

About the Report

The Annual Report of 2020-21 offers detailed information and perspective on HCG's care continuum and the deep impact we strive to create across oncology and overall healthcare in India. **HCG was the pioneer among hospitals to adopt Integrated Reporting Framework in FY19 with a vision to enhance qualitative and governance disclosures thus widening communication and access to the organization for the benefit of our stakeholders.** We continue our integrated reporting journey this year as well and hereby present our 3rd Integrated Annual Report.

This report aims to provide insights of our financial and non-financial goals, highlighting our performance, strategy, culture and leadership focus in the current financial year, with a view to demonstrate our organization's value creation process to our stakeholders. We continue to execute our strategy in line with our business model while being cognizant of the nature, quality and availability of the resources, whether financial, social, environmental technological, intellectual or human, as a responsible corporate member of the ecosystem.

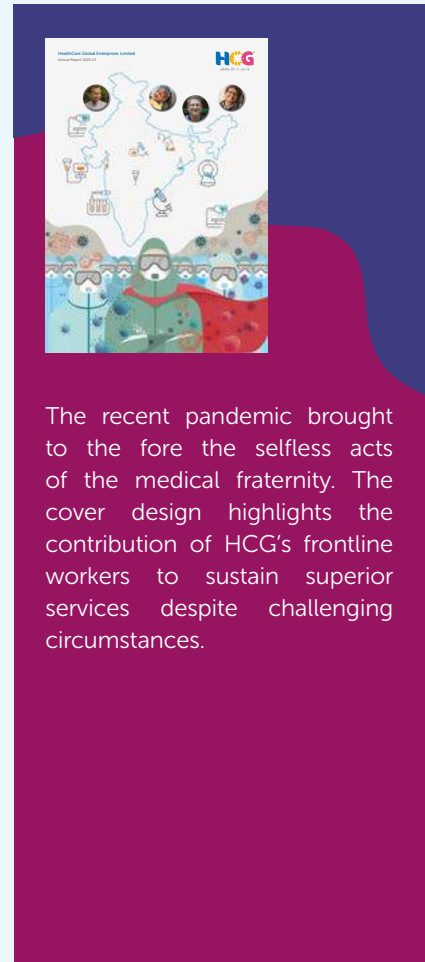
Reporting Scope and Period

The Integrated Report largely focuses on information from business operations of HCG Enterprises Ltd's oncology and consolidated operations, as available and applicable, aptly disclosed through six capitals as defined by International Integrated Reporting Council (IIRC). All the six capitals cover information on comprehensive basis, unless otherwise stated. The Integrated Report considers the primary reporting period as April 01, 2020 to March 31, 2021. However, some of the sections of the report

represent facts and figures of previous years, of our multispeciality and fertility operations, our subsidiaries, as well as our associate companies including HCG Africa and Strand, to provide as much comprehensive overview as possible for consumption of those whose are part of journey of HCG, such as our patients, employees, investors and all other stakeholders.

Reporting Network

The report follows the International Framework as developed by IIRC (www.integratedreporting.org) and



The recent pandemic brought to the fore the selfless acts of the medical fraternity. The cover design highlights the contribution of HCG's frontline workers to sustain superior services despite challenging circumstances.

should be read in conjunction with the financial statements included herein and the notes thereto. The financial and statutory data presented is in accordance with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws.



Financial Capital

Capital available, deployed and returns generated by HCG Enterprises Ltd.



Intellectual Capital and Manufactured Capital

Business model, systems and processes, brands, data, hospital infrastructure and medical equipment.



Human Capital

Our team of professionals including clinical specialists, paramedical, nursing, management and administrative staff.



Relationship Capital

Strategic partnerships, joint ventures, networks and social contributions.



Natural Capital

Our responsibility towards preserving earth's resources.

Assurance

To ensure the integrity of facts and information, the relevant management team has reviewed the Integrated Report and have carried out the independent assurance on sustainability disclosures presented in the report to the Board of Directors. The statutory auditors, KPMG India Limited have provided assurance on the financial statements and the 'Independent Auditor's Report' which have been duly incorporated as a part of this report.

Stakeholder Feedback

We welcome and appreciate any constructive input and feedback from stakeholders with regard to the content of this report.

- ▶ **Email:**
investors@hcgoncology.com
- ▶ **Mail:**
HealthCare Global Enterprises Ltd., #3 Tower Wing, Unity Buildings Complex, Mission Road, Bangalore 560027
- ▶ **Website:**
<https://hcgel.com/>



Visit our website to view this report online

www.hcgel.com

Corporate Overview

002	About HCG
006	Our Business Overview
008	Our contribution in the fight against Covid-19
012	Executive Chairman's Message
014	CEO's Message
016	Our Financial and Operational Metrics
018	Emerging trends and opportunities influencing operations
020	Delivering on our Strategy
022	Our Value Creation Model
024	Stakeholder Engagement
028	Profile of Board of Directors
032	Excellence through quality care
034	Materiality Assessment
036	Financial Capital
040	Manufactured Capital
046	Intellectual Capital
050	Human Capital
056	Relationship Capital
064	Natural Capital

Statutory Reports

067	Directors' Report
104	Corporate Governance Report
130	Management Discussion and Analysis
160	Business Responsibility Report

Financial Statements

169	Standalone Financial Statements
244	Consolidated Financial Statements

About HCG

One of the largest and among the most trusted brands in India with respect to oncology, HealthCare Global Enterprises Limited (HCG) has been adding value and transforming lives of its patients for more than three decades.

Since our inception in 1989, we are making a difference to lives of cancer patients with a focused approach on clinical excellence. We aim to provide the highest quality oncology services in India, ensure financial as well as operational sustainability and long-term value creation.

At HCG, we believe in patient centric care and focus on accessible oncological services, advanced treatments and high-quality care and outcomes. Over the years, we have emerged as a responsible brand, earning the trust of thousands of patients and admiration of the community. Our focus on advanced technology, our ability to deliver exceptional clinical outcomes and

a team of dedicated specialists equip us with capabilities to further the oncology care continuum while emerging as a pioneer and leader in oncology. HCG has made nominal investments in fertility and reproductive medicine services, multi-speciality hospitals with tertiary care and precision diagnostics while being dedicated towards oncology as a singular focus segment.





About HCG



VISION

Adding life to years by redefining healthcare through global innovation.



MISSION

To be an acclaimed healthcare institution in pursuit of medical excellence through value based medicine.



VALUES



Quality:

Enabling patients to achieve better lives.



Integrity:

We are honest, forthright and are responsible corporate citizens.



Collaboration:

Limitless possibilities of collaborative energy and teamwork.



Innovation:

Innovative ways to ensure better medical outcomes.



Leadership:

We strive to be the best at what we do, both as a company and as individuals.

Our brands



Our Comprehensive Care Network

Comprehensive Cancer Centres*

22

Fertility Centres

7

PET-CT scanners

17

Freestanding Diagnostic Centres

2

Operation Theatres

65

Multispeciality hospitals*

4

Capacity Beds

2036

Linear Accelerators#

28



* Bhavnagar multispeciality center also offers comprehensive cancer services and hence is counted in CCC and MS centers both

Cuttack Linac was operational part of the year

Our Business Overview

HCG is one of the largest cancer care providers in the country and constantly remains at the forefront with comprehensive healthcare offerings. We have been recognised as a pioneer and provider of high quality care for the past several decades. We have also made a mark as a reproductive and precision medicine specialist, ensuring excellence and outcomes across our portfolio.



HCG – The Cancer Care Specialist

HCG is one of the largest private cancer care providers in India, offering comprehensive cancer diagnosis and treatment facilities for radiation therapy, medical oncology and surgery. Our team of specialist radiation, medical and surgical oncologists, nuclear medicine experts, radiologists, pathologists and other experts are relentlessly striving to deliver quality care to thousands of patients over the years

Comprehensive cancer care centres

22

Nurses

1810

States of presence

9

Oncologists

~400



Milann – The Reproductive Medicine Specialist

Milann, our reproductive medicine vertical, pioneered IVF services in India and offers comprehensive solution for fertility treatment. Our team of expert fertility specialists and embryologists provide extensive services for assisted reproduction, gynaecological endoscopy and fertility preservation. With years of expertise, our specialists deliver efficient and effective clinical solutions for complex issues and have leadership in Bangalore and growing presence in North India. Our focus on R&D and academics has made Milann renowned as a premier training institute for IVF in India and an active participant in clinical trials.

New couple registrations

3527

IVF Cycles in FY 2020-21

1437

IVF specialists

23

Annual FNB seats (IVF Fellowship programs)

-National Board of Examinations under the Ministry of Health and Family Welfare, Government of India

20

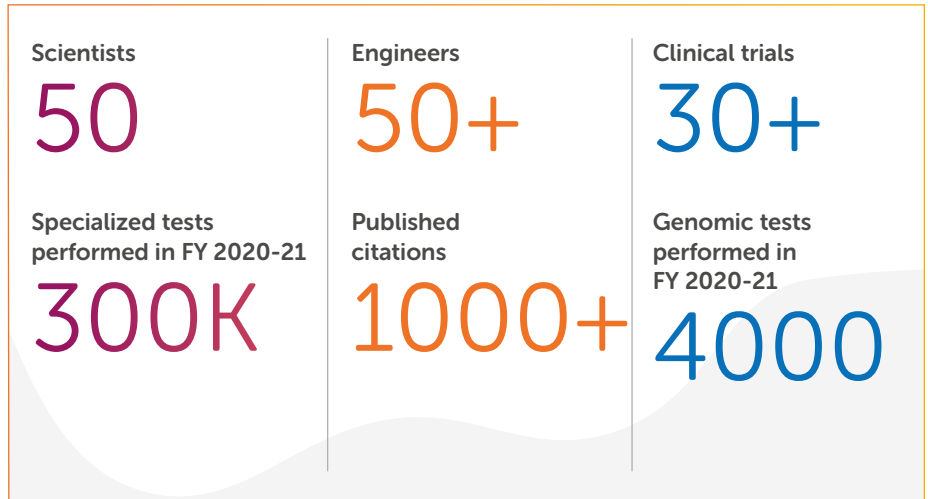
Embryologists

11



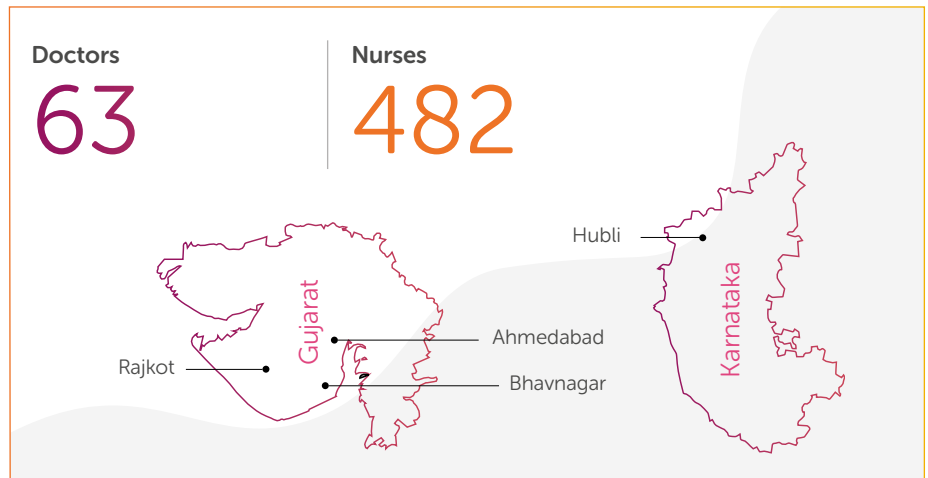
Strands – The Precision Medicine Specialist

Strands is reputed as a Leading Global bioinformatics and Clinical Diagnostics Company. It offers an integrated platform for next generation precision medicine with services encompassing bioinformatics, research and data analytics and solutions as well as specialised clinical and molecular diagnostics, delivered through CAP Accredited reference labs as well as a network of laboratories. Our team comprises of expert Pathologists, Geneticists, Computer Scientists, Life Scientists and researchers from some of the finest establishments around the world.



