance. The schedule of the meetings is circulated to ensure proper planning and effective participation in meetings. In certain exigencies, decisions of the Board are also accorded through circulation.

The Board met twelve times in financial year 2015-16 viz., on April 9, 2015, April 10, 2015, May 29, 2015, June 26, 2015, July 13, 2015, July 24, 2015, September 30, 2015, November 6, 2015, February 11, 2016, March 4, 2016, March 12, 2016 and March 28, 2016. The maximum interval between any two meetings did not exceed 120 days.

Detailed information regarding the meetings of the Board and meetings of the committees of Board is included in the report on Corporate Governance which forms a part of Directors' Report.

16. Declaration by Independent Directors

The company has received and taken on record, the necessary declaration from each of the independent directors under Section 149 of the Companies Act, 2013 that they meet with the criteria of their independence.

17. Extract of Annual Return

The extract of the Annual Return of your Company as on March 31, 2016 as provided under sub-section (3) of Section 92 in the Form MGT 9 is annexed herewith as "Annexure 1".

18. Director's Responsibility Statement

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified).

Pursuant to Section 134 (3) (C) and 134 (5) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis;

e) the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

19. Appointment of Directors

The Board of Directors of the Company, have appointed Mr. Suresh C. Senapaty, Dr. S.T.Ramesh and Mrs. Bhushani Kumar as Independent Directors with effect from May 29, 2015 for a term of 5 years, eligible for re-appointment for an another term of 5 years. Subsequently, the shareholders have approved the appointment of Mr. Shanker Annaswamy and Mr. Sudhakar Rao, Mr. Suresh C. Senapaty and Dr. S.T.Ramesh as Independent Directors at the Extraordinary General Meeting held on June 15, 2015 and the appointment of Mrs. Bhushani Kumar at the Extraordinary General Meeting held on July 13, 2015. All the Independent Directors of the Company have provided necessary declaration that they meet the independence criteria as laid down under Section 149 of the Companies Act, 2013.

20. Resignation of Directors

Dr. Amit Varma, Non-Executive Director, nominee of Milestone Private Equity Fund, has resigned from Directorship, with effect from May 29, 2015. The Board hereby places on record its appreciation for the contribution made by Dr. Amit Varma during his tenure as Director of the Company.

As per the provisions of the Companies Act, 2013, Mr. Prakash Parthasarathy and Mr. Gangadhara Ganapati, Directors of the Company, retire at the forthcoming annual general meeting. Mr. Prakash Parthasarathy, Non-Executive Director, Nominee of PI Opportunities Fund 1, has not offered himself for re-appointment.

21. Key Management personnel

During the year under report, there is no change in Key Managerial Personnel (KMP) in terms of Section 2(51) & Section 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force).

22. Committees of the Board and their constitution

As required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has formed four Committees viz. Audit and Risk Management Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

Keeping in view the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board decides the terms of reference of these Committees and the assignment of members to various committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

(a) Audit and Risk Management Committee

Pursuant to the requirements of Section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers), Rules 2014, the company has an Audit and Risk Management Committee and the composition of the committee is as under:

1. Mr. Suresh Chandra Senapaty, Chairman
2. Mr. Sudhakar Rao
3. Mr. Shanker Annaswamy
4. Mr. Rajesh Singhal
5. Dr. B.S. Ajai Kumar
6. Ms. Sunu Manuel - Secretary of the Committee.

The Audit committee was last reconstituted and renamed as the "Audit and Risk Management Committee" by a meeting of the Board of Directors held on May 29, 2015.

(b) Nomination and Remuneration Committee

Pursuant to the requirements of Section 178 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of Board and its Powers), Rules 2014, the Board of Directors have reconstituted the Nomination and Remuneration Committee on May 29, 2015.

The members of the Nomination and Remuneration Committee are:

1. Mr. Shanker Annaswamy, Chairman
2. Dr. Sampath Thattai Ramesh
3. Mr. Prakash Parthasarathy
4. Dr. Jennifer Gek Choo Lee
5. Ms. Sunu Manuel - Secretary of the Committee.

The terms of reference of the committee are in compliance with the Companies Act, 2013. The committee shall be responsible for setting policies regarding director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director, evaluation of board, setting up a succession plan and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013.

(c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on May 29, 2015. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013.

The members of the Stakeholders' Relationship Committee are:

1. Mr. Gangadhara Ganapati, Chairman
2. Dr. Jennifer Gek Choo Lee
3. Mr. Rajesh Singhal
4. Dr. B.S. Ajai Kumar
5. Ms. Sunu Manuel - Secretary of the Committee.

(d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on May 29, 2015. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder.

The members of the Corporate Social Responsibility Committee are:

1. Mr. Sudhakar Rao, Chairman
2. Dr. Sampath Thattai Ramesh
3. Ms. Bhushani Kumar
4. Dr. B.S. Ajai Kumar
5. Ms. Sunu Manuel - Secretary of the Committee.

23. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, SEBI (LODR) Regulations 2015, and in line with the Company's Board Evaluation Policy, peer evaluation of all Board members including the Chairman of the Board, annual performance evaluation of its own performance, as well as the evaluation of the working of the Committees of the Board has been carried out. This evaluation was led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board. The evaluation process also considers the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

24. Risk Management

Like any other company functioning in the complex set up of healthcare service industry, your Company is exposed to various risks like competition risks, market fluctuation risks, interest rate risks, exchange rate fluctuation risks, technology obsolescence risks, compliance risks, people risks etc. These risks are assessed from time to time by the Audit and Risk Management committee and steps are taken to mitigate these risks.

At HCG, management has the overall responsibility to design, implement and monitor an effective process and control environment that is aligned to the inherent risk profile of the organization. Management is responsible for the identification, evaluation and management of significant risks. The Company is in the process of adopting a framework to focus on key risks that might impact achievement of business objectives. The framework entails a structured process to identify, assess and monitor the risks and initiate suitable mitigation strategies for effective risk management. The Board monitors exposure to these risks with the assistance of various committees and senior management.

The internal control framework is designed to manage and mitigate the risks faced by the Company. The Company has designed and implemented an entity level control framework, setting the control philosophy and principles which guide the organization policy and operating process framework. The organizational role, responsibility and accountability structures with appropriate performance oversight processes are defined and aligned to provide an enabling environment to the business units and functions to operate as per the design control environment. Review and oversight procedures are designed to monitor effective adherence as per design.

25. Corporate Social Responsibility

The provisions of Corporate Social Responsibility ("CSR") under the Companies Act, 2013 were not applicable to the Company for the financial year 2015-16.

However, your Company has been, over the years, pursuing as a part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the company itself and create an environment of partnership for inclusive development.

Over the years, HCG has also been involved in a number of social initiatives to support the community and bring about a positive change in preventive healthcare, through education and awareness building activities. Its CSR programmes are delivered through HCG Foundation, which is committed to providing health services and subsidized medical care to the socially and economically marginalized sections of society.

Free cancer detection and screening camps, Continuous Medical Education (CMEs) are now a regular feature in HCG's community outreach program. We believe that organizational growth is impossible without the sharing and pooling of our knowledge and resources. Best practices are disseminated across our facilities through coordinated CMEs, Continuous Nursing Education (CNEs) and seminars. HCG organizes such continuous education programmes every year.

The CSR Committee formed and constituted as reported under the head Board Committees shall:

a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;

b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a), as applicable; and;

c) monitor the Corporate Social Responsibility Policy of the company from time to time.

26. Internal Control system and their adequacy

The internal control system is commensurate with the nature of business, size and complexity of operations and has been designed to provide reasonable assurance on the achievement of objectives in effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

As part of the Corporate Governance Report, CEO/ CFO certification is provided, for assurance on the existence of effective internal control systems and procedures in the Company.

The internal control framework is supplemented with an internal audit program that provides an independent view of the efficacy and effectiveness of the process and control environment and supports a continuous improvement program. The internal audit program is managed by an Internal Audit function and the Audit & Risk Management Committee of the Board.

The scope and authority of the Internal Audit Function is derived from the Audit Charter approved by the Audit & Risk Management Committee of the Board. The Internal Audit function develops an internal audit plan to assess control design and operating effectiveness, as per the risk assessment methodology.

The Internal Audit function provides assurance to the Board and management that a system of internal control is designed and deployed to manage key business risks and is operating effectively.

Management provides action plans to address the observations noted from the internal audit reviews and action plans are monitored towards resolution under the supervision and guidance of the Audit and Risk Management Committee.

27. Vigil Mechanism for Directors and employees

Section 177(9) of the Companies Act, 2013, mandates every listed company or such class of companies as may be prescribed to establish a Vigil mechanism for its directors and employees, which shall function as a channel for receiving and redressing of employees' complaints and shall be operated by the Audit and Risk management committee. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases.

Under this policy, we encourage our employees to report their genuine concern of any conduct that results in violation of the ethical behaviour, or to report any act, if not conducted in a fair, transparent manner thereby compromising professionalism, honesty and integrity (on an anonymous basis, if employees so desire).

Likewise, under this policy, we have prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the said investigation. No individual in the Company has been denied access to the Audit and Risk Management Committee or its Chairman.

This meets the requirement under Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations.

28. Company's Policy on Appointment and Remuneration of Directors

As on March 31, 2016, the Board consists of 10 members, of which 5 Directors are Independent Directors and 4 are Non-Executive Directors. Dr. B.S. Ajai Kumar, Chairman & CEO is the only Executive Director on the Board.

An appropriate mix of Executive and Independent Directors ensures greater independence of Board. The Company has been following well laid down policy on appointment and remuneration of Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel.

The remuneration of executive directors comprises of fixed remuneration and variable pay, based on performance and adheres to the applicable provisions of the Companies Act, 2013 read with relevant rules as detailed in Corporate Governance Report which forms a part of this report.

The remuneration of Independent Directors comprises of sitting fees which is paid for attending the meetings of the Board and the Committees of the Board in accordance with the provisions of Companies Act, 2013.

The Policy of the Company on the Director's appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of section 178 of the Companies Act, 2013, is available on our website www.hcgel.com. We affirm that the remuneration paid to directors is as per the terms laid out in the nomination and remuneration policy of the Company.

29. Particulars of employees

The disclosure in terms of Section 197 (12) of the Companies Act, 2013, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, in respect of employees of the company, for the year ended March 31, 2016 is provided as Annexure 4 to this Report.

30. Significant and Material orders

During the period under report, there have been no material or significant orders passed by the Regulators/Courts which would have an impact on the going concern status and operations of the company in future.

31. Statutory Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, Bangalore (Registration No. 008072S), the Statutory Auditors of the Company, have been appointed as the Auditors of the Company at the Annual General Meeting held on 30th September 2014 to hold office for a term of 3 years i.e., till the conclusion of the Annual General Meeting (AGM) of the Company to be held in the year 2017.

The provisions of the Companies Act, 2013 require their appointment to be ratified by members each year at the AGM. Accordingly, requisite resolution forms part of the notice convening the AGM.

The company has also received a declaration from M/s. Deloitte Haskins & Sells, Chartered Accountants, Bangalore, to the effect that the ratification, if made, would be within the limits as mentioned in the provision of Section 141 of the Companies Act, 2013 and are eligible to be appointed.

32. Auditors' Report

There are no qualifications, reservations or adverse remarks made by M/s Deloitte Haskins & Sells, Statutory Auditors in their report for the financial year ended March 31, 2016; and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

33. Material changes and commitments, if any, affecting the financial position of the company occurred between the end of the financial year to which these financial statements relate and the date of the report:

There are no other material changes affecting the financial position of the company between the end of the financial year to which this financial statements relate and the date of the report.

34. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. V Sreedharan, Partner, M/s V Sreedharan & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the company for the financial year ended March, 31, 2016. The said Report of the Secretarial Audit in Form MR 3 is annexed herewith as "Annexure 2" and forms part of the report.

There are no qualification, reservations or adverse remarks made by the Secretarial Auditor of the Company, in their Secretarial Audit Report.

35. Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost records maintained by the Company in respect of its hospital activity is required to be audited. Your Directors had, on the recommendation of the Audit and Risk Management Committee, appointed M/s. M. Thimmarayaswamy & Co., Cost Accountants to audit the cost records of the Company for the Financial Year 2016-17, at a remuneration of Rs. 1,00,000 and out of pocket expenses, to be reimbursed at actuals. As required under the Companies Act, 2013, the remuneration payable to the cost auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking ratification by the Members, for the remuneration payable to M/s. M. Thimmarayaswamy & Co., Cost Auditors is included in the notice convening the ensuing Annual General Meeting.

36. Particulars regarding Conservation of energy, Technology absorption and Foreign exchange earnings and outgo as per Section 134(3)(m) of the Companies Act, 2013.

Conservation of energy: The operations of your company are not energy-intensive. However, significant measures are being taken to reduce energy consumption by using energy efficient equipment. The Company has taken initiatives to conserve energy and consume less energy.

Your company constantly evaluates and invests in new technology to make the infrastructure more energy efficient. As the cost of energy consumed by the company forms a very small portion of the total costs, the financial implications of these measures are not material.

Technology absorption: Over the years your company has brought into the country the best and the world class equipments for the treatment of cancer. The company has a dedicated team of technically competent personnel who relentlessly work on technology upgradation and development related fields. Your company also deploys its resources from time to time and imparts necessary training to keep abreast of the continuously changing technology.

HCG, as part of its continuous endeavour to provide better healthcare services, has introduced two major latest technologies at some of the centres, during the period under report.

Robotic Surgery: Da Vinci - Robotic Surgery is an advanced form of minimally invasive or laparoscopic (small incision) surgery, where surgeons use a computer-controlled robot to assist them in certain surgical procedures. In recent years robotic surgery has become a new standard of treatment for many cancers including prostate, gynaecological and abdominal surgery. This facility is installed at Bangalore and Ahmedabad centres.

Tomotherapy Treatment System: The TomoTherapy treatment system uses a patented multi-leaf collimator (MLC) that divides the radiation beam into beamlets, all aimed at the tumor. More beam directions give physicians more control in how they plan treatments—and more assurance that dose will be confined to the tumor, reducing the risk of short- and long-term side effects. This facility is installed at Kalinga Rao Road centre, Bangalore.

Both the Robotic Surgery and Tomotherapy treatment facilities are imported and are fully operational.

Research and Development: R&D of new services, designs, frameworks, processes and methodologies continue to be of importance at the company. This allows your company to increase quality and customer satisfaction through continuous innovation.

Foreign exchange earnings and outgo: The details of Foreign Exchange Earnings and Outgo during the year ended March 31, 2016 vis a vis during the year ended March 31, 2015, is as under:

Particulars	For the year ended (Rs.)	
	March 31, 2016	March 31, 2015
Expenditure in Foreign Exchange		
Interest	5,014,116	6,977,248
Travel expenses	20,859,873	6,625,416
Repairs and maintenance :Machinery	19,153,402	11,788,000
Professional charges	21,676,217	3,562,075
Business promotion expenses	1,681,885	7,518,659
Total	**68,385,493**	**36,471,398**
Imports		
Capital Goods	435,057,602	259,240,194
Consumables	17,753,402	9,970,579
Earnings in foreign exchange		
Medical service income	356,380,654	310,044,092

37. Prevention of Sexual Harassment Policy

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2015-2016, two complaints were received by the Company relating to sexual harassment; and the Internal Complaints Committee after due consideration disposed off the cases by taking appropriate actions. There were no complaints pending as on March 31, 2016.

38. Green initiative

As a green initiative in corporate governance, Ministry of Corporate affairs have permitted companies to send electronic copies of Annual Report, notices, etc., to the e-mail IDs of shareholders. We are accordingly arranging to send soft copies of these documents to the e-mail IDs of shareholders available with us.

In case any of the shareholders would like to receive physical copies of these documents, the same shall be forwarded on written request to the company.

We are also in the process of starting a sustainability initiative with the aim of being carbon neutral and minimize our impact on the environment. Sustainability practices will be implemented and tracked diligently to ensure that we comply with the goals we set for ourselves.

39. Employee stock option schemes

The company has two Employee stock option schemes namely "HCG ESOS 2010" adopted on June 16, 2010 and Employees Stock Option Scheme 2014 (ESOS 2014) adopted in 2014-15. For further details on the scheme refer Annexure 3 of the Director's report.

40. Corporate Governance

Your Company continues to place greater emphasis on managing its affairs with diligence, transparency, responsibility and accountability and is committed to adopting and adhering to best Corporate Governance practices.

Your company is in compliance with the requirements of SEBI (LODR) Regulations, 2015. The Report on Corporate Governance in terms of Regulation 34 of the said Regulations forms part of the report.

Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance as stipulated by Regulation 34 (3) of SEBI (LODR) Regulations, 2015 is attached to this report.

41. Management Discussion & Analysis

Report on Management Discussion and Analysis in terms of Regulation 34 of SEBI (LODR) Regulations, 2015 forms part of the report.

42. Acknowledgement

We stay committed to partnering for value creation and take this opportunity to thank one and all who have participated in our journey this far. Your Directors desires to place on record, its sincere appreciation to all employees at all levels, who with sustained dedicated effort and hard work, enabled the company to deliver a good all-round performance. Your Directors also wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the various consultants, bankers, shareholders and investors at large and look forward to their continued support. We also take this opportunity to express sincere thanks to the medical fraternity and patients for their continued co-operation, patronage and trust reposed in the company and its health services.

For and on behalf of the Board of Directors

Date: May 26, 2016
Place: Bangalore

Dr. BS Ajaikumar
Chairman

Annexure 1

Form No. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and
rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. Registration & Other Details

1.	CIN	U15200KA1998PLC023489
2.	Registration Date	12 March 1998
3.	Name of the Company	HealthCare Global Enterprises Limited
4.	Category/Sub-category of the Company	Public Company/Limited by shares, Indian Non-Government company
5.	Address of the Registered office & contact details	HCG Tower, No.8, P. Kalinga Rao Road, Sampangi Rama Nagar, Bangalore, Karnataka, India – 560027 Telephone: +91-80-4660 7700 Email id: sunumanuel@hcgoncology.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B Plot 31-32, Gacchibowli Financial District, Nanakramguda Hyderabad 500 032 Tel: +91 40 6716 2222 | Fax: +91 40 2343 1551 E-mail: einward.ris@karvy.com

II. Principal Business Activities of the Company

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company (standalone basis)
1	Hospital activities	86100	64.86
2	Retail sale of pharmaceuticals, medical and orthopaedic goods and toilet articles	47721	33.71

III. Particulars of Holding, Subsidiary and Associate Companies#

Sl. No.	Name and address of the Company of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Healthcare Global Senthil Multi-Specialty Hospitals Private Limited No. 536, Perundurai Road Erode 638 011, Tamil Nadu	U85110TZ2005PTC011740	Subsidiary	100.00%	Section 2(87)
2	MIMS HCG Oncology Private Limited HCG Tower, No. 8, P Kalinga Rao Road Sampangi Rama Nagar Bengaluru 560 027, Karnataka	U85110KA2007PTC044658	Subsidiary	100.00%	Section 2(87)

The list includes the proposed investments in subsidiary and associate companies.

Sl. No.	Name and address of the Company of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3	Malnad Hospital & Institute of Oncology Private Limited No. 600/601, Irwin Road Mysore 570 001, Karnataka	U85110KA1997PTC022149	Subsidiary	70.25%	Section 2(87)
4	HCG Medi-Surge Hospitals Private Limited No. 1, Maharashtra Society Mithakhali Cross Road, Ellisbridge, Ahmedabad 380 006, Gujarat	U85110GJ2000PTC037474	Subsidiary	74.00%	Section 2(87)
5	BACC Healthcare Private Limited No. 7, East Park Road Basement, Kumara Park East, Bengaluru 560 001, Karnataka	U74140KA2002PTC030098	Subsidiary	50.10%	Section 2(87)
6	HealthCare Global (Uganda) Private Limited Suite 13, 3rd floor, plot 2, Bombo Road City Apartments, PO Box 31176, Kampala Uganda	N/A	Subsidiary	100.00%	Section 2(87)
7	HCG Pinnacle Oncology Private Limited HCG Tower, No. 8, P Kalinga Rao Road Sampangi Rama Nagar, Bengaluru	U85191KA2012PTC067393	Subsidiary	50.10%	Section 2(87)
8	HealthCare Global (Tanzania) Private Limited Regency Medical Centre, Alykhan Road Upanga, PO Box 2029 Daar es Salaam, Tanzania	N/A	Subsidiary	100.00%	Section 2(87)
9	HealthCare Global (Kenya) Private Limited LR 209/11260, Kenya-Re Towers Upper Hill, off Ragati Road, Nairobi, P O Box 1243-00100, Kenya	N/A	Subsidiary	100.00%	Section 2(87)
10	DKR HealthCare Private Limited (Formerly known as Parenthood HealthCare Private Limited) No. 82, CMH Road, Indiranagar 2nd Stage Bengaluru 560 038, Karnataka	U85100KA2012PTC063975	Subsidiary	50.10%	Section 2(87)
11	HCG Regency Oncology Healthcare Private Limited A-2, Sarvodaya Nagar, Kanpur 208 005 Uttar Pradesh	U85191UP2011PTC045234	Subsidiary	50.10%	Section 2(87)
12	Apex HCG Oncology Hospitals LLP Vaishali Heights, Wing "A", Chandawarkar Road, Borivali West, Mumbai 400 092, Maharashtra	AAB- 5593	Subsidiary	50.10%	Section 2(87)
13	Healthcare Diwan Chand Imaging LLP HCG Tower, No. 8, P Kalinga Rao Road Sampangi Rama Nagar Bengaluru 560 027, Karnataka	AAA-0280	Subsidiary	75.00%	Section 2(87)
14	HCG NCHRI Oncology LLP HCG Tower, No. 8, P Kalinga Rao Road Sampangi Rama Nagar Bengaluru 560 027, Karnataka	AAA-6655	Subsidiary	51.00%	Section 2(87)
15	HCG Oncology LLP No. 1, Maharashtra Society, near Mithakhali Six Road, Ellisbridge, Ahmedabad 380 006, Gujarat.	AAC-9917	Subsidiary	74.00%	Section 2(87)

Sl. No.	Name and address of the Company of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
16	Strand-Triesta Cancer Genomics LLP 591/11, 3rd Main Road Sadashivnagar, Bengaluru 560080, Karnataka	AAC-8877	Associate	30.00%	Section 2(6)
17	HCG EKO Oncology LLP HCG Tower, No. 8, P Kalinga Rao Road Sampangi Rama Nagar Bengaluru 560 027, Karnataka	AAD-9508	Subsidiary (incorporated on 15.05.2015)	50.50%	Section 2(87)
18	HCG (Mauritius) PVT. LTD. Kross Border Corporate Services Limited St. Louis Business Centre, CNR Desroches & St Louis Streets, Port Louis, Mauritius	N/A	Subsidiary (incorporated on 22.05.2015)	100%	Section 2(87)
19	Healthcare Global (Africa) PVT. LTD. St Louis Business Centre, CNR Desroches & St Louis Streets, Port Louis, Mauritius	N/A	Subsidiary (incorporated on 22.05.2015)	100%	Section 2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category–wise Share Holding

Sl. No	Category	Number of shares held at the beginning of the year				Number of shares held at the end of the year			
		Demat	Physical	Total number of shares	% of total shares	Demat	Physical	Total number of shares	% of total shares
(A)	Promoters								
1	Indian								
(a)	Individuals/ Hindu Undivided Family	804073	17492314	18296387	26.14	20940162	–	20940162	24.61
(b)	Central Government	–	–	–	–	–	–	–	–
(c)	State Government(s)	–	–	–	–	–	–	–	–
(d)	Bodies Corporate	–	–	–	–	–	–	–	–
(e)	Financial Institutions/ Banks	–	–	–	–	–	–	–	–
(f)	Any Other (specify)	–	–	–	–	–	–	–	–
	Sub–Total (A)(1)	**804073**	**17492314**	**18296387**	**26.14**	**20940162**	**–**	**20940162**	**24.61**
2	Foreign								
(a)	NRIs– Individuals	–	–	–	–	–	–	–	–
(b)	Other– Individuals	–	–	–	–	–	–	–	–
(c)	Bodies Corporate	–	–	–	–	–	–	–	–
(d)	Banks/FI	–	–	–	–	–	–	–	–
(e)	Any Other (specify)	–	–	–	–	–	–	–	–
	Sub–Total (A)(2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**804073**	**17492314**	**18296387**	**26.14**	**20940162**	**–**	**20940162**	**24.61**
(B)	Public shareholding								
1	Institutions								
(a)	Mutual Funds	–	–	–	–	4341761	–	4341761	5.10
(b)	Banks/Financial Institutions	–	–	–	–	–	–	–	–
(c)	Central Government	–	–	–	–	–	–	–	–
(d)	State Government(s)	–	–	–	–	–	–	–	–

Sl. No	Category	Number of shares held at the beginning of the year				Number of shares held at the end of the year			
		Demat	Physical	Total number of shares	% of total shares	Demat	Physical	Total number of shares	% of total shares
(e)	Venture Capital Funds	279,23,256	–	279,23,256	39.90	14953189	–	14953189	17.58
(f)	Insurance Companies	–	–	–	–	–	–	–	–
(g)	Foreign Institutional Investors	–	–	–	–	13420019	–	13420019	15.77
(h)	Foreign Venture Capital Investors	–	–	–	–	–	–	–	–
(i)	Others (Specify)								
	Sub–Total (B)(1)	**27923256**	**–**	**27923256**	**39.90**	**32714969**	**–**	**32714969**	**38.45**
2	Non–institutions								
(a)	Bodies Corporate	–	–	–	–				
(i)	Indian	1384624	590658	1975282	2.82	5919723	–	5919723	6.96
(ii)	Overseas	11770805	–	11770805	16.82	8320805	–	8320805	9.78
(b)	Individuals								
(i)	Individual shareholders holding nominal share capital up to ₹1 lakh.	27280	277432	304712	0.44	2136002	423978	2559980	3.01
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh.	4678927	4700112	9379039	13.40	4363434	3496008	7859442	9.24
(d)	Others (Specify)								
(i)	Trusts	334327	–	334327	0.48	2318150	–	2318150	2.72
(ii)	Non–Resident Indians	–	–	–	–	987775	664011	1651786	1.94
(iii)	Clearing Members	–	–	–	–	2790969	–	2790969	3.28
	Sub–Total (B)(2)	18195963	5568202	23764165	33.96	26836858	4583997	31420855	36.93
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**46119219**	**5568202**	**51687421**	**73.86**	**59551827**	**4583997**	**64135824**	**75.39**
(C)	**Shares held by Custodians for GDR and ADRs**	–	–	–	–	–	–	–	–
	Grand Total (A)+(B)+(C)	**46923292**	**23060516**	**69983808**	**100.00**	**80491989**	**4583997**	**85075986**	**100.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Dr. B.S. Ajai Kumar	17398665	24.86	–	17642739	20.74	–	(4.12)
2.	Dr. Ganesh Nayak	287307	0.41	–	325807	0.38	–	(0.03)
3.	Dr. B.S. Ramesh	223856	0.32	–	262356	0.31	–	(0.01)
4.	Dr. K.S. Gopinath	366559	0.52	–	405059	0.48	–	(0.04)
5.	Dr. M. Gopichand	20000	0.03	–	866760	1.02	–	0.99
6.	Dr. Amar Kumar	664657	0.95	–	664657	.78	–	(0.17)
7.	Bhagya A. Ajaikumar	1795	0.00	–	1795	0.00	–	–
8.	Aagnika Ajaikumar	–	–	–	327258	0.38	–	0.38
9.	Asmitha Ajaikumar	–	–	–	327259	0.38	–	0.38

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% shares of the Company	% of Shares Pledged / encumbered to total shares	
10.	Prakash Nayak	30000	0.04	–	30000	0.35	–	(0.05)
11.	Pradeep Nayak	57937	0.08	–	57937	0.07	–	(0.01)
12.	Dr. V. Sudha	22582	0.03	–	22582	0.03	–	–
13.	Adash R.	2486	0.00	–	2486	0.00	–	–
14.	Dr. Srinivas Gopinath	2187	0.00	–	2187	0.00	–	–
15.	Leela Rajanna	1280	0.00	–	1280	0.00	–	–
	Total	18296387	26.14	–	20940162	24.61	–	(1.53)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Date of Acquisition/ (Transfer)	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Dr. B.S. Ajai Kumar	At the beginning of the year	17398665	24.86		
	09.04.2015	Allotment of shares by the company	46836	0.07	17445501	24.93
	09.04.2015	Allotment of shares by the company	144182	0.20	17589683	25.06
	10.04.2015	Transfer of shares	(654517)	(0.92)	16935166	23.85
	29.05.2015	Allotment of shares by the company	257700	0.36	17192866	23.91
	26.06.2015	Allotment of shares by the company	759323	1.04	17952189	24.91
	06.07.2015	Transfer of shares	(126190)	(0.18)	17825999	24.47
	28.03.2016	Transfer of shares	(183260)	(0.25)	17642739	24.01
		At the end of the year			17642739	20.74
2.	Dr. Ganesh Nayak	At the beginning of the year	287307	0.41		
	29.05.2015	Allotment of shares by the company	38500	0.05	325807	0.45
		At the end of the year			325807	0.38
3.	Dr. B.S. Ramesh	At the beginning of the year	223856	0.32		
	29.05.2015	Allotment of shares by the company	38500	0.05	262356	0.36
		At the end of the year			262356	0.31
4.	Dr. K.S. Gopinath	At the beginning of the year	366559	0.52		
	29.05.2015	Allotment of shares by the company	38500	0.05	405059	0.56
		At the end of the year			405059	0.48
5.	Dr. Gopichand	At the beginning of the year	20000	0.03		
	10.04.2015	Allotment of shares by the company	846760	1.19	866760	1.22
		At the end of the year			866760	1.02

iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
1	PI Opportunities Fund I				
	At the beginning of the year	153,80,000	21.98		
	Offer for sale during IPO	34,50,000	4.06	119,30,000	14.02
	At the end of the year			119,30,000	14.02
2	V-Sciences Investments Pte Ltd				
	At the beginning of the year	117,70,805	16.82		
	Offer for sale during IPO	34,50,000	4.06	83,20,805	9.78
	At the end of the year			83,20,805	9.78
3	International Finance Corporation				
	At the beginning of the year	-	-		
	Acquired during the IPO	43,58,705	5.12	43,58,705	5.12
	At the end of the year			43,58,705	5.12
4	Sundaram Mutual Fund A/C Sundaram Select Midcap				
	At the beginning of the year	-	-		
	Acquired during the IPO	25,03,979	2.94	25,03,979	2.94
	At the end of the year			25,03,979	2.94
5	IL and FS Trust Company Ltd				
	At the beginning of the year	125,43,256	17.92		
	Offer for sale during IPO	95,20,067	11.19	30,23,189	3.55
	At the end of the year			30,23,189	3.55
6	HDFC Standard Life Insurance Company Limited				
	At the beginning of the year	-	-		
	Acquired during IPO	29,49,599	3.47	29,49,599	3.47
	At the end of the year			29,49,599	3.47
7	Chennai 2007				
	At the beginning of the year	-	-		
	Acquired during IPO	30,95,986	3.64	30,95,986	3.64
	At the end of the year			30,95,986	3.64
8	BNP Paribas Trust Services Singapore Limited				
	At the beginning of the year	-	-		
	Acquired during IPO	18,50,223	2.17	18,50,223	2.17
	At the end of the year			18,50,223	2.17
9	Reliance Capital Trustee Co. Ltd A/C Reliance pharm				
	At the beginning of the year	-	-		
	Acquired during IPO	15,17,044	1.78	15,17,044	1.78
	At the end of the year			15,17,044	1.78
10	IL and FS Trust Company Limited				
	At the beginning of the year	-	-		
	Acquired during IPO	14,67,895	1.73	14,67,895	1.73
	At the end of the year			14,67,895	1.73

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Date of Acquisition/ (Transfer)	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Dr. B.S. Ajai Kumar - Director and KMP	At the beginning of the year	1,73,98,665	24.86		
	09.04.2015	Allotment of shares by the company	46,836	0.07	1,74,45,501	24.93
	09.04.2015	Allotment of shares by the company	1,44,182	0.20	1,75,89,683	25.06
	10.04.2015	Transfer of shares	(6,54,517)	(0.92)	1,69,35,166	23.85
	29.05.2015	Allotment of shares by the company	2,57,700	0.36	1,71,92,866	23.91
	26.06.2015	Allotment of shares by the company	7,59,323	1.04	1,79,52,866	23.91
	06.07.2015	Transfer of shares	(1,26,190)	(0.18)	1,78,25,999	24.47
	28.03.2016	Transfer of shares (Offer for sale)	1,83,260	(0.25)	1,76,42,739	20.74
		At the end of the year			1,76,42,739	20.74
2	Gangadhara Ganapati – Director	At the beginning of the year	22,82,780	3.26		
	30.09.2015	Allotment of shares by the company	1,19,732	0.16	24,02,512	3.29
	06.11.2015	Allotment of shares by the company	5,05,268	0.69	29,07,780	3.96
	28.03.2016	Transfer of shares (Offer for sale)	(6,00,000)	(0.70)	23,07,780	2.71
		At the end of the year			23,07,780	2.71
3	Sunu Manuel - Company Secretary and KMP	At the beginning of the year	–	–	–	–
	29.05.2015	Allotment of shares by the company	15,400	0.02	15,400	0.02
	06.11.2015	Allotment of shares by the company	1,500	0.00	16,900	0.02
	30.01.2016	Transfer of shares	650	0.00	17,550	0.02
		At the end of the year			17,550	0.02

V) Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,55,75,18,438	1,25,82,54,380	–	2,81,57,72,818
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	9,78,79,545	–	–	9,78,79,545
Total (i+ii+iii)	**1,65,53,97,983**	**1,25,82,54,380**	**–**	**2,91,36,52,363**
Change in Indebtedness during the financial year				
* Addition	37,72,50,000	46,59,39,187	–	84,31,89,187
* Reduction	1,71,12,49,253	22,61,27,014	–	1,93,73,76,267
Net Change	**(1,33,39,99,253)**	**23,98,12,173**	**–**	**(1,09,41,87,080)**
Indebtedness at the end of the financial year				
i) Principal Amount	22,35,19,185	1,49,80,66,553	–	1,72,15,85,738
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	3,86,31,317	6,31,64,431	–	10,17,95,747
Total (i+ii+iii)	**26,21,50,502**	**1,56,12,30,984**	**–**	**1,82,33,81,485**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Dr. B.S. Ajai Kumar	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,43,00,000	2,43,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2	Stock Option	1,77,73,569	1,77,73,569
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	**4,20,73,569**	**4,20,73,569**
	Ceiling as per the Act	125 lakhs (approximately)	125 lakhs (approximately)

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
	Independent Directors	Dr. Sudhakar Rao	Shanker Annaswamy	Suresh C. Senapaty	Dr. Sampath. T. Ramesh	Bhushani Kumar	
1.	Fee for attending board/ committee meeting	8,00,000	8,50,000	8,50,000	7,50,000	6,00,000	38,50,000
2.	Commission	Nil	Nil	Nil	Nil	Nil	–
3.	Others, please specify	Nil	Nil	Nil	Nil	Nil	–
	Total (1)	**8,00,000**	**8,50,000**	**8,50,000**	**7,50,000**	**6,00,000**	**38,50,000**
	Other Non-Executive Directors	**Gangadhara Ganapathi**	**Prakash Parthasarathy**	**Jennifer Gek Choo Lee**	**Rajesh Singhal**		
1.	Fee for attending board/ committee meetings	Nil	Nil	Nil	Nil		
2.	Commission	Nil	Nil	Nil	Nil		
3.	Others, please specify	Nil	Nil	Nil	Nil		
	Total (2)	**Nil**	**Nil**	**Nil**	**Nil**		
	Total (B)=(1+2)	**8,00,000**	**8,50,000**	**8,50,000**	**7,50,000**	**6,00,000**	**38,50,000**
	Total Managerial Remuneration						4,59,23,569
	Overall Ceiling as per the Act						125 lakhs (approximately)

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration		Key Managerial Personnel		
		CEO#	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	28,50,400	80,07,892	1,08,58,292
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	1,28,300	Nil	1,28,300
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	Nil	Nil	Nil
2	Stock Option	–	11,65,593	Nil	11,65,593
3	Sweat Equity	–	Nil	Nil	Nil
4	Commission	–	Nil	Nil	Nil
	– as % of profit	–	Nil	Nil	Nil
	– others, specify...	–	Nil	Nil	Nil
5	Others, please specify - Employers contribution to Provident Fund	–	1,83,960	4,68,120	6,52,080
	Total	**–**	**43,28,253**	**84,76,012**	**1,28,04,265**

In the above table, remuneration paid to Dr. B.S. Ajai Kumar, Chairman & CEO is not included, since the said remuneration has already been included in remuneration paid to Whole-time Director under (A) above.

VII. Penalties / Punishment/ Compounding of Offences: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

For HealthCare Global Enterprises Limited

Date: May 26, 2016
Place: Bangalore

Dr. BS Ajaikumar
Chairman

Annexure 2

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended: 31.03.2016

To,
The Members,
Healthcare Global Enterprises Limited,
Registered Office Address: HCG Tower,
No.8.P.Kalinga Rao Road, Sampangi Ram Nagar,
Bengaluru 560 027
CIN: U15200KA1998PLC023489

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Healthcare Global Enterprises Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2016 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. The company has no External Commercial Borrowing.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

    i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

    iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

    v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);

    vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

    vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period); and

viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable to the Company during the Audit Period);

ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

vi. The following laws which are specifically applicable to the company:

a) Drugs and Cosmetics Act, 1940 and the rules thereunder

b) Pharmacy Act, 1948

c) Atomic Energy Act, 1962 ("Atomic Energy Act") and Atomic Energy (Radiation Protection) Rules, 2004 ("Atomic Energy Rules")

d) Radiation Protection Rules, 1971 ("Radiation Rules")

e) Radiation Surveillance Procedures for Medical Application of Radiation, 1989 ("Radiation Surveillance Procedures")

f) The Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 ("X-Ray Safety Code")

g) Pharmacy Act, 1948 ("Pharmacy Act")

h) Drugs (Prices Control) Order, 2013 ("DPCO") ")

i) The Clinical Establishments (Registration and Regulation), Act, 2010

j) Narcotic Drugs and Psychotropic Substances Act, 1985 ("Narcotic Act")

k) Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 ("PNDT Act") and the rules thereunder.

l) Medical Termination of Pregnancy Act, 1971 ("MTP Act") and the rules and regulations thereunder.

m) Transplantation of Human Organs Act, 1994 ("Transplantation of Organs Act")

n) Explosives Act, 1884 ("Explosives Act")

o) Indian Boilers Act, 1923 ("Boilers Act")

p) Ethical Guidelines for Biomedical Research on Human Participants, 2006 ("ICMR Guidelines")

q) Legal Metrology Act, 2009 ("Legal Metrology Act") and rules thereunder

r) Indian Medical Council Act, 1956 ("IMCA")

s) Indian Medical Degree Act, 1916 ("IMDA")

t) Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002

u) Indian Nursing Council Act, 1947

v) Bio-Medical Waste (Management and Handling) Rules, 1998 ("BMW Rules")

w) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 ("Hazardous Waste Rules")

x) Batteries (Management and Handling) Rules, 2001 ("Batteries Rules")

y) e-waste (Management and Handling) Rules, 2011 ("e-waste Rules")

z) Poisons Act, 1919 and the Karnataka Poison Rules, 1966

aa) Static and Mobiles Pressure Vessels (Unfired) Rules, 1981

We have also examined the compliance with the applicable clauses of the following:

a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

b. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

Without qualifying our report, we state that the company had to file 2(Two) MGT-14s for the Resolutions passed at the Board Meetings held on May 29, 2015 (for approving financial statements) and on July 13, 2015 (for approving Board's Report), both for the year ended March 31, 2015. However as on the date of our report the company has filed the applications before the Central Government, Ministry of Corporate Affairs, New Delhi under Section 460 of the Companies Act, 2013 for condoning the delay in filing such forms.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that, based on the compliance report furnished to the Board by the Company Secretary, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company has listed its equity shares on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) on March 30, 2016. Except for the said listing of equity shares, there was no event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For V. SREEDHARAN & ASSOCIATES

Bengaluru
May 26, 2016

(V. Sreedharan)
Partner
FCS: 2347; C.P. No: 833

Annexure 3

Employee Stock Options

The Company, pursuant to resolutions passed by the Board and the Shareholders dated June 16, 2010 and August 25, 2010 respectively, has adopted ESOP 2010. Pursuant to ESOP 2010, options to acquire Equity Shares have been granted to eligible employees (as defined under ESOP 2010) including permanent employees. Pursuant to a shareholders' resolution dated March 28, 2014, the Company was authorised to issue up to 5.3 million Equity Shares under one or more employee stock option schemes. Pursuant to Board resolution dated February 25, 2015, the Board has resolved not to make any further grants under ESOP 2010.