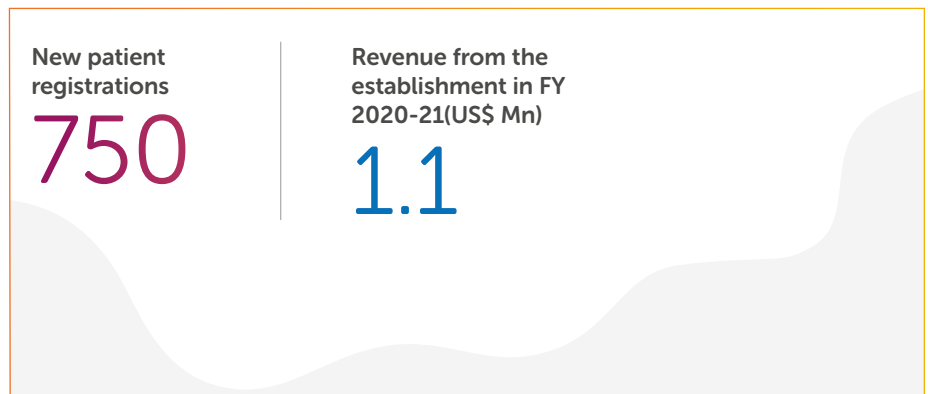
HCG – Multispeciality Hospital

Our multispeciality hospitals are designed to deliver quality care across key healthcare specialties like cardiology, neurology, orthopaedics, gastroenterology, urology, internal medicine and others. We also have state-of-the-art critical care units to cater to complex medical problems. HCG has 4 multispeciality hospitals in Ahmedabad, Bhavnagar, Rajkot and Hubli to provide quality care with convenience.



HCG – Africa

Extending our expertise in cancer care, we entered Africa. Our facility in Nairobi, Kenya, HCG Cancer Care Kenya (CCK) is equipped with advanced offerings to make quality cancer care easily accessible and affordable for patients and it also facilitates continued cancer care for medical tourism patients.

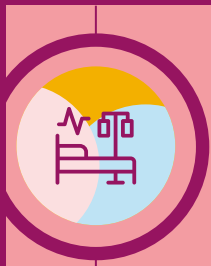


Our contribution in the fight against Covid-19

The Covid-19 crisis has caused massive disruptions to lives and businesses around the world. The world has not experienced a health crisis of this magnitude since the Spanish flu of 1918.

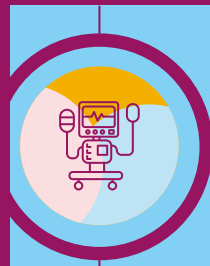
During this challenging period, we worked closely with central and state governments, public institutions, healthcare professionals, and ordinary citizens to fight the dreaded disease that emerged as a threat to human lives.

Initiatives undertaken by us during the challenging times include:



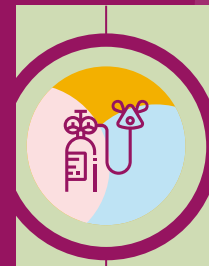
Beds Designated for Covid care

- ▶ HCG designated beds to cater to COVID-19 patients. It allowed critical patients to easily avail treatment.



Arranged extra ventilators

- ▶ HCG collaborated with different government hospitals to provide ventilators to critical patients.



Provided Oxygen to Covid patients

- ▶ The SARS-CoV-2 virus causes pneumonia and hypoxaemia in Covid patients. It reduces the level of oxygen in the blood, causing severe complications. HCG, therefore, sourced and supplied oxygen for Covid patients.



Developed cytokine-mediated anti-COVID therapy

- ▶ The cytokine-mediated therapy involves activation of T-cells from healthy donors using buffy coat. It can be used to develop a cocktail of cytokines, predominantly the TH1 type that are rich in Interferons. Such a cocktail, when administered to a patient infected with SARS-CoV-2, can result in a surge of cytokines in the body of the infected person and it is anticipated to boost the ability to fight the virus. Revamping the altered immune mechanisms due to the viral infection could offer a successful cure and reduce mortality rates. HCG's research team along with iCrest-the immunology wing of HCG and Elsevier's Resource Centre developed this therapy. It is believed to be a powerful treatment method that can save millions of lives.

PHARMABIZ.com
india's most comprehensive pharma portal

Biotech world batten down hatches to combat COVID

Nandita Vijay, Bengaluru, Thursday, October 15, 2020, 08:00 Hrs [IST]

As the world of medicine is now entering a new age of drug development powered by viruses, artificial intelligence and machine learning, bio technology not just in India but globally is doubling down on cutting edge research to fight the corona virus disease (COVID-19). Doctors along with antibiotics are looking at immunosuppressant drugs and vaccines to combat this deadly pandemic.

Biotechnology is expected to give a booster shot with the discovery of vaccines for prevention of the COVID-19. Monoclonal Antibodies (mAb) development was initiated a decade ago has now been used as an immunosuppressant not just in oncology but psoriasis and other difficult to treat diseases. Here companies like Biocori's anti-CD8 IgG1 monoclonal antibody Itolizumab injection for emergency use in India for the treatment of cytokine release syndrome in moderate to severe acute respiratory distress syndrome (ARDS) due to COVID-19. Another drug is the IL-6 inhibitor Tocilizumab by Roche Roche and its subsidiary Genentech that manufacture it and imported by Cipla.

The Centre of Academic Research of Health Care Global Cancer Hospital, Bengaluru has received permission from Drug Controller General of India to conduct the cytokine therapy trial on humans. The therapy is-

Crest protocol (Immuno modulatory Cell de Rivedcytokine ES Therapy) is aimed at treating patients with mild or moderate symptomatic COVID 19 infection.

HCG medical experts noted that the therapy is essentially a mix of chemical messengers that helps accentuate the switch from passive to active immunity. It also enhances the release of Interferons, which plays a crucial role in the early phases of the infection. This is useful in the early phases and symptomatic patients.



Offered counselling service to patient relatives

- ▶ Mental health issues have become prominent after the Covid-19 pandemic. To alleviate the fear and anxiety caused due to the disease, HCG offered counselling services to relatives of affected patients.



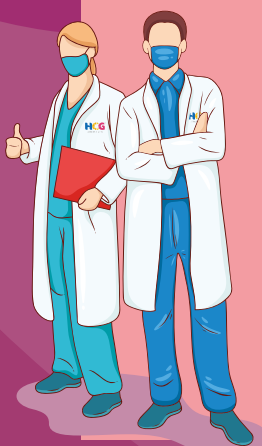
Conducted clinical trials for COVID-19 treatment using Convalescent Plasma Therapy

- ▶ Convalescent plasma therapy is an experimental procedure used on COVID-19 patients. In this treatment, plasma from a COVID-19 patient who has recovered from the disease is transfused into a critical coronavirus patient. Passive antibody therapy, through transfusion of convalescent plasma, may prevent clinical infection or blunt clinical severity in individuals with recent pathogen exposure. The clinical team of HCG began their research and trials during the initial days of the pandemic and is optimistic about its success in fighting the novel coronavirus.

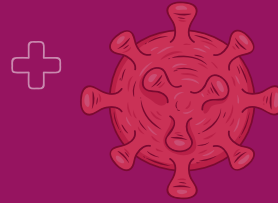


Launched Mission COPE (Covid Plasma Endeavour) and inaugurated first plasma bank at HCG Bengaluru

- ▶ To combat the unabated surge in COVID-19 cases, the Karnataka Government in association with Covid India Campaign and HCG Hospital in Bengaluru announced the launch of Mission COPE (Covid Plasma Endeavour). The campaign aims to promote plasma donation among patients who have recovered from COVID-19.



Our contribution in the fight against Covid-19



HEALTHCARE RADIUS

Technology Projects People Business Clinical Infrastructure Webcast Products & S

By Healthcare Radius
July 22, 2020

PROJECTS

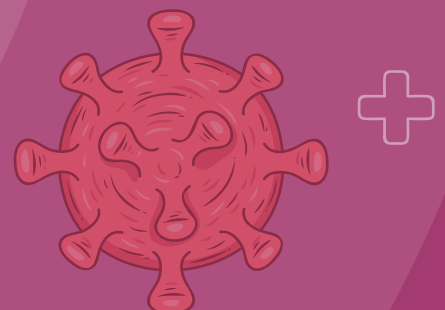
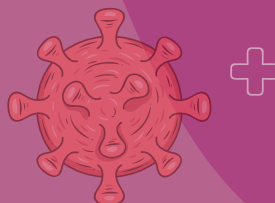
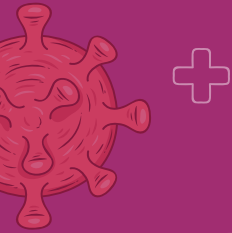
Karnataka inaugurates first plasma bank at HCG Bengaluru

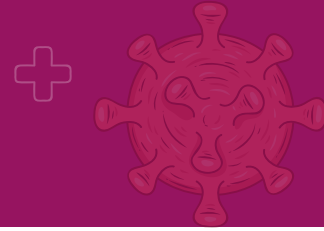
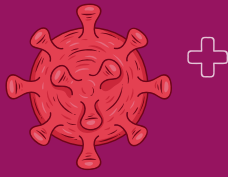
RELATED STORIES
COVID19 plasma donation campaign started at AIIMS, Delhi

Covid Plasma Endeavour, as part of the Covid India Campaign, aims to promote plasma donation among patients who have recovered from COVID-19



To combat the unabated surge in COVID-19 cases, the Karnataka Government in association with Covid India Campaign and HCG Hospital in Bengaluru announced the launch of Mission COPE (Covid Plasma Endeavour). The state's maiden plasma bank was inaugurated at HCG Hospital by the Deputy Chief Minister of Karnataka CN Ashwathnarayan. Tejasvi Surya, Member of Parliament, the Guest of Honour.





ELSEVIER
Elsevier Connect

Home > Elsevier Connect > From cancer to COVID-19: Agile research collaboration leads to promising clinical trial

From cancer to COVID-19: Agile research collaboration leads to promising clinical trial

Research leader in India draws on Elsevier resources and personnel in global push to develop convalescent plasma therapy for coronavirus

By Ian Frazer · May 14, 2020



Dr. Vishal Rao
HCG Cancer Centre


Dr. Vishal Rao of HCG Cancer Centre, Bangalore, talks with YourStory Founder and CEO Shraddha Sharma about how his team is trying to use convalescent plasma to solve the coronavirus pandemic. Watch the video at the end of this.

future medicine
SOLUTIONS • CONSULT • SUPPORT • SERVICES

COVID-19 updates

HCG receives grant for convalescent plasma therapy trial to treat COVID-19

FM | 20-04-2020



Dr. B. S. Ajikumar-promoted HCG cancer hospital has received grant from Directorate General of Healthcare Services (DGHS), Government of India, under the provisions of New Drugs and Clinical Trial Rules, 2019 to begin clinical trial of proposed convalescent plasma therapy. The clinical team of HCG Cancer Hospital comprising Dr. Vishal Rao, associate dean - Centre of

EXPRESS HEALTHCARE

Subscriptions

EXPRESS HEALTHCARE ASIA

- NO.1 BUSINESS NEWS MAGAZINE FOR HEALTHCARE
- NEWS, VIEWS, ANALYSIS AND INTERVIEWS
- MARKET, STRATEGY, KNOWLEDGE, LIFE, INFRA, IT/AT HEALTHCARE

HOME BLOGS INTERVIEWS FEATURES CEOs CORNER DEBATES CASE STUDIES EVENTS VIDEOS

LATEST NEWS RADIOLOGY CARDIAC CARE LAB DIAGNOSTICS CANCER CARE M&A INSURANCE HEALTHCARE IT PUBLIC HEALTH LEA

Home > COVID-19 Updates > How HCG's cytokine-mediated anti-COVID therapy can bring hope

How HCG's cytokine-mediated anti-COVID therapy can bring hope

By Raakhee Kamrath · Apr 20, 2020



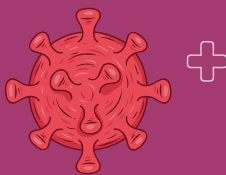
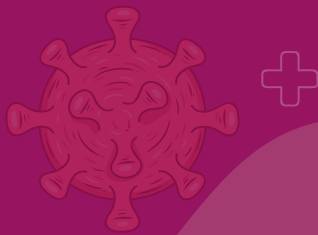
Share [Email] [LinkedIn] [Twitter] [Facebook]

314 0

Read Article

Researchers have already completed the first phase of the exploratory toxicology study in animals and the results seem encouraging

One good outcome from the ongoing COVID-19 crisis is that the Indian scientific communities have all put on their thinking hats and have begun investing in productive research in the field of infectious diseases. One among these many research activities in discussion lately has been the development of anti-COVID cytokine concoction by HCG's research team along with iCrest-the immunology wing of HCG and assisted by Elsevier's Resource Centre.