The Company, being an unlisted company at the time when the grants were made, was not then required to be compliant with SEBI ESOP Regulations. Further, ESOP 2010 was adopted prior to the commencement of the Companies Act, 2013. However, ESOP 2010 is compliant with the SEBI ESOP Regulations and the Companies Act, 2013, except to the extent that ESOP 2010 does not specifically exclude independent directors, promoters, persons belonging to the Promoter Group or directors either through themselves or through their relatives, or any body corporate holding more than 10% of the Equity Shares from the definition of employee to whom options may be granted under ESOP 2010, as provided under Regulation 2(1)(f) of the SEBI ESOP Regulations and the explanation to Rule 12(1) of the Companies (Share Capital and Debentures) Rules, 2014.

<table>
<tr><th>Particulars</th><th colspan="3">Details</th></tr>
<tr><td>Options granted</td><td colspan="3">1,294,800 options on June 16, 2010. Each option entitles the holder to purchase one Equity Share at a price of Rs. 10 per Equity Share</td></tr>
<tr><td>Pricing formula</td><td colspan="3">The options were granted at such exercise price not less than face value per option per Equity Share</td></tr>
<tr><td rowspan="14">Vesting period</td><td colspan="3">Grant A</td></tr>
<tr><td>Vesting Proportion</td><td>Vesting period from date of grant</td><td>Basis of Vesting</td></tr>
<tr><td>10%</td><td>1st anniversary</td><td>100% - time based, 0% - performance based</td></tr>
<tr><td>20%</td><td>2nd anniversary</td><td>60% - time based, 40% - performance based</td></tr>
<tr><td>30%</td><td>3rd anniversary</td><td>50% - time based, 50% - performance based</td></tr>
<tr><td>40%</td><td>4th anniversary</td><td>40% - time based, 60% - performance based</td></tr>
<tr><td>Grant B</td><td></td><td></td></tr>
<tr><td>Vesting Proportion</td><td>Vesting period from date of grant</td><td>Basis of Vesting</td></tr>
<tr><td>10%</td><td>2nd anniversary</td><td>100% - time based, 0% - performance based</td></tr>
<tr><td>20%</td><td>3rd anniversary</td><td>60% - time based, 40% - performance based</td></tr>
<tr><td>30%</td><td>4th anniversary</td><td>50% - time based, 50% - performance based</td></tr>
<tr><td>40%</td><td>5th anniversary</td><td>40% - time based, 60% - performance based</td></tr>
<tr><td colspan="3">All options have been vested as of March 31, 2015 pursuant to Shareholders' resolution dated March 31, 2015</td></tr>
</table>

Particulars	Details		
Options vested	1,069,194 options		
Options exercised	1,059,067 options		
The total number of Equity Shares arising as a result of exercise of options	1,059,067 options		
Options lapsed	225,606 options		
Variation of terms of options	The Nomination and Remuneration Committee and the Board of Directors of the Company modified the exercise period on February 25, 2015 to a period of five years commencing from the date of vesting so as to bring it in line with the exercise period post listing of Equity Shares and to make it more attractive and valuable for the option holders. This was approved by the Shareholders pursuant to their resolution dated March 31, 2015. Pursuant to Shareholders' resolution dated March 31, 2015, vesting of all options was accelerated and all options stood vested.		
Money realized by exercise of options	Rs. 10,590,670		
Total number of options in force	10,127 options		
Employee-wise detail of options granted to			
(i) Senior managerial personnel	Sl. No.	Name of Employee	No. of Options
	1.	Dr. B.S. Ajai Kumar	2,57,700
	2.	Dr. Naveen Nagar	22,400
	3.	A Sadasivam	82,000
	4.	Dinesh Madhavan	54,200
	5.	Dr. Bharat Gadhavi	30,800
	6.	Sunu Manuel	15,400
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	For Financial Year 2016: Nil For Financial Year 2015: Nil For Financial Year 2014: Nil There were no grants made during the last three financial years.		
(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	For Financial Year 2016: Nil For Financial Year 2015: Nil For Financial Year 2014: Nil There were no grants made during the last three financial years.		
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard	For Financial Year 2016: (0.39) For Financial Year 2015: (0.34) For Financial Year 2014: (5.75)		
Lock-in	Nil		
Impact on profit and EPS of the last three years if the accounting policies prescribed in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed	For Financial Year 2016: The total accounting charge taken on account of ESOP 2010 and ESOP 2014 Rs. 5,392,740 For Financial Year 2015: The total accounting charge taken on account of ESOP 2010 and ESOP 2014 is Rs. 11,976,982 For Financial Year 2014: The total accounting charge taken on account of ESOP 2010 is Rs. 8,885,772		

Particulars	Details
Where the Company has calculated the employee compensation cost using the intrinsic value of stock options, difference, if any, between employee compensation cost calculated according using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options	The Company follows the Fair Value (Black-Scholes Option Pricing Model) of the stock options for calculating employee compensation cost.
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	For Financial Year 2016: No options were granted during this period. For Financial Year 2015: No options were granted during this period. For Financial Year 2014: No options were granted during this period.
Method and significant assumptions used to estimate the fair value of options granted during the year	For Financial Year 2016: No grants were made during this period.. For Financial Year 2015: No grants were made during this period. For Financial Year 2014: No grants were made during this period.

The Company, pursuant to resolutions passed by the Board and the Shareholders, dated April 1, 2014 and March 28, 2014, respectively has adopted ESOP 2014. The members of the Company further at the EGM held on July 13, 2015 have ratified ESOP 2014 as per the provisions of Companies Act 2013. Pursuant to ESOP 2014, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2014) including permanent employees, Whole-time Director of the Company and permanent employees and directors of the Subsidiaries except any employee who is a promoter or belongs to the promoter group or an independent director, or a Director, who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares. The aggregate number of Equity Shares, which may be issued under ESOP 2014, shall not exceed 5.3 million Equity Shares including options exercised under ESOP 2010.

<table>
<tr><th>Particulars</th><th colspan="3">Details</th></tr>
<tr><td>Options granted</td><td colspan="3">1,360,100 options comprising of 1,250,000 options granted on April 1, 2014
("Grant I") and 110,100 options granted on June 24, 2014 ("Grant II")</td></tr>
<tr><td>Pricing formula</td><td colspan="3">The options were granted at such exercise price not less than face value per option per share</td></tr>
<tr><td rowspan="6">Vesting period</td><td colspan="3">Grant I:</td></tr>
<tr><td>Vesting Proportion</td><td>Vesting period from date of grant</td><td>Basis of Vesting</td></tr>
<tr><td>50%</td><td>1st anniversary</td><td>100% - time based</td></tr>
<tr><td>25%</td><td>2nd anniversary</td><td>100% - time based</td></tr>
<tr><td>25%</td><td>3rd anniversary</td><td>100% - time based</td></tr>
<tr><td colspan="3">Terms of acceleration for Grant 1 of ESOP 2014: In the event of a sale of the Company, or the consummation of a qualified initial public offering by the Company or in the event of any change in the constitution of the Company, change of control of the Company, re-structuring of the Company including but not limited to merger, de-merger, spin-off, reverse merger, subsidiarisation etc. or amalgamation of any other entity with the Company, the Options granted shall become fully vested and exercisable subject to any statutorily required minimum vesting period from the date of Grant.</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Vesting period</td><td>Grant II:
<table>
<tr><th>Vesting Proportion</th><th>Vesting period from date of grant</th><th>Basis of Vesting</th></tr>
<tr><td>10%</td><td>1st anniversary</td><td>100% - time based</td></tr>
<tr><td>20%</td><td>2nd anniversary</td><td>100% - time based</td></tr>
<tr><td>30%</td><td>3rd anniversary</td><td>100% - time based</td></tr>
<tr><td>40%</td><td>4th anniversary</td><td>100% - time based</td></tr>
</table></td></tr>
<tr><td>Options vested</td><td>636,010</td></tr>
<tr><td>Options exercised</td><td>636,010</td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>636,010</td></tr>
<tr><td>Options lapsed</td><td>Nil</td></tr>
<tr><td>Variation of terms of options</td><td>Nil</td></tr>
<tr><td>Money realized by exercise of options</td><td>69,285,100</td></tr>
<tr><td>Total number of options in force</td><td>724,090</td></tr>
<tr><td colspan="2">Employee-wise detail of options granted to</td></tr>
<tr><td>(i) Senior managerial personnel</td><td>
<table>
<tr><th>Sl. No.</th><th>Name of Employee</th><th>Grant</th><th>No. of Options</th></tr>
<tr><td>1.</td><td>Gangadhara Ganapati</td><td>Grant I</td><td>1,250,000</td></tr>
<tr><td>2.</td><td>Mudit Saxena</td><td>Grant II</td><td>30,000</td></tr>
<tr><td>3.</td><td>Sunu Manuel</td><td>Grant II</td><td>15,000</td></tr>
</table></td></tr>
<tr><td>(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>Gangadhara Ganapati - 12,50,000 options</td></tr>
<tr><td>(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</td><td>Gangadhara Ganapati - 12,50,000 options</td></tr>
<tr><td>Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard</td><td>For Financial Year 2016: (0.39)
For Financial Year 2015: (0.34)
For Financial Year 2014: (5.75)</td></tr>
<tr><td>Lock-in</td><td>Nil</td></tr>
<tr><td>Impact on profit and EPS of the last three years if the accounting policies prescribed in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed</td><td>For Financial Year 2016: The total accounting charge taken on account of ESOP 2014 is Rs. 5,392,740
For Financial Year 2015: The total accounting charge taken on account of ESOP 2010 and ESOP 2014 is Rs. 11,976,982
For Financial Year 2014: The total accounting charge taken on account of ESOP 2010 is Rs. 8,885,772</td></tr>
<tr><td>Where the Company has calculated the employee compensation cost using the intrinsic value of stock options difference, if any, between employee compensation cost calculated according using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options</td><td>The Company follows the Fair Value (Black-Scholes Option Pricing Model) of the stock options for calculating employee compensation cost</td></tr>
</table>

The detail of fair market value and the exercise price is as given below:

Particulars	ESOP 2010	ESOP 2014	ESOP 2014
Date of grant	16-Jun-10	01-Apr-14	24-Jun-14
Fair market value of option at grant date (Rs.)	23.10	8.71	73.34
Fair market value of share at grant date (Rs.)	29.18	78.95	78.95
Exercise price (Rs.)	10.00	110.68	10.00

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	ESOP 2010	ESOP 2014	ESOP 2014
Grant date	16-Jun-10	01-Apr-14	24-Jun-14
Risk Free Interest Rate	7.67%	8.56%	8.70%
Expected Life	6.50	1.80	6.50
Expected Annual Volatility of Shares	0.00%	33.31%	44.48%
Expected Dividend Yield	0.00%	0.00%	0.00%

Employee stock options details as on the Balance Sheet date are as follows:

Particulars	Year ended 31–Mar–16		Year ended 31–Mar–15	
	Options (Numbers)	Weighted average exercise price per option (Rs.)	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year:				
– ESOP 2010	10,69,194	10.00	11,30,300	10.00
– ESOP 2014	13,60,100	102.53	–	–
Granted during the year:				
– ESOP 2010	–	–	–	–
– ESOP 2014	–	–	13,60,100	102.53
Vested during the year:				
– ESOP 2010	–	–	10,69,194	10.00
– ESOP 2014	9,29,457	105.91	–	–
Exercised during the year:				
– ESOP 2010	10,59,067	10.00	–	–
– ESOP 2014	6,36,010	108.94	–	–
Lapsed during the year:				
– ESOP 2010	–	–	61,106	10.00
– ESOP 2014	–	–	–	–
Options outstanding at the end of the year:				
– ESOP 2010	10,127	10.00	10,69,194	10.00
– ESOP 2014	7,24,090	96.90	13,60,100	102.53
Options available for grant:				
– ESOP 2010	–	–	–	–
– ESOP 2014	28,70,706	110.68	28,70,706	110.68

Annexure 4

Appointment and Remuneration of Managerial personnel

Disclosure in terms of Section 197 (12) of the Companies Act, 2013, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, in respect of employees of the company, for the year ended March 31, 2016

(a) Comparison and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2015-16

Name of the Director	Remuneration of Director (Rs. in Crore)	Median Remuneration of employees (Rs. in Crore)	Ratio
*Dr. B.S. Ajai Kumar	2.43	0.02	144%

*None of the other Directors are paid any remuneration except sitting fees.

(b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year under review

Name of Director/ KMP	Designation	% increase in Remuneration
Dr. B.S. Ajai Kumar	Chairman & CEO	(7.6%)
Mr. Krishnan Subramanian	Chief Financial Officer	8%
Ms. Sunu Manuel	Company Secretary	15%

(c) The percentage increase in the median remuneration of employees in the financial year is 7.69%;

(d) The number of permanent employees on the rolls of Company is 2,782 as on March 31, 2016.

(e) The explanation on the relationship between average increase in remuneration and Company performance.

Looking at the organizational performance and the overall industry performance, your Company has fared well. We have seen a steady year on year growth in the Company performance and the average increase in remuneration is closely linked to this growth.

(f) Comparison of the remuneration of the Key Managerial Personnel (Individually and Collectively) against the performance of the Company

Key Managerial Personnel

Name of Director/ KMP	CTC (Amount in Rs.)	Revenue (Amount in Rs.)
Dr. B.S. Ajai Kumar	243 Lakhs	58,198 Lakhs
Mr. Krishnan Subramanian	88.56 Lakhs	
Ms. Sunu Manuel	30.00 Lakhs	
Total	351.56 Lakhs	

(g) Variations in the market capitalisation of the Company, price earnings ratio as on March 31, 2016 and March 31, 2015 and percentage increase/decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer

Particulars	As on March 31, 2015	As on March 31, 2016
Market capitalization (Rs. in crore)	#	1,485.43
*Price earnings ratio	-	-
Rate at which the Company came out with the last public offer (Rs.)	#	218
Share price as at (Rs.)	#	174.60
% Increase or decrease in share price	#	19.91%

Shares of the company were listed on 30th March 2016. Hence this data is not available

*In view of the losses, the Price earnings ratio cannot be calculated

(h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration

Particulars	For the Financial Year 2015-16
(A) Average percentile increase already made in the salaries of employees other than the managerial personnel	13.26%
(B) Percentile increase in the managerial remuneration	-7.60% (Decrease)
Comparison of (A) and (B)	In the financial year 2014-15, board had awarded one-time bonus to Dr. B.S. Ajai Kumar for his commitment and past performance on account of which there is decrease in managerial remuneration for financial year 2015-16. But for the effect of one-time bonus, percentile increase in managerial remuneration is comparable with percentile increase in the salaries of employees other than managerial personnel.
Justification	Not applicable.
Any exceptional circumstances for increase in the managerial remuneration	

(j) Key Parameter for variable component of remuneration availed by the Directors

Dr. B.S. Ajai Kumar is entitled to variable remuneration, over and above the fixed remuneration, being a varying percentage of the Company's actual consolidated EBITDA as against budgeted EBITDA.

(k) Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year

No employee has received remuneration in excess of the highest paid director during the year under review.

(l) Affirmation that the remuneration is as per the Remuneration Policy of the Company.

It is hereby confirmed that the remuneration is as per the Remuneration Policy of the Company.

Statement pursuant to Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sl No	Name of the Employee	Designation	Qualification	Previous employment	Date of joining	Date of Birth	Age (in Years)	Experience (in Years)	Remuneration including performance based Variable pay (In Million)	No of Equity Shares held
1	Dr. B.S. Ajai Kumar	Chairman & CEO	MD	Professional	07/03/2000	22/05/1951	65	38	24.30	176,42,739
2	A Sadasivam	Executive Director-Operations	AICWA	Falcon Tyres Limited	20/08/2008	30/10/1956	59	29	11.523	92,000
3	Krishnan Subramanian	Chief Financial Officer	B.Com, PGDBA, AICWA, ACS	Fortis HealthCare Limited	12/03/2014	06/03/1972	44	21	8.856	Nil
4	Dinesh Madhavan	Director - HealthCare Services	B.Com, MBA, LLB	Wockhardt Hospitals	14/09/2009	11/10/1972	43	16	10.518	79,914
5	Dr. Mudit Saxena	Chief Operating Officer – 3 regions	MBBS, MHA, EPGP	Fortis Health Management (North)	24/04/2012	11/05/1969	47	20	7.128	5,860
6	V Jayachandran	Project Management Consultant	BA, Dip.Civil Engineering	Preview Architects	20/06/2007	19/12/1978	37	16	7.32	14,500
7	Anant Srinivas Kittur	Director-Projects	B. Com, Chartered Accountant	Director, Imaging Sales - GE Healthcare for South Asia	16/05/2015	08/05/1973	43	17	5.732 (for the period from 16/05/2015 to 31/03/2016)	43,000

For HealthCare Global Enterprises Limited

Date: May 26, 2016
Place: Bangalore

Dr. BS Ajaikumar
Chairman

Annexure 5

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of Contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis :

There are no contracts/arrangements/transactions which are not at arm's length basis.

2. Details of contracts or arrangements or transactions at arm's length basis :

Name of related party	Nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the Contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (Rs.), if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
Malnad Hospital and Institute of Oncology Private Limited	Subsidiary company/Common Director	Sale of goods, providing services	01.04.15-31.03.16	86,81,822	Approved by Audit Committee on May 29, 2015	Nil
HCG Medi-Surge Hospitals Private Limited	Subsidiary company/Common Director	Sale of goods, providing services	01.04.15-31.03.16	11,45,83,317	Approved by Audit Committee on May 29, 2015	Nil
HCG TVH Medical Imaging Private Limited	Subsidiary company/Common Director	Sale of goods	01.04.15-31.03.16	20,73,940	Approved by Audit Committee on May 29, 2015	Nil
HealthCare Diwan Chand Imaging LLP	LLP/ Directors are Partners	Sale of goods, availing diagnostic services	01.04.15-31.03.16	2,30,60,277	Approved by Audit Committee on May 29, 2015	Nil
Sada Sharada Tumor & Research Institute	Company with common Director	Sale of goods, Providing services	01.04.15-31.03.16	5,23,38,150	Approved by Audit Committee on May 29, 2015	Nil
JSS Bharath Charitable Trust	Trust/ Director of the company is a Trustee	Providing services	01.04.15-31.03.16	122,44,767	Approved by Audit Committee on May 29, 2015	Nil
HCG Foundation	Trust/ Director of the company is a Trustee	Providing services	01.04.15-31.03.16	50,94,137	Approved by Audit Committee on May 29, 2015	Nil
Sada Sharada Tumor & Research Institute	Company with common Director	Rental expenses	01.04.15-31.03.16	4,74,000	Approved by Audit Committee on May 29, 2015	Nil
Malnad Hospital and Institute of Oncology Private Limited	Subsidiary company/ common Director	Interest income	01.04.15-31.03.16	1,13,055	Approved by Audit Committee on May 29, 2015	Nil
HCG Medi-Surge Hospitals Private Limited	Subsidiary company/ common Director	Interest income	01.04.15-31.03.16	32,88,403	Approved by Audit Committee on May 29, 2015	Nil

Name of related party	Nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the Contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (Rs.), if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
MIMS HCG Oncology Private Limited	Wholly owned Subsidiary company/ common Director	Interest income	01.04.15-31.03.16	99,780	Approved by Audit Committee on May 29, 2015	Nil
HCG Pinnacle Oncology Private Limited	Subsidiary company/ common Director	Interest income	01.04.15-31.03.16	17,88,239	Approved by Audit Committee on May 29, 2015	Nil
HCG Pinnacle Oncology Private Limited	Subsidiary company/ common Director	Providing services	01.04.15-31.03.16	7,00,000	Approved by Audit Committee on May 29, 2015	Nil
BACC HealthCare Private Limited	Subsidiary company common Director	Providing services	01.04.15-31.03.16	1,64,100	Approved by Audit Committee on May 29, 2015	Nil
Dr. B.S. Ajai Kumar	Director	Remuneration	01.04.15-31.03.16	2,43,00,000	Approved by Audit Committee on May 29, 2015	Nil

By order of the Board of Directors
For HealthCare Global Enterprises Limited

Date: May 26, 2016
Place: Bangalore

Dr. BS Ajaikumar
Chairman

Annexure 6

Form No. AOC-1

(Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint venture) [Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014]

Name of the subsidiary	Financial period ended	Reporting Currency	% of shareholding	Share capital	Reserve & surplus	Total assets	Total liabilities (excluding share capital and reserve & surplus)	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation
BACC Healthcare Private Limited	31/03/16	INR	50.10%	9,35,780	29,81,83,805	36,84,40,612	6,93,21,028	85,00,000	40,02,23,307	6,97,62,536	2,25,60,240	4,72,02,296
HCG Medi-Surge Hospitals Private Limited	31/03/16	INR	74.00%	5,56,87,040	4,57,15,781	56,89,64,997	46,75,62,175	–	66,98,06,358	4,63,91,152	-57,58,000	5,21,49,152
Malnad Hospital & Institute of Oncology Private Limited	31/03/16	INR	70.25%	94,95,600	-29,26,971	3,73,44,732	3,07,76,104	–	3,92,35,681	1,73,538	1,59,900	13,638
MIMS HCG Oncology Private Limited	31/03/16	INR	100.00%	5,00,000	-15,04,774	2,28,650	12,33,424	–	–	-2,43,311	–	-2,43,311
HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	31/03/16	INR	100.00%	92,98,000	-3,84,20,554	73,09,576	3,64,32,130	–	–	-3,29,616	–	-3,29,616
DKR Healthcare Private Limited (Subsidiary of BACC Healthcare Private Limited)	31/03/16	INR	100.00%	20,00,000	1,54,57,686	4,10,76,381	2,36,18,695	–	7,59,59,593	1,83,70,070	61,68,819	1,22,01,251
HCG Pinnacle Oncology Private Limited	31/03/16	INR	50.10%	10,00,000	-48,41,887	28,76,12,382	29,14,54,269	–	6,88,271	-43,13,947	–	-43,13,947
HCG Regency Oncology Healthcare Private Limited	31/03/16	INR	50.10%	14,46,59,520	1,24,73,509	62,63,68,490	46,92,35,462	–	–	–	–	–
HealthCare Global (Uganda) Private Limited	31/03/16	INR	100.00%	27,98,500	-15,77,635	29,53,096	17,32,231	–	1,98,638	-18,99,827	2,43,722	-21,43,550
		UGX		1,45,00,000	-8,17,42,761	15,30,10,132	8,97,52,893	–	1,03,45,729	-9,89,49,331	1,26,93,898	-11,16,43,229
HealthCare Global (Kenya) Private Limited	31/03/16	INR	100.00%	53,02,984	-71,57,799	16,27,191	34,82,006	–	–	-39,46,225	–	-39,46,225
		USD		79,945	-1,07,907	24,531	52,493	–	–	-59,491	–	-59,491

HealthCare Global (Tanzania) Private Limited	31/03/16	INR	100.00%	53,370	1,95,428	36,26,072	33,77,274	–	27,82,178	2,33,219	57,465	1,75,755
		TZS		18,00,000	64,92,623	12,04,67,494	11,22,01,781	–	9,36,76,013	78,52,493	19,34,832	59,17,661
HealthCare Diwan Chand Imaging LLP	31/03/16	INR	75.00%	3,21,52,216	-15,02,880	3,89,07,333	82,57,997	–	4,16,61,592	4,32,631	-4,21,000	8,53,631
HCG Oncology LLP	31/03/16	INR	74.00%	7,36,60,646	-27,41,172	37,58,89,766	30,49,70,292	–	–	-27,41,172	–	-27,41,172
HCG (Mauritius) PVT. LTD.	31/03/16	INR	100.00%	1,12,76,593	-16,58,488	1,13,05,580	16,87,476	74,95,618	–	-16,58,488	–	-16,58,488
		USD		1,70,000	-25,003	1,70,437	25,440	1,13,000	-	-25,003	–	-25,003
APEX HCG Oncology Hospitals LLP	31/03/16	INR	50.01%	8,56,71,983	–	8,58,50,510	1,78,527	–	–	–	–	0
Healthcare Global (Africa) PVT. LTD.	31/03/16	INR	100.00%	74,95,618	20,91,642	1,12,74,736	16,87,509	-	-	-16,89,366	-	-16,89,366
		USD		1,13,000	31,533	1,69,972	25,440	-	-	-25,468	-	-25,468

As on 31.03.16: 1 US$ = Rs. 66.3329, 1 UGX=Rs.0.0193, 1 TZS = Rs. 0.0301

Reserves & Surplus of Health Global (Africa) Private Limited includes share application money pending allotment of USD 57,000

By order of the Board of Directors
For HealthCare Global Enterprises Limited

Date: May 26, 2016
Place: Bangalore

Dr. BS Ajaikumar
Chairman

Corporate Governance Report

I. Company's philosophy on code of governance

HealthCare Global Enterprises Limited ("HCG" or "the Company") is committed to good corporate governance, which promotes the long-term interests of shareholders, strengthen the Board and management accountability and helps build public trust in the Company.

The Company has a strong legacy of fair, transparent and ethical governance practices. Corporate governance philosophy of the Company is put into practice through robust board governance processes, internal control systems and processes, and strong audit mechanisms. These are articulated through Company's Code of Business Conduct, Corporate Governance Guidelines and charters of various sub-committees of the Board of Directors ("Board") and Company's Disclosure Policy.

We believe that a transparent, ethical and responsible corporate governance framework essentially emanates from the intrinsic will and passion for good governance, for which we constantly challenge ourselves to improvise and better our initiatives on Corporate Governance.

A report on Corporate Governance, in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable is outlined below.

II. Composition of Board

As of March 31, 2016, our Board had nine Non-Executive Directors and one Executive Director who is Chairman of our Board. Out of the nine Non-Executive Directors, five are Independent Directors and free from any business or other relationship that could materially influence their judgment. All the Independent Directors satisfy the criteria of independence as defined under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has two women directors on the Board. The profiles of our Directors forms part of the Annual Report.

III. Information flow to the Board Members

Information is provided to the Board members on a continuous basis for their review, inputs and approval from time to time. More specifically, we present our annual Strategic Plan and Operating Plans of our business to the Board for their review, inputs and approval. Likewise, our quarterly financial statements and annual financial statements are first presented to the Audit Committee for their review and recommendations and subsequently to the Board of Directors for their approval. In addition, specific cases of acquisitions, important managerial decisions, material positive/negative developments and statutory matters are presented to the Committees of the Board and later with the recommendation of Committee to the Board of Directors for their approval.

As a system, in most cases, information to Directors is submitted along with the agenda papers well in advance of the Board meeting. Inputs and feedback of Board members are taken in preparation of agenda and documents for the Board meeting.

IV. Board Meetings

We decide about the Board meeting dates in consultation with all our Directors, based on the practices of earlier years. Once approved, the schedule of the Board meeting and Board Committee meetings are communicated to the Directors in advance, to enable them attend the meetings.

Our Board meetings are normally scheduled for a day. The gap between two meetings did not exceed 120 days. The necessary quorum was present for all the meetings. In addition, every half year, Independent Directors meet amongst themselves exclusively.

The Board met twelve times in financial year 2015-16 viz., on, April 9,2015 April 10, 2015, May 29, 2015, June 26, 2015, July 13, 2015, July 24, 2015, September 30, 2015, November 06, 2015, February 11, 2016, March 04, 2016, March 12, 2016 and March 28, 2016.

The attendance of the Directors at the Board Meetings for the year ended March 31, 2016 is provided in the below table:

Name	Position	Number of Board Meetings attended
Dr. B.S. Ajai Kumar	Chairman	11
Mr. Gangadhara Ganapati	Member	12
Mr. Rajesh Singhal	Member	10
Mr. Prakash Parthasarathy	Member	9
Dr. Jennifer Gek Choo Lee	Member	5
Dr. Sudhakar Rao	Member	7
Mr. Shanker Annaswamy	Member	7
Mr. Suresh C. Senapaty	Member	8
Dr. Sampath.T.Ramesh	Member	7
Mrs. Bhushani Kumar	Member	6

V. Lead Independent Director

The Board of Directors of the Company has designated Dr. Sudhakar Rao as the Lead Independent Director.

VI. Appointment of Directors

In terms of Section 149 of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation at the Annual General Meeting. The Board of Directors of the Company adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and Listing Regulations. Details of Directors proposed for re-appointment/appointment at the ensuing Annual general Meeting is provided in the Notice convening the Annual General Meeting.

VII. Policy for Selection and Appointment of Directors and their Remuneration

Nomination and Remuneration Committee have adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and payment of their remuneration. The Policy is accordingly derived from the said Charter.

VIII. Criteria of selection of Independent Directors

Nomination and Remuneration Committee considers the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Independent Director.

i. Qualification, expertise and experience of the Directors in their respective fields such as expertise or experience in Healthcare Industry, Scientific Research & Development, International Markets, Leadership, Finance, Risk Management and Strategic Planning, Law, Administration etc.

ii. Personal, Professional or business standing;

iii. Diversity of the Board.

In case of appointment of Independent Directors, Nomination and Remuneration Committee shall, apart from obtaining a declaration to that effect, satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company, so as to enable the Board to discharge its function and duties effectively.

The Nomination and Remuneration Committee shall also ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013, simultaneously obtaining a declaration in that respect. In case of re-appointment of Independent Directors, the Board shall take into consideration the performance evaluation of the Independent Directors and their engagement level.

IX. Familiarization programme of Independent Directors

The Board of Directors is responsible for overall supervision of the Company. To achieve this, board undertakes periodic review of various matters including business wise performance, risk management, borrowings, internal audit/ external audit reports etc. In order to enable the Directors to fulfill the governance role, comprehensive presentations are made on the various businesses, business models, risk minimization procedures and new initiatives of the Company. Changes in domestic/overseas corporate and industry scenario including their effect on the Company, statutory matters are also presented to the Directors on a periodical basis. Details regarding familiarization programme are provided in Company's Corporate Governance Guidelines which is available in www.hcgel.com.

X. Remuneration Policy and Criteria of making payments to Directors, Senior Management and Key Managerial Personnel

The Independent Director shall be entitled to receive remuneration by way of sitting fees and reimbursement of expenses for participation in the Board / Committee meetings.

An Independent Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, apart from re-imbursement of expenses incurred by them for attending the Board/Committee meetings. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company.

In determining the remuneration of Chairman and CEO, Executive Directors, Senior Management Employees and Key Managerial Persons the Nomination and Remuneration Committee shall ensure / consider the following:

a) the relationship of remuneration and performance benchmark is clear;

b) the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

c) the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and a variable component comprising performance bonus;

d) the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual achievement, individuals' performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

Nomination and Remuneration Committee of the Board recommends the remuneration for the Chairman and CEO, other Executive Directors, Senior Management and Key Managerial Personnel. The payment of remuneration to Executive Director is approved by the Board and Shareholders.

XI. Details of Remuneration to Directors

The Table below provides the remuneration paid to the Directors for the services rendered during the financial year 2015-16. No stock options were granted to any of the Independent Non-Executive Directors during the year 2015-16. None of the Directors are related to each other.

Details of remuneration paid to Directors during the year 2015-16:

Names of Directors	Salary	Allowances	Commission/ Incentives/ Variable pay	Sitting fees (Rs.)	Retirals	*Stock options
Dr. B.S. Ajai Kumar	1,50,00,000	Nil	93,00,000	Nil	Nil	2,57,700
Mr. Gangadhara Ganapati	Nil	Nil	Nil	Nil	Nil	12,50,000
Mr. Rajesh Singhal	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Prakash Parthasarathy	Nil	Nil	Nil	Nil	Nil	Nil
Dr. Jennifer Gek Choo Lee	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Sudhakar Rao	Nil	Nil	Nil	8,00,000	Nil	Nil
Mr. Shanker Annaswamy	Nil	Nil	Nil	8,50,000	Nil	Nil
Mr. Suresh C. Senapaty	Nil	Nil	Nil	8,50,000	Nil	Nil
Dr. Sampath. T. Ramesh	Nil	Nil	Nil	7,50,000	Nil	Nil
Mrs. Bhushani Kumar	Nil	Nil	Nil	6,00,000	Nil	Nil

* Notes

1. Dr. B.S. Ajai Kumar was granted stock options in June 2010, as per the ESOP Scheme 2010. All the stock options have been exercised during the financial year.

2. Mr. Gangadhara Ganapati, Director has been granted 12,50,000 stock options in April 2014 as per ESOP Scheme 2014. He has exercised 6,25,000 stock options during the financial year.

Key Information pertaining to Directors as on March 31, 2016:

Names of Directors	Category	Date of appointment	Directorship in other companies	Chairmanship in Committees of other companies	Membership in Committees of Board of other companies	Attendance at the AGM held on September 28, 2015	No. of shares held as on March 31, 2016	DIN
Dr. B. S. Ajai Kumar	Promoter, Executive Director	07/03/2000	8 (excluding Companies not-for profit and LLPs)	Nil	Nil	Yes	1,76,42,739	00713779
Gangadhara Ganapati	Non- Executive Non-Independent Director	21/12/2005	1	Nil	Nil	Yes	23,07,780	00489200
Rajesh Singhal	Non- Executive Non-Independent Director	25/09/2013	5	Nil	Nil	No	Nil	01415174
Prakash Parthasarathy	Non- Executive Non-Independent Director	23/04/2008	2	Nil	Nil	No	Nil	02011709
Dr. Jennifer Gek Choo Lee	Non- Executive Non-Independent Director	07/03/2013	Nil	Nil	Nil	No	Nil	01095502
Dr. Sudhakar Rao	Independent Director	25/02/2015	8 (excluding Companies not-for profit and LLPs)	Nil	1	No	Nil	00267211
Mr. Shanker Annaswamy	Independent Director	25/02/2015	2	Nil	1	No	Nil	00449634
Mr. Suresh C. Senapaty	Independent Director	29/05/2015	6 (excluding Companies not-for profit and LLPs)	1	1	No	Nil	00018711
Dr. Sampath. T. Ramesh	Independent Director	29/05/2015	Nil	Nil	Nil	No	Nil	03522398
Mrs. Bhushani Kumar	Independent Director	29/05/2015	Nil	Nil	Nil	No	Nil	07195076

None of our Directors were members in more than 10 committees and not acted as Chairman of more than five committees across all companies in which they were Directors. The Committee membership and Committee chairmanship shown above includes Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

XII. Governance by the Sub-Committee of The Board of Directors

Our Board has constituted sub-committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information or approval.

The Board has four sub-committees of the Board as of March 31, 2016.

- Audit and Risk Management Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

Audit and Risk Management Committee

Audit and Risk Management Committee of the Board of Directors reviews, acts on and reports to our Board of Directors with respect to various auditing and accounting matters. The scope and function of the Audit and Risk Management Committee is in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI (LODR) Regulations and its terms of reference inter-alia, include the following:

a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board, the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;

c) Review and monitor the auditor's independence and performance and effectiveness of audit process;

d) Approval of payments to the statutory auditors for any other services rendered by statutory auditors;

e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

    ii) Changes, if any, in accounting policies and practices and reasons for the same;

    iii) Major accounting entries involving estimates based on the exercise of judgment by management;

    iv) Significant adjustments made in the financial statements arising out of audit findings;

    v) Compliance with listing and other legal requirements relating to financial statements;

    vi) Disclosure of any related party transactions; and

    vii) Qualifications and modified opinions in the draft audit report.

f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

g) Scrutiny of inter-corporate loans and investments;

h) Valuation of undertakings or assets of our Company, wherever it is necessary;

i) Evaluation of internal financial controls and risk management systems;

j) Approval or any subsequent modification of transactions of our Company with related parties;

k) Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

l) Approving or subsequently modifying transactions of the Company with related parties;

m) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

n) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

p) Discussion with internal auditors on any significant findings and follow up thereon;

q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

t) Approval of appointment of the chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging the function) after assessing the qualifications, experience and background, etc. of the candidate;

u) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

v) Carrying out any other functions as is mentioned in the terms of reference of the Audit and Risk Management Committee; and

w) To formulate, review and make recommendations to the Board to amend the Audit and Risk Management Committee charter from time to time.

As per the Companies Act 2013 and Listing Regulations, the Chairman of the Audit and Risk Management Committee shall be present at the Annual General Meeting. Our Chief Financial Officer and other Corporate Officers make periodic presentations to the Audit and Risk Management Committee on various issues.

Except Dr. B.S. Ajai Kumar, who is a member of the Committee, all other members of our Audit and Risk Management Committee are Non-Executive Directors and majority of the members are Independent Non-Executive Directors and financially literate. The Chairman of Audit and Risk Management Committee has the accounting and financial management related expertise. Statutory Auditors as well as Internal Auditors hold independent meetings with the Audit and Risk Management Committee.

Audit and Risk Management Committee met two times during the year, i.e., May 29, 2015 and November 6, 2015. The composition of the Audit and Risk Management Committee and their attendance at the committee meetings are given in the below table.

Name	Position	Number of meetings attended
Suresh C. Senapaty	Chairman	1
Sudhakar Rao	Member	2
Shanker Annaswamy	Member	2
Rajesh Singhal	Member	2
Dr. B.S. Ajai Kumar	Member	2

Nomination and Remuneration Committee

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and regulation 19 of the SEBI (LODR) Regulations. The terms of reference of the Nomination and Remuneration Committee inter-alia, include:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on Board diversity;

d) Identify persons who qualify to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance. The company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e) Analysing, monitoring and reviewing various human resource and compensation matters;

f) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

j) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and

k) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Nomination and Remuneration Committee.

Nomination and Remuneration Committee of the Board has met once on March 17, 2016 during the financial year 2015-16.

The composition of the Nomination and Remuneration Committee and their attendance at the committee meetings are given in the below table.

Name	Position	Number of meetings attended
Shanker Annaswamy	Chairman	1
Dr. Sampath T. Ramesh	Member	1
Prakash Parthasarathy	Member	Nil
Dr. Jennifer Gek Choo Lee	Member	Nil

Stakeholders Relationship Committee

This Committee is constituted in compliance with Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations as Stakeholders Relationship Committee.

The terms of reference of the Stakeholders' Relationship Committee inter-alia, include the following:

a) Redressal of shareholders'/investors' grievances;

b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

c) Issue of duplicate certificates and new certificates on split/consolidation/renewal;

d) Non-receipt of declared dividends, balance sheets of the Company or any other documents or information to be sent by our Company to its shareholders; and

e) Carrying out any other function as prescribed under the Equity Listing Agreement.

The Chairman of the Committee, Mr. Gangadhara Ganapati is a non-executive director. The Committee has not met during the year.

The composition of the Stakeholders Relationship Committee is given in the below table.

Name	Position
Gangadhara Ganapati	Chairman
Dr. Jennifer Gek Choo Lee	Member
Rajesh Singhal	Member
Dr. B.S. Ajai Kumar	Member

There were no investor complaints received/resolved/ pending during the year and hence, the Committee has not met during the financial year 2015-16.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on May 29, 2015. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder.

The members of the Corporate Social Responsibility Committee are:

Name	Position
Sudhakar Rao	Chairman
Sampath Thattai Ramesh	Member
Bhushani Kumar	Member
Dr. B.S. Ajai Kumar	Member
Sunu Manuel	Secretary

The Committee has not met during the financial year 2015-16.

XIII. Governance Through Management process

Code for Prevention of Insider Trading :

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website at www.hcgel.com

Disclosure Policy

In line with requirements under regulation 30 of the Listing Regulations, the Company has framed a policy on disclosure of material events and information as per the Listing Regulations, which is available on our website at www.hcgel.com. The objective of this policy is to have uniform disclosure practices and ensure timely, adequate and accurate disclosure of information on an ongoing basis. The Company has constituted a Disclosure Committee consisting of senior officials, which approves all disclosures required to be made by the Company. The Company Secretary acts as Secretary to the Disclosure Committee.

Whistle Blower Policy:

The Company has adopted an ombuds process which is a channel for receiving and redressing complaints from employees and directors. Under this policy, we encourage our employees to report any fraudulent financial or other information to the stakeholders, any conduct that results in violation of the Company's Code of Business Conduct, to management (on an anonymous basis, if employees so desire). Likewise, under this policy, we have prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the investigation. Mechanism followed on under ombuds process is appropriately communicated within the Company across all levels and has been displayed on the Company's intranet and website at www.hcgel.com.

Policy for Preservation of Documents:

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained.

Policy for Prevention, Prohibition & Redressal Sexual Harassment of Women at Workplace:

Pursuant to the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2014, your Company has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization.

XIV. Unclaimed Dividends

The company has not declared dividend in the previous years and hence there is no requirement to transfer the unpaid or unclaimed dividend on due date to the Investor Education and Protection Fund administered by the Central Government Pursuant to Section 124 and 125 of Companies Act, 2013.

XV. Compliance with SEBI (LODR) Regulations

The certificate obtained from Statutory Auditors of the company is annexed and forms part of the Annual Report.

XVI. Framework to Monitor Subsidiary companies

All the subsidiary companies of the Company are managed with their Boards having the rights and obligations to manage these companies in the best interest of their stakeholders. The Company nominates its representatives on the Board of subsidiary companies and monitors performance of such companies, inter alia, by reviewing financial statements, statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies forming part of the financials.

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding Company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

XVII. Chairman and Managing Director / CFO Certification

The Chairman and Managing Director, CFO have issued certificate pursuant to the provisions of Regulation 17 (8) of SEBI (LODR) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

XVIII. Code of Conduct for the Board Members and Senior Management

The Board of Directors and all Senior Management of the Company have a responsibility to understand and follow the Code of Conduct. They are expected to perform their work with honesty and integrity. The Code reflects general principles to guide employees in making ethical decisions. The Code outlines standards for fair dealing, honesty and integrity, health, safety and environment that need to be maintained for professional conduct. This Code has been displayed on the Company's website www.hcgel.com.