Executive Chairman's Message

At HCG, we have not only weathered multiple storms during these turbulent times, including internal debt issues and macro-environmental challenges, but also emerged stronger as a visionary leader in the oncology domain.



Dear Shareholders,

It gives me great pleasure to present to you our annual report for the fiscal year 2020-21. Amid the widespread disruption of lives and livelihoods caused by the Covid-19 pandemic, the healthcare ecosystem has shown admirable resilience in its relentless battle against a fast-mutating virus. At HCG, we have not only weathered multiple storms during these turbulent times, including internal debt issues and macro-environmental challenges, but also emerged stronger as a visionary leader in the oncology domain.

HCG has carved a niche as a leading hospital chain providing quality cancer care, ceaselessly and seamlessly employing advanced procedures

and state-of-the-art technologies to deliver exceptional patient outcomes. Despite the pandemic, we maintained the quality and reach of our services, as also continuity of care for our patients.

Cancer is a leading cause of death and a significant impediment to increasing life expectancy around the world even today. According to WHO research reports, cancer is among the foremost causes of death in 112 out of 183 people aged below 70. Based on existing statistics, the National Cancer Registry Programme (NCRP) has estimated that India would see close to 15.7 lakh cancer cases by the year 2025. Although cancer therapy continues to evolve, access to affordable care is yet a formidable challenge in emerging

economies like India. HCG's oncology hospitals uniquely address this gap by offering affordable and quality treatments, ensuring that the patient avails of quality cure and care but is not burdened with excessive medical bills.

Financial Performance

In FY21, we generated net revenues of ₹ 1,01,343 lakhs, compared to ₹ 1,09,564 lakhs in FY20. Revenue from international patients reduced considerably due to restrictions on movement in the wake of the COVID-19 pandemic. HCG's South Mumbai and Nagpur centres are now on the verge of achieving break-even at EBITDA levels, recording 91.9% and

97.7% y-o-y growth respectively. Our overall operating EBITDA* stands at ₹ 1,266 lakhs.

Amid the pandemic-infused uncertainties, we transformed ourselves on all fronts. We restructured our operations and rescheduled capital expenditure that collectively improved our performance and cash flows. Even though our reproductive medicine arm Milann was severely impacted during Covid, given that IVF is an elective procedure, we witnessed strong recovery and momentum around the end of last fiscal and continue to be upbeat on the future prospects and strength of our brand and business. Strand Lifesciences, in which HCG holds a 38.2% stake, achieved sustained profits during the year under review.

A sustainable organisation

Being a patient-centric organisation, we consistently work towards improving the quality of healthcare by investing in advance treatment technologies and expanding our reach to ensure quality care for a maximum number of patients. We have built a sustainable organization that creates consistent value for all stakeholders. During the year under review, we successfully completed a preferential share allotment to CVC Capital, a marquee private equity investor with a proven track record in global healthcare investments. Bearing testimony to the quality, productivity and sustainability of HCG assets and leadership across the oncology domain, CVC now holds approximately 53% stake in our company, also having categorized themselves as 'Promoters'. We have strategically utilised these funds to reduce our long-term debts and improve the strength of our balance sheet. During the year, we also acquired additional stake from the exiting founder in Milann to consolidate our position in a promising healthcare

segment. We also witnessed strong recovery in registrations for IVF cycles at eight reproductive medicine clinics across the country.

Accomplishments amid adversity

The year under review was marked by sterling operational achievements. Our new centres in Kolkata and South Mumbai have achieved a healthy scale and are now in ramp-up mode. We have provided dedicated beds for COVID-19 patients across our hospitals and addressed all possible challenges to serve a growing patient base during these difficult times. Our multispecialty hospital had commenced COVID-19 treatment and would soon host vaccination camps. In a pathbreaking collaboration with Karnataka Government and COVID India campaign, we have launched Karnataka's first-of-its-kind Plasma bank to combat COVID at our Bangalore-based Center of Excellence. The Plasma bank will enable us to improve patient care across various disease segments in the long-term. In what was a major milestone, HCG has emerged as a leading private oncology player in the state of Maharashtra, while majority of other centres are also generating healthy revenues. We intend to further enhance our facilities and strengthen our capacities to deliver sustained value to stakeholders across all HCG verticals.

Our Frontline Heroes

People are the key differentiators of our business model, our principal partners in progress. The versatile, solution-centric, motivated, experienced, and responsive HCG teams consistently worked together to sustain our business growth in a fast-evolving environment. Throughout the pandemic, our teams relentlessly continued our cancer treatments while working round the

clock to attend to Covid-19 infected patients and expediting their recoveries. I would like to take this opportunity to thank our entire workforce for their dedication, commitment, and contribution in the ongoing fight against Covid-19.

Looking ahead

In our endeavour to build a value-accretive company, we are scripting an epoch-making chapter in our corporate journey. I am delighted to welcome Raj Gore as the new CEO at HCG. Given his impeccable track record and proven expertise in healthcare sector, he is the ideal choice for leading our dedicated teams in the highly specialized healthcare business. HCG is undoubtedly at an inflection point, on the back of a strong turnaround witnessed across our new centres and growing brand equity as a quality and preferred healthcare provider. Under Raj's stewardship, we will further strengthen our dominant position in the oncology segment and drive sustainable value creation for our stakeholders.

Going forward, I am confident that our commanding presence, impeccable reputation, and robust balance sheet will help us deliver the best healthcare facilities to patients in India and abroad. I would also like to take this opportunity to express my gratitude to our Board of Directors, Management and above all our patients. Before I conclude my address, I would once again like to appreciate the untiring efforts of our employees. It is their spirited and selfless contribution that continues to shape the HCG of tomorrow in real time as in today, day in and day out!

Regards,

Dr. B. S. Ajai Kumar
Executive Chairman

*Including income from government grant

CEO's Message

As I embark upon my journey here, I remain focused on adding talent, building capabilities, and enabling the team to take the organisation on a continued path of growth and excellence.

Dear Shareholders,

I have the privilege of joining HCG – one of the leading oncology-focused hospital chains in India, at a time when the organisation is undergoing an overall transformation. I am extremely proud as HCG continues to strengthen its credentials as a quality care provider. I am excited and confident to take forward HCG's legacy and augment it further, as the most trusted oncology healthcare brand, with relentless focus on patient outcomes and thus drive stakeholder value creation.

Before delving deeper into our operational details, I wish to recognize all those who have put their own lives at risk to be of service to others and send my heartfelt thoughts to any of you who have been affected by this disease, personally or through a near relation and wish you a speedy recovery. We, at HCG, are constantly working towards the well-being of our patients while ensuring the safety of our employees and their families.

The onset of Covid-19 has led to massive disruption in the healthcare industry. With steady advances in the



vaccination program and increased healthcare spending, governments around the world are keen to fortify the healthcare infrastructure significantly. These reforms continue to motivate us to improve healthcare standards. Furthermore, it helps us focus on our mission of being an acclaimed healthcare provider by taking exceptional care to a larger patient community across the country.

The Covid-19 pandemic has highlighted a critical need for digitization. At HCG, we elevated our digital capabilities and increased our patient outreach. By leveraging digital platforms, we ensured that our patients had availability and access to our doctors to continue their treatment without physical visit. Further, we also implemented DISHA-C (Digital Information Systems & Healthcare Analytics – Clinical), an advanced platform for transitioning to Electronic Medical Record (EMR), with the intent of enhancing HCG's clinical competence and operational efficiency. With rapid adoption of technologically advanced solutions, HCG is successfully mitigating challenges and continues to reach out to patients, thereby staying true to its promise of 'adding years to life'.

The past few years have been challenging for the organisation. While we addressed the immediate challenges, we remained focused on our long-term strategic objectives to consolidate our position as a leading cancer care provider. The team has built a resilient foundation for growth in an uncertain environment. A robust balance sheet and new centres launched across the country will unfold a new chapter of growth in the organisation's distinguished journey. CVC capital validated this claim by their investment that led to reduced net long-term borrowings and improved our balance sheet strength as well as ability to generate sustained cash flows.

I personally believe that when right people come together, and create a shared vision, evolution is inevitable

as they assess ideas, possibilities of growth and transform these into decisive action plans. All HCGians continue to play an important role in providing quality care to our patients. As I embark upon my journey here, I remain focused on adding talent, building capabilities, and enabling the team to take the organisation on a continued path of growth and excellence.

We remain steadfast in our commitment to ensure the holistic well-being of society at large. We are focused on reducing our environmental footprint and building stronger, more deeper relationships with communities. We are taking visible steps to meet the environmental, social, and corporate Governance (ESG) goals within our ecosystem, leading to prudent capital allocation. To meet this criteria, we continue to promote transparency across the organisation and disclose KPIs that build stakeholder's confidence in HCG.

While uncertainties loom large, especially with the possible spread of the third wave of Covid-19 in India, I am optimistic about accomplishing our goals and sustained growth. We, at HCG, remain focused at accelerating growth, improving margins, and generating free cash flow, while maintaining our dominant leadership in oncology, fertility, and precision diagnostics alongside.

While doing all this, I urge all of you to be vigilant with your health, as it is rightly said: 'An ounce of prevention is worth a pound of cure'. Lastly, I would like to thank the Board at HCG for entrusting me with this responsibility and look forward to etching history with milestones of HCG's accomplishments.