XIX. General Body Meetings

i. Details of last three Annual General Meetings

Particulars	Date & Time	Venue	Special Resolutions passed
For the Financial year ended 31st March 2015 - Seventeenth AGM	September 28, 2015 at 11.00 a.m.	Corporate office of the Company at No. 3, Ground Floor, Tower Block, Unity Building Complex, Mission Road, Bangalore – 560027	None
For the Financial year ended 31st March 2014 -Sixteenth AGM	September 30, 2014 at 11.30 a.m.	Registered office of the Company at HCG Towers, No. 8, P. Kalinga Rao Road, Sampangi Rama Nagar, Bangalore – 560027	1. Authorise borrowings in excess of limits prescribed under The Companies Act, 2013 2. Authorise creation of security in respect of borrowings in excess of limits prescribed under The Companies Act, 2013
For the Financial year ended 31st March 2013 -Fifteenth AGM	September 25, 2013 at 10.30 a.m.	Registered office of the Company at HCG Towers, No. 8, P. Kalinga Rao Road, Sampangi Rama Nagar, Bangalore – 560027	None

ii. Details of Special Resolutions passed in Extraordinary General Meetings

At the Extraordinary General Meeting held on June 15, 2015, the shareholders have passed Special Resolutions as listed below:

1. Approve Initial Public Offer of the company under Section 62 of the Companies, Act, 2013 for issue of up to 1,40,00,000 Equity shares (fresh issue) to the public and took note of the offer for sale of up to 2,30,00,000 Equity shares by existing members of the company
2. Adoption of new set of Articles of Association

   At the Extraordinary General Meeting held on July 13, 2015, the shareholders have passed Special Resolution as listed below:

   1. Re-appointment of Dr. B.S. Ajai Kumar as whole time Director of the company designated as Chairman & CEO for a period of 4 years
   2. Maintenance of Register of Members and other related books at a place other than the Registered Office of the company
   3. Approve Employee Stock Option Scheme 2014

iii. Details of Postal Ballot

The Company did not conduct any postal ballots during the year.

XX. General Shareholder Information

a. Annual General Meeting

The Eighteenth Annual General Meeting of the company is scheduled to be held as under:

The Day, date and time	:	Thursday, the 29th day of September 2016 at 3.00 P.M.
Venue	:	No. 9/1, P. Kalinga Rao Road, Sampangi Rama Nagar, Bangalore – 560027.

b. Financial year of the company

The Financial year of the Company starts from 1st April of every year and ends on 31st March of succeeding year and the current financial year is from 1st April 2015 to 31st March 2016. The company got its securities listed on BSE Limited and National Stock Exchange of India Limited on 30th March 2016.

c. Dividend

Keeping in view the growth strategy of the Company, the Board of Directors of your Company have decided to plough back the profits and thus, not recommended any dividend for the financial year under review.

d. Listing on Stock Exchanges

As on date, the Company's Equity Shares are listed on the following Stock Exchanges

• National Stock Exchange of India Limited (NSE),
Exchange Plaza, Bandra-Kurla Complex, Bandra (E),
Mumbai-400051.
Website: www.nseindia.com

• BSE Limited,
Phiroze Jheejheebhoy Towers,
Dalal Street, Fort, Mumbai-400001.
Website: www.bseindia.com

The Company has paid the Annual Listing Fees to both NSE and BSE and there are no outstanding payments as on date.

e. Stock Code

Equity shares	Stock codes
BSE Limited	539787
National Stock Exchange of India Limited	HCG

f. International Securities Identification Number (ISIN)

ISIN is an identification number for traded shares. This number needs to be quoted in each transaction relating to the dematerialized equity shares of the Company. Our ISIN number for equity shares of the company is INE075I01017.

g. Corporate Identity Number (CIN)

Our Corporate Identity Number (CIN), allotted by Ministry of Corporate Affairs, Government of India is U15200KA1998PLC023489 and our Company Registration Number is 23489.

h. Share Price Data

Since, the equity shares of the company were listed on BSE and NSE only on March 30, 2016, the shares were traded only for two days in the financial year. Hence the monthly high and low price points and volume of trade are not available.

i. Registrar and Transfer Agents

The Company's Registrar and Share Transfer Agent is M/s. Karvy Computershare Private Limited for handling the shares held in physical as well as dematerialised mode. The shareholders may address all their correspondence directly to the RTA.

Address for correspondence

The address of our Registrar and Share Transfer Agents is given below.

M/s. Karvy Computershare Private Limited
Unit: HealthCare Global Enterprises Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Phone: 040-67162222 | Fax: 040-23001153

Contact person name, designation, e-mail id:

Mr. K. S. Reddy, Asst. General Manager
einward.ris@karvy.com

Web-based Query Redressal System

Members may utilize this facility extended by the Registrar & Transfer Agents for redressal of their queries. Please visit http://karisma.karvy.com and click on "investors" option for query registration through free identity registration to log on. Investor can submit the query in the "QUERIES" option provided on the web-site, which would give the grievance registration number. For accessing the status/response to your query, please use the same number at the option "VIEW REPLY" after 24 hours. The investors can continue to put additional queries relating to the case till they are satisfied.

j. Share Transfer System and Reconciliation of Share Capital Audit

Share transfer requests for shares held in physical form received by the Company are processed and share certificates are issued/returned within the time stipulated under the Companies Act and the relevant rules/regulations, where the documents provided are in order and complete in all respects.

The Reconciliation of Share Capital Audit as stipulated under Regualtion 55A of SEBI (Depositories and Participants) Regulations, 1996 is carried out by a Practicing Company Secretary for every quarter to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and total issued and listed capital. The Reconciliation of Share Capital Audit Reports confirms that the total issued/paid up capital is same as the total number of shares in physical form and the total number of dematerialized shares held with the depositories. The report for the March 2016 quarter (first quarter after listing) has been filed with the stock Exchanges within the time stipulated under SEBI (LODR) Regulations.

k. Dematerialisation of shares and liquidity

The requests for dematerialization of shares are processed by RTA expeditiously and the confirmation in respect of dematerialization is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System. The rejected requests may be resubmitted with necessary documents, which are processed in the normal course once again.

l. Address for correspondence

Shareholders can also send their correspondence to the Company with respect to their shares, dividend, request for annual reports and shareholder grievance. The contact details are provided below:

For Shareholder Grievance Redressal	For Investor Relations
Ms. Sunu Manuel Company Secretary and Compliance Officer HealthCare Global Enterprises Limited HCG Towers, No. 8, P. Kalinga Rao Road Sampangi Rama Nagar, Bangalore - 560027 Phone: 080-46607700 | Fax: 080-46607749 e-mail: investors@hcgoncology.com	Mr. Niraj Didwania Head – Investor Relations HCG, Unity Building Complex, No. 3, Tower Block Unity Building Complex, Mission Road Bangalore – 560027 Phone: 080-46607700 | Fax: 080-46607749 e-mail: investors@hcgoncology.com

m. Shareholding pattern – Physical Vs DEMAT

The pattern of shareholding in physical as against in DEMAT mode as on March 31, 2016 as is under:

Sl. No	Description	Cases	Shares	% Equity
1	PHYSICAL	241	4583997	5.39
2	NSDL	10943	79548390	93.50
3	CDSL	5918	943599	1.11
	Total	**17102**	**85075986**	**100.00**

Out of total 17,102 shareholders, 241 shareholders, hold 45,83,997 shares, amounting to 5.39 of total shares, in physical mode as on March 31, 2016.

n. Distribution of shareholding as on March 31, 2016

Category (Shares)	No. of Holders	% To Holders	No. of Shares	% of total Equity
1 – 500	15929	93.14	1491816	1.75
501 - 1000	799	4.67	640639	0.75
1001 - 2000	60	0.35	88325	0.10
2001 - 3000	39	0.23	92072	0.11
3001 - 4000	24	0.14	84337	0.10
4001 - 5000	15	0.09	68301	0.08
5001 - 10000	47	0.27	320249	0.38
10001 and above	189	1.11	82290247	96.73
Total	**17102**	**100.00**	**85075986**	**100.00**

o. Hospital units/locations

Your company, with its subsidiaries provides healthcare services across India and Africa. Details of locations of units managed by the Company are as below:

Sl. no.	Address
1.	No 44-45, 2nd cross, Rajaram Mohan Roy Extention, Bangalore – 560027, Karnataka
2.	M S Ramaiah Memorial Hospital, MSR Nagar, MSRIT Post, Bangalore - 560095, Karnataka
3.	No. 88, 17th A main, 2nd cross, 5th block, Koramangala, Bangalore, Karnataka
4.	HCG Tower, #8 P Kalinga Rao Road, Sampangiram Nagar, Bangalore- 560027, Karnataka
5.	9th Mile Stone, Bidare Bus Stop, B.H.Road, Nidige Post, Shimoga-577222, Karnataka
6.	# 1-10 A, 1-10 Of CTS No.913,875,874, Khuba Post, Station Road, Gulbarga-585102, Karnataka.
7.	No.166/2B & 167/2A2,Travellors Bunglow Road, Deshpandenagar, Hubli, Karnataka
8.	HCG-MIO Pumpwell Circle, Kankanady, Mangalore - 575002, Karnataka
9.	Curie Manavata Cancer Centre, Opp: Mahamarg Bus Stand, Mumbai Naka, Nashik Pin- 425004, Maharashtra

Sl. no.	Address
10.	# 50-51, AT Wanjri, Tahsil and District, Nagpur, Maharashtra
11.	# 2, institutional Area Karkardooma, Vikas Marg Extension, Delhi - 110092
12.	HCG KMC, MBC towers #81, TTK Road, Alwarpet, Chennai, Tamil Nadu
13.	HCG PET CT Center, Cancer Institute campus, Canara Bank Road, Gandhi Nagar, Adyar, Chennai-600020, Tamil Nadu
14.	Cyclotron Center - Dr. Kamakshi Memorial Hospital Pvt. Ltd, #1, Radial Road, Pallikaranai, Chennai – 600 100, Tamil Nadu
15.	Kauvery HCG Cancer Center #.3 KC Road Tennur-Trichy-620017, Tamil Nadu
16.	# 1, Maharashtra Society, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006, Gujarat
17.	Near Sola Over bridge, Sola-Science city Road, Off S.G.Highway, Ahmedabad, Gujarat
18.	# 1 & 2, Besides Gowtham International School, Padavala Revu Machawaram down, Gunadala, Vijayawada, Andhra Pradesh
19.	HCG PET-CT Center, Dornakal road, Near ABC Imaging, Vijayawada PIN-520002, Andhra Pradesh
20.	HCG MNR Curie Cancer Centre, RS No 186/1, Besides Government ITI college, Muktinutala, Ongole Municipality, Ongole -532001, Andhra Pradesh
21.	HCG Abdur Razzaque Spine and Ortho Center, No. 6/A, 3rd Floor, GEL Church Shopping Complex Main Road, Ranchi - 834001, Jharkhand
22.	HCG Panda Curie Cancer Hospital, Plot #.236 (P), 238 & 242, Mouza Arakha kuda,Telenga Pentha, NH5, Cuttack Pin Code-753051, Orissa
23.	Plot # 1139, Krishna Circle, Sir Pattani Road, Near Meghani Circle, Bhavnagar-364001, Gujarat
24.	Plot No,10,11,&12,Say No.13 APIIC, Health city layout Say No.13, Ward 2, Zone-1, Chinagadili, Visakhapatnam, Andhra Pradesh
25.	HCG Onclogy LLP, Opp:Satsang party plot, Sun Pharma Road, Old Padra Road, Vadodara/Baroda-390012, Gujarat
26.	Health Care Global (Uganda) Plot No.2, Bombo Road,3rd Floor, SUITE 13,PO BOX 31776, Kampala, UGANDA.
27.	Millann Center, E 580 - Greater Kailash Part 2, (Near DT Cinemas), New Delhi 110048
28.	Milann Center, #7, East Park Road, Kumara Park East, Bengaluru - 560 001, Karnataka
29.	Milann Center, #1109, 24th Main Road, J. P. Nagar 1st Phase, Bengaluru - 560 078, Karnataka
30.	Milann Center, M S Ramaiah Hospital, M S R Nagar, Bengaluru - 560 054, Karnataka
31.	Milann Center, #82, CMH Road, Indiranagar 2nd Stage, Bengaluru - 560 038, Karnataka
32.	Apollo Milann Fertility, Brookefield 101/209 & 210, ITPL Main Road, Kundalahalli, Brookefield, Bangalore - 560 037, Karnataka

XXI. Means of Communication

Means of Communication with Shareholders / Analysts

We have established procedures to disseminate, in a planned manner, relevant information to our shareholders, analysts, employees and the people at large.

All our news releases and presentations made at investor conferences and to analysts are posted on the Company's website at www.hcgel.com.

Our quarterly results are published in widely circulated newspapers such as The Business Standard, and the Vijayawani.

Website: The Company's website contains a separate dedicated section "Investors" where information sought by shareholders is available. The Annual report of the Company, press releases, quarterly reports of the Company apart from the details about the Company, Board of directors and Management, are also available on the website in a user friendly and downloadable form at www.hcgel.com.

Annual Report: Annual Report containing audited standalone accounts, consolidated financial statements together with Directors' report, Auditors report and other important information are circulated to members entitled thereto.

XXII. Unclaimed Shares

There are no shares in the DEMAT suspense account or the unclaimed suspense account.

The disclosure as required under SEBI (LODR) Regulations is given below:

• Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year: Nil

• Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year: Nil

• Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year: Nil

• Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year: Nil

XXII. Other Disclosures

a. **Disclosure of materially significant related party transactions**

All transactions entered into with the related parties as defined under the Companies Act, 2013, during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the company at large.

In terms of Regulation 23 of the SEBI (LODR) Regulations, the Company has adopted a policy on Related Party Transactions, Framework document around the Policy and certification process for purpose of identification, monitoring and reporting of such transactions. The abridged policy on Related Party Transactions as approved by the Audit Committee and the Board is available on the Company's website at www.hcgel.com.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company, other than the managerial remuneration and sitting fee paid to Chairman & CEO and Independent Directors, respectively. During the year 2015-16, no transactions of material nature had been entered into by the Company with the Management or their relatives that may have a potential conflict with interest of the Company. Register of Contracts or arrangements in which Directors are interested in terms of Section 189 of the Companies Act, 2013 is maintained and particulars of transactions are entered in the Register, wherever applicable.

b. **Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

The company listed its shares with National Stock Exchange of India Limited and BSE Limited with effect from March 30, 2016 and hence is a listed entity only for 2 days in the financial year 2015-16. The Company has complied with the requirements of the Stock Exchange or SEBI on matters related to Capital Markets, as applicable; and the Company has not been imposed with any penalty/fines in respect of non-compliance with regulations by Stock Exchange or SEBI or any statutory authority related to capital markets.

c. **Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee**

The Company has adopted a Whistle Blower Policy which is a channel for receiving and redressing of employees' complaints. The details for the mechanism of the Whistle Blower Policy and its adoption are mentioned in Director's Report.

d. **Compliance with mandatory requirements and adoption of non-mandatory requirements**

Your Company has complied with all mandatory requirements of SEBI (LODR) Regulations with respect to Corporate Governance to the extent applicable to the company.

Your Company has complied with the discretionary requirement of SEBI (LODR) Regulations with respect to the Audit Report since there were no audit qualification/observation on your company's financial statements, during the year under review.

e. **Policy for determining material subsidiary**

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding Company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company during the previous financial year. Accordingly, a policy on material subsidiaries has not been formulated.

CEO & CFO Certification

Chief Executive Officer (CEO) / Chief Financial Officer (CFO)
Certification under Regulation 17 (8) of the SEBI (LODR) Regulations, 2015

The Board of Directors
Health Care Global Enterprises Limited
Bangalore

Dear members of the Board,

1. We have reviewed the financial statements and the cash flow statement of HealthCare Global Enterprises Limited for the year ended 31st March, 2016 and to the best of our knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
   a. that there are no significant changes in internal control over financial reporting during the year;
   b. that there are no significant changes in accounting policies during the year; and
   c. that there are no instances of significant fraud of which we have become aware.

Bangalore
May 26, 2016

Dr. BS Ajaikumar
Chairman & CEO

Krishnan Subramanian
Chief Financial Officer

Independent Auditor's Certificate

To
The Members of
Healthcare Global Enterprises Limited

1. We have examined the compliance of conditions of Corporate Governance by HEALTHCARE GLOBAL ENTERPRISES LIMITED ("the Company"), for the year ended on March 31, 2016, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (LODR) Regulations (together referred to as the 'Listing Regulation').
2. The Company listed its equity shares with National Stock Exchange of India Limited and BSE Limited with effect from March 30, 2016. The compliance of conditions of Corporate Governance from the aforesaid date of its listing is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring such compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulation for the period it was applicable to the Company.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S

V. Balaji
Partner
Membership No. 203685

Bengaluru, May 26, 2016

Management Discussion and Analysis

The following discussion of our financial condition and results of operations should be read together with the Audited Financial Statements, the notes and significant accounting policies thereto and the reports thereon, on the Financial Statements.

Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present our state of affairs, profits/loss and cash flows for the year. Investors are also requested to note that this discussion is based on the consolidated financial results of the Company.

HEALTHCARE MARKET

Indian healthcare market is expected to rank amongst the top three in terms of incremental growth by 2020. India was the sixth largest market globally in terms of size in 2014. The industry is expected to advance at a CAGR of 22.87 per cent during 2015–20 to reach USD 280 billion. Rising income levels, ageing population, growing health awareness and changing attitude towards preventive healthcare is expected to boost healthcare services demand in future. The low cost of medical services has resulted in a rise in the country's medical tourism, attracting patients from across the world. Moreover, India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research. Conducive policies for encouraging FDI, tax benefits, favourable government policies coupled with promising growth prospects have helped the industry attract private equity, venture capitals and foreign players.

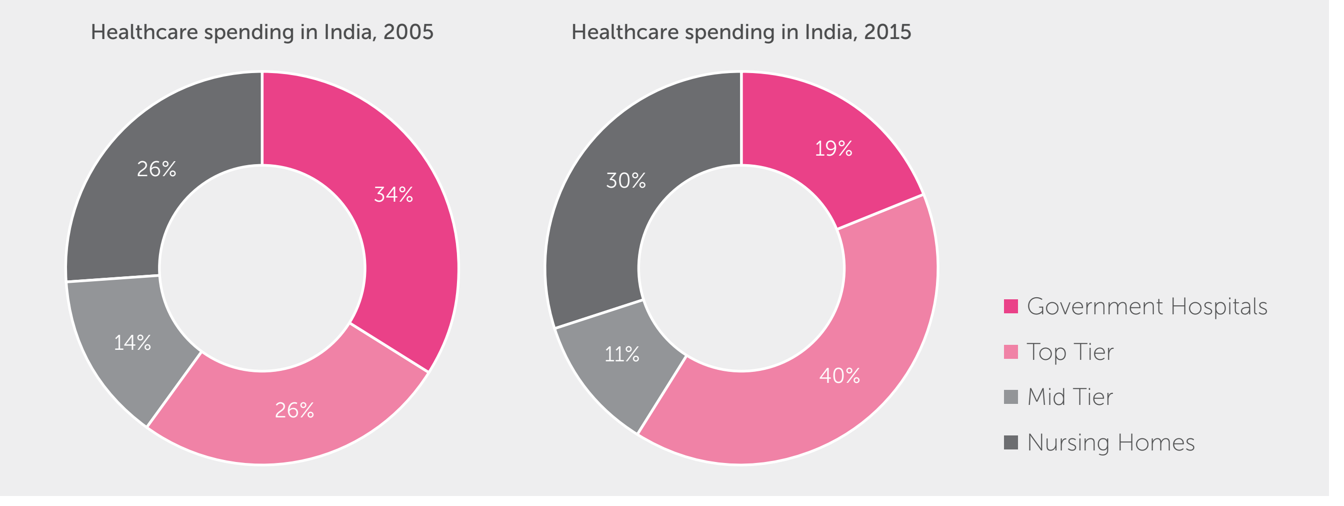
Overall, the growth in the Indian healthcare industry will be primarily driven by:

- socio-economic changes such as growing health awareness, increasing per-capita income, increasing penetration of health insurance, increasing instances of lifestyle diseases and an aging population;
- technological advancements such as continuing development of mobile technology which will enhance the delivery of healthcare through telemedicine;
- affordability of healthcare in India, which will attract more patients. For example, treatment for major surgeries in India costs less than the cost in a developed country; and
- government policies in India that support the growth in the healthcare industry such as tax reliefs on hospitals in tier II and tier III cities, which will attract healthcare investment in these areas.

The private sector has emerged as a vibrant force in India's healthcare industry, lending it both national and international repute. Large investments by private sector players are likely to contribute significantly to the development of India's hospital industry, which comprises around 80 per cent of the total market. Private sector's share in hospitals and hospital beds is estimated at 74 per cent and 40 per cent, respectively.

A major portion of secondary, tertiary and quaternary healthcare institutions comes from private sector. Large investments by private sector players are likely to contribute significantly to the development of India's hospital industry with the sector poised to grow to to USD280 billion by 2020. The private hospital market in India is estimated at USD 81.0 billion at the end-of 2015. Increase in number of hospitals in Tier-II and Tier-III cities has fuelled the growth of private sector.

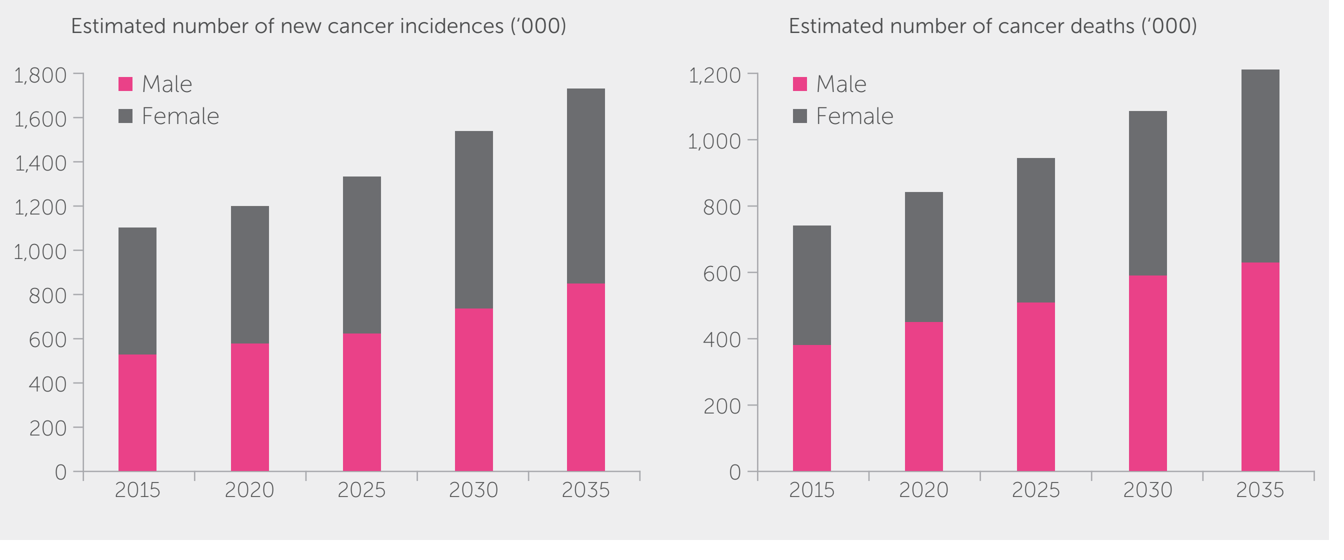
"Indian Hospital Services Outlook" [1]



ONCOLOGY

The prevalence of cancer in India is estimated to be 3.9 million people in 2015, with 1.1 million reported new cancer cases during the year. The real incidence of cancer in India could be significantly higher than the reported figure. Data from large randomised screening trials undertaken in India suggest that the real incidence of cancer could be 1.5 to 2 times higher than the reported incidence, or an estimated 1.6 to 2.2 million new cancer cases during 2015.

With incidence rising at a rapid pace, cancer is ranked as the sixth leading cause of death in India. A total of 1.1 million new cases of cancer are projected to have been diagnosed in India each year, of which breast and cervical rank among the top two cancers in terms of both incidence and mortality. The cancer mortality rate in India is high, at 68% of the annual incidence. This ratio indicates that fewer than 30% of Indian patients with cancer survive five years or longer after diagnosis.

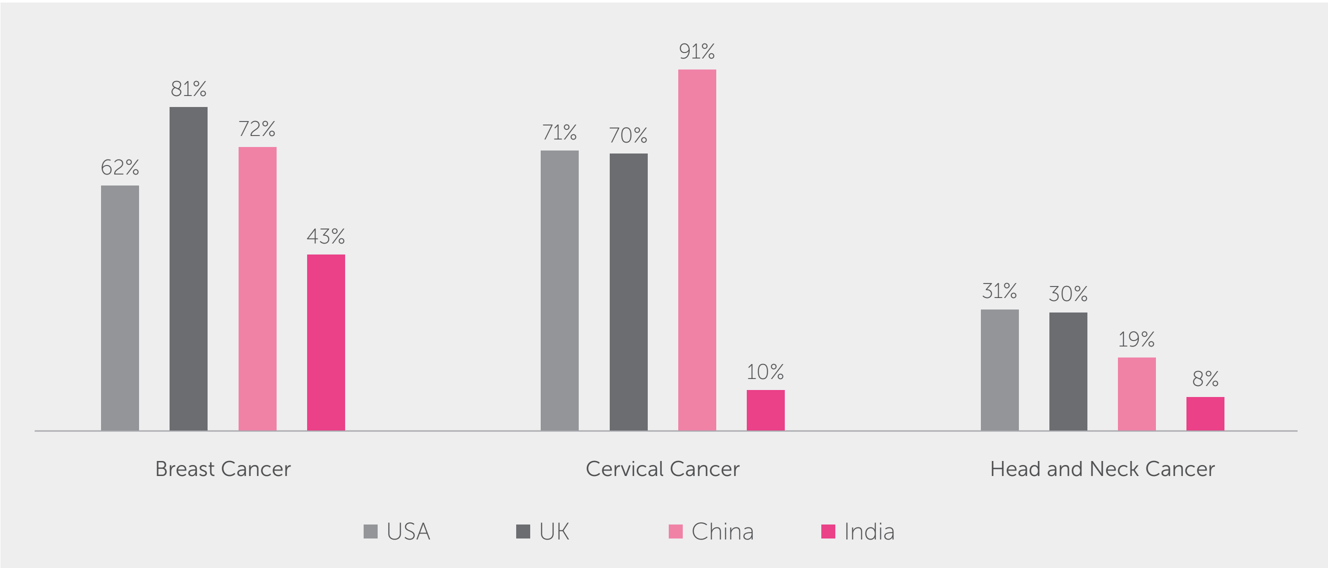


1. A report by consultancy RNCOS, Grand Thornton, LSI Financial Services, OECD, Techsri Research

The reported incidence of cancer in India is based on data collected from the cancer registries, which cover less than 10% of the population, resulting in a significant margin of error in estimation. The gap between reported and real cancer incidence can primarily be attributed to under-diagnosis of cancer in India. The under-diagnosis of cancer is represented in the relatively late stage of presentation of cancer cases in India relative to China, the United Kingdom and the United States. Data collected between 2009 and 2011 show that only 43% of breast cancer cases were diagnosed at early stages (i.e., stage I or stage II) of the disease in India while it is 62% in the United States, 81% in the United Kingdom and 72% in China. While this varies with the type of cancer, the rate of diagnosis in India is generally more delayed compared to other countries. (Source: Call for Action: Expanding cancer care in India dated July 2015, page number 3, published by Ernst & Young)1

The following graph sets out the comparison of early stage (i.e., stage I or stage II) cancer diagnosis during the period from 2009 to 2011 in India, and in the United States, the United Kingdom and China during the period from 2009 to 2013, by different cancer types:

Cancer Diagnosis at Early Stages (Stage I or Stage II)[2]



Lack of awareness of cancer and the lack of participation in screening programs in India are significant contributory factors for the relatively late stage of the disease presentation and consequently low reported cancer incidences in India. Fewer than 1% of women in India aged between 40 and 69 years participated in recommended breast screening mammograms once in 24 months, as compared to 30% in China and 65% in the United States in 2014.*

Key Drivers of Cancer Incidence

Demographic Changes

- Cancer incidence increases with age - India's population >50+ years to increase from 228m (2015) to 262mn (2020)
- Demographic factors alone are expected to result in an increase in cancer incidences of 100,000 to 350,000 cases a year

Exposure to Risk Factor

- Tobacco use, alcohol consumption, use of processed food and air pollution
- These factors are expected to result in an increase in cancer incidences of 350,000 to 450,000 cases a year

Narrowing Diagnosis Gap

- Growing awareness and greater public emphasis on screening and improvements
- Expected to result in increased reported cancer rates

2. Call for Action: Expanding cancer care in India dated July 2015, page number 14, published by Ernst & Young

**Source: Call for Action: Expanding cancer care in India dated July 2015, page number 14, published by Ernst & Young*

The annual expenditure in India for the diagnosis and treatment of cancer is estimated to be between US$1.7 and US$2.0 billion as of 2015. Even at for-profit hospitals in India, the cost of cancer care, including treatment with the most advanced technologies (such as PET-CT and LINAC based radiation therapy) is one of the lowest in the world and represents only a fraction of the cost of treatment in the United States and Europe even after adjusting for purchasing power parity. The table below sets out the cost of cancer treatment in India and the United States by service offerings, during 2014 and 2012, respectively:

Cost of Cancer Treatment (Amounts in Rs.)

Type of treatment	India	United States	United States (purchasing power parity adjusted)
Chemotherapy	150,000 - 240,000	1.3 - 1.8 million	510,000 - 720,000
Surgery	60,000 - 100,000	1.5 - 1.8 million	600,000 - 720,000
Radiation Therapy	60,000 - 100,000	1.1 - 1.4 million	420,000 - 540,000

Even though the cost of cancer treatment in India is significantly lower than other countries, high quality cancer care is still inaccessible to a large proportion of the Indian population with patients having to travel outside their towns to avail of cancer treatment.

The profile of cancers in India is also changing, and is becoming more similar to that seen in more urbanised and higher income societies. For instance, in 2000, the most prevalent cancers in India were head and neck cancers in men (associated with all forms of tobacco use) and cervical cancer in women (associated with human papillomavirus infection and poor female sanitation). Breast cancer has currently surpassed cervical cancer as the most prevalent cancer in women. The incidence rates of gastrointestinal cancers, which have traditionally been low in India in comparison to developed nations and China, have also shown an increasing trend.

FERTILITY

An estimated 220 million women in India are of reproductive age (between 20 and 44 years of age) and about 27.5 million couples in this group are estimated to be suffering from infertility. The number of infertile couples in India is expected to increase from 27.5 million in 2015 to between 29 and 32 million by 2020 .

The total fertility rate (defined as the average number of children that would be born to a woman if she experiences the current fertility pattern throughout her reproductive span (15 to 49 years)) in India has witnessed a rapid decline over the last few decades, from 3.9 in 1990 to 2.3 in 2013[3].

The prevalence of infertility in India has been rising owing to (i) demographic changes with an increase in the number of women of reproductive age; (ii) lifestyle changes; (iii) prevalence of several known clinical factors; and (iv) ethnicity[3].

Awareness of infertility and fertility treatment options in India are among the lowest in the world[3].

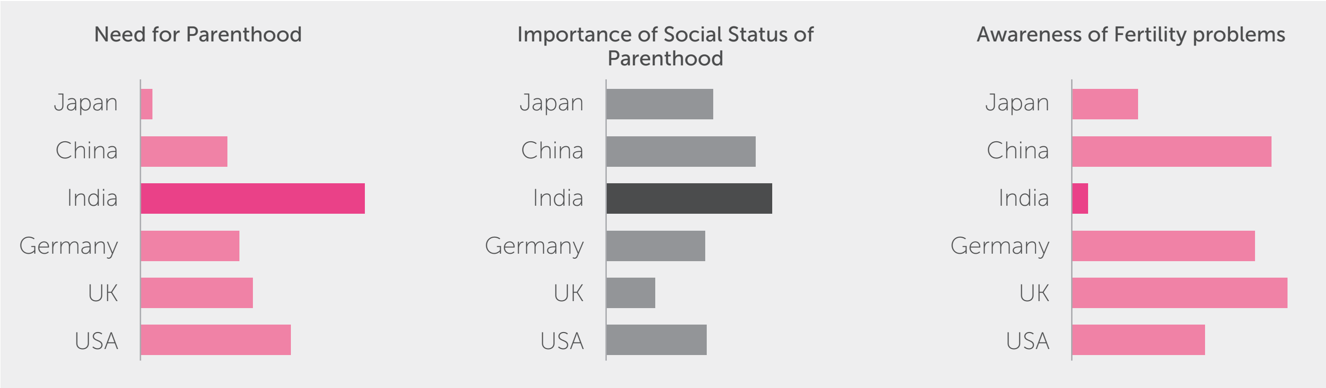
The primary assisted reproduction treatment options for infertility include intrauterine insemination ("IUI") and in-vitro fertilization ("IVF"). The IVF market in India is significantly underpenetrated relative to the potential demand. India recorded 2,786 IVF cycles per million infertile women aged between 20 years and 44 years in 2015, compared to 46,042 IVF cycles in the United States in 2013, and 6,494 IVF cycles in China in 2014[3].

As of 2015, around 1% of the 27.5 million couples suffering from infertility in India presented for fertility assessment. It is estimated that the potential demand for IVF cycles in Bengaluru, Delhi and Mumbai is nine to twelve times higher than the current actual demand[3].

The following graph sets out a comparison of (i) the need for parenthood, (ii) the importance of social status associated with parenthood, and (iii) the relative awareness of infertility problems in India, the United States, the United Kingdom, China, Japan and Germany:

3. Source: Call for Action: Expanding IVF treatment India dated July 2015, published by Ernst & Young

Factors Influencing Infertility Treatment



The number of IVF cycles performed in India has grown at a compound annual growth rate of 18.1% over the last 10 years. This growth in fertility treatment in India mirrors similar trends witnessed in most developed countries as infertility prevalence has increased[3].

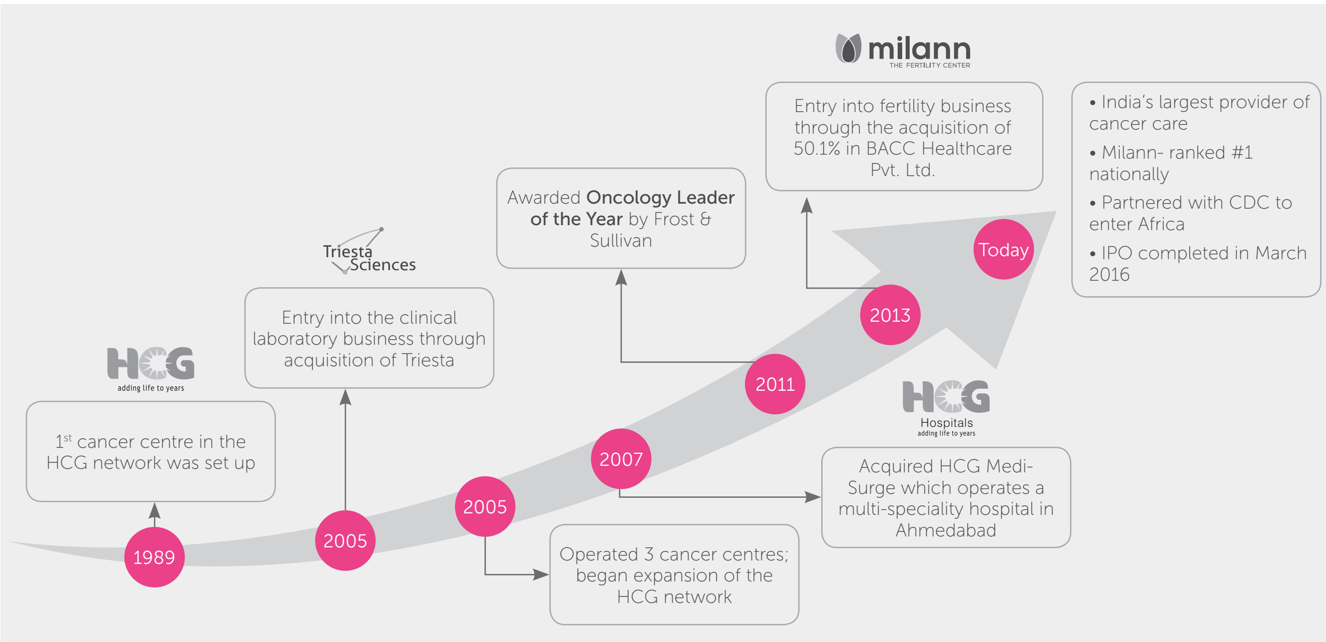
The number of couples presenting for infertility treatment and evaluation in India is expected to increase from 270,000 in 2015 to around 650,000 to 700,000 annually in 2020. The number of IVF cycles performed in India is forecast to increase from 100,000 in 2015 to an estimated 260,000 in 2020[3].

The fertility treatment market in India is highly fragmented and unregulated. An estimated 75% of the IVF cycles in India are done by about 500 clinics, comprising a few corporate chains and private clinics of leading physicians. There is no requirement to obtain any permission or have any specific qualifications to open infertility or assisted reproductive technology clinics in India. As a result, in the last 20 years, there has been an increase in the number of fertility clinics that use techniques requiring handling of spermatozoa or oocyte outside the body or the use of a surrogate mother[3].

COMPANY OVERVIEW

HCG is a provider of high quality speciality healthcare services focused on cancer and fertility. Under the "HCG" brand, we operate the largest cancer care network in India in terms of the total number of cancer treatment centres licensed by the AERB as of May 31, 2015[4]. We operate infertility treatment clinics providing comprehensive assisted reproductive services, under brand 'Milann'.

Evolution of HCG as a Provider of Speciality Healthcare and India's Largest Provider of Cancer Care[1]



4. Government of India, Atomic Energy Regulatory Board)

Our Businesses

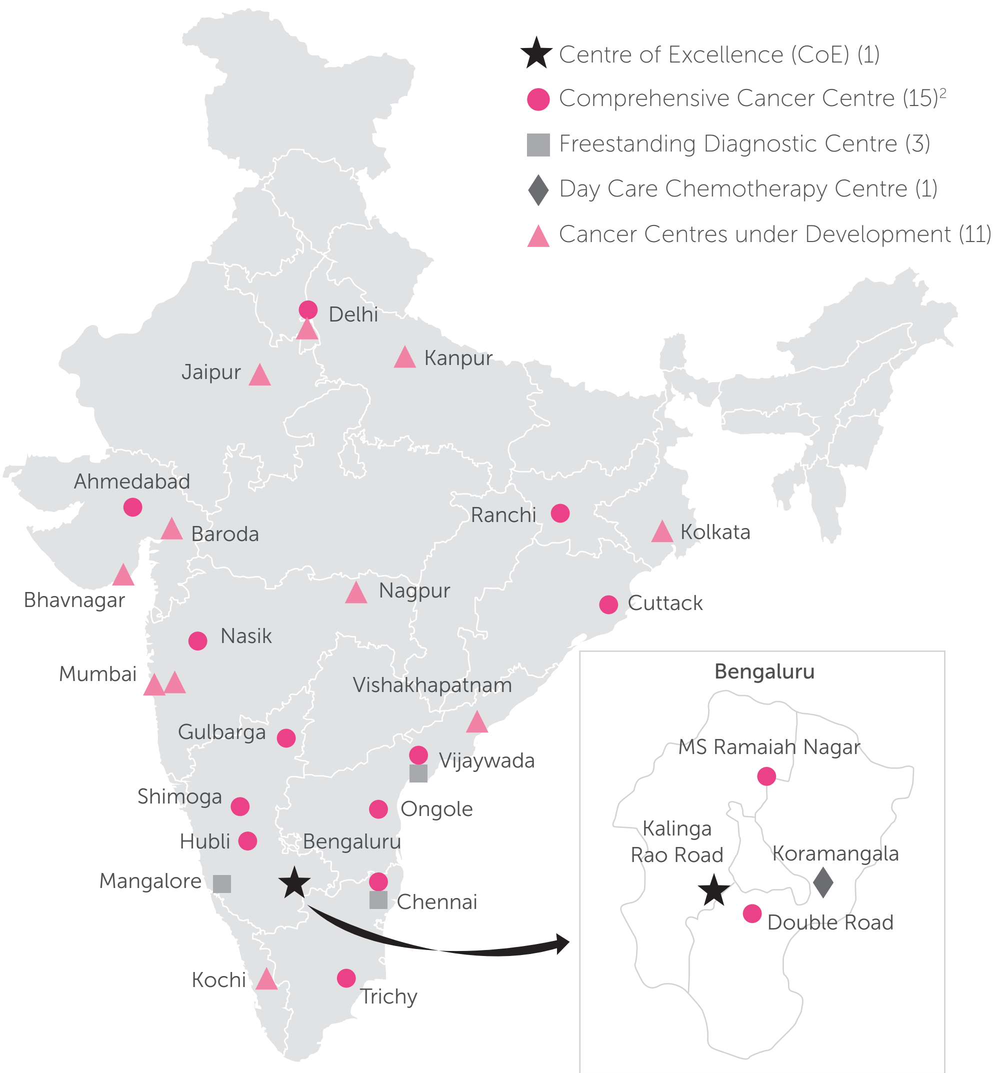
Oncology:

- Largest[1] provider of cancer care in India under the "HCG" brand
- Comprehensive cancer diagnosis and treatment services (through radiation therapy, medical oncology and surgery)
- Ranked:
  - 2nd in India and
  - 1st in the South India region
  - 1st in West India region
  - 1st in East India region
  - 1st in city of Bengaluru, Ahemdabad, Cuttack

in the oncology segment in the Times Health All India Critical Care Hospital Ranking Survey 2016. (Source: All India Critical Care Hospital Ranking Survey 2016, published on Times Health, Times of India on January 29, 2016)

As of March 31, 2016, our HCG network consisted of 15 comprehensive cancer centres, including our centre of excellence in Bengaluru, 3 freestanding diagnostic centres and 1 day care chemotherapy center across India. Each of our comprehensive cancer centres offers, at a single location, comprehensive cancer diagnosis and treatment services (including radiation, medical oncology and surgical treatments). Our freestanding diagnostic centres and our day care chemotherapy centre offer diagnosis and medical oncology services, respectively.

HCG's Cancer Care Network in India



We follow a multidisciplinary approach to cancer care across our HCG network, wherein specialist physicians from various disciplines collaborate to provide the best course of treatment for each patient. This allows us to share and develop best practices, build clinical expertise and adopt standardised protocols for diagnosis and treatment, thereby improving the quality of our cancer care services. We believe that as a result, we are able to better serve our patients and ensure consistent clinical outcomes.

In our HCG network, our specialist physicians adopt a technology-focused approach to diagnosis and treatment. For instance, we use advanced technologies, including molecular pathology and molecular imaging for accurate diagnosis and staging of cancer, which enable us to decide upon the appropriate course of treatment for each patient. We also utilise targeted nuclear medicine therapies as well as advanced radiation treatments to minimise side effects and improve the outcome of treatments. By ensuring that we adopt these diagnostic and treatment technologies throughout our HCG network, we are able to provide consistent quality of care to all patients.

Given the large number of patient cases treated across our HCG network, we believe that we are able to efficiently utilise our equipment, technologies and human resources, thereby deriving economies of scale. Furthermore, through the adoption of a centralised drug and consumables formulary, we are able to lower the overall cost of drugs and consumables. We believe that our business model is scalable and when combined with efficient utilisation of resources, it enables us to operate within a competitive cost structure.

We believe that our current model of providing speciality healthcare in India can be replicated in other underserved healthcare markets. We intend to establish a network of speciality cancer centres in Africa, similar to our cancer care network in India. We believe that our planned network will cater to the increasing unmet demand for cancer care in Africa due to which, a large number of cancer patients travel outside the region to avail quality cancer care, including to our comprehensive cancer centres in India. We have entered into a definitive agreement with CDC, pursuant to which CDC will invest in our Subsidiary, HCG Africa, which has been formed to establish a network of comprehensive cancer centres in Africa.

Fertility:

milann
THE FERTILITY CENTER

- Leading provider of fertility treatment under the brand "Milann"
- Comprehensive reproductive medicine services including assisted reproduction, gynaecological endoscopy and fertility preservation
- Ranked:
  - No 1 in India and
  - 1st in the South India region

in the fertility segment in the Times Health All India Critical Care Hospital Ranking Survey 2016. (Source: All India Critical Care Hospital Ranking Survey 2016, published on Times Health, Times of India on January 29, 2016)

HCG acquired 50.10% equity interest in BACC Healthcare Pvt Ltd in 2013 which operates fertility centres under the Milann brand, through itself and its wholly-owned subsidiary, DKR Healthcare Pvt Ltd. Pursuant to this acquisition, we operate five Milann fertility centres in Bengaluru as on 31st March' 16.

BACC Healthcare Pvt Ltd. is led by a team of qualified and experienced fertility specialists. Its founder, Dr. Kamini Rao has a successful track record of over 25 years of providing fertility treatments. Our Milann fertility centres provide comprehensive reproductive medicine services, including assisted reproduction, gynaecological endoscopy and fertility preservation; and follow a multidisciplinary and technology-focused approach to diagnosis and treatment. Our Milann network also operates on a model similar to our HCG network, wherein the various Milann fertility centres aim to provide medical services following established protocols with a focus on quality medical care across diagnosis and treatment. During Fiscal Years 2016 and 2015, our Milann fertility centres registered 3,753 and 3,533 new patients and performed 1,311 and 1,111 IVF procedures, respectively. Our Milann fertility centres also offer training programmes for fertility specialists and embryologists.

Reference Lab:

Triesta Sciences

- Clinical reference laboratory with specialization in oncology
- Undertakes clinical trial management and R&D services to pharmaceutical and biotech companies

Under our Triesta brand, we provide clinical reference laboratory services in India with a specialisation in oncology, including molecular diagnostic services and genomic testing. Our Triesta central reference laboratory is located in our centre of excellence in Bengaluru. Our Triesta central reference laboratory is accredited by NABL in India, as well as by CAP for quality assurance of laboratory tests performed. Additionally, Triesta offers research and development services to pharmaceutical and biotechnology companies in the areas of clinical trial management and biomarker discovery and validation. Triesta is led by a team of specialist oncopathologists, molecular biologists and clinical researchers. We believe that Triesta is well-positioned to leverage the wide variety of patient cases across our HCG network to develop its capabilities and business.

Multi-speciality:

HCG adding life to years

- 2 multispecialty hospitals in Ahmedabad and Bhavnagar as at May 30, 2016
- Ranked:
  - 2nd in neuro sciences segment
  - 3rd the renal sciences segment
  - 5th in the cardio sciences segment & in gynaecology and obstetrics segment
  - 6th in the paediatrics segment

in Ahmedabad in the Times Health All India Critical Care Hospital Ranking Survey 2016. (Source: All India Critical Care Hospital Ranking Survey 2016, published on Times Health, Times of India on January 29, 2016)

HCG operates two multi-speciality hospitals in Ahmedabad and Bhavnagar, both in the state of Gujarat. We acquired a 100% equity interest in HCG Medi-Surge (formerly known as Medi-Surge Associates Private Limited) at Ahmedabad in July 2007, which equity interest was subsequently reduced to 74%.

HCG Medi-Surge is a tertiary care hospital with 110 available operational beds, including 46 ICU beds as of December 31, 2015. It provides comprehensive inpatient and outpatient treatments. Its key specialities include cardiology, neurology, orthopaedics, gastroenterology, urology, internal medicine and pulmonary and critical care.

Existing HCG cancer centres in India

As on the date of the report, we operate a network of 17 comprehensive cancer centres, three freestanding diagnostic centres and a day care chemotherapy centre across eight states in India. All of these centres are majority owned by us. The following table sets out our existing comprehensive cancer centres as on the date of this report and their facilities and service offerings:

Location of the comprehensive cancer center	Commencement of Operation (calendar year)	Facilities and Services				
		Number of Beds[3]	Number of RT- LINACs	Number of Operation theatres[8]	Number of PET- CT scanners	Laboratory
Karnataka Cluster						
Bengaluru - Double Road	1989	92	1	4	-	Yes[11]
Shimoga[1]	2003	52	1	3	-	Yes[12]
Bengaluru - Kalinga Rao Road[2]	2006	225	3[7]	7	2	Yes
Bengaluru - MS Ramaiah Nagar	2007	22	1	1	1	Yes[12]
Hubli	2008	70	1	1	1	Yes[12]
Gulbarga	2016	85	1	3	-	Yes
Gujarat Cluster						
Ahmedabad[1]	2012	78	1	5	-	Yes
Baroda	2016	60	1	4	1	Yes
East India Cluster						
Ranchi	2008	49	1	2	-	Yes
Cuttack	2008	116	2	2	1	Yes
Others						
Nasik	2007	-[4]	1	-[9]	1	Yes[12]
Delhi	2007	70	1	2	1[10]	Yes[12]
Vijaywada	2009	30[5]	2	1	-	Yes
Chennai	2012	35	1	-[9]	-	Yes[12]
Ongole	2012	19[6]	1	2	-	Yes
Tiruchirappalli	2014	35	1	-	-	Yes[12]
Vishakapatnam	2016	88	1	-[9]	1	Yes[12]

Notes:

1. Operated through our Subsidiary.
2. Our comprehensive cancer centre located at Kalinga Rao Road in Bengaluru is our centre of excellence.
3. Number of beds includes ICU beds (as applicable).
4. We utilise the beds, including the ICU beds of our partner.
5. In addition, we have 120 self care beds at our centre in Vijaywada.
6. In addition, we have 61 self care beds at our centre at Ongole
7. Includes a WBRRS system.
8. Includes major and minor operation theatres. Major operation theatres are used to perform complex surgeries and minor operation theatres are used to perform minor surgical procedures.
9. Surgical services are provided by our partner.

10. PET-CT procedures are performed at the SMH DCA Imaging Centre, which is part of our comprehensive cancer centre in Delhi.
11. Laboratory services are provided by our Triesta central reference laboratory.
12. Laboratory services are provided by our partner.

As of March 31, 2016 we also had three freestanding diagnostic centres, of which one is located in Chennai and one each in Mangalore and Vijaywada, respectively. Our freestanding diagnostic centres are equipped with PET-CT scanners and provide radiology and diagnostic services. We established some of these centres under partnership arrangements.

As of March 31, 2016, we also had a day care chemotherapy centre in Bengaluru. Our day care chemotherapy centre provides medical oncology services and carries out minor surgical procedures.

HCG cancer centres under development in India

New Centres

As on the date of this report, we were in the process of establishing 9 new comprehensive cancer centres in India, all of which are under various stages of development. We expect these centres to commence operation by end of FY2018. All of these centres are majority-owned by us.

The table below sets out details of our comprehensive cancer centres under development in India as on the date of this report and their facilities and service offerings:

Location of the comprehensive cancer centre	Facilities and Services				
	Number of Beds[4]	Number of RT- LINACs	Number of Operation Theatres[4]	Number of PET-CT Scanners	Laboratory
Nagpur[1]	115	1	4	1	Yes
Mumbai - Borivali[1]	105	1	5	1	Yes
Kochi	100	1	3	1	Yes
Delhi	95	1	1	-[6]	Yes[7]
Kanpur[2]	90	1	3	1	Yes
Jaipur	60	1	2	1	Yes
Kolkata[1]	50	1	2	-[6]	Yes[7]
Mumbai - Cooperage	32	1	2	1	Yes
Bhavnagar[3]	35	1	3	-	Yes

Notes:

1. Set up through limited liability partnership with our partner(s).
2. Set up by through our Subsidiary.
3. Our existing multi-speciality hospital at Bhavnagar will be upgraded into a comprehensive cancer centre through the addition of radiation and medical oncology capabilities.
4. Including major and minor operation theatres. Major operation theatres are used to perform complex surgeries and minor operation theatres are used to perform minor surgical procedures.
5. Surgical services will be provided by our partner.
6. PET-CT procedures will be performed by our partner.
7. Laboratory services will be provided by our partner.

Expansion of existing centres

As of March 31, 2016, we were also expanding one of our existing HCG comprehensive cancer centre at Ahmedabad to cater to the increasing demand for cancer care at the centre where we are adding new equipment, including a linear accelerator, a PET-CT scanner, an MRI scanner and a gamma camera.

Milann Centres

The following table sets out our existing Milann fertility centres as of March 31, 2016 and their facilities and service offerings:

Location in Bengaluru	Year	Number of Beds	IVF	Endoscopy Operation Theatre	Embryology Laboratory	Neonatal ICU
Shivananda Circle	1989	38	√	√	√	√
Jayanagar	2010	26	√	√	√	√
Indiranagar	2012	6	√	-	√	-
MS Ramaiah Nagar	2015	6	√	√	√	-
Greater Kailash, Delhi	2016	4	√	√	√	-

OPERATING HIGHLIGHTS

Karnataka Cluster

During the year under review, the Karnataka cluster added a new hospital at Gulbarga in Q4 FY 16 to increase the number of centres to 6. While the Hubli center saw additions of OT's, bed capacity and a PET-CT scanner, the technology infrastructure was enhanced by the addition of daVinci and a Tomotheraphy at our centre of excellence in Bangalore. The number of beds operated in the Karnataka cluster increased from 459 beds in FY 15 to 563 beds in FY 16.

Revenues increased from INR 2,415 million to 2,613 million in FY 16. While EBITDA margins remained steady at 24.3%, ARPOB's increased by 14.8% to INR 28,308/day on the back of change in payer mix in the current year. While the government payers decreased from 15.1% to 9.0% of total revenues in FY 16, at the same time, the revenue from international patients increased by 29% this year at our flagship KR/DR hospital. It is also to be noted that ROCE at the KR/DR increased to over 20% in the last quarter of the fiscal as compared to 16.6% in FY 16.

Gujarat Cluster

The number of centres in Gujarat cluster increased to 3 with the addition of the Bhavnagar facility which started in FY 2016. The number of beds increased to 229 from 196 in the previous fiscal. The Ahmedabad centre is undergoing expansion where we are adding new equipment, including a linear accelerator, a PET-CT scanner, an MRI scanner and a gamma camera. The Bhavnagar centre which started in MAY'2015 is ramping up well, however given the initial investment in the facility, this centre is making losses as of now. While the revenues of the cluster have shown an increase of 24.5% to INR 1,363 million, the ARPOB's have remained stable at about INR 30,839 INR/day. The EBITDA margins are at 16% excluding the losses from the Bhavnagar centre.

East India Cluster

Cuttack and Ranchi are two mature centres in the East India cluster. These centres have seen good traction and we closed the year with revenues of INR 414.2 million which is an increase of 30.2% over INR 318.2 registered in the last fiscal. EBITDA margins at 26.7% showed an increase of almost 350 bps over last year's margin of 23.2%. The expansion at the Cuttack center was completed this fiscal with the addition of new equipment, including a linear accelerator and increasing the number of beds by 16.

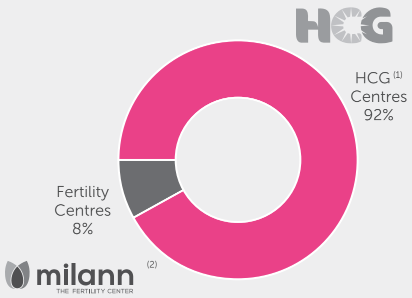
Milann Centres

The current fiscal was a good year for Milann with new registrations increasing 6% to 3,753. The number of IVF cycles increased by 18% to 1,311 compared to the 1,111 cycles in the last fiscal. Consequently, revenues increased to INR 461 million compared to 403 million in last year which was an increase of 14.4%.

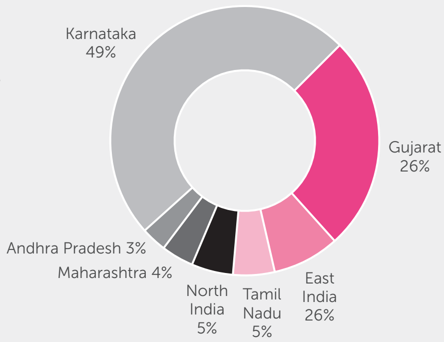
Operating Metrics of HCG Centres

Revenue Break-up:

Consolidated FY16 Revenue:
Rs. 5,820 Mn



HCG Centres FY16 Revenue:
Rs. 5,358 Mn



1. Centres operated under the "HCG" brand- 15 comprehensive cancer centres, 2 multi-speciality hospitals, 3 free standing diagonistic centres and 1 day care centre as at March 31, 2016.
2. 5 fertility centres operated under the Milann brand, as at March 31, 2016.

Key performance metric:

INR million except per share data

Period ended March 31 FY16	
No. of Centres	17
Beds	1,146
Occupied Bed Days	2,01,513
Average Occupancy Rate	51.0%
ALOS	2.93
ARPOB (Rs./Day)	26,592
Revenue (INR mn)	5,359
EBITDA Margin (%)	20.2%

BUSINESS STRATEGY

Expand the reach of our cancer care network in India:

HCG plans to expand its network in India by establishing new cancer centres across India and by expanding the capacity and service offering of the existing HCG cancer centres. We carry out a competitive assessment of the markets in which HCG plans to expand the network based on a number of factors, including the estimated incidence of cancer in the primary and secondary catchment population, the number of comprehensive cancer centres, if any, in the catchment; the average distance patients have to travel to avail of such comprehensive cancer care; affordability of healthcare generally and cancer care in particular; and the available third party payer options, whether corporate, government or private insurance. HCG will continue to expand its network through green field projects, partnership arrangements and acquisitions; and affirmed that the past experiences will aid the Management in identifying potential opportunities in the future and assist HCG in integrating new cancer centres into the existing HCG network.

Strengthen our HCG brand to reach more cancer patients

We believe that our HCG brand distinguishes us from our competitors. As we establish new comprehensive cancer centres across India, we plan to invest in building our brand, enhancing our market presence, brand image and visibility. We intend to strengthen our patient support groups comprising cancer survivors to further spread awareness of cancer screening and to educate patients regarding cancer treatment options and their relative outcomes and benefits. Through these initiatives, we seek to further strengthen our brand and our commitment to the community, cancer patients and their families.

Expand our cancer care network to Africa

We believe that despite the growing incidence of cancer, there is a shortage of cancer centres in many countries in Africa. As a result, patients suffering from cancer often travel outside the region at a significant cost for availing quality cancer care, including to our comprehensive cancer centres in India. In the past, we have experienced an increase in the number of patients travelling from Africa and other regions to our centre of excellence in Bengaluru, as well as to our other comprehensive cancer centres in India for cancer treatment. We believe that this growing demand presents us with an opportunity to establish a network of speciality cancer centres in Africa.

Upgrade and strengthen our information technology infrastructure

We are in the process of significantly upgrading our information technology infrastructure in order to enhance the quality of care delivered to patients and to further enhance our clinical best practices and research capabilities. Our planned information technology infrastructure will be based on a private cloud-computing system and will encompass a centralised EMR system seamlessly integrated with various other centralised systems including HIS and ERP system. We believe that the implementation of these information systems will maximise efficiencies through the greater integration of our network and help us fine tune protocols through knowledge sharing and collaboration. Further, we believe that these initiatives will enhance our ability to conduct longitudinal research studies (which are long-term observational research studies), and associate clinical outcomes with mutation and other genomic findings in cancer patient tissues maintained at our biorepository. We believe that this will position us as a partner of choice for cancer researchers and academia.

Expand our Milann network of fertility centres across India and build our Milann brand

We believe that in expanding our Milann network, we are well-positioned to leverage HCG's successful track record of growing through partnerships with specialist physicians and hospitals, as well as our relationship base within the medical community.

We intend to invest in building our Milann brand through targeted media campaigns focusing on building patient awareness of fertility treatment primarily through patient testimonials and socially relevant messages. We also intend to undertake community outreach programmes, strengthen our patient support groups and undertake other awareness building activities among corporate entities. In addition, we intend to undertake various direct consumer marketing activities, including advertising in print, television, outdoor and digital media.

Financial Performance

The financial statements of HealthCare Global Enterprises Limited and its subsidiaries (collectively referred to as "HCG") are prepared in compliance with the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP).

The discussions herein below relate to consolidated statement of profit and loss for the year ended March 31, 2016, consolidated balance sheet as at March 31, 2016 and the consolidated cash flow statement for the year ended March 31, 2016. The consolidated results are more relevant for understanding the performance of HCG.

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, HCG will follow the Indian Accounting Standards (Ind AS) for preparation of its financial statements from April 1, 2016.

Significant accounting policies used for the preparation of the financial statements are disclosed in the notes to the consolidated financial statements

Results of Operations

Particulars	For the fiscal year ended March 31, 2016		For the fiscal year ended March 31, 2015	
	(in millions)	%	(in millions)	%
REVENUE				
Revenue from operations				
Income from medical services	3,922.82	67.01	3,395.72	64.78
Income from pharmacy	1,836.14	31.36	1,762.87	33.63
Other operating revenues	60.81	1.04	35.17	0.67
Total Revenue from Operations	5,819.77		5,193.75	
Other income	34.51	0.59	48.15	0.92
Total Revenue	**5,854.28**	**100**	**5,241.90**	**100**
EXPENSES				
Purchases of stock-in-trade	1,486.80	25.40	1,493.73	28.50
(Increase)/ decrease in stock-in-trade	8.91	0.15	(33.39)	(0.64)
Employee benefits expense	990.04	16.91	815.10	15.55
Finance costs	375.83	6.42	342.28	6.53
Depreciation and amortisation expense	444.45	7.59	392.51	7.49
Other expenses	2,437.54	41.64	2,155.91	41.13
Total Expenses	**5,743.57**	**98.11**	**5,171.88**	**98.66**
Profit/ (Loss) before tax and exceptional items	**110.71**	**1.89**	**75.76**	**1.45**
EXCEPTIONAL ITEMS	**60.69**	**1.04**	**45.61**	**0.87**
Profit/ (Loss) before tax	**50.02**	**0.85**	**30.14**	**0.57**
TAX EXPENSE				
(a) Current tax expense	37.80	0.65	35.69	0.68
(b) (Less): Minimum Alternative Tax credit	(9.32)	(0.16)	-	-
(c) Provision for Minimum Alternative Tax credit entitlement	-	-	6.94	0.13
(d) Deferred tax	(32.80)	(0.56)	(59.46)	(1.13)
Net tax expense	**(4.32)**	**(0.07)**	**(16.83)**	**(0.32)**
Profit/ (Loss) after tax before share of profit/ (loss) of minority interest	**54.33**	**0.93**	**46.97**	**0.90**
Share of profit of minority interest	42.12	0.72	38.63	0.74
Net Profit/ (Loss) for the period	**12.21**	**0.21**	**8.34**	**0.16**

Revenue

Our total revenue increased by Rs. 612.38 million, or by 11.68%, from 5,241.90 million in Fiscal Year 2015 to Rs. 5,854.28 million in Fiscal Year 2016. This increase was primarily due to an increase in our revenue from operations.

Revenue from operations

Our revenue from operations increased by Rs. 626.01 million, or by 12.05%, from Rs. 5,193.75 million in Fiscal Year 2015 to Rs. 5819.77 million in Fiscal Year 2016. This was primarily due to an increase in occupancy and ARPOB, additional facilities in existing centres and commencement of new centres. During the Fiscal year 2016, our centre of excellence in Bangalore and HCG cancer centre in Ahmedabad contributed additional revenue of Rs. 182.31 million, Rs. 146.36 million respectively due to increase in occupancy and ARPOB. Unit in Cuttack contributed additional revenue of Rs. 79.23 million due to new facility and increased occupancy. Our new centre in Bhavnagar in Gujarat contributed additional revenue of Rs. 76.47 million. Our fertility centres contributed additional revenue of Rs. 57.91 million due to increase in number of patients.

Other operating revenues

Our other operating revenues increased by Rs. 25.64 million, or by 72.92%, from Rs. 35.17 million in Fiscal Year 2015 to Rs. 60.81 million in Fiscal Year 2016 primarily on account of export incentive income and increase in training and cafeteria income.

Other income

Our other income decreased by Rs. 13.64 million, or by 28.32%, from Rs. 48.15 million in Fiscal Year 2015 to Rs. 34.51 million in Fiscal Year 2016. This decrease was primarily due to decrease in interest on income tax refund by Rs. 13.51 million, from Rs. 14.39 million in Fiscal Year 2015 to Rs. 0.87 million in Fiscal Year 2016.

Expenses

Our total expenses increased by Rs. 577.43 million, or by 11.18%, from Rs. 5,166.14 million in Fiscal Year 2015 to Rs. 5,743.57 million in Fiscal Year 2016. This increase was primarily due to an increase in our employee benefits expense and other expenses.

Cost of consumption

Our cost of consumption related to consumption of drugs, medical and non-medical consumable items increased by Rs. 35.37 million, or by 2.42%, from Rs. 1,460.34 million in Fiscal Year 2015 to Rs. 1,495.71 million in Fiscal Year 2016. Our cost of consumption comprises of our expenses related to purchases of stock-in-trade and changes in inventories of stock-in-trade.

Cost of consumption as a percentage of our total revenue decreased from 27.86% in Fiscal Year 2015 to 25.55% in Fiscal Year 2016. This was primarily due to savings generated on account of centralisation of our procurement functions through our efforts in implementing a centralised formulary of drugs and consumables.

Employee benefits expense

Our employee benefits expense increased by Rs. 174.94 million, or by 21.46%, from Rs. 815.10 million in Fiscal Year 2015 to Rs. 990.04 million in Fiscal Year 2016. This was primarily due to commencement of operations of our multispecialty hospital at Bhavnagar, comprehensive cancer care centre at Gulbarga and our Milann fertility Centre at M S Ramaiah Nagar, Bengaluru and Greater Kailash II at New Delhi, addition of PET-CT units at our comprehensive cancer centres at Cuttack and M S Ramaiah Nagar, Bengaluru. We made additional provision for statutory bonus pursuant to amendment to The Payment of Bonus Act. We also added senior management personnel at our Corporate office.

Finance costs

Our finance costs increased by Rs. 33.55 million, or by 9.80%, from Rs. 342.28 million in Fiscal Year 2015 to Rs. 375.83 million in Fiscal Year 2016 primarily on account of accelerated write off of loan processing charges carried under prepaid expenses which was charged off to statement of profit and loss during the year pursuant to prepayment of loans out of our IPO proceeds and amortisation of processing charges for new loans availed during the Fiscal Year 2016.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by Rs. 51.94 million, or by 13.23%, from Rs. 392.51 million in Fiscal Year 2015 to Rs. 444.45 million in Fiscal Year 2016. This was primarily due to an increase in our gross fixed assets by Rs. 980.81 million primarily on account of purchase of new medical equipments. Average depreciation rate on gross block of fixed assets was at 6.10% in FY 16 as against 5.80% in FY 15.

Other expenses

Our other expenses increased by Rs. 281.63 million, or by 13.06%, from Rs. 2,155.91 million in Fiscal Year 2015 to Rs. 2,437.54 million in Fiscal Year 2016. This was primarily due to increase in our medical consultancy charges, rent including lease rentals, travelling expenses, housekeeping and security expenses, which were partially offset by a decrease in business promotion expenses.

Our medical consultancy charges increased by Rs. 200.55 million or by 18.42%, from Rs. 1,088.66 million in Fiscal Year 2015 to Rs. 1,289.21 million in Fiscal Year 2016. Increase in our medical consultancy charges is largely in line with increase in total revenue but for increase on account of commencement of operations of our multispecialty hospital at Bhavnagar, comprehensive cancer care centre at Gulbarga and our Milann fertility Centre at M S Ramaiah Nagar and Greater Kailash II at New Delhi during Fiscal Year 2016. Also we hired fixed pay medical consultants during the second half of the Fiscal Year 2016 which is expected to yield benefits in the subsequent years and restructuring of contracts with variable pay medical consultants in one of our centres to leverage occupancy levels and revenue added to the increase in medical consultancy charges.

Our housekeeping and security expenses increased by Rs. 26.80 million, or by 27.23%, from Rs. 98.45 million in Fiscal Year 2015 to Rs. 125.25 million in Fiscal Year 2016. Increase is attributable to commencement of operations of our multispecialty hospital at Bhavnagar, comprehensive cancer care centre at Gulbarga, our Milann fertility Centre at M S Ramaiah Nagar and Greater Kailash II at New Delhi during Fiscal Year 2016 and expansion in some of the existing centres. Also there is increase in housekeeping and security expenses pursuant to revision of our housekeeping contracts and conversion of few on board employees into contractual employees.

Our rent including lease rental expenses increased by Rs. 44.20 million, or by 27.71%, from Rs. 159.53 million in Fiscal Year 2015 to Rs. 203.73 million in Fiscal Year 2016. Increase in rent is on account of commencement of new centres in Fiscal Year 2016, expansion of facilities in our centre of excellence in Bangalore, new corporate office taken on rent in Fiscal Year 2016, full year operations in Fiscal Year 2016 of units that commenced operations in Fiscal Year 2015 and contractual increases.

Increase in other expenses was partially offset by a decrease in our business promotion expenses by Rs. 45.42 million, or by 32.58%, from Rs. 139.44 million Fiscal Year 2015 to Rs. 94.02 million in Fiscal Year , 2016. This was primarily due to a decrease in expenses related to advertising in print and other media and other business promotion activities.

Profit/ (Loss) before tax and exceptional items

As a result of the foregoing, our profit before tax and exceptional items was Rs. 110.71 million in Fiscal Year 2016 as compared to a profit before tax and exceptional items amounting to Rs. 75.76 million in Fiscal Year 2015.

Exceptional items

Our total exceptional items amounted to Rs. 60.69 million in Fiscal Year 2016 which comprises of Rs. 44.28 million arising on account of discontinuation of operations of our comprehensive cancer centre in Mumbai and Rs 16.41 million (net) arising on account of loss on disposal of investments in HCG TVH Medical Imaging Private Limited. Our total exceptional items in Fiscal Year 2015 amounted to Rs. 45.62 million on account of loss amounting to Rs. 42.51 million arising from the discontinuation of operations of a hospital that we had taken on lease in Bengaluru and a write down of fixed assets at one of our Milann fertility centres in Bengaluru amounting to Rs. 3.11 million due to relocation of our centre.

Tax expense

We recorded net current tax of Rs. 28.48 million and deferred tax credit of Rs. 32.8 million in Fiscal Year 2016 as a result of which net tax credit for FY 16 was Rs. 4.32 million. We recorded net current tax of Rs. 35.70 million and deferred tax credit of Rs. 59.46 million in Fiscal Year 2015 as a result of which net tax credit for FY 15 was Rs. 16.82 million.

Profit/ (Loss) after tax before share of profit/ (loss) of minority interest

As a result of the foregoing, our profit after tax before share of profit/(loss) of minority interest was Rs. 54.33 million in Fiscal Year 2016 as compared to a profit after tax before share of profit/(loss) of minority interest amounting to Rs. 46.97 million in Fiscal Year 2015.

Share of profit/ (loss) of minority interest

Minority's share of profit was Rs. 42.13 million in Fiscal Year 2016 as compared to a share of profit of Rs. 38.63 million in Fiscal Year 2015.

Net profit/ (loss) for the year

As a result of the foregoing, our net profit for the year was Rs. 12.21 million in Fiscal Year 2016 as compared to a net profit amounting to Rs. 8.34 million in Fiscal Year 2015.

Assets

The following table sets out the principal components of our assets as at March 31, 2016 and 2015.

(Rs. in millions)

Particulars	As at March 31,	
	2016	2015
Non-current assets		
Fixed assets		
- Tangible assets	5,040.07	4,516.92
- Intangible assets	26.54	159.15
- Capital work-in-progress	1,551.39	422.38
Goodwill on consolidation	608.88	608.88
Non-current investments	36.21	1.21
Deferred tax assets (net)	93.94	58.79
Long-term loans and advances	901.36	699.68
Other non-current assets	78.72	74.93
Total non-current assets	**8,337.12**	**6,541.94**
Current assets		
Current investments	600.00	-
Inventories	133.50	145.54
Trade receivables	789.37	638.08
Cash and cash equivalents	247.44	269.54
Short-term loans and advances	117.74	80.49
Other current assets	116.76	86.10
Total current assets	**2,004.81**	**1,219.75**
Total assets	**10,341.93**	**7,761.69**

We had fixed assets comprising tangible assets, intangible assets and capital work-in-progress amounting to Rs. 6,618.00 million as at March 31, 2016 and Rs. 5,098.45 million as at March 31, 2015. Our tangible assets primarily consist of medical equipment, buildings, land, leasehold improvements, furniture and fixtures and vehicles. Our intangible assets primarily consist of software and goodwill (such as payment made to our partner for securing exclusive rights to operate a cancer centre).

Increase in our tangible net fixed assets is primarily on account of additions to medical equipments, lab and data processing equipments, leasehold improvements, furniture and fittings and office equipments in relation to commencement of operations of our PET-CT units at our comprehensive cancer centres at Cuttack and M S Ramaiah Nagar, Bengaluru; our multispecialty hospital at Bhavnagar, comprehensive cancer care centre at Gulbarga and our Milann fertility Centre at M S Ramaiah Nagar, Bengaluru and Greater Kailash II at New Delhi. This was also partially offset by assets disposed on account of sale of one of our subsidiaries HCG TVH medical imaging private limited and assets retired from use on account of discontinuation of operations of our comprehensive cancer care centre in Mumbai. The decrease in our intangible assets from Rs. 159.15 million as of March 31, 2015 to Rs. 26.54 million as of March 31, 2016 was primarily on account of a reduction in our goodwill of Rs. 120.38 as a result of discontinuation of operation of our comprehensive cancer centre in Mumbai.

The increase in our capital work-in-progress from Rs. 422.38 million as of March 31, 2015 to Rs. 1,551.39 million as of March 31, 2016 was primarily on account of new projects under development which includes our upcoming comprehensive cancer care centres in Kanpur, Baroda, Vizag, Borivilli and our upcoming Milann fertility centres.

We had goodwill on consolidation amounting to Rs. 608.88 million as of March 31, 2016 and 2015. Our goodwill on consolidation primarily comprises the difference between the amounts paid for equity less the net assets taken over on the acquisitions of our Milann fertility centres and HCG Medi-Surge.

We had non-current investments of Rs. 36.21 million as of March 31, 2016 as against Rs. 1.21 million as of March 31, 2015 and the increase is on account of investment made in mutual funds.

Our deferred tax assets increased from Rs. 58.79 million as of 31 March 2015 to Rs. 93.94 million as of 31March 2016 which is primarily on account of recognition of deferred tax asset in our holding company and one of our subsidiaries in Ahmedabad.

We had long-term loans and advances amounting to Rs. 901.36 million and Rs. 699.68 million as at March 31, 2016 and 2015 respectively and the increase is primarily on account of increase in capital advances by Rs. 30.38 pertaining to projects under development, additions to our security deposits by Rs. 85.08 pertaining to projects under development in Baroda, Borivilli and upcoming Milann fertility centres and increase in advance income tax by Rs. 80.11 million which includes tax deducted at source by our customers and advance tax paid by our subsidiary which operates Milann fertility centres.

We had current investments amounting to Rs. 600.00 million as of March 31, 2016 comprising of investments made in mutual funds out of our IPO proceeds as against Rs. Nil as of March 31, 2015

We had outstanding gross trade receivables amounting to Rs. 1,047.54 million and Rs. 877.87 million as at March 31, 2016 and 2015 respectively. We made provisions for doubtful trade receivables amounting to Rs. 258.17 million and Rs. 239.78 million as at the end of March 31, 2016 and 2015. Our trade receivables comprise receivables from government payers, corporate bodies, insurers and patients who pay directly to us.

We had short term loans and advances of Rs. 117.74 million as of March 31, 2016 as against Rs. 80.49 million as of March 31, 2015 and the increase is primarily on account of advances given to certain vendors and loans given to employees.

Liabilities And Indebtedness

Liabilities

The following table sets forth the principal components of our liabilities as at March 31, 2016 and 2015.

(Rs. in millions)

Particulars	As at March 31,	
	2016	2015
Non-current liabilities		
Long-term borrowings	2,651.92	2,802.37
Deferred tax liabilities (net)	8.10	5.15
Other long-term liabilities	9.81	13.69
Long-term provisions	28.95	22.64
Total non-current liabilities	**2,698.78**	**2,843.85**
Current liabilities		
Short-term borrowings	7.64	292.71
Trade payables	1,084.22	832.67
Other current liabilities	819.11	709.86
Short-term provisions	38.12	34.74
Total current liabilities	**1,949.02**	**1,869.98**
Total liabilities	**4,647.87**	**4,713.83**

A significant portion of our liabilities comprise long-term borrowings. We had long-term borrowings amounting to Rs. 2,651.92 million and Rs. 2,802.37 million as at March 31, 2016 and 2015 respectively.

We had outstanding trade payables amounting to Rs. 1,084.22 million, Rs. 832.67 million as at March 31, 2016 and 2015 respectively. These primarily comprised payables towards purchase of drugs, consumables, various services including medical consultancy charges, legal and professional fees, housekeeping charges and security charges, and salaries and bonuses of employees.

We had other current liabilities amounting to Rs. 819.11 million and Rs. 709.86 million as at March 31, 2016 and 2015 respectively. These primarily comprised current maturities of long-term debts amounting to Rs. 406.09 million, Rs. 391.19 million; advances from customers amounting to Rs. 167.91 million, Rs. 111.82 million; interest accrued but not due on borrowing amounting to Rs. 105.07 million and Rs. 97.88 million; and other payables, primarily comprising payables on purchase of fixed assets amounting to Rs. 91.24 million, Rs. 60.74 million as at March 31, 2016 and 2015 respectively.

Our other current liabilities increased in Fiscal Year 2016 compared to Fiscal Year 2015. This was primarily on account of an increase in current maturities of long-term debts, payables on purchase of fixed assets and advance from customers.

Indebtedness

(Rs. in millions)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured loans		
- Term loans from banks	762.90	1,757.05
- Term loans from other parties	88.08	134.56
- Vehicle Loans	1.21	3.69
- Working capital loans	7.64	292.71
Total secured loans	**859.83**	**2,188.01**
Unsecured loans		
- Term loans from other parties	15.41	6.41
- Long-term maturities of finance lease obligations	632.25	649.10
- Deferred payment liabilities	1,558.16	642.75
Total unsecured loans	**2,205.82**	**1,298.26**
Total borrowings	**3,065.65**	**3,486.27**
Total borrowings represented by:		
Long-term borrowings	2,651.92	2,802.37
Short-term borrowings	7.64	292.71
Current maturities of long-term borrowings (included in other current liabilities)	406.09	391.19
Total	**3,065.65**	**3,486.27**

To fund our working capital and capital expenditure requirements, we have entered into various loans and facility agreements with various financial institutions. As at March 31, 2016, we had Rs. 3,065.65 million of indebtedness outstanding. All of our indebtedness outstanding as at March 31, 2016 was denominated in Indian Rupees except for U.S.$ 23.25 million and Euro 0.18 million in outstanding loans from various equipment vendors. We have repaid a portion of our term loans from bank and working capital loans out of our IPO proceeds.

(Rs. in millions)

Particulars	For the Fiscal year ended March 31, 2016	For the Fiscal Year ended March 31, 2015
Net cash flow generated from/(used in) operating activities	689.73	596.53
Net cash flow generated from/(used in) investing activities	(2,021.50)	(797.12)
Net cash flow generated from/(used in) financing activities	1,898.63	215.64
Net cash flows generated for the year	566.86	15.05

Cash flow generated from/ (used in) operating activities

For the fiscal year ended March 31 2016, we had profit before tax of Rs. 50.01 million and our operating profit before working capital changes was Rs. 869.29 million. Our cash generated from operations after adjusting for changes in working capital was Rs. 797.58 million. This reflected cash inflow on account of increase in trade payable by Rs. 177.08 million; and cash outflow on account of increase in trade receivables by Rs. 195.40 million and a increase in long-term loans and advances by Rs. 65.56 million, primarily due to security deposits made for our HCG comprehensive cancer centres under development in Baroda and Borivili. After adjusting for changes in working capital and a net income tax payment amounting to Rs. 107.84 million, our net cash flow generated from operating activities was Rs. 689.73 million for the fiscal year ended March 31 2016.

Cash flow generated from/ (used in) investing activities

For the fiscal year ended March 31, 2016, our net cash flow used in investing activities was Rs. 2,021.50 million. This primarily reflected capital expenditure on fixed assets including capital advances amounting to Rs. 2,137.03 million primarily relating to projects under development which includes our upcoming comprehensive cancer care centres in Kanpur, Baroda, Vizag, Borivilli and upcoming Milann centres.

Cash flow generated from/ (used in) financing activities

For the fiscal year ended March 31, 2016, our net cash flow generated from financing activities was Rs. 1,898.63 million. This primarily reflected proceeds from issue of equity shares amounting to Rs. 2,712.71 million and proceeds from long-term borrowings amounting to Rs. 2,045.40 million and proceeds which were partially offset by repayment of long-term borrowings amounting to Rs. 2,219.07 million and finance costs amounting to Rs. 345.91 million.

EMPLOYEES AND DOCTORS

As of March 31, 2016, we had a team of 443 specialist physicians including 225 oncologists, 21 radiologists, 23 pathologists and 174 other specialist physicians in our HCG network. As of March 31, 2016, we also had 29 fertility specialists, 20 of whom were pursuing their post-graduate fellowships at our Milann fertility centres, and 30 other specialist physicians in our Milann network. We believe that we are able to attract and retain highly skilled specialist physicians due to our reputation for clinical excellence, our technology-focused approach, the exposure and experience we provide in relation to clinical best practices and the training programmes we offer for their ongoing development. We believe that the abilities and expertise of our team of specialist physicians differentiate us relative to our competitors. Several of our specialist physicians have received accolades and awards in recognition of their contribution to their respective fields of medicine, including Dr. Kamini Rao, who is a fertility specialist and the medical director of our Milann fertility centres and Dr. K.S. Gopinath, who is a surgical oncologist and one of our Promoters, who have both received the Padma Shri award.