Regards,

Raj Gore
CEO

36%

YoY reduction in losses from new centres in FY 2020-21

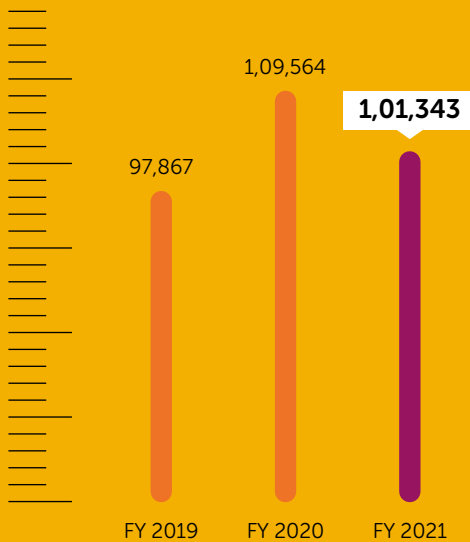
74%

YoY reduction in paper consumption in FY 2020-21

Our Financial and Operational Metrics

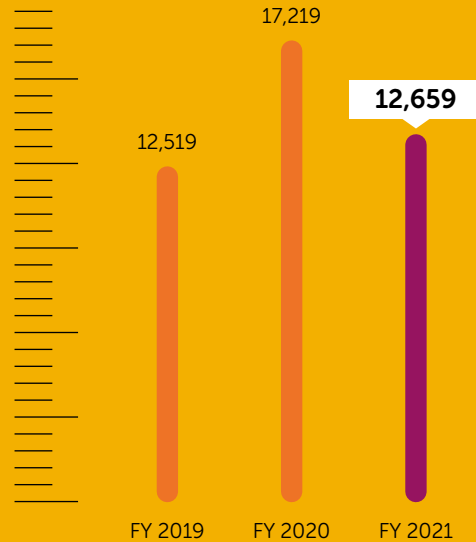
Revenue from Operations*

(INR in lakhs)



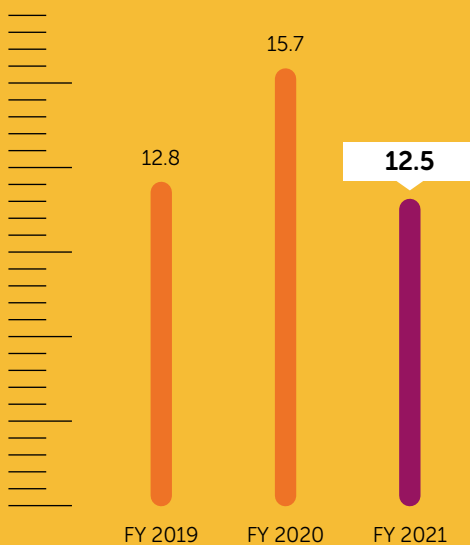
Operating EBITDA*

(INR in lakhs)



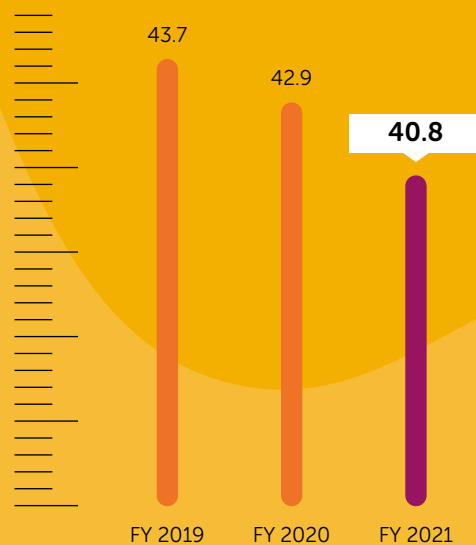
OPERATING EBITDA MARGIN

(in %)



Average Occupancy Rate

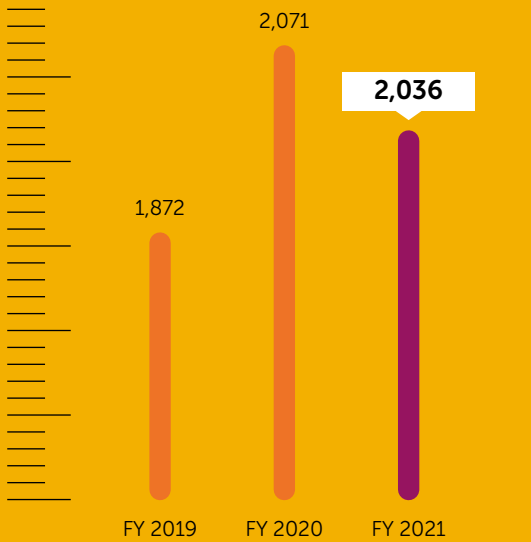
(in %)



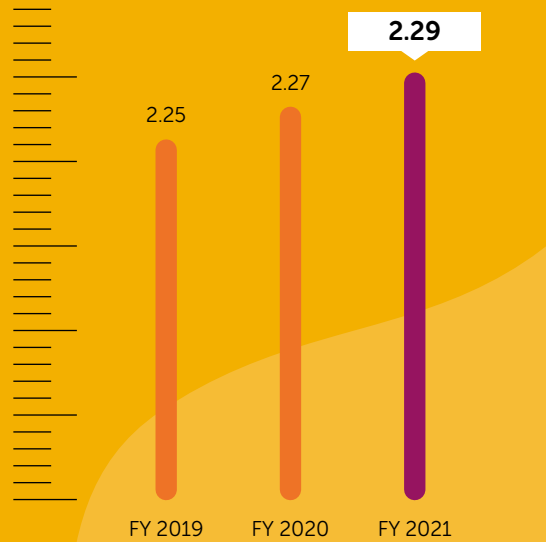
*Including income from government grant

Note: FY 2019 numbers are excluding Ind AS 116 adjustments

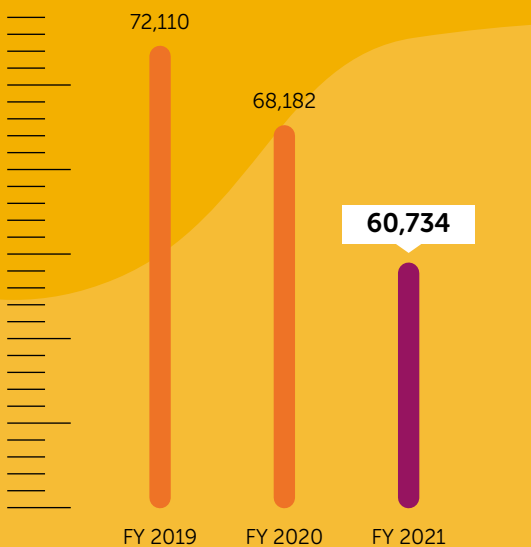
Beds
(in no.)



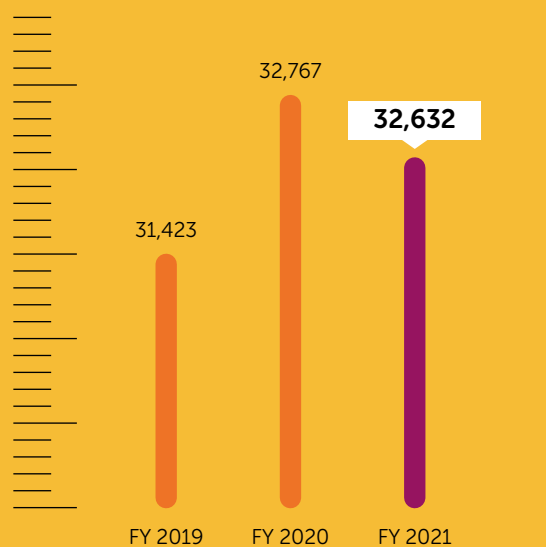
Average Length of Stays (ALOS)
(in days)



New Patient Registration across Cancer Centres



Average Revenue per Occupied Bed (ARPOB) (in INR)



Emerging trends and opportunities influencing operations

Cancer care and treatment is continuously evolving. To keep pace with rapid changes in a dynamic operating environment, we track emerging opportunities and trends that have a major impact on our operations. With a view to deliver superior quality care with convenience, we aim to adapt our services and meet the demands of patient care in India and abroad.

Policy support for affordable healthcare

Trends:

Hospitals are often held responsible for overcharging patients and prescribing unnecessary medicines as means for unfair profit booking. To curb such practices, the government has enforced stringent price controls on cancer drugs, stents and joints. Given the strong policy focus on affordability, an evolving regulatory regime is expected to put a cap on the margins of drugs, consumables and other services like diagnostics, rendering the current revenue and margins redundant. In 2019, trade margins were capped at 30% for 57 cancer drugs.

Relevance to us:

To remain competitive, we continue to lean on favourable terms of procurement for funding expenses on medical equipment and drugs. HCG is, therefore, committed to deliver affordable patient care and treatment by ensuring seamless operations across the value chain. Our transparent conduct and sustainable solutions enable us to offer services that cater to varied patient requirements.

Compliance and regulatory landscape

Trends:

Compliance to environmental, reporting, safety, security, price control norms are essential for healthcare service providers. The price cap on certain drugs reduces the capacity for cross subsidizing treatment for those who cannot afford it. The consumers' growing appetite for activism and questioning the appropriate cost of treatment, even while adhering to government mandates of treating a certain quantum of patients from economically weaker sections at a subsidized cost creates challenges for the hospitals.

Relevance to us:

The global regulatory environment has evolved and we have witnessed considerable increase in regulatory scrutiny as well as stakeholder expectations vis-à-vis compliance. At HCG, we ensure full compliance to not just our business operations and practices but, also foster a deep rooted culture of transparency and accountability to adhere to the highest standards of corporate governance.

Requirement for advanced medical infrastructure

Trends:

The absence of adequate healthcare infrastructure impacted the delivery of patient care during the recent pandemic. It also continued to reduce accessibility to healthcare due to deferral of surgeries and radiotherapies, shortage of staff and inability to reach hospitals due to the lack of proper vehicles for transporting patients. With the pandemic still posing considerable hardships, providing quality care will be a challenge for the sector. Besides, the country is dependent on imports for procuring medical equipment used for cancer diagnostics, medical imaging tools, ultrasonic scans and PCR technologies. To aid diagnostic facilities, only 30% of cancer care centres in India have advanced imaging technologies.

Relevance to us:

With a constant need for providing best quality care, state-of-the-art infrastructure, HCG continues to improve its medical infrastructure and accommodates changes to improve its efficiency and performance. We strive to deliver excellent treatment by providing virtual OPD facilities, advanced technological infrastructure and increasing the number of beds. This not only helps us to enhance the quality of clinical outcomes, it also empowers us to serve patients with utmost care and compassion.



Reimagining healthcare with patient-centric care

Trends:

The COVID-19 pandemic impacted hospitals significantly due to the decline in planned and unplanned procedures. But, occupancy levels in oncology improved after the lockdown restrictions were lifted in phases. It is expected to recover faster in non-metros (Tier 2 and 3 cities), in comparison to metropolitan areas and Tier 1 cities. Many specialty hospitals and healthcare centres are now offering post-operative care at home, to provide advanced facilities for cancer care. The potential for extending public-private partnerships in the field of oncology also continues to grow.

Relevance to us:

Staying at the forefront of oncology care has always remained our focus for the last three decades. The onset of the pandemic impacted HCG in many ways but, the need to deliver patient centric care urged us to adopt certain methods to reinvent our business model and adapt our practices to meet the healthcare demands of patients. Therefore, we introduced a virtual OPD app for online consultations, in partnership with Microsoft teams, to offer seamless access to healthcare and ensure quality care for our patients.

Lifestyle disorders

Trends:

Lifestyle disorders continue to rise at an alarming rate due to unhealthy diets and lack of physical activity. The accelerated pace of urbanization, increasing disposable income and consumption of processed food has largely contributed to growing incidences of obesity, cardiovascular diseases and cancer. This is likely to enhance the demand for specialized healthcare. An ageing population with a growing middle class and greater longevity will also boost the demand for healthcare services in India and increasingly favour the rise of wellness and preventive medicine. Health insurance coverage is also expected to increase significantly on account of rising income levels and growing awareness about its benefits.

Relevance to us:

With rising demand for specialised healthcare, the demand for quality care and affordable services is likely to increase. HCG's team of specialists remain committed to deliver superior quality care and support patients with state-of-the-art infrastructure to aid and assist diagnosis and treatment of various medical conditions. Additionally, we ensure affordable pricing without compromising the quality of care offered through our network of hospitals and clinics.

Patient advocacy

Trends:

Implementing comprehensive screening programs as well as targeting specific disease profiles, that are relevant to an indigenous population and specific communities, enable early detection of diseases like cancers of the breast, cervix and prostate.

Presently, 30%-35% patients in India undergo surgery compared to 60%-65% globally and only 15%-20% of patients in India undertake radiation therapy, as against 40%-50% globally. Radiotherapy infrastructure is highly skewed in government hospitals and encouraging the installation of linear accelerators in private institutes, in PPP mode, will help reduce the gap in overall cancer care.

Relevance to us:

We constantly invest in new-age technologies and data analytics to enable accurate diagnosis and treatment of our patients. Advancements in oncology care has led to the use and development of innovative methods for conducting complex treatment procedures. Our investment in linear accelerators and treatment planning software has enabled us to deliver greater accuracy and effectiveness in cancer treatment.

Delivering on our Strategy

With a commitment to set new benchmarks in oncology care, HCG strives to deliver excellence through affordable, high-quality and patient-centric services. Relying on the domain knowledge and expertise of a team of qualified medical professionals, we aspire to build a sustainable organisation that enables constant value creation for its stakeholders. Our threefold strategy of focus, accelerate and evolve, allows us to responsibly carry forward our legacy of clinical excellence.



Focus

At HCG, we are focused on enhancing our core capabilities to address evolving healthcare challenges and overcome hurdles in a dynamic environment.

Strategic Response

Capacity Building

Our strategic investments are focused on improving the quality of cancer care in the country, with concerted efforts to create a state-of-the-art infrastructure that aids and facilitates treatment and diagnosis.

Progress in FY 2020-21

- ▶ Developing more centres across the country to make quality care accessible to maximum patients
- ▶ Dedicated beds for treating Covid infected patients
- ▶ Started Digital Mammogram in our Nashik facility which offers a highly safe and accurate, low-dose X-ray photograph of the breast.

Sustainable value creation for stakeholders

Ensuring long-term growth for stakeholders through financial risk management.

- ▶ ~513 Mn equity proceeds received in Q2'FY21
- ▶ 55.8% YoY reduction in Net debt
- ▶ 72% YoY reduction in Annual CAPEX

A professional team

Our team comprises of specialist oncologists, expert physicians and trained nurses to sustain the quality of care offered across our network. We rely on technologically advanced procedures and evidence based treatment protocols to secure best outcomes for patients.

Strengthen our leadership team by adding experienced and qualified personnels including Mr. Raj Gore as the CEO of HealthCare Global Enterprises Ltd.





Accelerate

At HCG, we aim to accelerate organic growth through the diversification of our healthcare portfolio and expansion of our network in newer territories. Our consistent endeavours have enabled us to deliver quality care with convenience, making meaningful changes to millions of lives.

Strategic Response

New Niches

We explore potential opportunities for growth by increasing access to our services in small towns, cities and remote areas. It enables us to reach a wider section of the population.

Progress in FY 2020-21

- ▶ Initiated telemedicine and e-ICU to enhance patient access, remote management & quality of care during lockdown
- ▶ Developed a Virtual OPD app to facilitate easily consult their doctors and provide information about their medical history without any hassle
- ▶ Launched first-of-its-kind plasma bank to combat COVID in near term and overall patient care across disease segments over the long-term

Business process improvement

We continuously strive to improve our processes and systems by deploying medical facilities and developing new centres in various parts of the country.

- ▶ We undertook active patient follow up to ensure quality care and proper treatment is accessible
- ▶ 1 centralised and 5 unit based call centres started to address concerns and mitigate issues faced by patients
- ▶ Started second opinion campaign to provide assurance to patients on the treatment provided to them



Evolve

Oncology is a highly diverse field and cancer care is constantly evolving to embrace innovative technology and improved care facilities that offer hope to patients across the world. At HCG, we are concentrating on upgrading our procedures to deliver better results, every time.

Strategic Response

Innovation at the core

We are embedding a culture of innovation across the organisation to keep HCG abreast with changing practices and constantly adapting to emerging domains of healthcare.

Progress in FY 2020-21

Appointed senior oncologist as 'Head - Research & Academics' to drive initiatives across ecosystem internally and provide a platform for innovation as well as collaborations at global level

Futuristic attitude

Our enthusiasm to adopt sophisticated technology presents us an opportunity to improve our capabilities and be prepared for tomorrow.

- ▶ Implemented an advanced platform for transitioning to Electronic Medical Record system - DISHA-C (Digital Information Systems & Healthcare Analytics – Clinical)
- ▶ Automate our hospital laboratories and diagnostic centres by implementing Enterprise Laboratory Information Management System (LIMS)

Our Value Creation Model

Resources



Financial Capital

₹ 7140 Mn

Equity Share Capital

₹ 3461 Mn

Long-term borrowings

₹ 453 Mn

Equipment/CAPEX funded in the form of vendor finance



Manufactured Capital

₹ 354 Mn

CAPEX for FY 2020-21

22

Comprehensive Cancer Care Centres

2036

Cumulative Bed Capacity (including multi-speciality beds)

9

States of presence

28

No. of LINACs (for radiation treatment)

17

No. of PER CTs (for staging and planning)



Intellectual Capital

32

Years of expertise in oncology



Human Capital

5454

Total employees

1810

Nurses

182

Resident Doctors

45

Courses offered



Social & Relationship Capital

13891

Shareholders

9

Centres with long-term collaborations

9

Joint Ventures /business partners



Natural Capital

Energy consumption

Water Consumption

Renewable energy consumption



Our Activities

As one of the leading private cancer care providers in India, we provide end-to-end care to our patients:

- ▶ Diagnosis
- ▶ Medical Oncology
- ▶ Radiation Oncology
- ▶ Surgical Oncology
- ▶ Liver Transplantation
- ▶ Bone-marrow Transplantation
- ▶ Robotic Surgery
- ▶ Second opinion on cancer
- ▶ Preventive Oncology
- ▶ Patient Care
- ▶ Home health services



Output

Financial Capital

₹ 10,134 Mn

Revenue from operations*

₹ 1266 Mn

EBITDA*

₹ 1747 Mn

Pre-corporate EBITDA of existing oncology

₹ 166 Mn

Revenue generated from international patients

0.4x

Net Debt-Equity Ratio

₹ (2,286) Mn

PAT

Manufactured Capital

40.8%

Average occupancy rate (%)

₹ 32632

Average Revenue per Occupied Bed (ARPOB) (INR/day)

Intellectual Capital

11

Centres are NABH Accredited

3

Centres are NABH Certified

30+

Clinical trials conducted across the network

*Including income from government grant

Outcomes

Contribution to UNSDGs

Human Capital

104047 Hours of training and development

28% of women in leadership team / top management

50.7%: 49.3%
Male: Female ratio

Social & Relationship Capital

2
Total no. of sell-side analysts covering

Natural Capital

1593 KVA
Capacity of solar rooftop

Financial Capital

- ▶ Efficient working capital
- ▶ Increased revenue growth
- ▶ Better cash flow management
- ▶ Long-term value creation for shareholders through increased returns
- ▶ Improved ROI

Manufactured Capital

- ▶ Upgraded facilities
- ▶ Improvement of quality and service
- ▶ Constant increase in operational efficiencies
- ▶ Expanded network for better outreach and performance

Intellectual Capital

- ▶ Enhanced performance of centres
- ▶ Improved technological capacities
- ▶ Ensuring an agile and effective business model with optimised outsourcing facilities

Human Capital

- ▶ Mature governance framework, processes and structures
- ▶ Experienced and empowered teams
- ▶ Improved gender diversity ratio
- ▶ Increased collaboration with students for better knowledge and skill sharing
- ▶ Safe, fair and healthy workspace
- ▶ Improved employee engagement

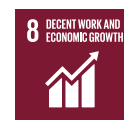
Social & Relationship Capital

- ▶ Established long-term relationships with stakeholders
- ▶ Diversified stakeholder base
- ▶ Engagement with regulators to ensure compliance with laws
- ▶ Enhanced efficiency of primary care and improving the quality of treatment and diagnostic facilities

Natural Capital

- ▶ Implemented several initiatives to reduce adverse effects on the environment
- ▶ Improved water and waste management
- ▶ Enhanced energy efficiency

Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social & Relationship Capital



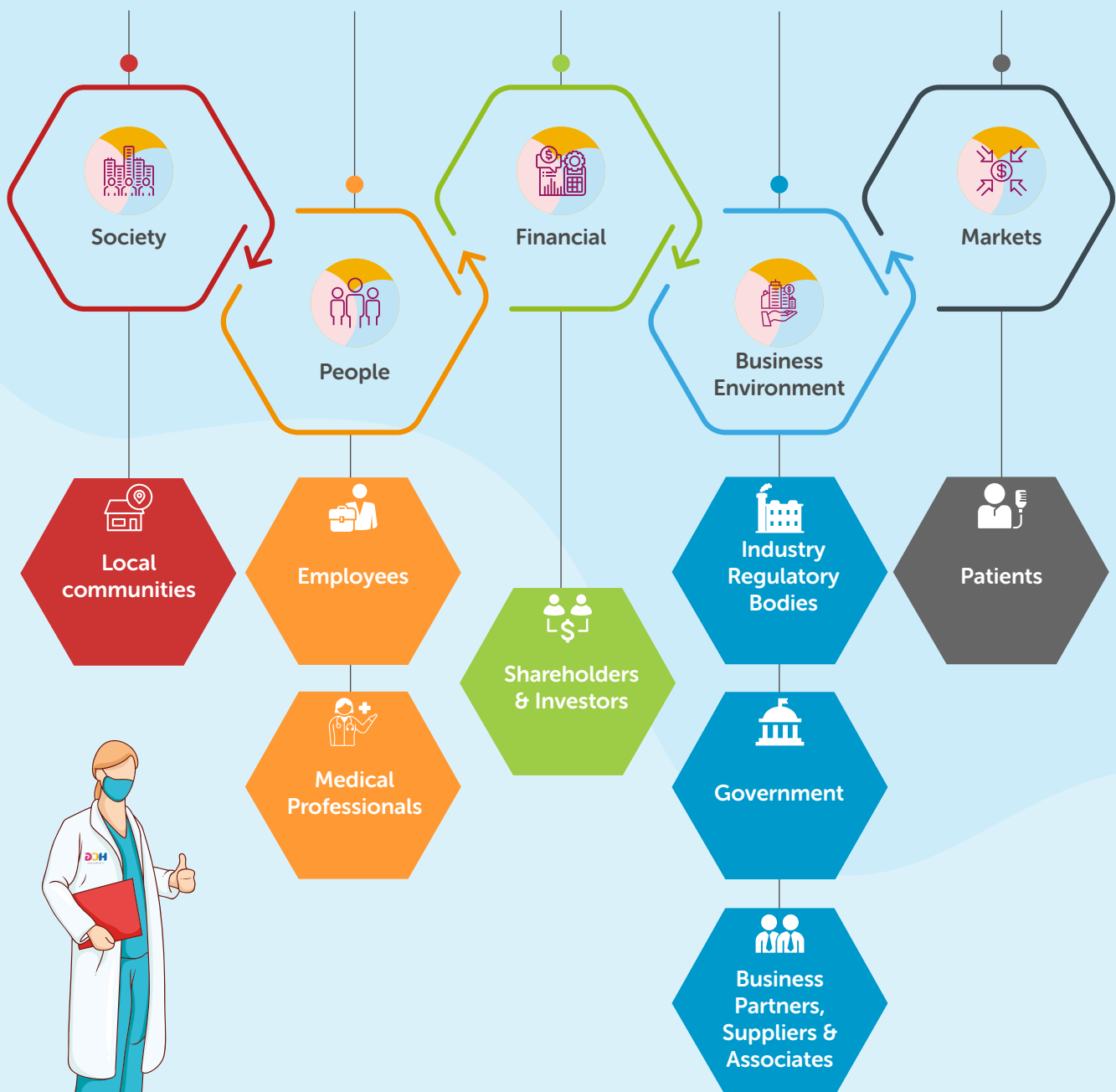
Natural Capital



Stakeholder Engagement

HCG is committed to create a value-accretive healthcare portfolio with a focus on enhancing the value proposition for stakeholders across the organisational vertical. While offering affordable and accessible healthcare, we continually endeavour to improve our relationship with all our stakeholders to lay the foundations for a sustainable business.

KEY STAKEHOLDERS





Patients

Relevance

Patients remain at the core of HCG’s operations and we prioritise their needs with an emphasis on improving quality of life through comprehensive care.