INTERNAL CONTROLS SYSTEM AND ADEQUACY

The Company has an adequate system of internal controls to ensure that transactions are properly recorded, authorized and reported apart from safeguarding its assets. The internal control system is supplemented by well-documented standard operating procedures, policies and guidelines and review carried out by the Company's internal audit function.

Your Company has reviewed internal controls and its effectiveness through the internal audit process. Internal audits were undertaken for every operational Unit and all major corporate functions under the direction of the Group Internal Audit department. The focuses of these reviews are as follows:

- Identify weaknesses and areas of improvement
- Compliance with defined policies and processes
- Safeguarding of tangible and intangible assets
- Management of business and operational risks
- Compliance with applicable statutes

All significant audit observations and follow-up actions thereon are reported to the Audit Committee. Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening the Company's risk management policies and systems.

HUMAN RESOURCES & EMPLOYEE RELATIONS

We, at HCG, firmly believe that human resources are our greatest asset. Even while the Company has been experiencing unprecedented growth, we have been ensuring that our people are happy, engaged and satisfied. Our endeavour has been to match the stupendous growth spurt in the organisation with efforts to become a talent-rich enterprise and augment it with strategic focus in all of our initiatives.

While we continue pursuing our growth and expansion plan, it would create new and critical positions in the future. It is our constant endeavour to promote HCG as an employer of choice and consequently achieve continuous in-flow of quality talent. To be able to do that, we are recruiting proactively all round the year and creating a pipeline of talent which can be tapped as soon as the need arises.

In keeping with the priorities of providing quality care to our consumers - growing economy, rising incomes and increased urbanization have been instrumental in changing the perception of patients as consumers; we have been continuously enhancing people practices to create a congenial and high performance work culture across the company. Since the patients visiting our Centres for varied treatments are at the heart of our business, and receives service through associate actions; ensuring a well-trained, motivated frontline and back-end work force is central to our business. Our professionals - be it medical or non medical, are our most important assets. We believe that the quality and level of service that our professionals deliver are among the highest in the industry.

As in the past years, the management continues to take a keen interest in Human Resource Development. Harmonious employee relations continued to prevail at all the units throughout the Company. The management continues to focus on Human Resource Development through in-house and external management development programmes and training programmes.

To be able to service our growth, it is essential to have continuous availability of right talent at the right place and at the right time. Towards this end, we have designed and implemented timely and relevant interventions which promote employee engagement and retention.

To continuously improve the quality of HR services provided to our employees we are constantly evolving systems and processes that are scalable, flexible and are in line with needs of the business environment. Our objective is to continuously devise and implement the best-in-class HR Systems and Processes to effectively serve our employees. We believe that people perform to the best of their abilities in organizations to which they feel truly connected. We are committed to creating an inclusive environment — one that is progressive, flexible and values the individual contributions of all of our people. We're proud to have a culture that brings out the best in individuals and encourages them to pursue excellence.

INDEPENDENT AUDITOR'S REPORT

To The Members of
Healthcare Global Enterprises Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **HEALTHCARE GLOBAL ENTERPRISES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

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 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 standalone 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone 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 financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

(e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(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 has disclosed the impact of pending litigations on its financial position in its financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Sd/-
V. Balaji
Partner
(Membership No. 203685)

BENGALURU,
26 May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **HEALTHCARE GLOBAL ENTERPRISES LIMITED** (the "Company") as of March 31, 2016 in conjunction with our audit of the standalone 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.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, 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, 2016, 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Sd/-
V. Balaji
Partner
(Membership No. 203685)

BENGALURU,
26 May, 2016

ANNEXURE "B" 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)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme of verification of fixed assets to cover all items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management. According to the information and explanation given to us, no material discrepancies were noted on such verification.

(c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and based on the confirmations received from the lenders with whom the title deeds have been pledged as security for loans, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except in the case of following:

Particulars of the land and building	Gross Block (as at 31-Mar-16)	Net Block (as at 31-Mar-16)	Remarks
Freehold Land ad measuring 22,320 sq feet and buildings thereon	150,392,133	130,941,113	The title deeds are in the name of Healthcare Global Vijaya Oncology Private Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of judicature.
Freehold Land ad measuring 19,518 sq feet and buildings thereon	133,041,448	107,569,425	The title deeds are in the name of HCG Medi-surge Hospitals Private Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Courts of judicature.
Freehold land ad measuring 45,083 sq feet and buildings thereon	266,126,254	238,265,764	The title deeds are in the name of Banashankari Medical and Oncology Research Centre Private Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court of judicature.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the

Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount in Rs.
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	High Court of Judicature at Hyderabad, for the state of Telangana and the state of Andhra Pradesh	January 2011 to June 2014	1,684,440
The Central Excise Act, 1944	Excise duty	Commissioner of Central Excise	November 2009 to March 2014	15,134,556
Maharashtra VAT Act, 2002	Value Added Tax	Deputy Commissioner of Sales Tax (Appeals)	FY 2008-09	435,720

(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 and banks. The Company has not issued any debentures and did not have any borrowings from government.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(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 177 and 188 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 the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(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 them 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 **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Sd/-
V. Balaji
Partner
(Membership No. 203685)

BENGALURU,
26 May, 2016

Healthcare Global Enterprises Limited
Standalone Balance Sheet as at 31 March 2016

(Amount in Rs)

Particulars	Note No.	31-Mar-16	31-Mar-15
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	850,759,860	699,838,080
(b) Shares pending allotment	31	-	8,467,600
(c) Reserves and surplus	4	4,392,208,479	2,008,329,448
		5,242,968,339	**2,716,635,128**
2 Non-current liabilities			
(a) Long-term borrowings	5	1,383,176,079	2,474,126,254
(b) Other long-term liabilities	6	9,806,894	13,686,256
(c) Long-term provisions	7	23,176,952	17,178,033
		1,416,159,925	**2,504,990,543**
3 Current liabilities			
(a) Short-term borrowings	8	4,658,394	292,705,591
(b) Trade payables	9		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		972,876,094	747,248,974
(c) Other current liabilities	10	671,981,843	602,808,128
(d) Short-term provisions	11	35,436,085	31,028,925
		1,684,952,416	**1,673,791,618**
Total		**8,344,080,680**	**6,895,417,289**
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
- Tangible assets	12	4,418,604,366	3,890,142,345
- Intangible assets	12	25,134,622	157,652,061
- Capital work-in-progress		284,609,728	278,774,443
		4,728,348,716	**4,326,568,849**
(b) Non-current investments	13	946,546,329	837,562,270
(c) Deferred tax assets (net)	14	83,851,000	54,716,000
(d) Long-term loans and advances	15	648,840,136	548,885,098
(e) Other non-current assets	16	39,758,418	66,918,721
		6,447,344,599	**5,834,650,938**
2 Current assets			
(a) Current investments	17	600,000,000	-
(b) Inventories	18	110,844,509	129,817,577
(c) Trade receivables	19	785,580,750	643,787,612
(d) Cash and cash equivalents	20	175,716,172	127,723,662
(e) Short-term loans and advances	21	103,980,643	70,255,915
(f) Other current assets	22	120,614,007	89,181,585
		1,896,736,081	**1,060,766,351**
Total		**8,344,080,680**	**6,895,417,289**

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
V. Balaji
Partner

Place: Bengaluru
Date: 26 May 2016

For and on behalf of the Board of Directors

Sd/-
Dr. BS Ajaikumar
Chairman and CEO

Sd/-
Gangadhara Ganapati
Director

Sd/-
Krishnan Subramanian
Chief Financial Officer

Sd/-
Sunu Manuel
Company Secretary

Place: Bengaluru
Date: 26 May 2016

Healthcare Global Enterprises Limited

Statement of Standalone Profit and Loss for the year ended 31 March, 2016

(Amount in Rs)

	Particulars	Note No.	For the year ended 31-Mar-16	For the year ended 31-Mar-15
1	Revenue from operations	23	4,702,125,501	4,201,502,096
2	Other income	24	29,952,329	42,906,894
3	**Total revenue**		**4,732,077,830**	**4,244,408,990**
4	**Expenses**			
	(a) Purchase of stock-in-trade	25	1,318,087,038	1,342,420,814
	(b) (Increase) / decrease in stock-in-trade	26	15,854,280	(28,596,915)
	(c) Employee benefits expense	27	837,980,333	689,482,106
	(d) Finance costs	28	342,989,846	315,220,875
	(e) Depreciation and amortisation expense	12	374,205,794	325,749,979
	(f) Other expenses	29	1,855,870,772	1,633,712,959
	Total expenses		**4,744,988,063**	**4,277,989,818**
5	**Loss before exceptional items and tax**		**(12,910,233)**	**(33,580,828)**
6	Exceptional items	30	44,671,380	42,506,810
7	**Loss after exceptional items**		**(57,581,613)**	**(76,087,638)**
8	**Tax expense:**			
	(a) Provision for MAT credit entitlement		-	5,067,000
	(b) Deferred tax		(29,135,000)	(57,496,000)
			(29,135,000)	**(52,429,000)**
9	**Loss after tax**		**(28,446,613)**	**(23,658,638)**
	Earnings per share (of Rs.10/- each)	43		
	(a) Basic		(0.39)	(0.34)
	(b) Diluted		(0.39)	(0.34)

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
V. Balaji
Partner

Place: Bengaluru
Date: 26 May 2016

For and on behalf of the Board of Directors

Sd/-
Dr. BS Ajaikumar
Chairman and CEO

Sd/-
Gangadhara Ganapati
Director

Sd/-
Krishnan Subramanian
Chief Financial Officer

Sd/-
Sunu Manuel
Company Secretary

Place: Bengaluru
Date: 26 May 2016

Healthcare Global Enterprises Limited

Standalone Cash Flow Statement for the year ended 31 March, 2016

(Amount in Rs)

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
A. Cash flow from operating activities		
Net loss before tax	**(57,581,613)**	**(76,087,638)**
Adjustments for:		
- Depreciation and amortisation (Refer Note 12(ii))	379,694,200	332,501,813
- Loss on fixed assets sold / scrapped / written off	15,035,261	6,514,603
- Expense on employee stock option scheme	5,392,740	11,976,982
- Interest expense	302,050,121	299,921,184
- Interest income	(17,382,930)	(28,222,889)
- Liabilities/provisions no longer required written back	(872,748)	(4,917,349)
- Net loss on sale of non-current investments in subsidiaries	391,963	-
- Provision for doubtful trade and other receivables loans and advances (net)	24,024,865	18,108,716
Operating profit before working capital changes	**650,751,859**	**559,795,422**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
- Inventories	18,973,068	(20,906,609)
- Trade receivables	(182,959,175)	(122,009,945)
- Short-term loans and advances	(33,724,728)	(21,902,188)
- Long-term loans and advances	(2,768,183)	(37,810,290)
- Other current assets	(30,319,945)	27,284,801
Adjustments for increase / (decrease) in operating liabilities:		
- Trade payables	140,385,828	85,026,222
- Other current liabilities	56,695,196	33,177,663
- Short-term provisions	4,407,160	7,564,768
- Long-term provision	5,998,919	(678,193)
Cash generated from operations	**627,439,999**	**509,541,651**
- Net income tax paid	(75,267,355)	(4,184,578)
Net cash flow from operating activities (A)	**552,172,644**	**505,357,073**
B. Cash flow from investing activities		
Capital expenditure on fixed assets including capital advances	(879,032,210)	(673,024,379)
Proceeds from sale of fixed assets	1,938,862	815,333
Purchase of long-term investments:		
- in subsidiaries	(35,655,480)	(19,173,950)
- in limited liability partnership	(73,958,095)	(25,404,174)
- in associates	-	(15,000,000)
Sale of subsidiaries (Refer Note 30(iv))	21,828,707	-
Received on closure of a hospital unit (Refer Note 30(i))	131,000,000	-
Withdrawal of capital in limited liability partnership	13,408,846	-
Inter-Corporate deposits given	-	(22,163,300)
Deposits placed as margin money	-	(10,622,088)
Deposits realised from margin money	14,069,825	-
Investments in mutual funds	(35,000,000)	
Loans and advances given to subsidiaries	(58,645,558)	(31,303,049)
Loans and advances received from subsidiaries	59,172,033	34,161,859
Interest received	15,654,681	22,957,362
Net cash flow used in investing activities (B)	**(825,218,389)**	**(738,756,386)**

Healthcare Global Enterprises Limited
Standalone Cash Flow Statement for the year ended 31 March, 2016

(Amount in Rs)

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
C. Cash flow from financing activities		
Proceeds from issue of equity shares	2,712,717,651	99,999,953
Expenses attributable to proposed initial public offering	(77,216,527)	-
Proceeds from long-term borrowings	786,812,087	574,698,745
Repayment of long-term borrowings	(1,917,383,347)	(287,857,581)
Net increase / (decrease) in working capital borrowings	(288,047,197)	166,144,807
Inter-corporate deposits repaid	-	(50,000,000)
Finance costs	(309,550,662)	(280,207,561)
Net cash flow from / (used in) financing activities (C)	**907,332,005**	**222,778,363**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	634,286,260	(10,620,950)
Cash and cash equivalents at the beginning of the year	106,155,979	116,168,057
Add: Cash and cash equivalents pertaining on merger of subsidiary (Refer note 31)	-	608,872
Cash and cash equivalents at the end of the year	**740,442,239**	**106,155,979**
Cash and cash equivalents at the end of the year comprises		
(a) Cash on hand	7,956,246	8,739,788
(b) Cheques drafts on hand	621,256	2,159,246
(c) Balances with banks:		
(i) In current accounts	16,933,322	73,019,618
(ii) In EEFC accounts	19,247,254	22,237,327
(iii) In escrow account	95,684,161	-
Cash and cash equivalents as per Balance Sheet (Refer note 20)	**140,442,239**	**106,155,979**
Add: Current investments considered as cash and cash equivalents (Refer note 17)	600,000,000	-
Total	**740,442,239**	**106,155,979**

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
V. Balaji
Partner

Place: Bengaluru
Date: 26 May 2016

For and on behalf of the Board of Directors

Sd/-
Dr. BS Ajaikumar
Chairman and CEO

Sd/-
Gangadhara Ganapati
Director

Sd/-
Krishnan Subramanian
Chief Financial Officer

Sd/-
Sunu Manuel
Company Secretary

Place: Bengaluru
Date: 26 May 2016

Note no.

1 Corporate information

HealthCare Global Enterprises Limited (the Company) is engaged in setting up and managing cancer hospitals, cancer centers and medical diagnostic services including scientific testing and consultancy services in the pharmaceutical and medical sector. The Company has its registered office at #8, P. Kalinga Rao Road, Sampangi Ram Nagar, Bengaluru – 560 027. The Company is listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited with effect from 30 March 2016.

The Company operates in:

- Bengaluru Institute of Oncology, Bengaluru
- Curie Abdur Razzaque Cancer Institute, Ranchi
- Curie Center of Oncology, Bengaluru
- Curie Manavata Cancer Center, Nasik
- HCG BNH, Mumbai (Refer Note 30(i))
- HCG Cancer Center, Chennai
- HCG Cancer Center, Gulbarga
- HCG Cancer Center, Trichy
- HCG Curie City Cancer Center, Vijayawada
- HCG Cyclotron and PET CT, Chennai
- HCG MNR Curie Cancer Center, Ongole
- HCG Multispeciality Hospitals, Ahmedabad and Bhavnagar
- HCG Pharma, Bengaluru
- M.S.Ramaiah Curie Centre of Oncology, Bengaluru
- NMR Curie Centre of Oncology, Hubli
- Panda Curie Cancer Hospital, Cuttack
- SMH (Shanti Mukand Hospital) Curie Cancer Center, New Delhi
- Triesta Sciences, Bengaluru

2 Significant accounting policies

2.1 Basis of accounting and preparation of standalone financial statements

The standalone financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

2.5 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 Company are segregated based on the available information.

2.6 Depreciation and amortisation

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:"

Linear Accelerator and related equipment - 15 years

PET CT - 10 years

Leasehold improvements and assets acquired on finance lease are amortized over the period of the lease.

Assets costing less than Rs.5,000/- are fully depreciated in the period of purchase.

Depreciation on fixed assets added/disposed off during the period is provided on pro-rata basis.

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

Computer software - 6 years

Software used in Plant & Machinery - 13 years (based on the useful life of the related Plant & Machinery, balance useful life 7 to 11 years)

Goodwill - 15 years. The Company entered into Operation Agreement (OA) dated May 11, 2012 with Dr. Balabhai Nanavati Hospital (BNH), a public charitable trust to operate and manage the Oncology Department in BNH. The OA was valid for a period of 15 years comprising of an initial term of 8 years which shall be automatically renewed for a additional term of 7 years. As per the terms and conditions mentioned in the OA, the Company paid a sum of Rs. 150,000,000 to BNH as non-refundable deposit and incurred a sum of Rs. 5,432,570, towards cost of entering into OA with BNH. Such non-refundable deposit paid to BNH including cost of entering into such OA, was considered as Goodwill and the same was amortised over a period of 15 years, being the contractual period of the OA. During the current year, the Company has shut down the operations in BNH. Refer Note 30 (i) for further details.

2.7 Revenue recognition

Revenue from operations includes income from medical services, sale of pharmacy and income from research and development.

Revenues from medical services and training income are recognized as and when the services are rendered.

Revenue from pharmacy: Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

Revenue from research & development income and site management operation recognized proportionately over the period during which the services are rendered as per the terms of contract.

Revenue from export incentives are accrued based on fulfillment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

2.8 Other income

Dividend on current investment is recognized on an accrual basis.

Profit on sale of current investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the then carrying value of the investment.

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

2.9 Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46 / 46A of AS 11, The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project. "

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Foreign currency transactions and translations

Initial recognition

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

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets are capitalised as part of the fixed assets and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

2.11 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.13 Employee share based payments

The Company has formulated Employee Stock Option Schemes (ESOP) which provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. Such ESOPs are accounted under the 'Fair Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

2.14 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 upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.15 Leases

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount.

Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.17 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 Company 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 Company.

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 Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

2.18 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss."

2.19 Provisions and contingencies

A provision is recognised 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 (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.

2.20 Hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement" issued by the ICAI. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

2.21 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.22 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

2.23 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.24 Operating Cycle

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

Note No. 3 Share Capital

Particulars	31-Mar-16		31-Mar-15	
	Number of Shares	Rs.	Number of Shares	Rs.
Authorised capital				
Equity shares of Rs.10/- each	127,000,000	1,270,000,000	127,000,000	1,270,000,000
Issued subscribed and fully paid up capital				
Equity shares of Rs.10/- each fully paid up	85,075,986	850,759,860	69,983,808	699,838,080
Total	**85,075,986**	**850,759,860**	**69,983,808**	**699,838,080**

3(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	31-Mar-16		31-Mar-15	
	Number of Shares	Rs.	Number of Shares	Rs.
At the beginning of the year				
- Equity shares of Rs. 10/- each fully paid-up	69,983,808	699,838,080	68,245,112	682,451,120
Issued during the year:				
- Equity shares of Rs. 10/- each fully paid-up	15,092,178	150,921,780	1,738,696	17,386,960
At the end of the year				
- Equity shares of Rs. 10/- each fully paid-up	85,075,986	850,759,860	69,983,808	699,838,080

3(b) During the current year, the Company has completed the initial public offer and has allotted 11,600,000 equity shares of Rs. 10/- each at a premium of Rs. 208/- per share. Expenses incurred (net) towards such allotment of shares amounting Rs. 163,330,567 has been debited to Securities Premium Account. Other issue of equity shares during the year ended 31 March 2016 includes:

- 846,760 shares issued at face value to erstwhile minority shareholders of HCG Vijay Oncology Private Limited ('HCG Vijay') pursuant to merger of HCG Vijay with the Company (Refer Note 31),
- 903,505 and 46,836 shares issued at a premium of Rs. 100.68 per share and Rs. 76.30 per share respectively, pursuant to exercise of share warrants, and
- 1,695,077 shares issued to holders of Employee Stock Option Scheme pursuant to exercise of vested options (Refer Note 38).

3(c) The Company has only one class of equity share having a par value of Rs.10/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.

3(d) Details of shareholders holding more than 5% shares in the Company:

Name of shareholder	31-Mar-16		31-Mar-15	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Dr. B.S. Ajai Kumar	17,642,739	20.74%	17,393,082	24.85%
PI Opportunities Fund 1	11,930,000	14.02%	15,380,000	21.98%
V Sciences Investments Pte. Limited	8,320,805	9.78%	11,770,805	16.82%
International Finance Corporation	4,358,705	5.12%	-	0.00%
IL&FS Trust Company Limited A/c Milestone Private Equity Fund	-	0.00%	12,877,583	18.40%

Note No. 3 Share Capital *(contd.)*

3(e) Aggregate number of equity shares allotted as fully paid-up without payment being received in cash for a period of five years immediately preceding the year ended 31 March 2016

Particulars	Aggregate number of shares as at	
	31-Mar-16	31-Mar-15
(a) Issue of fully paid-up shares pursuant to contract	-	750,126
(b) Issue of bonus shares	35,625,585	35,625,585
(c) Issue of shares pursuant to mergers	1,531,562	684,802

3(f) Number of equity shares of Rs.10/- each reserved for issuance

Particulars	As at	
	31-Mar-16	31-Mar-15
(a) to eligible employees under employee stock option scheme	3,604,923	5,300,000
(b) to Dr. B.S. Ajai Kumar pursuant to outstanding share warrants	-	950,341
(c) to minority shareholders of erstwhile subsidiaries pursuant to merger	-	846,760

Note No. 4 Reserve and surplus (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(a) **Securities premium account**		
Opening balance	2,430,200,711	2,341,788,238
Add: Premium on shares issued during the year (Refer Note 3(b))	2,600,978,967	88,412,473
Less: Share issue expenses (net) (Refer Note 3(b))	(163,330,567)	-
Closing balance	**4,867,849,111**	**2,430,200,711**
(b) **Share options outstanding account**		
Opening balance	43,247,320	23,308,366
Add: Amounts recorded on new grants during the year	-	18,962,234
Add: Amounts recorded on change in estimated forfeitures during the year	-	976,720
Less: Transferred to Securities premium account on exercise of ESOPs	(30,715,496)	-
	12,531,824	**43,247,320**
Less : Deferred stock compensation expense	(3,486,932)	(8,879,672)
Closing balance	**9,044,892**	**34,367,648**
(c) **Capital reserve**		
Opening balance	-	-
Add: Adjustment on account of merger of HCG Vijay Oncology Private Limited (Refer Note 31)	-	19,045,012
Less: Transfer to Deficit in Statement of Profit and Loss	-	(19,045,012)
Closing balance	**-**	**-**
(d) **Deficit in Statement of Profit and Loss**		
Opening balance	(456,238,911)	(444,995,377)
Less: Depreciation on transition to Schedule II of the Companies Act 2013 on tangible fixed assets with nil remaining useful life (net of deferred taxes Rs.3414000)	-	(6,629,908)
Add: Transfer of capital reserve on account of merger of HCG Vijay Oncology Private Limited (Refer Note 31)	-	19,045,012
Add: Loss for the year	(28,446,613)	(23,658,638)
Closing balance	**(484,685,524)**	**(456,238,911)**
Grand total	**4,392,208,479**	**2,008,329,448**

Note No. 5 Long-term borrowings (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(a) Term loans from banks - Secured (Refer Note (i) below)	134,499,000	1,331,790,602
(b) Term loans from others - Secured (Refer Note (ii) below)	60,058,853	75,847,680
(c) Deferred payment obligations - Unsecured (Refer Note (iii) below)	574,657,710	433,536,547
(d) Long-term maturities of finance lease obligations (Unsecured) (Refer Note 42)	613,772,168	632,251,450
(e) Vehicle loan - Secured (Refer Note (iv) and (v) below)	188,348	699,975
Total	**1,383,176,079**	**2,474,126,254**

Notes:

Details of security and terms of repayment for the long-term borrowings: (Amount in Rs)

Terms of repayment and security	31-Mar-16	31-Mar-15
(i) Term loans from banks - Secured		
Non-current portion	134,499,000	1,331,790,602
Amounts included under current maturities of long-term debt	-	92,617,865
During the current year the Company has fully repaid borrowings outstanding as at 31-Mar-15.		
Details of security and terms of repayment for the amounts borrowed during the current year:		
- 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 first pari-passu charge on all current assets and receivables (both present and future)		
- Rate of interest: bank's base rate + 0.75% to 1% p.a.		
- Repayable in installments over a period of 10 years after 1 year moratorium from the date of borrowing.		
(ii) Term loans from others - Secured		
Non-current portion	60,058,853	75,847,680
Amounts included under current maturities of long-term debt	28,038,016	55,779,374
- Secured by equipment purchased out of amount financed		
- Rate of Interest 4.64% to 14.05% p.a.		
- Repayment varies between 48 to 84 monthly installments		
(iii) Deferred payment obligations - Unsecured		
Non-current portion	574,657,710	433,536,547
Amounts included under current maturities of long-term debt	291,157,392	175,618,154
- Rate of interest varies between 0.75% to 7% p.a		
- Repayment in installments over a period of 1 to 5 years		
(iv) Vehicle loan from bank - Secured		
Non-current portion	188,348	608,546
Amounts included under current maturities of long-term debt	734,968	378,247
- Secured by hypothecation of cars purchased out of finance.		
- Rate of Interest 9.9% - 11.25% p.a.		
- Repayable in 18 to 36 monthly installments from the date of borrowing.		
(iv) Vehicle loan from others - Secured		
Non-current portion	-	91,429
Amounts included under current maturities of long-term debt	-	404,695
- Secured by hypothecation of car purchased out of finance.		

Healthcare Global Enterprises Limited
Notes forming part of the Standalone Financial Statements

Note No. 5 Long-term borrowings *(contd.)*

(Amount in Rs)

Terms of repayment and security	31-Mar-16	31-Mar-15
- Rate of Interest 10.5% p.a.		
- This loan has been repaid in full during the current year.		
Total	**1,089,334,287**	**2,166,673,139**
Non-current portion	**769,403,911**	**1,841,874,804**
Amounts included under current maturities of long-term debt	**319,930,376**	**324,798,335**

Note No. 6 Other long-term liabilities (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Payable towards purchase of fixed assets	9,806,894	13,686,256
Total	**9,806,894**	**13,686,256**

Note No. 7 Long-term provision (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Provision for employee benefits:		
- Gratuity (Refer Note 37)	23,176,952	17,178,033
Total	**23,176,952**	**17,178,033**

Note No. 8 Short-term borrowings (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Loans repayable on demand: Secured loan from banks: (Refer Notes below)	4,658,394	292,705,591
Total	**4,658,394**	**292,705,591**

Note:

Details of security and terms of repayment for the short-term borrowings: (Amount in Rs)

Terms of repayment and security	31-Mar-16	31-Mar-15
(i) Secured loan repayable on demand from banks:	4,658,394	292,705,591
Secured by first pari-passu charge on entire current assets (both present and future) second pari- passu charge over entire fixed assets (both present and future other than exclusively charged)		
Short-term borrowings guaranteed by directors of the Company	-	76,662,840

Note No. 9 Trade payables (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	972,876,094	747,248,974
Total	**972,876,094**	**747,248,974**

Note No. 10 Other current liabilities (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(a) Current maturities of long-term debt		
(Refer Notes (i) to (v) in Note 5 - Long-term borrowings for details of security and guarantee)	319,930,376	324,798,335
(b) Current maturities of finance lease (Refer Note 42)	18,479,282	16,848,229
(c) Interest accrued but not due on borrowings	101,795,747	95,877,538
(d) Other payables:		
- Statutory remittances	38,994,221	38,797,384
- Advances from patient	139,037,925	82,539,566
- Payables on purchase of fixed assets	53,744,292	43,947,076
Total	**671,981,843**	**602,808,128**

Note No. 11 Short-term provisions (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Provision for employee benefits:		
- Gratuity (Refer Note 37)	16,458,564	15,145,554
- Compensated absences	18,977,521	15,883,371
Total	**35,436,085**	**31,028,925**

Healthcare Global Enterprises Limited

Notes forming part of the Standalone Financial Statements

Note No. 12 Fixed assets

(Amount in Rs)

Particulars of Tangible assets (owned unless otherwise stated)	Gross block							Accumulated depreciation and impairment							Net block
	Balance as at 1-Apr-15	Added on account of merger (Refer Note 31)	Additions during the year	Assets retired from use (Refer Note 30(i))	Disposals	Effect of foreign currency exchange differences	Balance as at 31-Mar-16	Balance as at 1-Apr-15	Added on account of merger (Refer Note 31)	Transition adjustment recorded against Deficit balance in Statement of Profit and Loss (Refer Note 12(iii))	Assets retired from use (Refer Note 30(i))	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31-Mar-16	Balance as at 31-Mar-16
(a) Land freehold	402,306,357	-	553,800	-	-	-	402,860,157	-	-	-	-	-	-	-	402,860,157
	(347,534,307)	(31,752,272)	(23,019,778)	-	-	-	(402,306,357)	-	-	-	-	-	-	-	(402,306,357)
(b) Buildings															
Owned	684,520,806	-	6,276,877	-	-	-	690,797,683	82,499,875	-	-	-	13,252,492	-	95,752,367	595,045,316
	(549,790,620)	(117,913,570)	(16,816,616)	-	-	-	(684,520,806)	(57,347,858)	(11,618,870)	-	-	(13,533,147)	-	(82,499,875)	(602,020,931)
Taken under finance lease	598,839,293	-	-	-	-	-	598,839,293	97,653,987	-	-	-	23,764,631	-	121,418,618	477,420,675
	(598,839,293)	-	-	-	-	-	(598,839,293)	(73,733,791)	-	-	-	(23,920,196)	-	(97,653,987)	(501,185,306)
(c) Plant and equipment		-	-	-	-	-			-			-	-		
Owned	2,997,110,130	-	674,591,850	6,394,920	5,304,845	36,384,179	3,696,386,394	1,078,578,379	-	-	728,222	246,667,171	4,110,396	1,320,406,932	2,375,979,462
	(2,547,206,621)	(195,536,087)	(238,541,004)	-	(367,320)	(16,193,738)	(2,997,110,130)	(831,197,636)	(41,782,410)	(1,349,475)		(204,248,858)	-	(1,078,578,379)	(1,918,531,751)
Taken under finance lease	80,300,000	-	-	-	-	-	80,300,000	26,475,034	-			8,205,310	-	34,680,344	45,619,656
	(80,300,000)	-	-	-	-	-	(80,300,000)	(18,267,500)	-			(8,207,534)	-	(26,475,034)	(53,824,966)
(d) Lab equipment	59,128,215	-	3,864,483	-	100,000	-	62,892,698	33,689,761	-	-		7,658,850	22,742	41,325,869	21,566,829
	(57,405,668)	-	(1,722,547)	-	-	-	(59,128,215)	(24,045,558)	-	(308,744)		(9,335,459)	-	(33,689,761)	(25,438,454)
(e) Data processing equipment	63,106,938	-	14,503,211	611,818	770,609	-	76,227,722	44,241,323	-	-	500,679	8,462,433	770,609	51,432,468	24,795,254
	(47,975,002)	(3,091,402)	(12,040,534)	-	-	-	(63,106,938)	(30,471,817)	(1,500,319)	(1,173,076)		(11,096,111)	-	(44,241,323)	(18,865,615)
(f) Electrical installation	35,779,115	-	6,247,169	-	-	-	42,026,284	22,492,755	-	-		7,074,692	-	29,567,447	12,458,837
	(34,909,990)	-	(869,125)	-	-	-	(35,779,115)	(14,903,407)	-	(1,398,737)		(6,190,611)	-	(22,492,755)	(13,286,360)
(g) Furniture and fixtures	103,229,598	-	20,382,815	553,699	461,276	-	122,597,438	53,025,695	-	-	197,317	11,891,605	387,923	64,332,060	58,265,378
	(88,986,733)	(5,506,633)	(8,736,232)	-	-	-	(103,229,598)	(40,346,510)	(2,346,242)	(608,354)		(9,724,589)	-	(53,025,695)	(50,203,903)
(h) Vehicles	12,441,226	-	5,333,848	-	3,088,447	-	14,686,627	4,108,271	-	-		2,012,314	1,293,972	4,826,613	9,860,014
	(9,676,116)	(520,591)	(3,567,570)	-	(1,323,051)	-	(12,441,226)	(2,704,592)	(32,836)	(55,405)		(1,570,170)	(254,732)	(4,108,271)	(8,332,955)
(i) Office equipment	57,653,402	-	20,015,692	1,258,366	927,858	-	75,482,870	25,407,226	-	-	509,211	9,028,638	768,435	33,158,218	42,324,652
	(48,357,965)	(1,705,612)	(7,661,585)	-	(71,760)	-	(57,653,402)	(11,207,110)	(584,992)	(5,150,117)		(8,476,793)	(11,786)	(25,407,226)	(32,246,176)
(j) Leasehold improvements	349,777,450	-	115,915,305	237,919	-	-	465,454,836	85,877,879	-	-	47,694	27,216,515	-	113,046,700	352,408,136
	(300,786,666)	-	(56,185,305)	-	(7,194,521)	-	(349,777,450)	(69,917,379)	-	-		(17,320,698)	(1,360,198)	(85,877,879)	(263,899,571)
Total	**5,444,192,530**	**-**	**867,685,050**	**9,056,722**	**10,653,035**	**36,384,179**	**6,328,552,002**	**1,554,050,185**	**-**	**-**	**1,983,123**	**365,234,651**	**7,354,077**	**1,909,947,636**	**4,418,604,366**
Previous year	***(4,711,768,981)***	***(356,026,167)***	***(369,160,296)***	***-***	***(8,956,652)***	***(16,193,738)***	***(5,444,192,530)***	***(1,174,143,158)***	***(57,865,669)***	***(10,043,908)***	***-***	***(313,624,166)***	***(1,626,716)***	***(1,554,050,185)***	***(3,890,142,345)***

Healthcare Global Enterprises Limited

Notes forming part of the Standalone Financial Statements

Note No. 12 Fixed assets *(contd.)*

(Amount in Rs)

Particulars of Intangible assets - others	Gross block							Accumulated amortisation and impairment							Net block
	Balance as at 1-Apr-15	Added on account of merger (Refer Note 31)	Additions during the year	Assets retired from use (Refer Note 30(i))	Disposals	Effect of foreign currency exchange differences	Balance as at 31-Mar-16	Balance as at 1-Apr-15	Added on account of merger (Refer Note 31)	Transition adjustment recorded against Deficit balance in Statement of Profit and Loss (Refer Note 12(iii))	Assets retired from use (Refer Note 30(i))	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31-Mar-16	Balance as at 31-Mar-16
(a) Computer software	56,375,804	-	2,402,504		499,641	-	58,278,667	27,474,744	-	-	-	8,974,023	416,735	36,032,032	22,246,635
	(50,228,526)	(3,786,280)	(2,360,998)		-	-	(56,375,804)	(15,510,605)	(3,748,351)	-	-	(8,215,788)	-	(27,474,744)	(28,901,060)
(b) Software plant and machinery	7,349,993		-		-	-	7,349,993	4,175,345	-	-	-	286,661	-	4,462,006	2,887,987
	(7,349,993)	-	-		-	-	(7,349,993)	(3,884,762)	-	-	-	(290,583)	-	(4,175,345)	(3,174,648)
(c) Goodwill	155,432,570	-	-	155,432,570	-	-	-	29,856,217	-	-	35,055,082	5,198,865	-	-	-
	(155,432,570)	-	-		-	-	(155,432,570)	(19,484,941)	-	-	-	(10,371,276)	-	(29,856,217)	(125,576,353)
Total	219,158,367	-	2,402,504	155,432,570	499,641	-	65,628,660	61,506,306	-	-	35,055,082	14,459,549	416,735	40,494,038	25,134,622
Previous year	*(213,011,089)*	*(3,786,280)*	*(2,360,998)*	-	-	-	*(219,158,367)*	*(38,880,308)*	*(3,748,351)*	-	-	*(18,877,647)*	-	*(61,506,306)*	*(157,652,061)*

Note No. 12 Fixed assets *(contd.)*

Notes:

(i) The above fixed assets are owned and used by the Company & employees of the Company.

(ii) Particulars of depreciation and amortisation expense

(Amount in Rs)

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Depreciation for the year on tangible assets	365,234,651	313,624,166
Amortisation for the year on intangible assets	14,459,549	18,877,647
Total of depreciation and amortisation expense	**379,694,200**	**332,501,813**
Less: Depreciation and amortisation expense considered under exceptional items - Refer Note 30	(5,488,406)	(6,751,834)
Depreciation and amortisation expense (Net)	**374,205,794**	**325,749,979**

(iii) During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation rates / useful life were as follows:

Asset	Previous depreciation useful life	Revised useful life
Buildings	60 years	60 years
Assets acquired on finance lease and Leasehold Improvements	Over the Lease Period	Over the Lease Period
Data Processing Equipments	5.86 years	3 - 6 years
Laboratory Equipment	13.44 years	10 years
Plant & Machinery (including medical equipments)	10 - 20 years	10 - 15 years
Electrical Installation	10 years	20 years
Furniture and Fixtures	15 years	10 years
Office Equipments	13.44 years	5 years
Vehicles	10 years	8 years
Software used in Plant & Machinery	15 years	13 years
Data Processing Software	5.86 years	6 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs. 6,629,908/- (net of deferred tax of Rs. 3,414,000/-) against the opening Deficit balance in the Statement of Profit and Loss under Reserves and Surplus.