Expectations

- ▶ Delivering quality healthcare and superior services
- ▶ Best possible clinical outcomes
- ▶ Cost-effective service
- ▶ Ensure patient privacy and data protection
- ▶ World class facilities to aid patient care

Methods of Engagement

- ▶ Customer Satisfaction Surveys
- ▶ Seminars
- ▶ Corporate website
- ▶ Social media campaigns
- ▶ Patient care services

Capital Linkage

- Relationship Capital
- Financial Capital
- Intellectual Capital



Shareholders & Investors

Relevance

HCG focuses on creating value for shareholders by ensuring operational and financial growth. The company enables timely servicing and repayment of debts along with a constant return on investment.

Expectations

- ▶ Continued operational growth and financial sustainability
- ▶ Clear and transparent reporting
- ▶ Good Corporate Governance Framework
- ▶ Effective and timely shareholder communication

Methods of Engagement

- ▶ Financial Results
- ▶ Analyst meetings
- ▶ Conference calls
- ▶ Quarterly earnings calls
- ▶ Annual and quarterly reports and presentations
- ▶ Press releases
- ▶ Annual General Meeting (AGM)
- ▶ Extraordinary General Meeting (EGM)
- ▶ Corporate website

Capital Linkage

- Relationship Capital
- Financial Capital



Employees

Relevance

Employees are invaluable assets for the company and is crucial for offering quality care and exceptional treatment. We strive to understand their concerns through effective communication.

Expectations

Positive work culture and a conducive workplace

- ▶ Fair and equitable benefits
- ▶ Training and development programs for employees
- ▶ Recruitment and retention of skilled staff
- ▶ Staff engagement/feedback sessions

Methods of Engagement

- ▶ Employee performance review
- ▶ Town hall meetings
- ▶ Employee Engagement Survey
- ▶ Focus group session
- ▶ Staff wellness and recognition programmes

Capital Linkage

- Human Capital



Stakeholder Engagement



Medical Professionals

Relevance

As an internal stakeholder they influence the lives of patients with quality care and treatment.

Expectations

- ▶ Doctor engagement/feedback sessions
- ▶ Provision for advanced technologies and facilities
- ▶ Revised contracts and agreements

Methods of Engagement

- ▶ Conferences and seminar
- ▶ Regular ongoing visits
- ▶ Advisory board meeting

Capital Linkage

- Relationship Capital
- Intellectual Capital



Industry Regulatory Bodies

Relevance

Various laws and regulations determine the scope and extent of our activities. We maintain open channels of communication with regulatory bodies and comply with applicable rules and regulations to ensure smooth operations.

Expectations

- ▶ Regulatory reforms related to operational aspects of the hospital
- ▶ Employee and patient safety
- ▶ Compliance to applicable rules and regulations

Methods of Engagement

- ▶ Participation in conferences
- ▶ Formal correspondence and meetings

Capital Linkage

- Relationship Capital
- Manufactured Capital



Government

Relevance

The company engages with various government bodies on a regular basis to stay up-to-date with changing norms and policies formulated by the central authority.

Expectations

- ▶ Enforcement of policies to ensure patient safety
- ▶ Exploring opportunities for private-public participation of
- ▶ Address training and skill development issues

Methods of Engagement

- ▶ Return filings and other statutory documents
- ▶ Conduct regular audits (financial and statutory)
- ▶ Timely payment of taxes and levies to government
- ▶ Adherence to environmental laws

Capital Linkage

- Relationship Capital
- Financial Capital
- Natural Capital





Business Partners, Suppliers & Associates

Relevance

As suppliers, business partners and associates offer vital services that are key enablers for HCG's success, we rely on them for delivering the highest quality products and services that abide by internal and external accreditation standards.




Expectations

- ▶ Cost effectiveness
- ▶ Fair and transparent negotiations
- ▶ Improved supply chain
- ▶ Efficiently overcome supply shortages
- ▶ Compliance with applicable regulatory requirements and quality standards

Methods of Engagement

- ▶ Regular Meetings with medical and non-medical suppliers
- ▶ Tender, bidding, quotation and contract negotiation
- ▶ Trainings and collaborations in events
- ▶ Formal sessions to update product knowledge
- ▶ Business partner surveys

Capital Linkage

-  Relationship Capital
-  Financial Capital
-  Manufactured Capital



Local Communities

Relevance

HCG is committed to maintain sustainable and long-term engagement with local communities.


Expectations

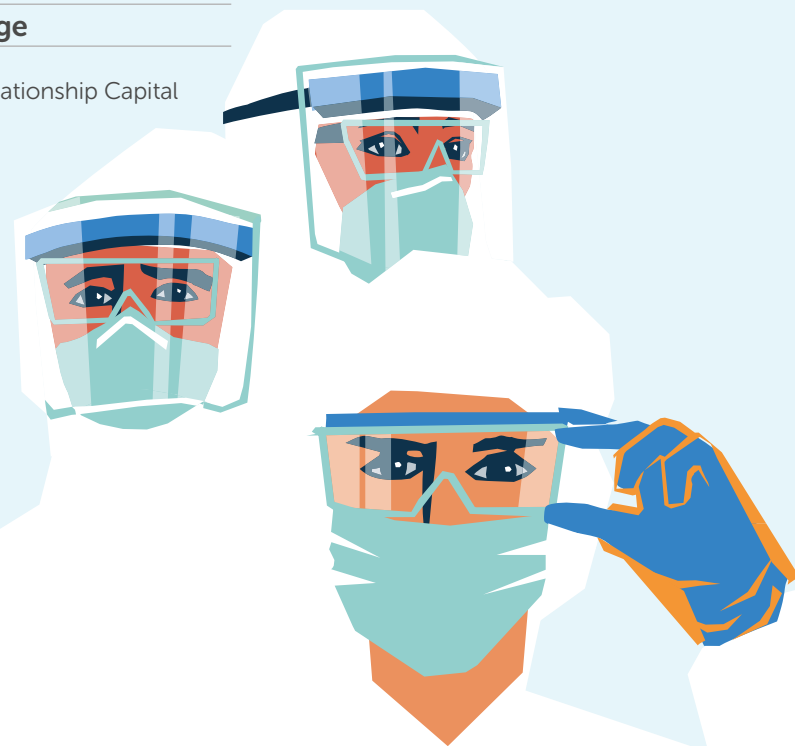
- ▶ Improving accessibility to healthcare services
- ▶ Funding community projects
- ▶ Development of communities to ensure social welfare, health and safety
- ▶ Providing opportunities for the next generation of healthcare professionals

Methods of Engagement

- ▶ Health awareness initiatives
- ▶ Sponsorships and donations
- ▶ Partnership for CSR programmes

Capital Linkage

-  Social & Relationship Capital



Profile of Board of Directors



Dr B. S. Ajaikumar

Dr B. S. Ajaikumar is the Executive Chairman of HCG. Dr B. S. Ajaikumar founded HCG to realize his vision of making advanced cancer care accessible to all. He has been the driving force behind HCG's growth since its inception. He has served as Chairman & CEO from July 2006 to January 2021. From February 2021, he continues to be on the Board as Executive Chairman of the Company.

Dr B. S. Ajaikumar's contribution to the field of cancer care in India as well as his successes as a first-generation physician entrepreneur has been widely recognized. He has been awarded the Ernst and Young Entrepreneur of the Year Award, the CII Regional Emerging Entrepreneurs Award, and the BC Roy Award by the Indian Science Monitor. He is also a recipient of the Karnataka Rajyotsava Award. Dr B. S. Ajaikumar has been a practicing oncologist in the US and India for over three decades. He completed his residency training in Radiotherapy from the MD Anderson Hospital and Tumor Institute of the University of Texas, and his residency training in Oncology from the University of Virginia Hospital, Charlottesville. He received his MBBS from the St. Johns Medical College, Bangalore.



Shanker Annaswamy

Shanker Annaswamy is a non-executive, independent director of HCG. He has been a director since February 2015. In the past he has been the managing director of IBM India Private Limited, and the regional general manager of IBM in South Asia. He has also been the president and CEO 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 co-chaired the Confederation of Indian Industry's National Innovation Mission in 2007. In 2011, Mr. Annaswamy received a leadership award at the Forbes India Leadership Awards. In 2009, Business Week magazine listed him as one of India's 50 most powerful people. He holds a diploma in Business Management Education from the All India Management Association, New Delhi and a B.E in Electronics and Communication Engineering from Madras University.



Sudhakar Rao

Sudhakar Rao is a non-executive, independent director of HCG. He is a retired Indian Administrative Service Officer and 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, BSE Limited etc. He has been awarded the Kannada Rajyotsava Award by the Government of Karnataka. He is an M.A from Delhi University and has a Master's degree in Public Administration from the Kennedy School of Government, Harvard University.



Abhay Havaladar

Abhay Prabhakar Havaladar holds a Bachelor's degree in Electrical Engineering from the Mumbai University and a Master's degree in management from the London Business School. Previously, he was associated with General Atlantic, a global growth equity firm as an Advisory Director. He was instrumental in establishing General Atlantic's India Office. He possesses a rich experience of investing in the Indian markets, including as a venture capitalist and growth investor.



Siddharth Patel

Siddharth is a Partner at CVC and joined in 2010. Siddharth was based in the London office for seven years in the global TMT team and, as of 2017, is based in Singapore where his responsibilities include CVC India office. Prior to joining CVC, he was with Apax Partners where he spent nine years in the technology and telecommunications team leading or co-leading transactions across the sector. Prior to Apax, he worked at Monitor Company. Siddharth's previous investment experience in healthcare includes TriZetto, a leading provider of healthcare software and services. Siddharth holds First Class MA and BA Degrees from the University of Oxford.



Amit Soni

Amit is a Senior Managing Director of the CVC India team. Prior to joining CVC, he was a principal at General Atlantic where he spent nine years and led the firm's India investment strategy for internet, business services, software and financial technology. Prior to that Amit worked at 3i, Bill & Melinda Gates Foundation and McKinsey & Co. Amit's previous investment in healthcare includes Citius Tech, a leading healthcare IT services provider and MedExpress, leading chain of urgent care centres. Amit holds an MBA from Wharton and a Bachelor of Technology in Electrical Engineering from IIT Delhi.



Dr. Amit Varma*

Dr. Amit Varma is a Non-Executive Director of our Company. He has over 25 years of private equity, strategic & operational leadership and board level experience in healthcare organizations across USA, Asia and Australia. He is the co-founder and Managing Partner of Quadria Capital, one of Asia's largest healthcare private equity firms, with assets under management exceeding USD 1.5 billion and focused on investing in the healthcare sector across South and Southeast Asia. Dr. Varma is also the sponsor of Healthquad, a healthcare focused Venture Capital firm investing in technology backed companies in India, and spearheaded India Build Out Fund, a USD 100 Mn Healthcare and Education focused domestic Private Equity Fund. He has co-led the deployment of RHC Principal, a USD 700 Mn principal pool of capital across various healthcare sub sectors in Asia. He is a renowned Critical Care Medicine Physician and continues to practice as a critical care physician on a part-time basis. Previously, he was associated with Fortis Healthcare, Narayan Hrudayalaya and Manipal Heart Foundation. He has also served as an adjunct professor at the University of Pittsburgh and the Cleveland Clinic. He has completed his M.B.B.S., M.D. from the University of Delhi, India, and superspecialty medicine training from the University of New York and University of Pittsburgh, USA. He had attended MBA courses at the University of Chicago, USA

* Dr Amit Varma has resigned as a director of the company with effect from April 01, 2021.

Profile of Board of Directors



Bhushani Kumar*

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, Bengaluru.

* Mrs Bhushani Kumar has completed her second term as an Independent Director of the Company on May 28, 2021. She has ceased to be a director on May 29, 2021.



Anjali Ajaikumar Rossi

Anjali Ajaikumar has been appointed as the Executive Director - Strategy with effect from April 01, 2021. She is a seasoned professional and social entrepreneur with more than 12 years of experience in the healthcare sector with a focus on transforming healthcare system through technological advancements. As the Vice President of Quality and Strategy for HealthCare Global Enterprises Limited (HCG), she has headed quality implementation and strategic growth planning for the network of twenty HCG hospitals nationwide. In this capacity, she has managed the departments of Operational Excellence, Home Health, Nursing and Quality.

Anjali Ajaikumar has built talented teams and actively empowered her staff to pursue continuous advancements in quality of care, organizational efficiency, employee engagement and patient satisfaction. She has been a firm proponent of strategically adopting new technologies that further the mission of delivering superior care and expanding the organization's capacity to take advantage of the healthcare opportunities of tomorrow.

Anjali Ajaikumar is actively involved in non-profit initiatives of the HCG Foundation, which creates cancer awareness and raises funds for cancer patients who are financially challenged. She is also involved in the International Human Development & Upliftment Academy, a US/Indian NGO dedicated to fostering rural education, empowering women and creating environmental awareness. She is a member of the Board of Trustees of Bharath Hospital, located in Mysore.

Anjali Ajaikumar holds an MBA from Babson College, where she earned a degree concentration in Entrepreneurship. She has been associated in the past with Clarkston Consulting as project leader and has also served as a consultant for the Global Tracheostomy Collaborative, an international NGO.



Geeta Mathur

Geeta Mathur has been appointed as an Independent Director of the Company on June 17, 2021.

Geeta Mathur is an experienced finance professional having worked as a banker both on the asset side and risk side and with large corporate treasuries and investor relations.

She started her career with ICICI, where she worked for over 10 years in the field of project, corporate and structured finance as well represented ICICI on the board of reputed companies such as Eicher Motors, Siel Limited etc. She then worked in various capacities in large organizations such as IBM and Emaar MGF across areas of Corporate Finance, Treasury, Risk Management and Investor relations.

She transitioned to the development sector and worked as CFO of Helpage India, one of the largest and oldest national level NPO in India working for the cause of the elderly. She brought about systemic changes in the financial management systems including transition to Oracle ERP and won several awards for presentation and transparency in presentation of Accounts during her tenure.

She currently serves as an independent director in various large organizations across manufacturing and services such as Info edge (India) Limited, Motherson Sumi Ltd, NIIT Limited, IIFL Group. She serves as a member /chairperson of Audit/ Nomination and Remuneration and Risk management committee. Exposure to multiple industries disciplines helps her cross pollinate ideas and contribute effectively as a Board member.

She co-chairs the India chapter of Women Corporate Directors Foundation, a global membership organization and community of women corporate directors with a mission is to foster a powerful, trusted community of influential women corporate directors.



Raj Raghavan

Raj Raghavan has been appointed as an Independent Director of the Company on August 12, 2021.

Raj is the Senior Vice President & Head of Human Resources at IndiGo, India's largest airline by market share. A key member of IndiGo's Executive Committee, he has responsibility for all aspects of Human Resources including ifly (IndiGo's Learning Academy), CSR and Administration functions.

Prior to this he was Amazon's Head of Human Resources (Asia Pacific & Middle East) for their International Consumer Business and Global Technology Development Centers in the region. Earlier, Raj was Head of HR for GE's Global Research and India Technology Centers. Starting his HR career in the late 80's, Raj has held several senior HR leadership positions across geographies in Hindustan Unilever, Ford Motor Company and HSBC.

Raj earned his Master's in Personnel Management & Industrial Relations at Madras School of Social Work, India and is a Global Fellow of The Wharton School in Talent Management.

Excellence through quality care



1

Redefining cancer diagnostics with the first Digital PET CT scanner in Karnataka

2

First cancer hospital to receive permission for clinical trials to evaluate safety and efficiency of Convalescent Plasma therapy in the treatment of COVID19 patients

3

First successful 'Micro-Vascular Free Flap' surgery performed at HCG Cancer Centre, Kalburgi



4

In association with Karnataka Government and Covid India Campaign, launched Mission COPE and inaugurated first plasma bank

5

Launched 'Journal of Precision Oncology' a peer reviewed Journal on the occasion of National Cancer Awareness Day

6

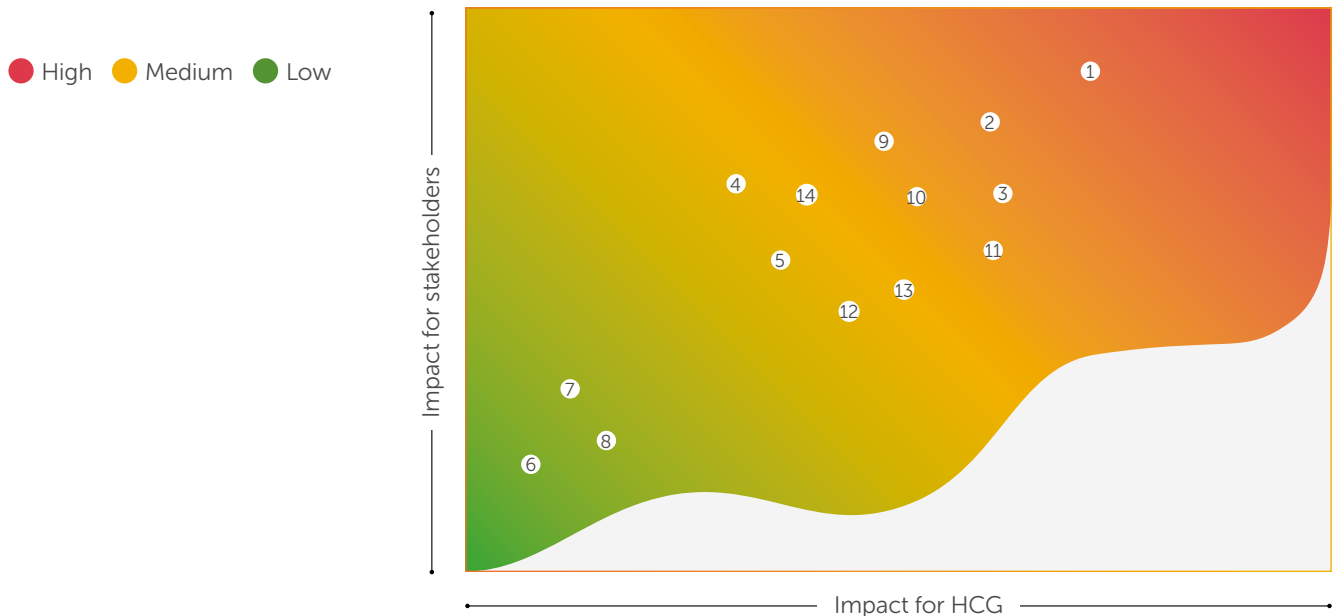
First hospital to successfully perform an unique Minimally Invasive Direct Coronary Artery Bypass surgery

7

Introduced 'C-Test/ Swivel biopsy test' to diagnose oral cancer in North Karnataka

Materiality Assessment

Materiality assessment plays a significant role in promoting sustainable management practices. Thereby, HCG considers a range of internal and external factors that may have an impact on the company’s value creation process. The external operating environment, key strategies, stakeholder expectations and major risks are evaluated, reviewed and assessed periodically to mitigate any threats to the company’s operations.



► Identification of material issues through an in-depth analysis

► Prioritise issues

► Review, assess and record the impact

Stakeholders	Tasks
Patients	1. Improving patient care and cure 2. Use modern technologies and processes 3. Ensuring availability of services
Government	4. Strengthen corporate governance, compliance and risk management 5. Anti-fraud and whistle blower policy

Stakeholders	Tasks
Employees	6. Promote gender diversity and employee engagement 7. Provide career growth opportunities 8. Ensure safety and health 9. Make continuous learning a prerogative
Suppliers	10. Sustainable supply chain 11. Ensure consistent quality of all materials
Shareholders	11. Sustained financial returns
Society	12. Ensure sustainable community development 13. Resource optimisation and waste recycle

Integrated Strategy for Value Creation



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Relationship Capital



Natural Capital

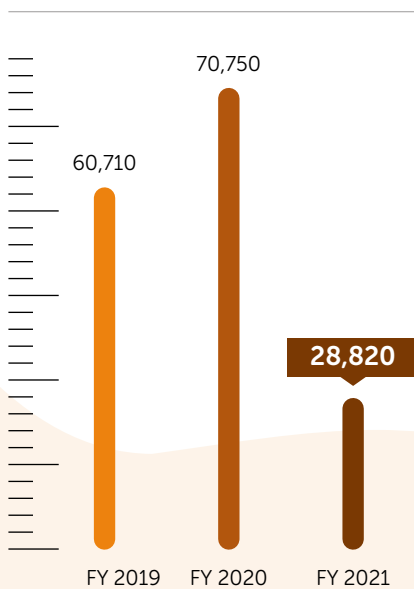
Financial Capital

The strength of our financial capital determines our ability to maintain healthy margins and deliver stable returns for our stakeholders. It is the financial prudence of our organisation that enables us to invest in sophisticated healthcare facilities and consistently upgrade our capacities to sustain the highest standards of clinical care.

Key Financial Inputs

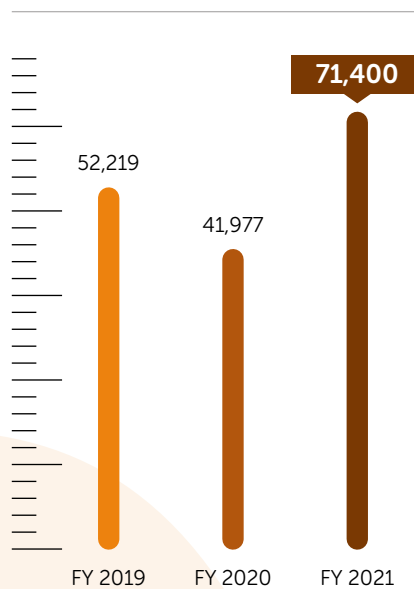
Net Debt

(₹ in lakhs)



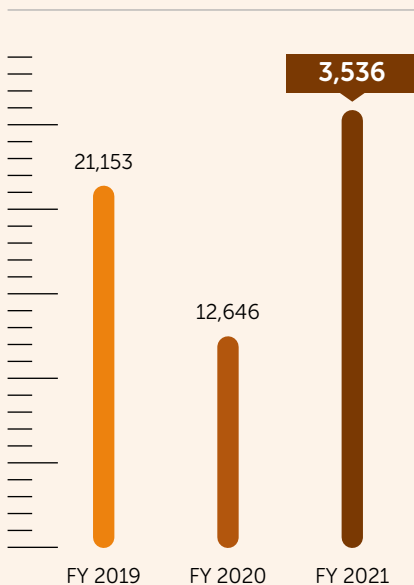
Equity Share Capital*

(₹ in lakhs)



CAPEX

(₹ in lakhs)



72%

YoY reduction

*excluding Capital leases

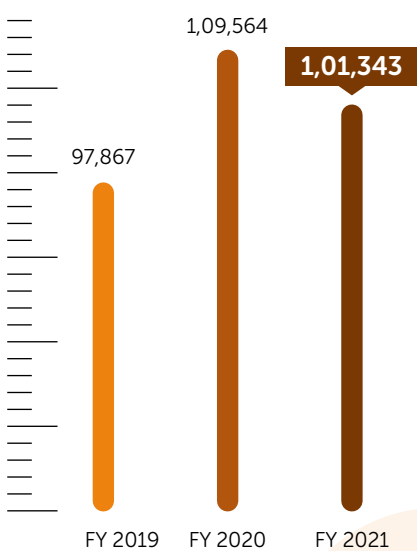
Activities and Processes

- ▶ Funding the development of new centres to expand our healthcare network
- ▶ Expansion of existing centres to cater to increased market demand
- ▶ Deploying funds for procuring new equipment
- ▶ Providing adequate resource for research and development (R&D) facilities
- ▶ Cost optimisation to reduce maintenance costs
- ▶ Appropriate management of debt and equity
- ▶ Effective and efficient liquidity management to ensure a strong balance sheet