Healthcare Global Enterprises Limited
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Note No. 13 Non-current investment (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Investments (At cost unless otherwise stated):		
A. Trade (Unquoted)		
(a) Investment in equity instruments of subsidiaries:		
- Malnad Hospital & Institute of Oncology Private Limited	6,442,028	6,442,028
(66,706 (As at 31-Mar-15: 66,706) equity shares of Rs. 100/- each, fully paid up)		
- MIMS HCG Oncology Private Limited	500,000	500,000
(50,000 (As at 31-Mar-15: 50,000) equity shares of Rs. 10/- each, fully paid up)		
- HealthCare Global Senthil Multi-Specialty Hospital Private Limited	-	-
(92,880 (As at 31-Mar-15: 92,880) equity shares of Rs. 100/- each, fully paid up)		
[net of provision for decline, other than temporary, in the carrying amount of Rs. 8,388,000 (As at 31-Mar-15: Rs. 8,388,000)]		
- HCG Medi-surge Hospitals Private Limited	94,669,001	94,669,001
(4,120,807 (As at 31-Mar-15: 4,120,807) equity shares of Rs. 10/- each, fully paid up)		
- HCG TVH Medical Imaging Private Limited	-	255,000
(Nil (As at 31-Mar-15: 25,500) Equity shares of Rs. 10/- each, fully paid up) (Refer note 30(iii))		
- BACC HealthCare Private Limited	602,277,592	602,277,592
(46,883 (As at 31-Mar-15: 46,883) Equity shares of Rs. 10/- each, fully paid up)		
- HCG Pinnacle Oncology Private Limited	501,000	501,000
(50,100 (As at 31-Mar-15: 50,100) Equity shares of Rs. 10/- each, fully paid up)		
- Health Care Global (Uganda) Private Limited	-	3,191,720
(Nil (As at 31-Mar-15: 72,500) shares of USHS 2,000 each fully paid up) (Refer note 30(iv))		
- HealthCare Global (Kenya) Private Limited	-	3,710,850
(Nil (As at 31-Mar-15: 269,753) shares of KES 20 each fully paid up) (Refer note 30(iv))		
- HealthCare Global (Tanzania) Private Limited	-	63,100
(Nil (As at 31-Mar-15: 18,000) shares of TShs 100 each fully paid up) (Refer note 30(iv))		
- HCG Regency Oncology Private Limited	74,699,993	50,200,000
(7,247,271 (As at 31-Mar-15: - 5,020,000) Equity shares of Rs. 10/- each, fully paid up)		
- HCG (Mauritius) Private Limited	11,155,487	-
(170,000 (As at 31-Mar-15: - Nil) Equity shares of USD 1/- each, fully paid up)		
	790,245,101	**761,810,291**
(b) Investment in preference shares of subsidiaries:		
- HCG TVH Medical Imaging Private Limited	-	15,000,000
(Nil (As at 31-Mar-15: 75,000) Preference share of Rs.100 each fully paid up) (Refer note 30(iii))		
(c) Investment in Limited Liability Partnership (LLP):		
- HCG Diwanchand Imaging LLP	31,902,216	31,771,622
- APEX HCG Oncology Hospitals LLP	32,887,200	27,775,000
- HCG Oncology LLP	55,306,455	-
Total Trade (A)	**910,340,972**	**836,356,913**

Note No. 13 Non-current investment *(contd.)* (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
B. Non-trade		
(a) Investment in government or trust securities (Unquoted)	152,800	152,800
(b) Investment in mutual funds:		
- SBI One India Fund - Long-term dividend plan (Unquoted)	1,043,000	1,043,000
- LIC Mutual Fund Nomura-Short-term plan (Unquoted)	9,557	9,557
- Religare Invesco Short Term Fund (Quoted)	35,000,000	-
Total non-trade (B)	**36,205,357**	**1,205,357**
Grand total (A + B)	**946,546,329**	**837,562,270**
Aggregate market value of quoted investments	35,116,178	-
Aggregate amount of unquoted investments [net of provision for diminution in value of investments, other than temporary Rs. 8,388,000 (Previous year Rs. 8,388,000)]	911,546,329	837,562,270

Note No. 14 Deferred tax asset (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Tax effect of items constituting deferred tax liability:		
- On difference between book balance and tax balance of fixed assets	(467,222,000)	(463,208,000)
	(467,222,000)	**(463,208,000)**
Tax effect of items constituting deferred tax assets:		
- Provision for doubtful debts / advances	95,070,000	87,404,000
- Disallowance under Section 43B of the Income Tax Act, 1961	42,901,000	20,007,000
- Carried forward losses and unabsorbed depreciation (Refer Note below)	413,102,000	410,513,000
	551,073,000	**517,924,000**
Net deferred tax asset	**83,851,000**	**54,716,000**

Note: The Company has recognised deferred tax asset on unabsorbed depreciation and carried forward business losses to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

Note No. 15 Long-term loans and advances (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(Unsecured, considered good, otherwise stated)		
(a) Capital advances	32,193,846	23,166,621
(b) Security deposits	229,811,074	205,273,197
(c) Inter-corporate deposits	22,163,300	22,163,300
(d) Loans and advances to related parties		
- Considered good	57,229,134	57,755,608
- Considered doubtful	30,389,347	30,389,347
	87,618,481	88,144,955
- Less: Provision for doubtful advances	(30,389,347)	(30,389,347)
	57,229,134	57,755,608
(e) Prepaid expenses	15,456,028	23,806,973
(f) Advance income tax	250,129,294	165,130,457
[Net of provision for tax Rs. 51,429,305 (As at 31-Mar-15: Rs. 51,429,305)]		
(g) Tax paid under protest:		
Income Tax	17,913,100	17,913,100
Other indirect taxes	1,062,072	400,000
(h) MAT credit entitlement	22,882,288	33,275,842
[Net of provision for MAT credit entitlement Rs. 5,067,000 (As at 31-Mar-15: Rs. 5,067,000)]		
Total	**648,840,136**	**548,885,098**

Note No. 15 Long-term loans and advances *(contd.)*

Note (i): Purpose of loans and deposits given (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Inter-corporate deposits given to Nagpur Cancer Hospital and Research Institute Private Limited for the purposes of setting-up a Cancer Center Hospital in Nagpur	22,163,300	22,163,300
Loans and deposits given to:		
- HealthCare Global Senthil Multi-specialty Hospitals Private Limited	33,374,900	32,821,285
- MIMS HCG Oncology Private Limited	909,219	778,387
- HCG TVH Medical Imaging Private Limited	-	9,583,195
- Malnad Hospital and Institute of Oncology Private Limited	302,091	1,108,017
- BACC Healthcare Private Limited	837,781	104,599
- HCG Pinnacle Oncology Private Limited	28,991,981	446,227
- HCG Medi-surge Hospitals Private Limited	18,522,490	38,624,195
- Healthcare Global (Kenya) Private Limited	854,699	1,262,000
- Healthcare Global (Uganda) Private Limited	244,374	237,779
- Healthcare Global (Tanzania) Private Limited	2,576,333	709,371
- HCG Foundation	1,004,613	2,469,900
- Sada Sarada Tumor & Research Institute	1,600,000	3,100,000
Purpose: The above funds are to be used for hospital business operations.		
The above mentioned entities except HCG Foundation are the private companies in which Director of the Company is a Director. In respect of HCG Foundation, the Director of the Company is a Trustee.		
Total	**111,381,781**	**113,408,255**

Note: None of the above deposits and loans are secured.

Note No. 16 Other non-current assets (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(a) Interest accrued on deposits	8,611,856	7,996,084
(b) In earmarked account in Banks - balance held as margin money	31,146,562	58,922,637
Total	**39,758,418**	**66,918,721**

Note No. 17 Current investments (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(At lower of cost and fair value)		
Non-Trade (Quoted):		
Investment in mutual funds		
- ICICI Prudential Money Market Fund - Growth (718,052.75 units)	150,000,000	-
- Kotak Floater Short Term - Growth (60,481.13 units)	150,000,000	-
- Reliance liquid fund - Treasury Plan (40,782.07 units)	150,000,000	-
- Unit Trust of India - Money Market Fund (88,678.36 units)	150,000,000	-
Total	**600,000,000**	**-**
Aggregate market value of the above quoted investments	600,245,541	-

Note: Current investments are in the nature of "Cash and cash equivalents" (as defined in AS 3 Cash Flow Statements) and hence considered as part of Cash and cash equivalents in the Cash Flow Statements.

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Note No. 18 Inventories (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(At lower of cost and net realisable value)		
Stock-in trade	110,844,509	129,817,577
Total	**110,844,509**	**129,817,577**

Note No. 19 Trade receivables (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
- Considered good	295,300,571	194,506,351
- Considered doubtful	228,845,353	210,721,457
	524,145,924	405,227,808
Less: Provision for doubtful trade receivables	(228,845,353)	(210,721,457)
	295,300,571	**194,506,351**
Other trade receivables:		
- Considered good	490,280,179	449,281,261
- Considered doubtful	12,193,131	9,570,520
	502,473,310	458,851,781
Less: Provision for doubtful trade receivables	(12,193,131)	(9,570,520)
	490,280,179	**449,281,261**
Total	**785,580,750**	**643,787,612**

Note: Trade receivables include due from: (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Private companies in which any director is a director or member		
- HCG Medi-surge Hospitals Private Limited	33,272,030	39,500,466
- HCG TVH Medical Imaging Private Limited	-	7,178,787
- HealthCare Global Senthil-Multi Specialty Hospital Private Limited	316,605	316,605
- Malnad Hospital and Institute of Oncology Private Limited	6,041,251	5,506,616
- BACC HealthCare Private Limited	88,587	44,229
- Sada Sarada Tumor & Research Institute	24,197,028	39,496,181
Entities in which any director is a Trustee		
- JSS Bharath Charitable Trust	4,011,529	5,727,953
- HCG Foundation	15,786,332	16,012,124
Total	**83,713,362**	**113,782,961**

Note No. 20 Cash and cash equivalents (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(a) Cash on hand	7,956,246	8,739,788
(b) Cheques, drafts on hand	621,256	2,159,246
(c) Balances with banks:		
- In current accounts	16,933,322	73,019,618
- In EEFC accounts	19,247,254	22,237,327
- Others- Balance held as margin money against guarantee (Refer note (i) below)	35,273,933	21,567,683
- Balance in Escrow account	95,684,161	-
Total	**175,716,172**	**127,723,662**
Of the above, balances considered as Cash and cash equivalents as per AS 3 'Cash Flow Statements'	140,442,239	106,155,979

Note No. 21 Short-term loans and advances (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(Considered good, otherwise stated)		
(a) Loans and advances to employees	17,005,451	6,935,280
(b) Prepaid expenses	30,307,709	29,978,318
(c) Others:		
- Rental advance	15,641,298	13,767,023
- Advance to vendors:		
- Considered good	41,026,185	19,575,294
- Considered doubtful	27,934,687	24,656,329
	68,960,872	44,231,623
- Less: Provision for doubtful advances	(27,934,687)	(24,656,329)
	41,026,185	**19,575,294**
Total	**103,980,643**	**70,255,915**

Note No. 22 Other current assets (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(a) Unbilled revenue	94,216,635	67,439,645
(b) Receivable from subsidiaries	12,334,903	8,791,948
(c) Interest accrued on deposits/ loan	14,062,469	12,949,992
Total	**120,614,007**	**89,181,585**

Note No. 23 Revenue from operations (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Income from medical services	3,027,012,370	2,579,251,255
Income from Pharmacy	1,637,699,968	1,603,154,773
Other operating income (Refer note (i) below)	37,413,163	19,096,068
Total	**4,702,125,501**	**4,201,502,096**

Note (i): Other operating income comprises: (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Cafeteria income	12,636,755	11,119,325
Income from training	2,435,324	4,976,743
Management fees	2,400,000	3,000,000
Export incentive income	19,941,084	-
Total	**37,413,163**	**19,096,068**

Note No. 24 Other income (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Interest income from :		
- Deposits with bank	8,783,429	7,071,272
- Income tax refund	356,037	14,216,677
- Unsecured loans given to subsidiaries	5,289,474	5,378,421
- Inter-corporate deposits	2,796,738	1,531,829
Net gain on foreign currency transactions and translation	4,299,390	4,289,515
Other non-operating income (Refer note (i) below)	8,427,261	10,419,180
Total	**29,952,329**	**42,906,894**

Note No. 24 Other income *(contd.)*

Note (i): Other non-operating income comprises: (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Payables no longer required written-back	872,748	2,316,726
Advances received from patients no longer required written-back	-	2,600,623
Miscellaneous income	7,554,513	5,501,831
Total	**8,427,261**	**10,419,180**

Note No. 25 Purchase of stock-in-trade

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Stock-in-trade	1,318,087,038	1,342,420,814
Total	**1,318,087,038**	**1,342,420,814**

Note No. 26 (Increase)/ Decrease in stock-in-trade

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Inventories at the end of the year	110,844,509	129,817,577
Inventories at the beginning of the year	129,817,577	107,891,033
Add: Stock acquired on merger (Refer Note 31)	-	1,019,935
Less: Stock relating to Hospital unit closed in the year considered under exceptional items	(3,118,788)	(7,690,306)
Inventories at the beginning of the year: Stock-in-trade	**126,698,789**	**101,220,662**
Net (increase) / decrease	**15,854,280**	**(28,596,915)**

Note No. 27 Employee benefits expense

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Salaries and wages	760,664,257	622,981,007
Contributions to provident fund (Refer Note 37)	31,069,890	22,652,799
Gratuity Expense (Refer Note 37)	10,959,915	8,465,233
Expense on employee stock option scheme (Refer Note 38)	5,392,740	11,976,982
Staff welfare expenses	29,893,531	23,406,085
Total	**837,980,333**	**689,482,106**

Note No. 28 Finance costs

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Interest expense on:		
- Term loans and working capital facilities with banks	207,181,108	198,214,859
- Finance lease and deferred payment obligations	90,113,913	90,468,439
- Other interest charges	-	4,246,431
- Unsecured loan	-	4,760,109
Other borrowing cost:		
- Loan processing charges	31,225,368	6,120,016
- Bank charges	14,469,457	11,411,021
Total	**342,989,846**	**315,220,875**

Note No. 29 Other expenses (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Medical consultancy charges	938,935,410	780,907,301
Legal and professional charges	48,269,656	50,151,678
Lab charges	106,013,826	100,896,068
Power fuel and water	120,464,689	112,097,563
Rent including lease rentals (Refer Note 41)	128,046,596	91,588,213
Repairs and maintenance:		
- Buildings	13,586,587	8,460,611
- Machinery	124,202,128	115,206,223
- Others	31,974,009	32,972,757
Insurance	8,031,408	5,992,506
Rates and taxes	12,035,210	11,774,901
Communication	18,296,513	14,608,945
Travelling and conveyance	65,610,443	45,396,313
Printing and stationery	22,172,995	21,922,372
House keeping and security	101,633,800	83,510,044
Business promotion expenses	66,264,819	118,635,906
Payments to auditors (refer note below)	4,330,000	3,648,000
Loss on fixed assets sold / scrapped / written off	1,443,002	680,280
Provision for doubtful trade receivables and loans and advances (net)	24,024,865	18,061,547
Miscellaneous expenses	20,534,816	17,201,731
Total	**1,855,870,772**	**1,633,712,959**

Note: Payment to auditors comprises (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
For statutory audit	3,350,000	3,200,000
Other expenses (including service tax)	980,000	448,000
Total	**4,330,000**	**3,648,000**

In addition to the above Rs. 20,287,500 was paid to auditors and network firms during the current year in respect of services rendered in connection with the initial public offer which has been debited to securities premium account.

Note No. 30 Exceptional items (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Net loss relating to Hospital unit closed during the year (Refer Notes (i) and (ii) below)	44,279,417	42,506,810
Profit on sale of non-current investments (Refer note (iii) below)	(255,000)	-
Loss on sale of non-current investments (Refer note (iv) below)	646,963	-
Total	**44,671,380**	**42,506,810**

Notes:-

(i) In the prior years, the Company had entered into an Operation Agreement (OA) with Dr. Balabhai Nanavati Hospital (BNH), a public charitable trust, to operate and manage the Oncology Center in BNH. In the current period, as a result of certain disputes between the parties, arbitration proceedings were initiated in the Bombay High Court. The Bombay High Court disposed-off the matter by its order dated 30-Oct-15 as the parties agreed to settle all their disputes in accordance with the Consent terms. On the basis of the mentioned consent terms, the OA was terminated and the Company received a sum of Rs. 131,000,000 from BNH. Also refer note 2.6.

Note No. 30 Exceptional items *(contd.)*

Adjustments made in the current period to recognize the loss as a result of the above settlement is given below:

(Amount in Rs)

Particulars	31-Mar-16
Carrying value of assets disposed-off as a result of termination of operations	
Trade receivable	17,141,172
Tangible fixed assets	7,073,599
Intangible fixed assets	120,377,488
Total exposure	**144,592,259**
Less: Recoveries from BNH	(131,000,000)
Impairment loss	**13,592,259**

The results of this unit for the current period, including the impairment losses explained above, have been classified under exceptional items in these financial statements, the details of which are given below:

(Amount in Rs)

Particulars	31-Mar-16
Revenue	
(a) Revenue from Pharmacy sales	18,695,016
(b) Other income	613,478
Total revenue (A)	**19,308,494**
Expenses	
(a) Purchases of stock-in-trade	9,970,518
(b) (Increase) / decrease in stock-in-trade	3,118,788
(c) Employee benefits expense	3,819,052
(d) Finance costs	5,156,519
(e) Depreciation and amortisation expense	5,488,406
(f) Other expenses (including impairment losses explained above Rs. 13,592,259)	36,034,628
Total expenses (B)	**63,587,911**
Net loss for the period on closure of hospital unit (A) - (B)	**44,279,417**

(ii) During the year ended 31 March 2015, the Company closed its operations in HCG Multispecialty Hospitals - Magadi Raod, Bangalore. The results of this unit including the impairment losses is given below:

(Amount in Rs)

Particulars	31-Mar-15
Expenses	
(a) Changes in inventories of pharmacy stock and consumables	7,690,306
(b) Employee benefits expense	6,157,416
(c) Finance costs	2,288,515
(d) Depreciation and amortisation expense	6,751,834
(e) Other expenses	29,833,156
Total expenses	**52,721,227**
Less: Recoveries	(10,214,417)
Net loss for the period on closure of hospital unit	**42,506,810**

(iii) **Sale of investments in subsidiary HCG TVH Medical Imaging Private Limited:**

In accordance with the terms of share purchase agreement with Anderson Diagnostic Services Private Limited dated 23 November 2015, the Company sold its long-term investments in equity and preference shares held in HCG TVH Medical Imaging Private Limited (HCG TVH) for a total consideration of Rs.15,510,000/-. The resulting gain of Rs.255,000/- on sale of such long-term investments has been classified as exceptional items.

Note No. 30 Exceptional items *(contd.)*

(iv) Loss on sale of non-current investments relate to sale of non-current investments in the following entities to HealthCare Global (Africa) Private Limited, a subsidiary of HCG (Mauritius) Private Limited.

(a) Health Care Global (Uganda) Private Limited

(b) HealthCare Global (Kenya) Private Limited

(c) HealthCare Global (Tanzania) Private Limited

Note No. 31 Merger of HealthCare Global Vijay Oncology Private Limited, a subsidiary of the Company, with the Company:
In the previous year, HealthCare Global Vijay Oncology Private Limited (Transferor Company), was merged with the Company (Transferee Company) in accordance with the terms of a Scheme of Arrangement (the Scheme) as approved by the Honorable High Court of Judicature at Bangalore with an appointed date of April 01, 2014. The merger was accounted under the pooling of interest method and the assets and liabilities transferred were recorded at their book values.

Pursuant to the Scheme, the Company was required to allot 9 fully paid-up equity shares of Rs. 10/- each for every twenty three fully paid-up equity shares of Rs. 10/- each held by the minority shareholders in the Transferor Company and accordingly, 846,760 equity shares of Rs. 10/- each which were pending to be allotted by the Company as at 31 March, 2015 have been allotted to the erstwhile minority shareholders in the Transferor Company during the current period.

Details of assets and liabilities acquired on the merger and treatment of the difference between the net assets acquired and cost of investment by the Transferee Company in the Transferor Company together with the shares issued to the minority shareholders are as follows:

Particulars	Rs.	Rs.
Book value of assets and liabilities acquired as at Appointed date of the Scheme		
Fixed assets		
Tangible assets (Net of accumulated depreciation Rs 57,865,669/-)	298,160,498	
Intangible assets (Net of accumulated amortisation Rs 3,748,351/-)	37,929	
Long-term loans and advances	20,061,823	
Other non-current assets	693,492	
Inventories	1,019,935	
Trade receivables (net of provisions Rs. 750,000)	13,612,329	
Cash & cash equivalents	608,872	
Short-term loans and advances	1,964,789	
Other current assets	4,766,000	
Total assets		340,925,667
Long-term borrowings	121,014,918	
Deferred tax liability	6,194,000	
Long-term provisions	745,553	
Short-term borrowings	2,948,536	
Trade payables	48,292,524	
Other current liabilities	24,872,304	
Short-term provisions	725,510	
Total liabilities		204,793,345
Excess of assets over liabilities		**136,132,322**
Less: Face value of equity shares of the Company to be issued to the minority shareholders of the Transferor Company	(8,467,600)	
Less: Carrying value of investments of the Transferee Company in the Transferor Company	(108,619,710)	
		(117,087,310)
Capital reserve		**19,045,012**

As per the Scheme, balance in capital reserve shall be used to set-off accumulated losses in the Transferee Company.

Note No. 32 Contingent liabilities and commitments (to the extent not provided for) as at (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Contingent liabilities:		
(a) Claims on income tax matters which are under appeal	-	35,826,200
(b) Claims on central excise and service tax matters under appeal	15,719,628	-
(c) Claims on VAT which are under appeal.	2,997,160	1,987,264
(d) Bonus to employees pursuant to retrospective amendment to the Payment of Bonus Act, 1972	9,977,934	-
(e) Corporate guarantee given on behalf of subsidiaries and other parties	475,250,000	181,259,059
Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account (Net of advances and deposits)	1,215,980,664	1,738,063,606

Note No. 33 Value of imports calculated on CIF basis (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Capital Goods	435,057,602	259,240,194
Consumables	17,753,402	9,970,579

Note No. 34 Expenditure in foreign currency (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Interest and bank charges	5,014,116	6,977,248
Travel expenses	20,859,873	6,625,416
Repairs and maintenance - machinery	19,153,402	11,788,000
Professional charges	21,676,217	3,562,075
Business promotion charges	1,681,885	7,518,659

Note No. 35 Earnings in foreign currency (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Medical service income	356,380,654	310,044,092

Note No. 36 Details on derivatives instruments and unhedged foreign currency exposures

Details on unhedged foreign currency exposures:

The period-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Balance in foreign currency as at		Equivalent balance in Rs. as at	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Due towards borrowings	13,008,843	9,775,738	862,914,291	611,907,944
(Foreign currency - USD)				
Balance in EEFC accounts	290,162	355,281	19,247,254	22,237,327
(Foreign currency - USD)				

Note No. 37 Employee benefit plans

Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The company has recognized the following amounts in the Statement of Profit and Loss towards its contributions to Provident Fund and Employee State Insurance Scheme:

(Amount in Rs)

Particulars	Year ended 31-Mar-16	Year ended 31-Mar-15
Contribution to Provident Fund	31,105,584	22,891,256
Contribution to Employee State Insurance Scheme	6,342,357	6,205,747

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

(i) Gratuity (included as part of ""Contributions to provident and other funds"" in Note 27 Employee benefits expense)

(ii) Compensated absence: (included as part of ""Salaries and wages"" in Note 27 Employee benefits expense)"

(i) Gratuity: The following table sets out the funded status of the Gratuity and the amount recognised in the financial statements:

(Amount in Rs)

Particulars	Year ended 31-Mar-16	Year ended 31-Mar-15
Components of employer expense		
Current service cost	10,484,303	6,771,589
Interest cost	2,175,598	2,296,905
Expected return on plan assets	(47,064)	(47,064)
Actuarial losses/(gains)	(1,652,922)	(556,197)
Total expense recognised in the Statement of Profit & Loss	**10,959,915**	**8,465,233**
Actual contribution and benefits payments		
Actual benefit payments	3,647,986	3,082,754
Actual contributions	-	-
Net asset/(liability) recognised in balance sheet		
Present value of defined benefit obligation (DBO)	(40,344,718)	(32,911,891)
Fair value of plan assets	709,202	588,304
Funded status [surplus/(deficit)]	(39,635,516)	(32,323,587)
Net asset/(liability) recognised in balance sheet	**(39,635,516)**	**(32,323,587)**
Current	(16,458,564)	(15,145,554)
Non-current	(23,176,952)	(17,178,033)
Total asset / (liability) recognised in the balance sheet	**(39,635,516)**	**(32,323,587)**

Note No. 37 Employee benefit plans *(contd.)*

(Amount in Rs)

Particulars	Year ended 31-Mar-16	Year ended 31-Mar-15
Change in defined benefit obligations		
Present value of DBO at beginning of period	32,911,891	26,778,338
Acquisitions/Amalgamations	-	751,074
Current service cost	10,484,303	6,771,589
Interest cost	2,175,598	2,296,905
Actuarial (gains)/ losses	(1,579,088)	(603,261)
Benefits paid	(3,647,986)	(3,082,754)
Present Value of DBO at the end of period	**40,344,718**	**32,911,891**
Change in fair value of assets		
Plan assets at beginning of period	588,304	588,304
Expected return on plan assets	47,064	47,064
Actuarial gains / (losses)	73,834	(47,064)
Plan assets at the end of period	**709,202**	**588,304**
Composition of the plan assets is as follows:		
- Government bonds	347,509	288,269
- PSU bonds	-	-
- Equity mutual funds	7,092	5,883
- Others	354,601	294,152
Total plan assets at the end of period	**709,202**	**588,304**
Actuarial assumption		
Discount rate	7.60%	7.80%
Expected return on plan assets	8.00%	8.00%
Salary escalation	5.00%	5.00%
Attrition rate	12.9% - 54.96%	16 - 56%
Retirement age	58 years	58 years
Mortality	India Assured Lives Mortality (2,006-08) Modified Ult	

Actuarial valuation experience adjustment (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Defined benefit obligation	(40,344,718)	(32,911,891)	(26,778,338)	(19,726,362)	(10,621,497)
Plan assets	709,202	588,304	588,304	847,230	1,494,615
Surplus / (deficit)	**(39,635,516)**	**(32,323,587)**	**(26,190,034)**	**(18,879,132)**	**(9,126,882)**
Experience gain / (loss) adjustments on plan liabilities	868,143	1,662,954	572,310	(602,421)	(2,012,924)
Experience gain / (loss) adjustments on plan assets	73,834	(47,064)	(57,621)	(53,064)	5,622

Note:

The discount rate is based on the prevailing market yields 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.

Note No. 37 Employee benefit plans *(contd.)*

(ii) Compensated absence: Expenses recognised in the Statement of Profit and Loss in respect of compensated absences amounts to Rs.8,8272,972 (for the year ended 31 March, 2015: Rs. 6,465,367). This employee benefit is not funded.

Actuarial assumptions for long-term compensated absences	31-Mar-16	31-Mar-15
Actuarial assumption		
Discount rate	7.60%	7.80%
Expected return on plan assets	NA	NA
Salary escalation	5.00%	5.00%
Attrition rate	54.96%	46% - 55.90%
Retirement age	58 years	58 years
Mortality	India Assured Lives Mortality (2006-08) Modified Ult	

Note:
Future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note No. 38 Employee Stock Option Scheme

(a) In the extraordinary general meeting held on 25 August, 2010, the shareholders had approved the issue of 1,800,000 options under the Scheme titled " Employee Stock Option Scheme 2010 (ESOP 2010). The ESOP 2010 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration committee grants the options to the employees deemed eligible. The exercise price of each option shall be at a price not less than the face value per share. The option holders may exercise those options vested based on passage of time commencing from the expiry of 4 years from the date of grant and those vested based on performance immediately after vesting, within the expiry of 10 years from the date of grant.

On 16 June, 2010, the Company granted options under said scheme for eligible personnel. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

In the extraordinary general meeting held on 31 March, 2015, the shareholders approved for accelerated vesting of options outstanding as at 31 March, 2015. Accordingly, all the options outstanding were vested in the hands of option holders as at 31 March, 2015. Further, the remaining options available for grant under ESOP 2010 were transferred to ESOP 2014 scheme.

(b) Pursuant to the shareholders' approval in the extraordinary general meeting held on 28 March, 2014 and 25 August, 2010, the Board of Directors formulated the Scheme titled "Employee Stock Option Scheme 2014" (ESOP 2014). The ESOP 2014 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration Committee grants the options to the employees deemed eligible. The Exercise Price shall be a price that is not less than the face value per share per option. Options Granted under ESOS 2014 would Vest not less than one year and not more than five years from the date of Grant of such Options. Vesting of Options would be a function of continued employment with the Company (passage of time) and achievement of performance criteria as specified by the Nomination and Remuneration Committee as communicated at the time of grant of options. The option holders may exercise those options vested within a period as specified which may range upto 10 years from the date of grant.

The Company granted 1,250,000 options to a Director of the Company on 1 April, 2014 and 110,100 options on 24 June, 2014 to the eligible employees. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period."

The grant date fair market value of the options granted through the stock option plan was measured based on Black Scholes method. Expected volatility is estimated by considering historic average share price volatility.

Note No. 38 Employee Stock Option Scheme *(contd.)*

(c) **The detail of fair market value and the exercise price is as given below:**

Particulars	ESOP 2010	ESOP 2014	ESOP 2014
Date of grant	16-Jun-10	01-Apr-14	24-Jun-14
Fair market value of option at grant date (Rs.)	23.10	8.71	73.34
Fair market value of share at grant date (Rs.)	29.18	78.95	78.95
Exercise price (Rs.)	10.00	110.68	10.00

(d) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Particulars	ESOP 2010	ESOP 2014	ESOP 2014
Grant date	16-Jun-10	01-Apr-14	24-Jun-14
Risk Free Interest Rate	7.67%	8.56%	8.70%
Expected Life	6.50	1.80	6.50
Expected Annual Volatility of Shares	0.00%	33.31%	44.48%
Expected Dividend Yield	0.00%	0.00%	0.00%

(e) **Employee stock options details as on the Balance Sheet date are as follows:**

Particulars	Year ended 31-Mar-16		Year ended 31-Mar-15	
	Options (Numbers)	Weighted average exercise price per option (Rs.)	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year:				
- ESOP 2010	1,069,194	10.00	1,130,300	10.00
- ESOP 2014	1,360,100	102.53	-	-
Granted during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	1,360,100	102.53
Vested during the year:				
- ESOP 2010	-	-	1,069,194	10.00
- ESOP 2014	929,457	105.91	-	-
Exercised during the year:				
- ESOP 2010	1,059,067	10.00	-	-
- ESOP 2014	636,010	108.94	-	-
Lapsed during the year:				
- ESOP 2010	-	-	61,106	10.00
- ESOP 2014	-	-	-	-
Options outstanding at the end of the year:				
- ESOP 2010	10,127	10.00	1,069,194	10.00
- ESOP 2014	724,090	96.90	1,360,100	102.53
Options available for grant:				
- ESOP 2010	-	-	-	-
- ESOP 2014	2,870,706	110.68	2,870,706	110.68

Note No. 39 Segment information

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

Note No. 40 Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Malnad Hospital and Institute of Oncology Private Limited
	HealthCare Global Senthil-Multi Specialty Hospital Private Limited
	HCG Medi-surge Hospitals Private Limited
	MIMS HCG Oncology Private Limited
	HCG TVH Medical Imaging Private Limited (upto 23 November 2015, Refer Note 30(iii))
	BACC HealthCare Private Limited
	DKR HealthCare Private Limited
	HCG Pinnacle Oncology Private Limited
	Healthcare Global (Uganda) Private Limited
	Healthcare Global (Tanzania) Private Limited
	Healthcare Global (Kenya) Private Limited
	HCG (Mauritius) Private Limited
	HealthCare Global (Africa) Private Limited
	HCG Regency Oncology Private Limited (from 25 March 2015)
Associate	HCG Regency Oncology Private Limited (upto 24 March 2015)
Joint Control (JC)	HealthCare Diwan Chand Imaging LLP
	APEX HCG Oncology Hospitals LLP
	HCG Oncology LLP
Key Management Personnel (KMP)	Dr. B.S. Ajai Kumar
Relatives of KMP	Ms. Anjali Ajai Kumar (Daughter of Dr. B.S. Ajai Kumar)
Company in which KMP / Relatives of KMP can exercise significant influence	JSS Bharath Charitable Trust
	Bharath Hospital and Institute of Oncology
	Sada Sarada Tumor & Research Institute
	B.C.C.H.I Trust
	HCG Foundation
	Gutti Malnad LLP
	Health Care Process Solutions (India) Private Limited

A. Details of related party transactions during the period: (Amount in Rs)

Particulars	Year ended 31-Mar-16	Year ended 31-Mar-15
Sale of pharmacy products and consumables		
- Malnad Hospital and Institute of Oncology Private Limited	7,775,884	5,426,467
- HCG Medi-surge Hospitals Private Limited	113,228,785	97,507,455
- HCG TVH Medical Imaging Private Limited	2,073,940	10,815,366
- HealthCare Diwan Chand Imaging LLP	91,800	36,000
- Sada Sarada Tumor & Research Institute	46,338,150	52,298,957
Income from Medical services		
- JSS Bharath Charitable Trust	12,244,767	13,432,807
- HCG Foundation	5,094,137	3,153,371

Note No. 40 Related party transactions *(contd.)*

A. Details of related party transactions during the period: (Amount in Rs)

Particulars	Year ended 31-Mar-16	Year ended 31-Mar-15
- HCG Medi-surge Hospitals Private Limited	1,354,532	4,186,555
- Malnad Hospitals and Institute of Oncology Private Limited	905,938	511,996
- BACC Healthcare Private Limited	164,100	297,760
- Sada Sarada Tumor & Research Institute	6,000,000	4,500,000
Rent charges		
- Sada Sharada Tumor & Research Institute	474,000	474,000
Diagnostic charges		
- HealthCare Diwan Chand Imaging LLP	22,968,477	2,910,694
Interest income received		
- Malnad Hospital and Institute of Oncology Private Limited	113,055	117,695
- HCG TVH Medical Imaging Private Limited	-	1,137,885
- HCG Medi-surge Hospitals Private Limited	3,288,403	3,997,393
- MIMS HCG Oncology Private Limited	99,780	78,095
- HCG Pinnacle Oncology Private Limited	1,788,239	47,353
Branding & marketing income		
- HCG Pinnacle Oncology Private Limited	700,000	-
Loans / Advances given		
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	553,615	293,072
- HCG TVH Medical Imaging Private Limited	135,428	241,602
- MIMS HCG Oncology Private Limited	130,832	134,866
- HCG Medi-surge Hospitals Private Limited	20,230,932	27,656,963
- Malnad Hospital and Institute of Oncology Private Limited	195,054	832,852
- Healthcare Global (Kenya) Private Limited	854,699	1,262,000
- Healthcare Global (Tanzania) Private Limited	1,866,962	709,371
- HCG Pinnacle Oncology Private Limited	33,944,855	62,207
- BACC Healthcare Private Limited	733,181	16,204
- HCG Foundation	-	81,254
- HCG (Mauritius) Private Limited	620,444	-
- HealthCare Global (Africa) Private Limited	620,444	-
Loans and advances received		
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	-	19,434,487
- Malnad Hospital and Institute of Oncology Private Limited	1,000,980	270,000
- HCG Medi-surge Hospitals Private Limited	40,332,637	14,146,548
- HCG TVH Medical Imaging Private Limited	9,718,623	1,600,000
- HCG Foundation	1,465,287	183,914
- Healthcare Global (Kenya) Private Limited	-	-
- HCG Pinnacle Oncology Private Limited	5,399,101	-
Security deposit received		
- Sada Sarada Tumor & Research Institute	1,500,000	900,000
Investment made during the year in		
- HealthCare Diwan Chand Imaging LLP	130,594	3,879,174
- APEX HCG Oncology Hospitals LLP	5,112,200	21,525,000
- HCG Regency Oncology Private Limited	24,499,993	30,400,000
- Healthcare Global (Kenya) Private Limited	1,262,000	3,710,850

Note No. 40 Related party transactions *(contd.)*

A. Details of related party transactions during the period: (Amount in Rs)

Particulars	Year ended 31-Mar-16	Year ended 31-Mar-15
- Healthcare Global (Tanzania) Private Limited	-	63,100
- Malnad Hospital and Institute of Oncology Private Limited	-	2,060,600
- HCG (Mauritius) Private Limited	11,155,487	-
- HCG Oncology LLP	68,715,301	-
Investment sold during the year in		
- Healthcare Global (Kenya) Private Limited	4,619,607	-
- Healthcare Global (Tanzania) Private Limited	75,620	-
- Healthcare Global (Uganda) Private Limited	2,885,481	-
Withdrawal of capital in Limited Liability Partnership		
- HealthCare Diwan Chand Imaging LLP	13,408,846	-
- HCG Oncology LLP	11,486,431	-
Remuneration		
- Dr. B.S. Ajai Kumar	24,300,000	26,300,000
Proceeds from allotment of shares to		
- Dr. B.S. Ajai Kumar	106,618,880	99,999,953

B. Details of related party balances outstanding: (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Trade receivables		
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	316,605	316,605
- HCG Medi-surge Hospitals Private Limited	33,272,030	39,500,466
- HCG TVH Medical Imaging Private Limited	-	7,178,787
- Malnad Hospital and Institute of Oncology Private Limited	6,041,251	5,506,616
- BACC Healthcare Private Limited	88,587	44,229
- JSS Bharath Charitable Trust	4,011,529	5,727,953
- HealthCare Diwan Chand Imaging LLP	-	820,000
- Sada Sarada Tumor & Research Institute	24,197,028	39,496,181
- HCG Pinnacle Oncology Private Limited	785,470	-
- HCG Foundation	15,786,332	16,012,124
Interest receivable on loan		
- Malnad Hospital and Institute of Oncology Private Limited	296,378	213,061
- HCG TVH Medical Imaging Private Limited.	-	3,340,807
- HCG Medi-surge Hospitals Private Limited	11,931,217	9,270,676
- MIMS HCG Oncology Private Limited	177,875	78,095
- HCG Pinnacle Oncology Private Limited	1,656,999	47,353
Other current assets		
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	1,513,993	1,513,993
- HCG Medi-surge Hospitals Private Limited	555,885	555,885
- Malnad Hospital and Institute of Oncology Private Limited	10,265,025	6,722,070
Loans and advances		
- HealthCare Global Senthil Multi-specialty Hospitals Private Limited [net of provision for loans and advances Rs. 30,389,347]	2,985,553	2,431,938
- MIMS HCG Oncology Private Limited	909,219	778,387

Note No. 40 Related party transactions *(contd.)*

B. Details of related party balances outstanding: (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
- HCG TVH Medical Imaging Private Limited	-	9,583,195
- Malnad Hospital and Institute of Oncology Private Limited	302,091	1,108,017
- BACC Healthcare Private Limited	837,781	104,599
- HCG Pinnacle Oncology Private Limited	28,991,981	446,227
- HCG Medi-surge Hospitals Private Limited	18,522,490	38,624,195
- Healthcare Global (Kenya) Private Limited	854,699	1,262,000
- Healthcare Global (Uganda) Private Limited	244,374	237,779
- Healthcare Global (Tanzania) Private Limited	2,576,333	709,371
- HCG Foundation	1,004,613	2,469,900
- HCG (Mauritius) Private Limited	620,444	-
- HealthCare Global (Africa) Private Limited	620,444	-
Security deposits (refundable) with		
- Sada Sarada Tumor & Research Institute	1,600,000	3,100,000
Trade Payables		
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	41,972	41,972
- BACC Healthcare Private Limited	167,111	404,933
- HealthCare Diwan Chand Imaging LLP	6,002,655	370,486
- Malnad Hospital and Institute of Oncology Private Limited	35,747	2,275
Corporate guarantees given on behalf of:		
- HCG Medi-surge Hospitals Private Limited	292,000,000	147,559,059
- BACC Healthcare Private Limited	18,100,000	33,700,000
- HCG Pinnacle Oncology Private Limited	10,900,000	-
- HCG Oncology LLP	66,500,000	-

Note No. 41 Details of operating leasing arrangements

The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are non-cancellable and are for a period of 10 to 20 years and may be renewed for a further period, based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments by 10% to 15% every 6 months - one year.

(Amount in Rs)

Future minimum lease payments as at	31-Mar-16	31-Mar-15
- Upto One year	90,177,202	66,858,741
- More than one year and upto five years	331,371,052	247,593,703
- More than five years	708,559,314	415,206,100

(Amount in Rs)

Particulars of transactions during	Year ended 31-Mar-16	Year ended 31-Mar-15
Expenditure on lease payments with respect to above mentioned non-cancellable operating lease arrangements.	83,273,459	63,300,501
Expenditure on lease payments with respect to other operating lease arrangements.	60,219,307	49,010,045
Less: Expenses capitalised	(15,446,170)	(10,691,439)
Expenditure recognised in the Statement of Profit and Loss	**128,046,596**	**101,619,107**

Note No. 42 Details of finance lease arrangement

The company has acquired certain building, computers and related equipment under finance lease. The details of future minimum lease payment and reconciliation of gross investment in the lease and payment value of minimum lease payments are given below:

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Future minimum lease payments:		
- Upto one year	87,209,141	83,324,396
- More than one year and upto five years	330,310,700	324,766,438
- More than five years	1,863,877,813	1,956,631,218
	2,281,397,654	2,364,722,052
Less: Unamortised finance charges	(1,649,146,204)	(1,715,622,373)
	632,251,450	**649,099,679**
Present value of minimum lease payments payables:		
- Upto one year	18,479,282	16,848,229
- More than one year and upto five years	14,932,876	33,412,159
- More than five years	598,839,292	598,839,291
	632,251,450	**649,099,679**

Note No. 43 Earnings per share

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Basic earnings per share		
Net loss for the year attributable to the equity shareholders	(28,446,613)	(23,658,638)
Weighted average number of equity shares	72,870,351	69,947,380
Par value per share	10.00	10.00
Earnings per share from continuing operations - Basic	**(0.39)**	**(0.34)**
Diluted earnings per share		
Net loss for the year attributable to the equity shareholders	(28,446,613)	(23,658,638)
Weighted average number of equity shares	72,870,351	69,947,380
Par value per share	10.00	10.00
Earnings per share, from continuing operations - Diluted	**(0.39)**	**(0.34)**

Note: The effect of ESOP and Share Warrants outstanding are anti-dilutive and hence ignored for the purpose of computing diluted earnings per share.

Note No. 44 Expenses capitalised to fixed assets and capital work-in-progress

Below mentioned expenditure are specifically attributable to the construction of a fixed asset or bringing it to its working condition, and hence capitalised as part of the cost of the fixed asset.

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Employee benefit expenses	31,403,589	8,211,660
Interest expenses	5,900,888	-
Exchange loss	36,384,179	16,193,738
Other expenses	34,467,144	12,052,803
Total	**108,155,800**	**36,458,201**

Note No. 45 Domestic transfer pricing

The Company enters into "domestic transactions" with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 (the `Regulations'). The pricing of such domestic transactions will need to comply with the arm's length principle under the Regulations. These Regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an accountant which is to be filed with the Income Tax authorities.

The Company has undertaken necessary steps to comply with the Regulations. The Management is of the opinion that the domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note No. 46

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Sd/-
Dr. BS Ajaikumar
Chairman and CEO

Sd/-
Gangadhara Ganapati
Director

Sd/-
Krishnan Subramanian
Chief Financial Officer

Sd/-
Sunu Manuel
Company Secretary

Place: Bengaluru
Date: 26 May 2016

INDEPENDENT AUDITOR'S REPORT

To The Members of
Healthcare Global Enterprises Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **HEALTHCARE GLOBAL ENTERPRISES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated

financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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.

We conducted our audit 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 consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of 9 subsidiaries, whose financial statements reflect total assets of Rs. 1,088,694,359 as at March 31, 2016, total revenues of Rs. 121,281,689 and net cash outflows amounting to Rs. 1,924,949 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 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 and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding company and subsidiary companies incorporated in India.

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Sd/-
V. Balaji
Partner
(Membership No. 203685)

BENGALURU,
26 May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in clause (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **HEALTHCARE GLOBAL ENTERPRISES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year then ended.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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 the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance 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 judgement, 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 and the audit evidence obtained by the other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us and taking into consideration the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies which are companies incorporated in India, have, 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, 2016, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Sd/-
V. Balaji
Partner
(Membership No. 203685)

BENGALURU,
26 May, 2016

Healthcare Global Enterprises Limited
Consolidated Balance Sheet as at 31 March 2016

(Amount in Rs)

Particulars	Note No.	31-Mar-16	31-Mar-15
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	850,759,860	699,838,080
(b) Shares pending allotment		-	8,467,600
(c) Reserves and surplus	4	4,511,038,472	2,086,610,526
		5,361,798,332	**2,794,916,206**
2 Minority Interest	**32(b)**	**332,258,979**	**252,953,791**
3 Non-current liabilities			
(a) Long-term borrowings	5	2,651,924,481	2,802,367,627
(b) Deferred tax liabilities (net)	6(a)	8,098,257	5,154,869
(c) Other long-term liabilities	7	9,806,894	13,686,256
(d) Long-term provisions	8	28,952,674	22,641,035
		2,698,782,306	**2,843,849,787**
4 Current liabilities			
(a) Short-term borrowings	9	7,639,258	292,705,592
(b) Trade payables	10		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,084,219,190	832,673,500
(c) Other current liabilities	11	819,107,360	709,857,596
(d) Short-term provisions	12	38,117,661	34,735,174
		1,949,083,469	**1,869,971,862**
Total		**10,341,923,086**	**7,761,691,646**
B ASSETS			
1 Non-current assets			
(a) Fixed assets	13		
- Tangible assets		5,040,073,376	4,516,926,763
- Intangible assets		26,538,800	159,147,270
- Capital work-in-progress		1,551,393,885	422,380,141
		6,618,006,061	**5,098,454,174**
(b) Goodwill on consolidation	32(a)	608,880,051	608,880,051
(c) Non-current investments	14	36,205,357	1,205,357
(d) Deferred tax assets (net)	6(b)	93,944,000	58,789,900
(e) Long-term loans and advances	15	901,360,461	699,684,237
(f) Other non-current assets	16	78,720,252	74,930,546
		8,337,116,182	**6,541,944,265**
2 Current assets			
(a) Current investments	17	600,000,000	-
(b) Inventories	18	133,497,234	145,526,897
(c) Trade receivables	19	789,373,750	638,085,555
(d) Cash and cash equivalents	20	247,439,020	269,542,419
(e) Short-term loans and advances	21	117,740,172	80,491,329
(f) Other current assets	22	116,756,728	86,101,181
		2,004,806,904	**1,219,747,381**
Total		**10,341,923,086**	**7,761,691,646**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
V. Balaji
Partner

Place: Bengaluru
Date: 26 May 2016

For and on behalf of the Board of Directors

Sd/-
Dr. BS Ajaikumar
Chairman and CEO

Sd/-
Gangadhara Ganapati
Director

Sd/-
Krishnan Subramanian
Chief Financial Officer

Sd/-
Sunu Manuel
Company Secretary

Place: Bengaluru
Date: 26 May 2016

Healthcare Global Enterprises Limited

Statement of Consolidated Profit and Loss for the year ended 31 March, 2016

(Amount in Rs)

	Particulars	Note No.	For the year ended 31-Mar-16	For the year ended 31-Mar-15
1	Revenue from operations	23	5,819,765,144	5,193,750,420
2	Other income	24	34,511,603	48,149,346
3	**Total revenue**		**5,854,276,747**	**5,241,899,766**
4	**Expenses**			
	(a) Purchase of stock-in-trade	25	1,486,801,936	1,493,733,941
	(b) (Increase) / decrease in stock-in-trade	26	8,910,875	(33,388,445)
	(c) Employee benefits expense	27	990,044,686	815,097,036
	(d) Finance costs	28	375,832,351	342,284,435
	(e) Depreciation and amortisation expense	13	444,445,603	392,509,084
	(f) Other expenses	29	2,437,535,977	2,155,908,090
	Total expenses		**5,743,571,428**	**5,166,144,141**
5	**Profit/Loss before exceptional items and tax**		**110,705,319**	**75,755,625**
6	Exceptional items	30	60,686,770	45,614,797
7	**Profit after exceptional items**		**50,018,549**	**30,140,828**
8	**Tax expense:**			
	(a) Current tax expense		37,800,502	35,691,218
	(b) (Less): MAT credit		(9,320,985)	-
	(c) Provision for MAT credit entitlement		-	6,944,465
	(d) Deferred tax		(32,795,041)	(59,463,670)
	Net tax expense		**(4,315,524)**	**(16,827,987)**
9	**Profit after tax before share of profit of minority interest**		**54,334,073**	**46,968,815**
	Less : Share of profit of minority interest		42,129,031	38,628,821
10	**Profit for the year**		**12,205,042**	**8,339,994**
	Earnings per share (of Rs. 10/- each):	42		
	(a) Basic		0.17	0.12
	(b) Diluted		0.17	0.11

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
V. Balaji
Partner

Place: Bengaluru
Date: 26 May 2016

For and on behalf of the Board of Directors

Sd/-
Dr. BS Ajaikumar
Chairman and CEO

Sd/-
Gangadhara Ganapati
Director

Sd/-
Krishnan Subramanian
Chief Financial Officer

Sd/-
Sunu Manuel
Company Secretary

Place: Bengaluru
Date: 26 May 2016

Healthcare Global Enterprises Limited

Consolidated Cash Flow Statement for the year ended 31 March, 2016

(Amount in Rs)

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
A. Cash flow from operating activities		
Profit before tax and share of profit of minority interest	**50,018,549**	**30,140,828**
Adjustments for:		
Depreciation and amortisation expense (Refer Note 13(iii))	449,934,009	399,260,918
Loss on fixed assets sold / scrapped / written off	16,106,115	6,514,603
Expense on employee stock option scheme	5,392,740	11,976,982
Interest expense	325,668,376	323,264,431
Interest income	(18,602,077)	(31,499,152)
Liabilities / provisions no longer required written back	(872,748)	(2,378,521)
Provision for doubtful trade and other receivables, loans and advances	25,237,945	25,359,844
Loss on disposal of investments in subsidiary	16,407,353	-
Write-off of leasehold improvements	-	3,130,364
Write-back of provision for rent straightlining due to termination of lease agreement	-	(2,251,845)
Operating profit before working capital changes	**869,290,262**	**763,518,452**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	11,571,154	(25,698,139)
Trade receivables	(195,400,781)	(125,201,484)
Short-term loans and advances	(37,765,771)	(22,766,626)
Long-term loans and advances	(65,567,303)	(91,705,095)
Other current assets	(30,790,842)	(10,013,217)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	177,089,550	135,057,926
Other current liabilities	57,561,525	28,469,646
Short-term provisions	4,609,964	9,384,066
Long-term provisions	6,983,948	775,253
	(71,708,556)	**(101,697,670)**
Cash generated from operations	**797,581,706**	**661,820,782**
Net income tax paid	(107,848,056)	(65,286,993)
Net cash flow from operating activities (A)	**689,733,650**	**596,533,789**
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(2,137,039,393)	(801,980,629)
Proceeds from sale of fixed assets	4,335,175	815,333
Purchase / acquisition of long-term investments:		
- in subsidiaries	-	(22,880,000)
- in associates	-	(15,000,000)
Investment in mutual funds	(35,000,000)	-
Settlement amount received on termination of operations in BNH (Refer Note 30(i))	131,000,000	-
Consideration received on sale of investments in HCG TVH (Refer Note 31(a))	15,510,000	-
Inter-corporate deposits given	-	(22,163,300)
Inter-corporate deposits received	-	50,000,000
Deposits placed for margin money	(38,538,110)	(17,108,783)
Realisation from margin money deposits	22,162,236	-
Interest received	16,060,324	31,197,113
Net cash flow used in investing activities (B)	**(2,021,509,768)**	**(797,120,266)**

Healthcare Global Enterprises Limited
Consolidated Cash Flow Statement for the year ended 31 March, 2016

(Amount in Rs)

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
C. Cash flow from financing activities		
Proceeds from issue of equity shares (net of share issue expenses) (Refer Note 3(b))	2,712,717,651	99,999,953
Expenses attributable to proposed initial public offering (Refer Note 3(b))	(77,216,527)	-
Amount received from minority shareholders in the subsidiaries	67,786,183	21,518,250
Proceeds from long-term borrowings	2,045,408,666	620,158,821
Repayment of long-term borrowings	(2,219,078,586)	(335,383,863)
Net increase / (decrease) in short-term borrowings	(285,066,334)	162,728,514
Finance costs	(345,915,594)	(303,380,560)
Inter-corporate deposits repaid	-	(50,000,000)
Net cash flow from financing activities (C)	**1,898,635,459**	**215,641,115**
Net increase in Cash and cash equivalents (A+B+C)	**566,859,341**	**15,054,638**
Cash and cash equivalents at the beginning of the year	247,524,736	223,028,462
Cash and bank balances on acquisition of subsidiaries during the year (Refer Note 31(b))	-	9,441,636
Cash and bank balances on sale of a subsidiary during the year	(2,468,990)	-
Cash and cash equivalents at the end of the year *	**811,915,087**	**247,524,736**
*** Comprises:**		
(a) Cash on hand	10,140,096	10,676,405
(b) Cheques, drafts on hand	1,276,437	2,590,058
(c) Balances with banks :		
- In current accounts	48,685,791	171,683,218
- In EEFC accounts	24,553,956	22,237,327
- In deposit accounts	31,574,646	40,337,728
- In escrow account	95,684,161	-
Cash and cash equivalents (Refer Note 20)	**211,915,087**	**247,524,736**
Add: Current investments considered as cash and cash equivalents (Refer Note 17)	600,000,000	-
	811,915,087	**247,524,736**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Sd/-
V. Balaji
Partner

Place: Bengaluru
Date: 26 May 2016

For and on behalf of the Board of Directors

Sd/-
Dr. BS Ajaikumar
Chairman and CEO

Sd/-
Gangadhara Ganapati
Director

Sd/-
Krishnan Subramanian
Chief Financial Officer

Sd/-
Sunu Manuel
Company Secretary

Place: Bengaluru
Date: 26 May 2016

Note no.

1 Corporate information

HealthCare Global Enterprises Limited (the Company) is engaged in setting up and managing cancer hospitals, cancer centers and medical diagnostic services including scientific testing and consultancy services in the pharmaceutical and medical sector. The Company has its registered office at #8, P. Kalinga Rao Road, Sampangi Ram Nagar, Bengaluru – 560 027. The Company is listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited with effect from 30 March 2016.

The Company operates in:

- Bengaluru Institute of Oncology, Bengaluru
- Curie Abdur Razzaque Cancer Institute, Ranchi
- Curie Center of Oncology, Bengaluru
- Curie Manavata Cancer Center, Nasik
- HCG BNH, Mumbai (Refer Note 30(i))
- HCG Cancer Center, Chennai
- HCG Cancer Center, Gulbarga
- HCG Cancer Center, Trichy
- HCG Curie City Cancer Center, Vijayawada
- HCG Cyclotron and PET CT, Chennai
- HCG MNR Curie Cancer Center, Ongole
- HCG Multispeciality Hospitals, Ahmedabad and Bhavnagar
- HCG Pharma, Bengaluru
- M.S.Ramaiah Curie Centre of Oncology, Bengaluru
- NMR Curie Centre of Oncology, Hubli
- Panda Curie Cancer Hospital, Cuttack
- SMH (Shanti Mukand Hospital) Curie Cancer Center, New Delhi
- Triesta Sciences, Bengaluru

Refer to note 2.2 (viii) below for information on subsidiaries.

2 Basis of consolidation and significant accounting policies

2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

2.2 Principles of consolidation

The consolidated financial statements relate to HealthCare Global Enterprises Limited (the 'Company'), its subsidiary companies, and the Group's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the subsidiary companies and associates used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March 2016. These have been consolidated based on latest available financial statements. Necessary adjustments have been made, for the effects of significant transactions and other events between the reporting dates of the such financial statements and these consolidated financial statements.

(ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

(iii) The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in consolidated financial statements. Accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

(iv) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.

(v) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

(vi) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.

(vii) Goodwill arising on consolidation is not amortised but tested for impairment.

(viii) Following subsidiary and associate entities have been considered in the preparation of the consolidated financial statements:

Sl. No.	Name of the entity	Country of Incorporation	% of ownership held by the Company as at	
			31-Mar-16	31-Mar-15
a	HCG Medi-Surge Hospitals Private Limited	India	74.00%	74.00%
b	Malnad Hospital & Institute of Oncology Private Limited	India	70.25%	70.25%
c	HealthCare Global Senthil Multi Specialty Hospital Private Limited	India	100.00%	100.00%
d	MIMS HCG Oncology Private Limited	India	100.00%	100.00%
e	HCG TVH Medical Imaging Private Limited (Refer Note 31(a))	India	NA	51.00%
f	BACC Healthcare Private Limited	India	50.10%	50.10%
g	HealthCare Diwan Chand Imaging LLP	India	75.00%	75.00%
h	HCG Pinnacle Oncology Private Limited	India	50.10%	50.10%
i	HealthCare Global (Uganda) Private Limited	Uganda	100.00%	100.00%
j	HealthCare Global (Kenya) Private Limited	Kenya	100.00%	100.00%
k	HealthCare Global (Tanzania) Private Limited	Tanzania	100.00%	100.00%
l	APEX HCG Oncology Hospitals LLP	India	50.10%	50.10%
m	HCG Regency Oncology Private Limited (Refer Note 31(c))	India	50.10%	50.10%
n	HCG Oncology LLP	India	74.00%	NA
o	DKR Healthcare Private Limited	India	100.00%	100.00%
p	HCG (Mauritius) Private Limited	Mauritius	100.00%	NA
q	HealthCare Global (Africa) Private Limited	Mauritius	100.00%	NA

- All the above other than 'g', 'l' and 'n' are subsidiary companies.
- As on the date of investment, in respect of 'a', 'b','c','d' 'e' 'f' and 'o', the Company's cost of investment is in excess of its share of equity and the difference has been recognized as goodwill. In respect of 'i' and 'm', the Company's share of equity is in excess of its cost of investment and the difference is recognised as capital reserve.

- Onwnership in all the above entities is held by the Company except in case of :

  DKR HealthCare Private Limited which is a subsidiary of BACC Healthcare Private Limited

  HealthCare Global (Uganda) Private Limited, HealthCare Global (Kenya) Private Limited and HealthCare Global (Tanzania) Private Limited which are subsidiaries of HealthCare Global (Africa) Private Limited during the year ended 31-Mar-16

  HealthCare Global (Africa) Private Limited which is a subsidiary of HCG (Mauritius) Private Limited.

- The following entities have been incorporated as at 31-Mar-16 and the Company does not have any investments in these entities. Upon investment by the Company, these entities will become subsidiary/ associate of the Company.

Sl. No.	Name of the entity	Date of incorporation	Proposed relationship	Country of incorporation	Percentage of proposed investments
1	HCG NCHRI Oncology LLP	03-Sep-14	Subsidiary	India	51.0%
2	Strand-Triesta Cancer Genomics LLP	09-Nov-14	Associate	India	30.0%
3	HCG EKO Oncology LLP	15-Jun-15	Subsidiary	India	50.5%

(ix) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Company's financial statements.

(x) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances, and are presented to the extent possible, in the same manner as the Company's separate financial statements.

2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the 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 Inventories

Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

2.5 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

2.6 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 Group are segregated based on the available information.

2.7 Depreciation and amortisation

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Linear accelerator and related equipment - 15 years

PET CT - 10 years

Leasehold improvements and assets acquired on finance lease are amortized over the period of the lease.

Assets costing less than Rs.5,000/- are fully depreciated in the year of purchase.

Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.

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

Computer software - 6 years

Software used in Plant & Machinery - 13 years (based on the useful life of the related Plant & Machinery, balance useful life 7 to 11 years)

Goodwill - 15 years. The Company entered into Operation Agreement (OA) dated May 11, 2012 with Dr. Balabhai Nanavati Hospital (BNH), a public charitable trust to operate and manage the Oncology Department in BNH. The OA was valid for a period of 15 years comprising of an initial term of 8 years which shall be automatically renewed for a additional term of 7 years. As per the terms and conditions mentioned in the OA, the Company paid a sum of Rs. 150,000,000 to BNH as non-refundable deposit and incurred a sum of Rs. 5,432,570, towards cost of entering into OA with BNH. Such non-refundable deposit paid to BNH including cost of entering into such OA, was considered as Goodwill and the same was amortised over a period of 15 years, being the contractual period of the OA. During the current year, the Company has shut down the operations in BNH. Refer Note 30 (i) for further details.

2.8 Revenue recognition

Revenue from operations includes income from medical services, sale of pharmacy and income from research and development.

Revenues from medical services and training income are recognized as and when the services are rendered.

Revenue from pharmacy: Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

Revenue from research & development income and site management operation recognized proportionately over the period during which the services are rendered as per the terms of contract.

Revenue from export incentives are accrued based on fulfillment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

2.9 Other income

Dividend on current investment is recognized on an accrual basis.

Profit on sale of current investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the then carrying value of the investment.

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

2.10 Fixed Assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Group has adopted the provisions of para 46 / 46A of AS 11, The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.11 Foreign currency transactions and translations

Initial recognition

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

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets are capitalised as part of the fixed assets and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

2.12 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.13 Employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans

Contribution to provident fund and employee state insurance scheme by the entities in the Group are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.14 Employee share based payments

The Company has formulated Employee Stock Option Schemes (ESOP) which provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. Such ESOPs are accounted under the 'Fair Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

2.15 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 upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.16 Leases

Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

2.17 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.18 Taxes on income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

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 Company 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 Company.

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 Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

2.19 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

2.20 Provisions and contingencies

A provision is recognised when the Group 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.

2.21 Hedge accounting

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement" issued by the ICAI. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

2.22 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence."

2.23 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

2.24 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

2.25 Operating Cycle

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

Note No. 3 Share Capital

Particulars	31-Mar-16		31-Mar-15	
	Number of Shares	Rs.	Number of Shares	Rs.
Authorised capital				
Equity shares of Rs.10/- each	127,000,000	1,270,000,000	127,000,000	1,270,000,000
Issued, subscribed and fully paid up capital				
Equity shares of Rs.10/- each, fully paid up	85,075,986	850,759,860	69,983,808	699,838,080
Total	**85,075,986**	**850,759,860**	**69,983,808**	**699,838,080**

3(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	31-Mar-16		31-Mar-15	
	Number of Shares	Rs.	Number of Shares	Rs.
At the beginning of the year				
- Equity shares of Rs. 10/- each fully paid-up	69,983,808	699,838,080	68,245,112	682,451,120
Issued during the year:				
- Equity shares of Rs. 10/- each fully paid-up	15,092,178	150,921,780	1,738,696	17,386,960
At the end of the year				
- Equity shares of Rs. 10/- each fully paid-up	85,075,986	850,759,860	69,983,808	699,838,080

3(b) During the current year, the Company has completed the initial public offer and has allotted 11,600,000 equity shares of Rs. 10/- each at a premium of Rs. 208/- per share. Expenses incurred (net) towards such allotment of shares amounting Rs. 163,330,567 has been debited to Securities Premium Account. Other issue of equity shares during the year ended 31 March 2016 includes:

- 846,760 shares issued at face value to erstwhile minority shareholders of HCG Vijay Oncology Private Limited ('HCG Vijay') pursuant to merger of HCG Vijay with the Company (Refer Note 31(b)),
- 903,505 and 46,836 shares issued at a premium of Rs. 100.68 per share and Rs. 76.30 per share respectively, pursuant to exercise of share warrants, and
- 1,695,077 shares issued to holders of Employee Stock Option Scheme pursuant to exercise of vested options (Refer Note 36).

3(c) The Company has only one class of equity share having a par value of Rs.10/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. However, as on date no such preferential amount exists. The distribution will be in proportion to number of equity shares held by the shareholders.

3(d) Details of shareholders holding more than 5% shares in the Company:

Name of shareholder	31-Mar-16		31-Mar-15	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Dr. B.S. Ajai Kumar	17,642,739	20.74%	17,393,082	24.85%
PI Opportunities Fund 1	11,930,000	14.02%	15,380,000	21.98%
V Sciences Investments Pte Ltd	8,320,805	9.78%	11,770,805	16.82%
International Finance Corporation	4,358,705	5.12%	-	-
IL&FS Trust Company Limited A/c Milestone Private Equity Fund	-	-	12,877,583	18.40%

Note No. 3 Share Capital *(contd.)*

3(e) Aggregate number of equity shares allotted as fully paid-up without payment being received in cash for a period of five years immediately preceding the year ended 31 March 2016

Particulars	Aggregate number of shares as at	
	31-Mar-16	31-Mar-15
(a) Issue of fully paid-up shares pursuant to contract	-	750,126
(b) Issue of bonus shares	35,625,585	35,625,585
(c) Issue of shares pursuant to mergers	1,531,562	684,802

3(f) Number of equity shares of Rs.10/- each reserved for issuance

Particulars	As at	
	31-Mar-16	31-Mar-15
(a) to eligible employees under employee stock option scheme	3,604,923	5,300,000
(b) to Dr. B.S. Ajai Kumar pursuant to outstanding share warrants	-	950,341
(c) to minority shareholders of erstwhile subsidiaries pursuant to merger	-	846,760

Note No. 4 Reserve and surplus

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(a) Capital reserve on consolidation and merger		
Opening balance	5,599,027	3,902,182
Add: Additions during the year		
On change of holding in HCG Regency Oncology Private Limited (Refer Note 31(c))	-	1,696,845
On merger of HCG Vijay Oncology Private Limited with the Company (Refer Note 31(b))	-	19,045,012
Less: Transferred during the year		
Transfer of capital reserve on merger of HCG Vijay Oncology Private Limited with the Company to Deficit in Consolidated Statement of Profit and Loss (Refer Note 31(b))	-	(19,045,012)
Closing balance	**5,599,027**	**5,599,027**
(b) Securities premium account		
Opening balance	2,430,200,711	2,341,788,238
Add: Premium on shares issued during the year (Refer Note 3(b))	2,600,978,967	88,412,473
Less: Share issue expenses (net) (Refer Note 3(b))	(163,330,567)	-
Closing balance	**4,867,849,111**	**2,430,200,711**
(c) Share options outstanding account		
Opening balance	43,247,320	23,308,366
Add: Amounts recorded on grants during the year	-	18,962,234
Add: Amounts recorded on change in estimated forfeitures during the year	-	976,720
Less: Transferred to Securities premium account on exercise of ESOPs	(30,715,496)	-
	12,531,824	**43,247,320**
Less: Deferred stock compensation expense	(3,486,932)	(8,879,672)
Closing balance	**9,044,892**	**34,367,648**
(d) Exchange reserve (on consolidation)		
Opening balance	(263,726)	219,094
Add: Effect of foreign exchange rate variations during the year	(56,094)	(482,820)
Closing balance	**(319,820)**	**(263,726)**

Note No. 4 Reserve and surplus *(contd.)* (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(e) Deficit in Consolidated Statement of Profit and Loss		
Opening balance	(383,293,134)	(421,739,262)
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 13(iv))	-	(7,145,698)
Add: Adjustment on account of merger (Refer Note 31(b))	-	19,045,012
Add: Adjustment of deficit balance pursuant to the merger of HCG Vijay Oncology Private Limited with the Company (Refer Note 31(b))	-	17,566,610
Add: Profit for the year	12,205,042	8,339,994
Add: Adjustment on change in holding of interest in subsidiaries	(46,646)	640,210
Closing balance	**(371,134,738)**	**(383,293,134)**
Total	**4,511,038,472**	**2,086,610,526**

Note No. 5 Long-term borrowings (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Secured long-term borrowings:		
- Term loans from banks (Refer Note (i))	742,931,632	1,630,746,623
- Term loans from other parties (Refer Note (ii))	60,042,693	78,780,170
- Vehicle Loan from:		
Banks (Refer Note (iii))	432,116	2,735,502
Others (Refer note (iv))	-	91,429
Unsecured long-term borrowings:		
- Term loans from other parties (Refer Note (v))	15,413,893	6,406,706
- Long-term maturities of finance lease obligations (Refer note 41)	613,772,168	632,251,450
- Deferred payment liabilities (Refer Note (vi))	1,219,331,979	451,355,747
Total	**2,651,924,481**	**2,802,367,627**

Notes:

Details of security and terms of repayment for the long-term borrowings: (Amount in Rs)

Terms of repayment and security	31-Mar-16	31-Mar-15
(i) Term loans from banks - Secured		
Facility-1		
Non-current portion	502,632,750	1,448,549,657
Amounts included under current maturities of long-term debt	1,266,250	123,417,869
- 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 first pari-passu charge on all current assets and receivables (both present and future)		
- Rate of interest: bank's base rate + 0.75% to 1% p.a.		
- Repayable in installments over a period of 6 to 9 years after 1 to 3 year moratorium from the date of borrowing.		
Facility-2		
Non-current portion	774,881	948,754
Amounts included under current maturities of long-term debt	180,762	169,699
- Security: Term loan is secured by hypothecation against medical equipment purchased out of finance.		

Note No. 5 Long-term borrowings *(contd.)*

(Amount in Rs)

Terms of repayment and security	31-Mar-16	31-Mar-15
- Rate of interest: Bank's base rate + 2.75% p.a		
- Payable in 84 monthly installments commencing from the date of borrowing.		
Facility-3		
Non-current portion	-	30,980,000
Amounts included under current maturities of long-term debt	18,100,000	2,720,000
- Secured by pari-passu charge on all assets of BACC Healthcare Private Limited except those assets specifically funded out of any other bank.		
- Rate of interest: Bank's base rate plus 1.65% p.a		
- Payable in 5 quarterly instalments after moratorium period of 1 year.		
Facility-4		
Non-current portion	1,543,415	-
Amounts included under current maturities of long-term debt	425,518	-
- Security: Term loan is secured by hypothecation against medical equipment purchased out of finance.		
- Rate of interest: Bank's base rate + 2.75% p.a		
- Payable in 57 monthly installments commencing from the date of borrowing after moratorium period of 3 months.		
Term loans from banks - Secured		
Facility-5		
Non-current portion	237,980,586	150,268,212
Amounts included under current maturities of long-term debt	-	-
- Secured against movable and immovable fixed assets of the company, personal guarantee of promoters directors and Corporate Guarantee Corporate guarantee of the Company and Regency Hospitals Limited.		
- Rate of interest: Bank's base rate plus 2.25% p.a		
- Payable in 96 monthly installments commencing from July 2017.		
Total of term loans from bank - secured	762,904,162	1,757,054,191
Non-current portion	742,931,632	1,630,746,623
Amounts included under current maturities of long-term debt	19,972,530	126,307,568
(ii) Term loans from others - Secured		
Non-current portion	60,042,693	78,780,170
Amounts included under current maturities of long-term debt	28,038,016	55,779,374
- Secured by equipment purchased out of amount financed		
- Rate of Interest 4.64% to 14.05% p.a.		
- Repayment varies between 48 to 84 monthly installments		
(iii) Vehicle loan from bank - Secured		
Facility-1		
Non-current portion	188,348	608,546
Amounts included under current maturities of long-term debt	734,968	378,247
- Secured by hypothecation of vehicles purchased out of finance		
- Rate of Interest 9.9% - 11.25% p.a.		
- Repayable in 18 to 36 monthly installments from the date of borrowing.		
Facility-2		
Non-current portion	243,768	289,318
Amounts included under current maturities of long-term debt	40,093	35,346
- Secured by hypothecation of vehicle purchased out of finance.		

Note No. 5 Long-term borrowings *(contd.)*

(Amount in Rs)

Terms of repayment and security	31-Mar-16	31-Mar-15
- Rate of Interest 10.75% p.a.		
- Repayable in 84 monthly installments from commencing from the October 2014.		
Facility-3		
Non-current portion	-	1,837,638
Amounts included under current maturities of long-term debt	-	450,285
This loan which was secured by hypothecation of vehicle purchased out of finance has been repaid in full during the current year.		
Total of vehicle loans from bank - secured	1,207,177	3,599,380
Non-current portion	432,116	2,735,502
Amounts included under current maturities of long-term debt	775,061	863,878
(iv) Vehicle loan from others - Secured		
Non-current portion	-	91,429
Amounts included under current maturities of long-term debt	-	404,695
This loan which was secured by hypothecation of vehicle purchased out of finance has been repaid in full during the current year.		
(v) Term loans from other parties - Unsecured		
Non-current portion	15,413,893	6,406,706
Amounts included under current maturities of long-term debt	-	-
- Interest free loan repayable as and when funds are available.		
(vi) Deferred payment liabilities - Unsecured		
Non-current portion	1,219,331,979	451,355,747
Amounts included under current maturities of long-term debt	338,821,065	191,395,278
- Rate of interest varies between 0.75% to 7% p.a		
- Repayment in installments over a period of 1 to 5 years		

Note No. 6 (a) Deferred tax liabilities

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Tax effect of items constituting deferred tax liability:		
- On difference between book balance and tax balance of fixed assets	11,560,257	7,775,869
Tax effect of items constituting deferred tax assets:		
- Disallowances under Section 43B of the Income Tax Act, 1961	(3,462,000)	(2,621,000)
Total	**8,098,257**	**5,154,869**

Note No. 6 (b) Deferred tax asset

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Tax effect of items constituting deferred tax liability:		
- On difference between book balance and tax balance of fixed assets	(483,399,000)	(485,504,100)
Tax effect of items constituting deferred tax assets:		
- Provision for doubtful debts / advances	99,615,000	87,404,000
- Disallowances under Section 43B of the Income Tax Act 1961	47,269,000	27,111,000
- Unabsorbed depreciation carried forward	430,459,000	429,779,000
Total	**93,944,000**	**58,789,900**

Note: The Group has recognised deferred tax asset on unabsorbed depreciation and / or carried forward business losses to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

Note No. 7 Other long-term liabilities

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Others		
Payable towards purchase of fixed assets	9,806,894	13,686,256
Total	**9,806,894**	**13,686,256**

Note No. 8 Long-term provision

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Provision for employee benefits:		
- Gratuity (Refer Note 35)	28,952,674	22,641,035
Total	**28,952,674**	**22,641,035**

Note No. 9 Short-term borrowings

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Secured loan:		
- Loans repayable on demand from banks	7,639,258	292,705,592
Total	**7,639,258**	**292,705,592**

Notes:

Details of security and terms of repayment for the short-term borrowings:

(Amount in Rs)

Terms of repayment and security	31-Mar-16	31-Mar-15
Secured loan repayable on demand from banks:	7,639,258	292,705,592
Secured by first pari-passu charge on entire current assets (both present and future) second pari- passu charge over entire fixed assets (both present and future other than exclusively charged)		
Short-term borrowings guaranteed by directors of the Company	-	76,662,840

Note No. 10 Trade payables

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,084,219,190	832,673,500
Total	**1,084,219,190**	**832,673,500**

Note No. 11 Other current liabilities (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(a) Current maturities of long-term debts (Secured):	387,606,672	374,750,793
(b) Current maturities of long-term finance lease obligations (Unsecured) (Refer Note 41)	18,479,282	16,848,229
(c) Interest accrued but not due on borrowings	105,069,998	97,879,545
(d) Other payables:		
- Statutory remittances	48,805,356	47,791,806
- Payables on purchase of fixed assets	91,240,808	60,743,399
- Advances from patients	167,905,244	111,820,491
- Others	-	23,333
Total	**819,107,360**	**709,857,596**

Note No. 12 Short-term provisions (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(a) Provision for employee benefits:		
- Compensated absences	19,875,994	16,837,977
- Gratuity (Refer Note 35)	18,241,667	17,394,309
	38,117,661	**34,232,286**
(b) Provision - Others:		
- Provision for Income Tax	-	502,888
	-	**502,888**
Total	**38,117,661**	**34,735,174**

Notes forming part of the Consolidated Financial Statements

Note No. 13 Fixed assets

(Amount in Rs)

Particulars of Tangible assets (owned, unless otherwise stated)	Gross block									Accumulated depreciation and impairment									Net block
	Balance as at 1-Apr-15	Additions during the year	Assets retired from use (Refer Note 30 (i))	Disposals	Sale of subsidary during the year (Refer Note 31(a))	On merger of subsidiary (Refer Note 31 (b))	Consoli dation adjustment	Effect of foreign currency exchange differences	Balance as at 31-Mar-16	Balance as at 1-Apr-15	Reduction / (Increase) in accumulated depreciation due to retrospective effect for change in method of depreciation (Refer Note 13(iv))	Transition adjustment recorded against Surplus / (Deficit) balance in Statement of Profit and Loss	Assets retired from use (Refer Note 30 (i))	Depreciation for the year	Eliminated on disposal of assets	Sale of subsidary during the year (Refer Note 31(a))	Consoli dation adjustment	Balance as at 31-Mar-16	Balance as at 31-Mar-16
(a) Land	461,935,357	553,800	-	-	-	-	-	-	462,489,157	-	-	-	-	-	-	-	-	-	462,489,157
	(379,286,579)	(23,019,778)	-	-	-	(59,629,000)	-	-	(461,935,357)	-	-	-	-	-	-		-	-	(461,935,357)
(b) Buildings																			
Own use	689,141,340	6,414,876	-	-	-	-	-	-	695,556,216	82,694,885	-	-	-	13,489,505	-	-	-	96,184,390	599,371,826
	(672,324,724)	(16,816,616)	-	-	-	-	-	-	(689,141,340)	(69,084,434)	-	-	-	(13,610,451)	-		-	(82,694,885)	(606,446,455)
Taken under finance lease	598,839,293	-	-	-	-	-	-	-	598,839,293	97,653,987	-	-	-	23,764,631	-	-	-	121,418,618	477,420,675
	(598,839,293)	-	-	-	-	-	-	-	(598,839,293)	(73,733,791)	-	-	-	(23,920,196)	-		-	(97,653,987)	(501,185,306)
(c) Plant and Equipment																			
Owned	3,379,004,952	682,954,248	6,394,920	5,304,845	3,424,960	-	(430,341)	36,601,395	4,083,005,529	1,173,098,027	-	-	728,222	258,935,827	4,110,396	1,112,274	(47,345)	1,426,035,617	2,656,969,912
	(3,105,696,771)	(257,829,308)	-	(367,320)		-	347,545	(16,193,738)	(3,379,004,952)	(956,687,033)	(1,258,244)	(1,353,712)	-	(216,353,881)	-		38,355	(1,173,098,027)	(2,205,906,925)
Taken under finance lease	80,300,000	-	-	-		-	-	-	80,300,000	26,475,034	-	-	-	8,205,310	-	-	-	34,680,344	45,619,656
	(80,300,000)	-	-	-		-	-	-	(80,300,000)	(18,267,500)	-	-	-	(8,207,534)	-	-	-	(26,475,034)	(53,824,966)
(d) Medical Equipment	254,850,587	45,813,544	-	74,550	117,792,978	-	-	1,112,311	183,908,914	118,540,542	-	-	-	30,386,741	17,842	83,771,905	-	65,137,536	118,771,378
	(217,656,148)	(35,879,080)	-	-		-	-	(1,315,359)	(254,850,587)	(91,981,207)	(4,855,305)	-		(31,414,640)	-	-	-	(118,540,542)	(136,310,045)
(e) Lab Equipment	59,128,215	6,213,158	-	100,000	-	-	-	-	65,241,373	33,689,762	-	-	-	8,016,214	22,742	-	-	41,683,234	23,558,139
	(57,405,668)	(1,722,547)	-	-	-	-	-	-	(59,128,215)	(24,045,558)	-	(308,744)	-	(9,335,460)	-	-	-	(33,689,762)	(25,438,453)
(f) Data Processing Equipment	76,877,588	17,701,815	611,818	770,609	1,135,274	-	-	-	92,061,702	51,379,729	-	-	500,679	11,114,054	770,609	656,987	-	60,565,508	31,496,194
	(59,297,425)	(17,546,663)	-	-		(33,500)	-	-	(76,877,588)	(35,294,357)	(593,566)	(1,894,976)	-	(14,783,962)	-	-	-	(51,379,729)	(25,497,859)
(g) Electrical Installation	35,779,115	6,247,169	-	-	-	-	-	-	42,026,284	22,492,755	-	-	-	7,349,170	-	-	-	29,841,925	12,184,359
	(34,909,990)	(869,125)	-	-	-	-	-	-	(35,779,115)	(14,903,407)	-	(1,398,737)	-	(6,190,611)	-	-	-	(22,492,755)	(13,286,360)
(h) Furniture and Fixtures	142,123,220	23,224,079	553,699	601,475	380,957	-	-	-	163,811,168	67,674,282	-	-	197,317	15,999,784	493,955	198,739	-	82,784,055	81,027,113
	(129,158,145)	(12,965,075)	-	-	-	-	-	-	(142,123,220)	(53,600,564)	(70,236)	(666,053)	-	(13,477,901)	-	-	-	(67,674,282)	(74,448,938)
(i) Vehicles	20,970,966	6,917,920	-	7,169,115	2,011,087	-	(39,610)	-	18,669,074	5,985,509	-	-	-	2,702,886	2,104,908	552,859	(4,330)	6,026,298	12,642,776
	(12,757,501)	(9,567,716)	-	(1,323,051)	-	-	31,200	-	(20,970,966)	(3,891,623)	(145,744)	(55,405)	-	(2,442,400)	(254,732)	-	3,443	(5,985,509)	(14,985,457)
(j) Office equipment	44,701,747	21,987,234	1,258,366	1,041,880	285,426	-	-	-	64,103,309	34,294,346	-	-	509,211	11,162,478	777,480	240,519	-	43,929,614	20,173,695
	(36,125,178)	(8,637,329)	-	(71,760)	-	(11,000)	-	-	(44,701,747)	(16,156,841)	1,177,243	(5,872,499)	-	(11,099,549)	(11,786)	-	-	(34,294,346)	(10,407,401)
(k) Leasehold improvements	521,742,963	159,578,254	237,919	-	7,250,733	-	-	-	673,832,565	134,489,722	-	-	47,694	43,728,060	-	2,686,019	-	175,484,069	498,348,496
	(408,031,028)	(125,644,736)	-	(11,932,801)		-	-	-	(521,742,963)	(102,359,104)	-	-	-	(35,098,732)	(2,968,114)	-	-	(134,489,722)	(387,253,241)
Total	**6,365,395,343**	**977,606,097**	**9,056,722**	**15,062,474**	**132,281,415**	**-**	**(469,951)**	**37,713,706**	**7,223,844,584**	**1,848,468,580**	**-**	**-**	**1,983,123**	**434,854,660**	**8,297,932**	**89,219,302**	**(51,675)**	**2,183,771,208**	**5,040,073,376**
Previous year	***(5,791,788,450)***	***(510,497,973)***	***-***	***(13,694,932)***	***-***	***(59,673,500)***	***378,745***	***(17,509,097)***	***(6,365,395,343)***	***(1,460,005,419)***	***(5,745,852)***	***(11,550,126)***	***-***	***(385,935,317)***	***(3,234,632)***	***-***	***41,798***	***(1,848,468,580)***	***(4,516,926,763)***

Notes forming part of the Consolidated Financial Statements

Note No. 13 Fixed assets *(contd.)*

(Amount in Rs)

Intangible assets (owned)	Gross block									Accumulated amortisation and impairment									Net block
	Balance as at 1-Apr-15	Additions during the year	Assets retired from use (Refer Note 30 (i))	Disposals	Sale of subsidiary during the year (Refer Note 31(a))	On merger of subsidiary (Refer Note 31 (b))	Consolidation adjustment	Effect of foreign currency exchange differences	Balance as at 31-Mar-16	Balance as at 1-Apr-15	Reduction / (Increase) in accumulated depreciation due to retrospective effect for change in method of depreciation (Refer Note 13(iv))	Transition adjustment recorded against Surplus / (Deficit) balance in Statement of Profit and Loss	Assets retired from use (Refer Note 30 (i))	Depreciation for the year	Eliminated on disposal of assets	Sale of subsidiary during the year (Refer Note 31(a))	Consolidation adjustment	Balance as at 31-Mar-16	Balance as at 31-Mar-16
(a) Computer software	56,888,372	3,213,618	-	501,224	455,700	-	-	-	59,145,066	27,677,202	-	-		9,453,816	416,735	174,938	-	36,539,345	22,605,721
	(54,353,216)	*(2,535,156)*	-	-	-	-	-	-	*(56,888,372)*	*(19,408,436)*	-	-		*(8,268,766)*	-	-	-	*(27,677,202)*	*(29,211,170)*
(b) Software - Plant & Machinery	7,349,993	-	-	-	-	-	-	-	7,349,993	4,175,345	-	-	-	286,661	-	-	-	4,462,006	2,887,987
	(7,349,993)	-		-	-	-	-	-	*(7,349,993)*	*(3,884,762)*	-	-	-	*(290,583)*	-	-	-	*(4,175,345)*	*(3,174,648)*
(c) Goodwill	156,908,948	-	155,432,570	-	-	-	-	-	1,476,378	30,147,496	-	-	35,055,082	5,338,872	-	-	-	431,286	1,045,092
	(156,908,948)	-	-	-	-	-	-	-	*(156,908,948)*	*(19,635,392)*	-	-		*(10,512,104)*	-	-	-	*(30,147,496)*	*(126,761,452)*
Total	**221,147,313**	**3,213,618**	**155,432,570**	**501,224**	**455,700**	**-**	**-**	**-**	**67,971,437**	**62,000,043**	**-**	**-**	**35,055,082**	**15,079,349**	**416,735**	**174,938**	**-**	**41,432,637**	**26,538,800**
Previous year	***(218,612,157)***	***(2,535,156)***	**-**	**-**	**-**	**-**	**-**	**-**	***(221,147,313)***	***(42,928,590)***	**-**	**-**	**-**	***(19,071,453)***	**-**		**-**	***(62,000,043)***	***(159,147,270)***

Notes:

(i) The above fixed assets are owned and used by the Company & employees of the Company.

(ii) Figures italicised relate to previous year.

(Amount in Rs)

(iii) Particulars of depreciation and amortisation expense	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Depreciation for the year on tangible assets	434,854,660	385,935,317
Amortisation for the year on intangible assets	15,079,349	19,071,453
Less: Reduction in accumulated depreciation due to retrospective effect for change in method of depreciation (net) in subsidiary BACC Healthcare Private Limited	-	(5,745,852)
Total of depreciation and amortisation expense	**449,934,009**	**399,260,918**
Less: Depreciation and amortisation expense considered under exceptional items - (Refer Note 30)	(5,488,406)	(6,751,834)
Depreciation and amortisation expense (Net)	**444,445,603**	**392,509,084**

Note No. 13 Fixed assets *(contd.)*

(iv) In the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, BACC Healthcare Private Limited, a subsidiary of the Company changed its method of depreciation for certain categories of fixed assets from written down value (WDV) method to straight line method (SLM). Consequent to this change, all assets were depreciated under SLM. The estimated useful life of some of its assets have also been revised to align with those specified in Schedule II. The details of previously applied depreciation method, rates / useful life are as follows:

(Amount in Rs)

Asset	Previous depreciation method	Previous depreciation rate / useful life	Revised useful life based on SLM	Balance as at 1-Apr-14			Reduction / (Increase) in accumulated depreciation as at 1-Apr-14 due to retrospective effect for change in method of depreciation
				Gross Block	Accumulated depreciation as per previous depreciation method (WDV)	Accumulated depreciation as per (SLM)	
Leasehold improvements	SLM	Over the lease period	Over the lease period	4,738,280	1,607,916	1,607,916	-
Medical Equipments	WDV	20% / ~13.43 years	15 years	19,765,137	10,364,129	5,508,824	4,855,305
Plant and Equipment	WDV	13.91% / ~20 years	15 years	17,588,133	6,664,667	5,406,423	1,258,244
Furniture and Fixtures	WDV	18.10% / ~15 years	10 years	2,727,309	1,547,896	1,477,660	70,236
Vehicles	WDV	25.89% / ~10 years	8 years	334,520	331,022	185,278	145,744
Office equipment	WDV	13.91%% / ~20 years	5 years	6,623,287	2,843,424	4,020,667	(1,177,243)
Computers	WDV	40% / ~5.86 years	6 years	3,872,015	2,730,617	2,137,051	593,566
Total				**55,648,681**	**26,089,671**	**20,343,819**	**5,745,852**

The depreciation expense in the Statement of Profit and Loss for the previous period is lower by Rs. 5,745,852/- consequent to the above change in the method of depreciation .

The other components of the Group were following Straight Line Method of depreciation and there is no change in the method of depreciation in the current year. Pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the estimated useful life of some of the assets have been revised to align with those specified in Schedule II. The details of previously applied depreciation rates / useful life are as follows:

Asset	Previous depreciation useful life	Revised useful life
Buildings	60 years	60 years
Assets acquired on finance lease and Leasehold Improvements	Over the lease period	Over the lease period
Data Processing Equipments	5.86 years	3 - 6 years
Laboratory Equipment	13.44 years	10 years
Plant & Machinery (including medical equipments)	10 - 20 years	10 - 15 years
Electrical Installation	10 years	20 years
Furniture and Fixtures	15 years	10 years
Office Equipments	13.44 years	5 years
Vehicles	10 years	8 years
Software used in Plant & Machinery	15 years	13 years
Data Processing Software	5.86 years	6 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, in respect of the assets having no remaining useful life as on 1-Apr-14, the carrying value of those assets have been fully depreciated, net of residual value, and an amount of Rs. 7,145,698/- (net of deferred tax of Rs. 3,924,804/-) has been adjusted against the opening deficit balance in the Statement of Profit and Loss under Reserves and Surplus after adjusting Rs. 479,624/- against the minority interest pertaining to minority share of depreciation

Healthcare Global Enterprises Limited
Notes forming part of the Consolidated Financial Statements

Note No. 14 Non-current investment (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Non-Trade (At cost)		
- Investment in government or trust securities (Unquoted)	152,800	152,800
- Investment in mutual funds:		
- SBI One India Fund - Long term dividend plan (Unquoted)	1,043,000	1,043,000
- LIC Mutual Fund Nomura-Short term plan (Unquoted)	9,557	9,557
- Religare Invesco Short Term Fund (Quoted)	35,000,000	-
Total	**36,205,357**	**1,205,357**
Aggregate market value of quoted investments	35,116,178	-
Aggregate amount of unquoted investments	1,205,357	1,205,357

Note No. 15 Long-term loans and advances (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(Unsecured considered good)		
(a) Capital advances	109,674,696	79,295,827
(b) Security deposits	391,689,363	306,604,498
(c) Inter-corporate deposits	22,163,300	22,163,300
(d) Loans and advances to related parties (Refer Note 39)	1,251,910	2,469,900
(e) Prepaid expenses	31,452,479	24,060,973
(f) Advance income tax (net of provision for tax)	293,611,268	213,500,797
(g) Taxes paid under protest		
- Income tax	17,913,100	17,913,100
- Indirect taxes	1,401,072	400,000
(h) MAT credit entitlement	32,203,273	33,275,842
Total	**901,360,461**	**699,684,237**

Note No. 16 Other non-current assets (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(a) Interest accrued on deposits	8,941,969	8,021,887
(b) In earmarked account in Banks - balance held as margin money	69,778,283	66,908,659
Total	**78,720,252**	**74,930,546**

Note No. 17 Current investments (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(At lower of cost and fair value)		
Non Trade (Quoted):		
Investment in mutual funds		
- ICICI Prudential Money Market Fund - Growth (718,052.75 units)	150,000,000	-
- Kotak Floater Short Term - Growth (60,481.13 units)	150,000,000	-
- Reliance liquid fund - Treasury Plan (40,782.07 units)	150,000,000	-
- Unit Trust of India - Money Market Fund (88,678.36 units)	150,000,000	-
Total	**600,000,000**	**-**
Aggregate market value of quoted investments	600,245,541	-

Note: Current investments are in the nature of "Cash and cash equivalents" (as defined in AS 3 Cash Flow Statements) and hence considered as part of Cash and cash equivalents in the Cash Flow Statements.

Note No. 18 Inventories

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(At lower of cost and net realisable value)		
Stock-in trade	133,497,234	145,526,897
Total	**133,497,234**	**145,526,897**

Note No. 19 Trade receivables

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
- Unsecured, considered good	305,668,614	204,460,268
- Doubtful	243,675,790	227,580,083
	549,344,404	**432,040,351**
Less: Provision for doubtful trade receivables	(243,675,790)	(227,580,083)
	305,668,614	**204,460,268**
Other trade receivables		
- Unsecured, considered good	483,705,136	433,625,287
- Doubtful	14,491,246	12,200,745
	498,196,382	**445,826,032**
Less: Provision for doubtful trade receivables	(14,491,246)	(12,200,745)
	483,705,136	**433,625,287**
Total	**789,373,750**	**638,085,555**

Note No. 20 Cash and cash equivalents

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(a) Cash on hand	10,140,096	10,676,405
(b) Cheques, drafts on hand	1,276,437	2,590,058
(c) Balances with banks :		
- In current accounts	48,685,791	171,683,218
- In EEFC accounts	24,553,956	22,237,327
- In deposit accounts	31,574,646	40,337,728
- Balances held as margin money or security against guarantee	35,523,933	22,017,683
- Balances in escrow account	95,684,161	-
Total	**247,439,020**	**269,542,419**
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	211,915,087	247,524,736

Healthcare Global Enterprises Limited
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Note No. 21 Short-term loans and advances (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Unsecured, considered good		
(a) Security deposits	212,200	216,200
(b) Loans and advances to employees	18,883,270	8,518,705
(c) Prepaid expenses	37,339,608	35,261,496
(d) Others:		
- Rental advance	15,641,298	13,767,023
- Advance to vendors:		
- Considered good	45,663,796	22,727,905
- Considered doubtful	29,834,933	25,076,337
	75,498,729	**47,804,242**
Less: Provision for other doubtful loans and advances	(29,834,933)	(25,076,337)
	45,663,796	**22,727,905**
Total	**117,740,172**	**80,491,329**

Note No. 22 Other current assets (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
(a) Unbilled revenue	111,823,720	81,566,498
(b) Interest accrued on deposits	3,208,912	1,587,241
(c) Others	1,724,096	2,947,442
Total	**116,756,728**	**86,101,181**

Note No. 23 Revenue from operations (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Income from medical services	3,922,816,659	3,395,716,269
Income from Pharmacy	1,836,136,760	1,762,866,497
Other operating revenues (Refer Note (i) below)	60,811,725	35,167,654
Total	**5,819,765,144**	**5,193,750,420**

Note (i): (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Other operating income		
- Cafeteria income	16,242,208	14,286,588
- Income from training	22,228,433	17,881,066
- Management fees	2,400,000	3,000,000
- Export incentive income	19,941,084	-
Total	**60,811,725**	**35,167,654**

Note No. 24 Other income

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Interest income from deposits with bank	14,773,421	15,553,828
Interest on income tax refund	874,666	14,388,805
Interest on inter-corporate deposit	2,796,738	1,531,829
Net gain on foreign currency transactions and translation	4,534,876	4,703,409
Other non-operating income:		
- Liabilities written back	872,748	2,378,521
- Advances received from patients no longer required written back	-	2,600,623
- Miscellaneous income	10,659,154	6,992,331
Total	**34,511,603**	**48,149,346**

Note No. 25 Purchase of stock-in-trade

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Stock-in-trade	1,486,801,936	1,493,733,941
Total	**1,486,801,936**	**1,493,733,941**

Note No. 26 (Increase)/ Decrease in stock-in-trade

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Inventories at the end of the year	**133,497,234**	**145,526,897**
Inventories at the beginning of the year	145,526,897	119,828,758
Less: Stock relating to hospital unit closed in the period considered under exceptional items (Refer Note 30)	(3,118,788)	(7,690,306)
Inventories at the beginning of the year	**142,408,109**	**112,138,452**
Net (increase) / decrease	**8,910,875**	**(33,388,445)**

Note No. 27 Employee benefits expense

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Salaries and wages	895,412,179	734,780,550
Contributions to provident funds (Refer note 35)	40,859,109	27,915,966
Gratuity Expense (Refer note 35)	11,024,818	12,166,246
Expense on employee stock option scheme (Refer note 36)	5,392,740	11,976,982
Staff welfare expenses	37,355,840	28,257,292
Total	**990,044,686**	**815,097,036**

Note No. 28 Finance costs

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Interest expense on:		
- Term loans and working capital facilities	230,459,780	221,558,106
- Finance lease (Refer Note 41)	90,113,913	90,468,439
- Unsecured loans	339,583	4,760,109
- Other interest charges	-	4,246,431
Other borrowing cost:		
- Loan processing charges	32,052,868	6,213,806
- Bank charges	22,866,207	15,037,544
Total	**375,832,351**	**342,284,435**

Note No. 29 Other expenses (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Medical consultancy charges	1,289,209,792	1,088,656,714
Legal and professional charges	61,141,141	56,290,696
Lab charges	106,464,904	109,875,903
Power, fuel and water	143,110,362	132,895,596
Rent including lease rentals (Refer Note 40)	203,731,698	159,527,746
Repairs and maintenance:		
- Buildings	16,766,860	12,403,875
- Machinery	142,503,788	141,058,346
- Others	43,892,579	39,275,051
Insurance	9,470,417	6,587,117
Rates and taxes	18,446,524	16,202,592
Communication	21,124,017	17,053,481
Travelling and conveyance	69,931,915	48,721,792
Printing and stationery	27,654,080	28,464,940
House keeping and security	125,254,347	98,450,346
Business promotion expenses	94,020,618	139,445,852
Payments to auditors (Refer Note below)	5,985,000	5,985,000
Loss on fixed assets sold / scrapped / written off	2,513,856	680,280
Provision for doubtful trade receivables and loans and advances (net)	25,237,945	25,312,675
Miscellaneous expenses	31,076,134	29,020,088
Total	**2,437,535,977**	**2,155,908,090**

Note: Payment to auditors comprises (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
For statutory audit	5,350,000	5,000,000
For other services	-	250,000
Other expenses (including service tax)	850,000	735,000
Total	**6,200,000**	**5,985,000**

In addition to the above, Rs. 20,287,500 was paid to auditors and network firms during the current year in respect of services rendered in connection with the initial public offer, which has been debited to securities premium account.

Note No. 30 Exceptional items (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Net loss on disposal of investment in HCG TVH Medical Imaging Private Limited (Refer Note 31 (a))	16,407,353	-
Net loss relating to Hospital units closed during the year (Refer Notes (i) and (ii) below)	44,279,417	42,506,810
Net loss relating to vacation of a leased premises during the year (Refer Note (iii) below)	-	3,107,987
Total	**60,686,770**	**45,614,797**

Notes:-

(i) In the prior years, the Company had entered into an Operation Agreement (OA) with Dr. Balabhai Nanavati Hospital (BNH), a public charitable trust, to operate and manage the Oncology Center in BNH. In the current period, as a result of certain disputes between the parties, arbitration proceedings were initiated in the Bombay High Court. The Bombay High Court disposed-off the matter by its order dated 30-Oct-15 as the parties agreed to settle all their disputes in accordance with the Consent terms. On the basis of the mentioned consent terms, the OA was terminated and the Company received a sum of Rs. 131,000,000 from BNH. Also refer note 2.7.

Note No. 30 Exceptional items *(contd.)*

Adjustments made in the current period to recognize the loss as a result of the above settlement is given below:

(Amount in Rs)

Particulars	31-Mar-16
Carrying value of assets disposed-off as a result of termination of operations	
Trade receivable	17,141,172
Tangible fixed assets	7,073,599
Intangible fixed assets	120,377,488
Total exposure	**144,592,259**
Less: Recoveries from BNH	(131,000,000)
Impairment loss	**13,592,259**

The results of this unit for the current period, including the impairment losses explained above, have been classified under exceptional items in these financial statements, the details of which are given below:

(Amount in Rs)

Particulars	31-Mar-16
Revenue	
(a) Revenue from Pharmacy sales	18,695,016
(b) Other income	613,478
Total revenue (A)	**19,308,494**
Expenses	
(a) Purchases of stock-in-trade	9,970,518
(b) Decrease in stock-in-trade	3,118,788
(c) Employee benefits expense	3,819,052
(d) Finance costs	5,156,519
(e) Depreciation and amortisation expense	5,488,406
(f) Other expenses (including impairment losses explained above Rs. 13,592,259)	36,034,628
Total expenses (B)	**63,587,911**
Net loss for the period on closure of hospital unit (A) - (B)	**44,279,417**

(ii) During the year ended 31 March 2015, the Company closed its operations in HCG Multispecialty Hospitals - Magadi Road, Bangalore. The results of this unit including the impairment losses is given below:

(Amount in Rs)

Particulars	31-Mar-15
Expenses	
(a) Changes in inventories of pharmacy stock and consumables	7,690,306
(b) Employee benefits expense	6,157,416
(c) Finance costs	2,288,515
(d) Depreciation and amortisation expense	6,751,834
(e) Other expenses	29,833,156
Total expenses	**52,721,227**
Less: Recoveries	(10,214,417)
Net loss for the period on closure of hospital unit	**42,506,810**

(iii) In the previous year, BACC Healthcare Private Limited, a subsidiary of the Company, vacated its hospital buildings in the leased premises. The following consequential expenses / gains have been considered exceptional items:

(Amount in Rs)

Particulars	31-Mar-15
Write-off of lease hold improvements	3,130,364
Penalty paid for termination of lease contract	2,229,468
Write-back of provision for rent straightlining due to termination of lease agreement	(2,251,845)
Total	**3,107,987**

Note No. 31 Corporate Restructuring

(a) Sale of investments in subsidiary HCG TVH Medical Imaging Private Limited

In accordance with the terms of share purchase agreement with Anderson Diagnostic Services Private Limited dated November 23, 2015, the Company sold its long-term investments in equity and preference shares held in HCG TVH Medical Imaging Private Limited (HCG TVH) for a total consideration of Rs. 15,510,000. Details of net assets disposed-off and the resulting loss is given below:

Particulars	Rs.	Rs.
Non-current assets		
- Fixed assets	43,342,875	
- Deferred tax assets (net)	623,000	
- Long-term loans and advances	25,191,705	
Current assets		
- Inventories	458,509	
- Trade receivables	1,733,470	
- Cash and cash equivalents	2,468,990	
- Short-term loans and advances	516,928	
- Other current assets	1,756,966	
Total assets (A)		**76,092,443**
Minority Interest	30,653,928	
Non-current liabilities		
- Long-term provisions	672,309	
Current liabilities		
- Trade payables	10,464,387	
- Other current liabilities	486,555	
- Short-term provisions	1,897,911	
Total liabilities (B)		**44,175,090**
Carrying value of net assets disposed-off (A) - (B)		31,917,353
Consideration received on disposal of investments		15,510,000
Losses incurred on disposal of long-term investments (classified under exceptional items)		**16,407,353**

Details of results of HCG TVH, as considered in these consolidated financial statements: (Amount in Rs)

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Revenue from operations	57,097,716	119,185,142
Other income	-	913,090
Total revenue	**57,097,716**	**120,098,232**
Expenses		
(a) Purchases of stock-in-trade	14,722,698	23,341,992
(b) (Increase) / decrease in stock-in-trade	(6,108)	(81,290)
(c) Employee benefits expense	5,066,387	11,072,565
(d) Finance costs	218,020	1,564,750
(e) Depreciation and amortisation expense	6,479,445	12,842,067
(f) Other expenses	25,156,991	49,282,718
Total expenses	**51,637,433**	**98,022,802**
Profit before tax	**5,460,283**	**22,075,430**

Note No. 31 Corporate Restructuring *(contd.)*

Details of results of HCG TVH, as considered in these consolidated financial statements: (Amount in Rs)

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Tax expense:		
(a) Current tax expense	2,947,331	9,303,000
(b) (Less): MAT credit	-	1,877,465
(c) Deferred tax	(1,139,001)	(1,994,000)
Net tax expense	**1,808,330**	**9,186,465**
Profit after tax before share of profit of minority interest	**3,651,953**	**12,888,965**
Less : Share of profit of minority interest	1,789,457	6,315,593
Profit for the year	**1,862,496**	**6,573,372**

(b) **Merger of HealthCare Global Vijay Oncology Private Limited (a subsidiary of the Company) with the Company:**

In the previous year, HealthCare Global Vijay Oncology Private Limited (Transferor Company), has been merged with the Company (Transferee Company) in accordance with the terms of a Scheme of Arrangement (the Scheme) as approved by the Honorable High Court of Judicature at Bangalore with an appointed date of 1 April 2014. The merger was accounted under the pooling of interest method and the assets and liabilities transferred were recorded at their book values.

Pursuant to the Scheme, the Company was required to allot 9 fully paid-up equity shares of Rs. 10/- each for every twenty three fully paid-up equity shares of Rs. 10/- each held by the minority shareholders in the Transferor Company and accordingly, 846,760 equity shares of Rs. 10/- each which were pending to be allotted by the Company as at 31 March 2015 have been allotted to the erstwhile minority shareholders in the Transferor Company during the current year.

Particulars	Rs.
Reduction in carrying value of goodwill pertaining to the merged company	708,402
Reduction in carrying value of minority interest pertaining to the merged company	45,787,624
Trade payable to minority shareholder converted to share capital on 1 April 2014	17,566,610
Face value of shares to be issued to the minority share holders of the Transferor Company	8,467,600
Capital reserve transferred to Deficit in Consolidated Statement of Profit and Loss'	19,045,012

(c) **Additional investments in HCG Regency Oncology Private Limited**

The Company acquired additional stake in HCG Regency Oncology Private Limited on 25-Mar-15, raising its percentage of holding from 41.53% to 50.10%. As a result, HCG Regency Oncology Private Limited, which was earlier an associate of the Company, became a subsidiary of the Company. The details of net assets as on 25-Mar-15, considered for consolidation in these financial statements is given below:

Particulars	Rs.
Fixed assets	
- Tangible assets	59,673,500
- Capital work-in-progress	143,439,796
Long-term loans and advances	50,125,209
Cash and cash equivalents	9,441,636
Total assets	**262,680,141**
Long-term borrowings	150,268,212
Other current liabilities	4,184,372
Total liabilities	**154,452,584**
Carrying value of net assets on the date of additional investments	**108,227,557**
Company's share of equity on the date of additional investments	**54,221,790**
Less: Cost of investments	50,200,000
Capital reserve	**4,021,790**
Capital reserve already recognised as at 1-Apr-14	2,324,945
Balance recognised in the year ended 31-Mar-15	**1,696,845**

Note No. 32 Movement in goodwill on consolidation and minority interest

(a) Goodwill on consolidation

Particulars	Rs.
Opening Balance as at 1-Apr-15	608,880,051
Closing balance as at 31-Mar-16	**608,880,051**

(b) Minority interest

(Amount in Rs)

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Opening balance	252,953,791	180,224,694
Add: Share of profit for the year	42,129,031	38,628,821
Add: Minority Interest in HCG Regency Oncology Private Limited which became a subsidiary	-	54,005,767
Add: Additional investments by minority shareholders	67,786,183	26,873,350
Add: Adjustment on account of change in holding (net)	43,902	(511,593)
Less: Reduction on account of merger of HCG Vijay Oncology Private Limited with the Company	-	(45,787,624)
Less: Reduction in minority interest on account of sale of shares in subsidiary HCG TVH	(30,653,928)	-
Less: Share of depreciation on transition adjustment recorded against Deficit balance in Consolidated Statement of Profit and Loss	-	(479,624)
Closing balance	**332,258,979**	**252,953,791**

Note No. 33 Contingent liabilities and commitments (to the extent not provided for) as at

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Contingent liabilites:		
(a) Income tax matters under appeal	1,085,240	49,466,670
(b) Central excise and Service tax matters under appeal	19,104,194	3,384,566
(c) Claims on VAT which are under appeal	18,684,939	1,987,264
(d) Corporate guarantee given	87,750,000	-
(e) Bonus to employees pursuant to retrospective amendment to the Payment of Bonus Act, 1972	9,977,934	-
Capital commitment:		
(a) Estimated amount of contracts remaining to be executed on capital account (Net of advances and deposits)	1,412,042,962	1,877,803,219

Note No. 34 Details on derivatives instruments and unhedged foreign currency exposures

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Balance in foreign currency as at		Equivalent balance in Rs. as at	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Due towards borrowings and payables on purchases				
Foreign currency - USD	23,255,242	10,312,952	1,542,587,673	645,504,268
Foreign currency - EURO	180,000	-	13,517,190	-
Balance in EEFC accounts				
Foreign currency - USD	370,163	355,281	24,553,956	22,237,327

Note No. 35 Employee benefit plans

Defined contribution plans

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The following amounts are recognised in the Statement of Profit and Loss towards contributions to Provident Fund and Employee State Insurance Scheme:

(Amount in Rs)

Particulars	Year ended 31-Mar-16	Year ended 31-Mar-15
Contribution to Provident Fund	40,894,803	28,154,423
Contribution to Employee State Insurance Scheme	7,225,142	7,167,133

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

(i) Gratuity (included as part of ""Contributions to provident and other funds"" in Note 27 Employee benefits expense)

(ii) Compensated absence: (included as part of ""Salaries and wages"" in Note 27 Employee benefits expense)"

(i) Gratuity: The following table sets out the funded status of the Gratuity and the amount recognised in the financial statements:

(Amount in Rs)

Particulars	Year ended 31-Mar-16	Year ended 31-Mar-15
Components of employer expense		
Current service cost	8,705,563	8,472,086
Interest cost	2,694,201	2,621,541
Expected return on plan assets	(62,017)	(59,474)
Actuarial losses/(gains)	(312,929)	1,132,093
Total expense recognised in the Statement of Profit & Loss	**11,024,818**	**12,166,246**
Actual contribution and benefits payments		
Actual benefit payments	3,865,821	3,572,733
Actual contributions	-	-
Net asset/(liability) recognised in balance sheet		
Present value of defined benefit obligation (DBO)	(48,090,459)	(40,810,564)
Fair value of plan assets	896,118	775,220
Funded status [surplus/(deficit)]	(47,194,341)	(40,035,344)

Note No. 35 Employee benefit plans *(contd.)*

(Amount in Rs)

Particulars	Year ended 31-Mar-16	Year ended 31-Mar-15
Net asset/(liability) recognised in balance sheet	**(47,194,341)**	**(40,035,344)**
Current	(18,241,667)	(17,394,309)
Non-current	(28,952,674)	(22,641,035)
Total asset / (liability) recognised in the balance sheet	**(47,194,341)**	**(40,035,344)**
Change in defined benefit obligations		
Present value of DBO at beginning of period	40,810,564	32,185,259
Current service cost	8,705,563	8,472,086
Interest cost	2,694,201	2,621,541
Actuarial (gains)/ losses	(254,048)	1,104,411
Benefits paid	(3,865,821)	(3,572,733)
Present Value of DBO at the end of period	**48,090,459**	**40,810,564**
Change in fair value of assets		
Plan assets at beginning of period	775,220	743,428
Expected return on plan assets	62,017	59,474
Actuarial gains/ (losses)	58,881	(27,682)
Plan assets at the end of period	**896,118**	**775,220**
Composition of the Plan assests is as follows :		
- Government bonds	439,098	379,858
- PSU bonds	-	-
- Equity mutual bonds	8,961	7,752
- Others	448,059	387,610
Estimated of amount of contribution in the immediate next year	**896,118**	**775,220**
Actuarial assumption		
Discount rate	7.50%	7.80%
Expected return on plan assets	8.00%	8.00%
Salary escalation	5% to 6%	5% to 6%
Attrition rate	12.9%-54.96%	16% to 56%
Retirement age	58 years	58 years
Mortality	India Assured Lives Mortality (2,006-08) Modified Ult	

Actuarial valuation experience adjustment (Amount in Rs)

Particulars	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Defined benefit obligation	(48,090,459)	(32,911,891)	(26,778,338)	(19,726,362)	(10,621,497)
Plan assets	896,118	588,304	588,304	847,230	1,494,615
Surplus / (deficit)	**(47,194,341)**	**(32,323,587)**	**(26,190,034)**	**(18,879,132)**	**(9,126,882)**
Experience adjustment on plan liabilities	-	1,662,954	572,310	(602,421)	(2,012,924)
Experience adjustment on plan assets	58,881	(47,064)	(57,621)	(53,064)	5,622

Note:

The discount rate is based on the prevailing market yields 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.

Note No. 35 Employee benefit plans *(contd.)*

(ii) Compensated absence: Expenses recognised in the Statement of Profit and Loss in respect of compensated absences amounts to Rs. 8,905,715 for year ended 31 March 2016 (Rs. 6,860,967 for the year ended 31 March 2015). This employee benefit is not funded. The actuarial assumptions used in valuation of long-term compensated absences as at the year-end are given below

Compensated absence:	31-Mar-16	31-Mar-15
Actuarial assumption		
Discount rate	7.50%	7.80%
Expected return on plan assets	N/A	NA
Salary escalation	5% to 6%	5.00%
Attrition rate	12.9%-54.96%	16% to 56%
Retirement age	58 years	58 years
Mortality	India Assured Lives Mortality (2006-08) Modified Ult	

Note No. 36 Employee Stock Option Scheme

(a) In the extraordinary general meeting held on 25 August, 2010, the shareholders had approved the issue of 1,800,000 options under the Scheme titled " Employee Stock Option Scheme 2010 (ESOP 2010). The ESOP 2010 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration committee grants the options to the employees deemed eligible. The exercise price of each option shall be at a price not less than the face value per share. The option holders may exercise those options vested based on passage of time commencing from the expiry of 4 years from the date of grant and those vested based on performance immediately after vesting, within the expiry of 10 years from the date of grant.

On 16 June, 2010, the Company granted options under said scheme for eligible personnel. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

In the extraordinary general meeting held on 31 March, 2015, the shareholders approved for accelerated vesting of options outstanding as at 31 March, 2015. Accordingly, all the options outstanding were vested in the hands of option holders as at 31 March, 2015. Further, the remaining options available for grant under ESOP 2010 were transferred to ESOP 2014 scheme.

(b) Pursuant to the shareholders' approval in the extraordinary general meeting held on 28 March, 2014 and 25 August, 2010, the Board of Directors formulated the Scheme titled "Employee Stock Option Scheme 2014"" (ESOP 2014). The ESOP 2014 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration Committee grants the options to the employees deemed eligible. The Exercise Price shall be a price that is not less than the face value per share per option. Options Granted under ESOS 2014 would Vest not less than one year and not more than five years from the date of Grant of such Options. Vesting of Options would be a function of continued employment with the Company (passage of time) and achievement of performance criteria as specified by the Nomination and Remuneration Committee as communicated at the time of grant of options. The option holders may exercise those options vested within a period as specified which may range upto 10 years from the date of grant.

The Company granted 1,250,000 options to a Director of the Company on 1 April, 2014 and 110,100 options on 24 June, 2014 to the eligible employees. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

The grant date fair market value of the options granted through the stock option plan was measured based on Black Scholes method. Expected volatility is estimated by considering historic average share price volatility.

Note No. 36 Employee Stock Option Scheme *(contd.)*

(c) **The detail of fair market value and the exercise price is as given below:**

Particulars	ESOP 2010	ESOP 2014	ESOP 2014
Date of grant	16-Jun-10	01-Apr-14	24-Jun-14
Fair market value of option at grant date (Rs.)	23.10	8.71	73.34
Fair market value of share at grant date (Rs.)	29.18	78.95	78.95
Exercise price (Rs.)	10.00	110.68	10.00

(d) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumption	ESOP 2010	ESOP 2014	ESOP 2014
Grant date	16-Jun-10	01-Apr-14	24-Jun-14
Risk Free Interest Rate	7.67%	8.56%	8.70%
Expected Life	6.50	1.80	6.50
Expected Annual Volatility of Shares	0.00%	33.31%	44.48%
Expected Dividend Yield	0.00%	0.00%	0.00%

(e) **Employee stock options details as on the Balance Sheet date are as follows:**

Particulars	Year ended 31-Mar-16		Year ended 31-Mar-15	
	Options (Numbers)	Weighted average exercise price per option (Rs.)	Options (Numbers)	Weighted average exercise price per option (Rs.)
Option outstanding at the beginning of the year:				
- ESOP 2010	1,069,194	10.00	1,130,300	10.00
- ESOP 2014	1,360,100	102.53	-	-
Granted during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	1,360,100	102.53
Vested during the year:				
- ESOP 2010	-	-	1,069,194	10.00
- ESOP 2014	929,457	105.91	-	-
Exercised during the year:				
- ESOP 2010	1,059,067	10.00	-	-
- ESOP 2014	636,010	108.94	-	-
Lapsed during the year:				
- ESOP 2010	-	-	61,106	10.00
- ESOP 2014	-	-	-	-
Options outstanding at the end of the year:				
- ESOP 2010	10,127	10.00	1,069,194	10.00
- ESOP 2014	724,090	96.90	1,360,100	102.53
Options available for grant:				
- ESOP 2010	-	-	-	-
- ESOP 2014	2,870,706	110.68	2,870,706	110.68

Note No. 37 Expenses and borrowing cost capitalised as fixed assets/capital work in progress during the year ended:

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Employee benefit expenses	53,740,082	9,795,764
Interest expenses	31,069,283	-
Exchange (gain) / loss	37,713,706	17,509,097
Other expenses (net)	53,992,301	24,079,058
Total	**176,515,372**	**51,383,919**

Note No. 38 Segment information

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

Note No. 39 Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Dr. B.S. Ajai Kumar
Relatives of KMP	Ms. Anjali Ajai Kumar (Daughter of Dr. B.S. Ajai Kumar)
Company in which KMP / Relatives of KMP can exercise significant influence	JSS Bharath Charitable Trust
	Bharath Hospital and Institute of Oncology
	Sada Sarada Tumor & Research Institute
	B.C.C.H.I Trust
	HCG Foundation
	Gutti Malnad LLP
	Health Care Process Solutions (India) Private Limited

Details of related party transactions and balances outstanding: (Amount in Rs)

Details of related party transactions during the year:	Year ended 31-Mar-16	Year ended 31-Mar-15
Sale of pharmacy products and consumables		
- Sada Sarada Tumor & Research Institute	46,338,150	52,298,957
Income from Medical services		
- JSS Bharath Charitable Trust	12,244,767	13,432,807
- HCG Foundation	5,094,137	3,153,371
- Sada Sarada Tumor & Research Institute	6,000,000	4,500,000
Rent charges		
- Sada Sharada Tumor & Research Institute	474,000	474,000
Loans and advances given		
- HCG Foundation	-	-
Loans and advances received		
- HCG Foundation	1,465,287	102,660
Security deposit received		
- Sada Sarada Tumor & Research Institute	1,500,000	900,000
Remuneration		
- Dr. B.S. Ajai Kumar	24,300,000	26,300,000
Proceeds from allotment of shares to		
- Dr. B.S. Ajai Kumar	106,618,880	99,999,953

Note No. 39 Related party transactions *(contd.)*

(Amount in Rs)

Details of related party balances outstanding as at:	31-Mar-16	31-Mar-15
Trade receivables		
- JSS Bharath Charitable Trust	4,011,529	5,727,953
- Sada Sarada Tumor & Research Institute	24,197,028	39,496,181
- HCG Foundation	15,786,332	16,012,124
Loans and advances		
- HCG Foundation	1,004,613	2,469,900
Other current assets		
- Sada Sarada Tumor & Research Institute	1,881,566	1,673,069
- B.C.C.H.I Trust	73,456	79,456
Security deposits (refundable) with		
- Gutti Malnad LLP	3,500,000	3,500,000
- Sada Sarada Tumor & Research Institute	1,600,000	3,100,000

Note No. 40 Details of operating leasing arrangements

The Group has taken premises on non-cancellable operating lease. the year of lease ranging from 10 to 15 years. Escalation clauses ranges from 10% to 15% over a period ranging from 3 to 5 years. The details of rent paid and the future minimum lease rentals are as follows:

(Amount in Rs)

Future minimum lease payments as at	31-Mar-16	31-Mar-15
Future minimum lease payments:		
- Upto one year	156,056,483	121,522,623
- More than one year and upto five years	584,255,927	486,979,959
- More than five years	1,101,956,706	801,155,460

(Amount in Rs)

Particulars of transactions during	Year ended 31-Mar-16	Year ended 31-Mar-15
Expenditure on lease payments with respect to above mentioned non-cancellable operating lease arrangements.	138,309,661	111,208,803
Expenditure on lease payments with respect to other operating lease arrangements.	86,185,630	75,169,231
Less: Expenses capitalised	(20,763,593)	(16,819,394)
Expenditure recognised in the Statement of Profit and Loss	**203,731,698**	**169,558,640**

Note No. 41 Details of finance lease arrangement

The Group has acquired certain building, computers and related equipment under finance lease. The details of future minimum lease payment and reconciliation of gross investment in the lease and payment value of minimum lease payments are given below:

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Future minimum lease payments:		
- Upto One year	87,209,141	83,324,396
- More than one year and upto five years	330,310,700	324,766,438
- More than five years	1,863,877,813	1,956,631,218
	2,281,397,654	2,364,722,052
Less: Unamortised finance charges	(1,649,146,204)	(1,715,622,373)
	632,251,450	**649,099,679**
Present value of minimum lease payments payables:		
- Upto One year	18,479,282	16,848,229
- More than one year and upto five years	14,932,876	33,412,159
- More than five years	598,839,292	598,839,291
	632,251,450	**649,099,679**

Note No. 42 Earnings per share

(Amount in Rs)

Particulars	31-Mar-16	31-Mar-15
Basic earnings per share		
Net profit for the year attributable to the equity shareholders	12,205,042	8,339,994
Weighted average number of equity shares	72,870,351	69,947,380
Par value per share	10.00	10.00
Earnings per share - Basic	**0.17**	**0.12**
Diluted earnings per share		
Net profit for the year attributable to the equity shareholders	12,205,042	8,339,994
Weighted average number of equity shares	72,870,351	69,947,380
Add: Effect of ESOPs and share warrants outstanding	714,415	3,354,297
Weighted average number of equity shares for diluted EPS	73,584,766	73,301,677
Par value per share	10.00	10.00
Earnings per share - Diluted	**0.17**	**0.11**

Note No. 43 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Particulars	Net assets (total assets minus total liabilities) as at 31-Mar-16		Share of profit or loss for the year ended 31-Mar-16	
	As % of consolidated net assets	Rs.	As % of consolidated profit or loss	Rs.
1) Parent	92.65%	4,967,379,813	(233.38%)	(28,484,612)
2) Subsidiaries				
a) Indian				
HCG Medi-Surge Hospitals Private Limited	1.89%	101,402,821	427.28%	52,149,152
BACC Healthcare Private Limited	5.46%	292,619,584	386.74%	47,202,296
Malnad Hospital & Institute of Oncology Private Limited	0.12%	6,568,629	0.11%	13,638
HealthCare Global Senthil Multi Specialty Hospital Private Limited	(0.54%)	(29,122,552)	(2.70%)	(329,616)
MIMS HCG Oncology Private Limited	(0.02%)	(1,004,774)	(1.99%)	(243,311)
HCG TVH Medical Imaging Private Limited	0.00%	-	(104.51%)	(12,755,400)
HealthCare Diwan Chand Imaging LLP	0.57%	30,649,336	6.99%	853,631
HCG Pinnacle Oncology Private Limited	(0.07%)	(3,841,888)	(35.35%)	(4,313,947)
APEX HCG Oncology Hospitals LLP	1.60%	85,671,983	0.00%	-
HCG Regency Oncology Private Limited	2.93%	157,133,029	0.00%	-
DKR Healthcare Private Limited	0.29%	15,457,686	99.97%	12,201,251
HCG Oncology LLP	1.32%	70,919,474	(22.46%)	(2,741,172)
b) Foreign				
HCG (Mauritius) Private Limited	0.01%	609,323	(27.07%)	(3,303,817)
HealthCare Global (Uganda) Private Limited	0.02%	1,220,865	(17.56%)	(2,143,550)
HealthCare Global (Kenya) Private Limited	(0.03%)	(1,854,816)	(32.33%)	(3,946,225)
HealthCare Global (Tanzania) Private Limited	0.00%	248,798	1.44%	175,755
3) Minority interest	(6.20%)	(332,258,979)	(345.18%)	(42,129,031)
Total	**100.00%**	**5,361,798,332**	**100.00%**	**12,205,042**

Note No. 44

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Sd/-
Dr. BS Ajaikumar
Chairman and CEO

Sd/-
Gangadhara Ganapati
Director

Sd/-
Krishnan Subramanian
Chief Financial Officer

Sd/-
Sunu Manuel
Company Secretary

Place: Bengaluru
Date: 26 May 2016

Corporate Information

Board of Directors

Dr. B.S.Ajai Kumar – Chairman

Mr. Gangadhara Ganapati

Mr. Rajesh Singhal

Mr. Prakash Parthasarathy

Dr. Jennifer Lee

Dr. Sudhakar Rao

Mr. Shanker Annaswamy

Mr. Suresh C. Senapaty

Dr. Sampath.T.Ramesh

Mrs. Bhushani Kumar

Chief Financial Officer

Mr. Krishnan Subramanian

Company Secretary

Ms. Sunu Manuel

Statutory Auditors

Deloitte Haskins & Sells
Chartered Accountants
Deloitte Centre, Anchorage II
100/2, Richmond Road
Bengaluru 560 025
Karnataka, India

Registrar and Share Transfer Agents

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32
Gacchibowli, Financial District
Nanakramguda, Hyderabad 500 032

Registered Office:

HCG Tower, No. 8, P Kalinga Rao Road,
Sampangi Rama Nagar, Bengaluru 560 027,
Karnataka, India

Corporate Office:

Tower Block, Unity Building Complex,
No. 3, Mission Road, Bengaluru 560 027,
Karnataka, India
E-mail: investors@hcgoncology.com
Website: www.hcgel.com
CIN: U15200KA1998PLC023489

adding life to years

HealthCare Global Enterprises Limited

Registered Office:
HCG Towers, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar,
Bengaluru 560 027, Karnataka, India
CIN: U15200KA1998PLC023489
E-mail: investors@hcgoncology.com Telephone: +91-80-4020 6000
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