Outcome Achieved

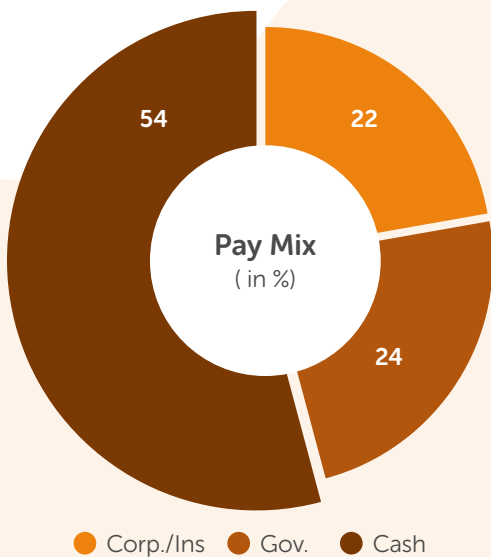
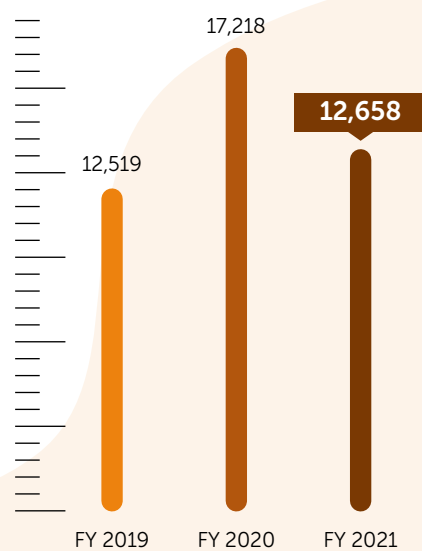
Revenue from Operations*

(₹ in lakhs)



Operating EBITDA*

(₹ in lakhs)



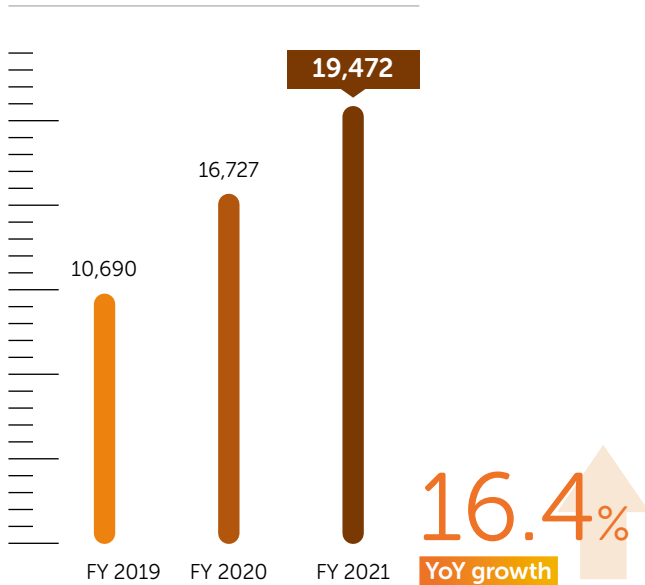
*Including income from government grant



Financial Capital

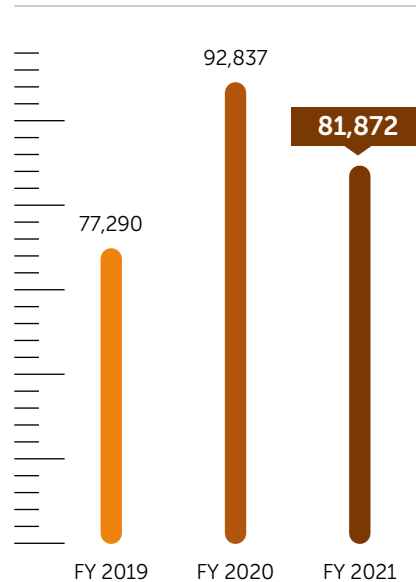
Revenue Mix (₹ in lakhs)

New Centres



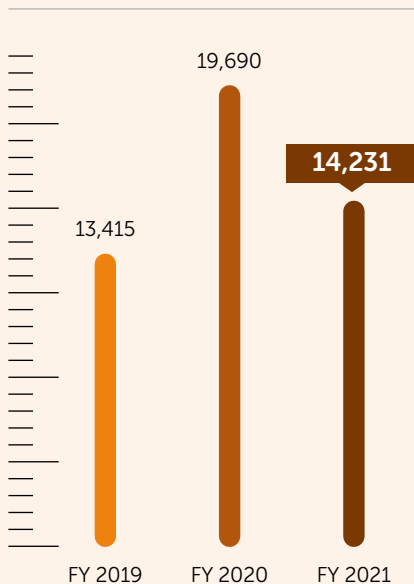
Revenue Mix (₹ in lakhs)

Existing Centres

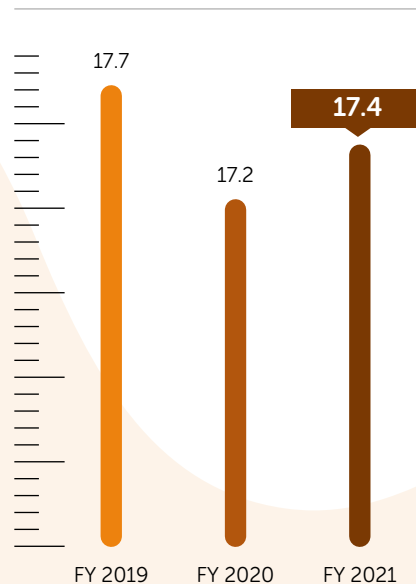


EBITDA from existing centres

(₹ in lakhs)



EBITDA Margin from existing centres (in %)



Influencing excellence through concerted effort

Our dedicated focus on offering quality care has allowed us to relentlessly scale up our capacities and expand the network of hospitals across the country. We have also invested in medical equipment and advanced technology to improve the quality of care and enhance our diagnostic standards. With our proven expertise in the domains of oncology, precision diagnostics and fertility, we aspire to create sustainable value for stakeholders across the vertical.

Strategic improvements

We are strategically formulating strategies to grow and sustain. Relying on our patient-centric business model and operational excellence, we are successfully expanding our foray in domestic and international markets. It not only helps us to improve revenue, but also creates the foundation for strategic partnerships that allow us to improve profitability through cost optimisation and lean operating procedures. We are also adopting economies of scale that enable us to derive new synergies for healthcare.

Sustaining Financial Prudence

We are confident about overcoming challenges with our resilient and sustainable business model, as we continue to seize opportunities to expand our care continuum further. In FY2021, we look forward to accomplishing the following objectives:

- ▶ Healthy revenue growth from domestic as well as international operations
- ▶ Deliver a strong EBITDA and PAT margin
- ▶ Robust cash flow generation to successfully maintain operating and capital expenditures
- ▶ Consistent growth in EPS to deliver better returns to shareholders
- ▶ Enhancing our ability to manage debt, costs and servicing
- ▶ Ensuring healthy capital returns in the form of ROCE and ROE



Manufactured Capital

At HCG, patient-centric care lies at the core of its existence. The company continues to leverage its inclusive healthcare processes, advanced diagnostic facilities and state-of-the-art equipment to improve the quality of cancer care while maintaining affordability across the domain. Delivering efficient services through its vast network of hospitals and clinics, it is committed to offer excellence in healthcare.

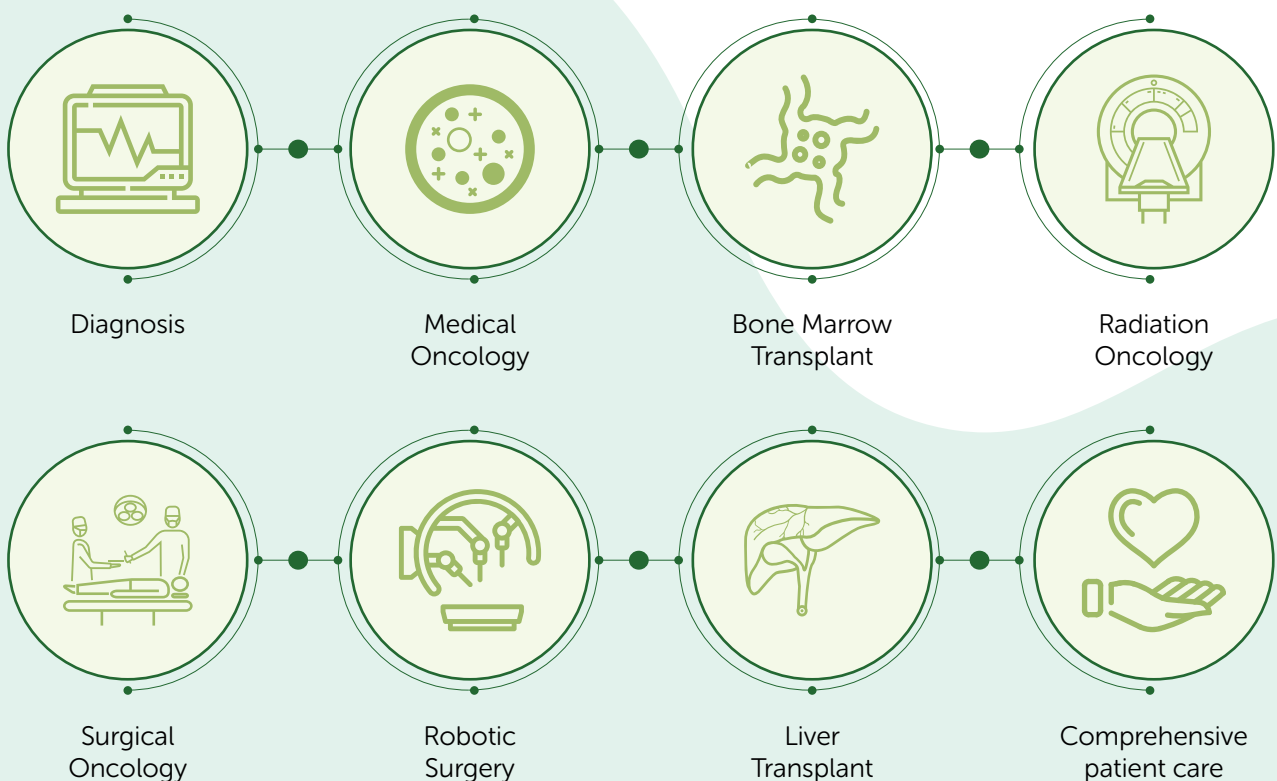
Our capabilities

Over the years, HCG has earned the trust of patients as a reliable cancer care provider. We have emerged as a one-stop solution for cancer treatment, diagnosis, surgeries and radiation therapy. We leverage our state-of-the-art infrastructure to develop comprehensive treatment packages under the supervision of expert oncologists. To consistently upgrade our services, we have introduced several first-of-its kind technology and treatment methods that add a new dimension to cancer care and therapy.

A comprehensive plan to combat cancer



Our services



Strategies to enhance our capabilities and processes

To continuously adapt to an evolving healthcare ecosystem, we are constantly upgrading our systems, introducing new and advanced medical equipment and sharpening our focus to deliver better diagnostic facilities. Here's a blueprint of our strategies to ensure operational excellence.



Delivering comprehensive care with innovative processes

Technology today plays a key role in enhancing efficiency and helps us to stay abreast with contemporary manufacturing practices. We regularly invest in latest technologies, upgrade processes and procure state-of-the-art equipment to conduct complex procedures. We remain vigilant about changing industry practices and adopt innovative technology to deliver comprehensive cancer care to our patients. Our persistent efforts to introduce automated and advanced procedures for oncology care enables us to sustain our position as a leading healthcare service provider.



Manufactured Capital

Cutting edge technology used across the HCG network:



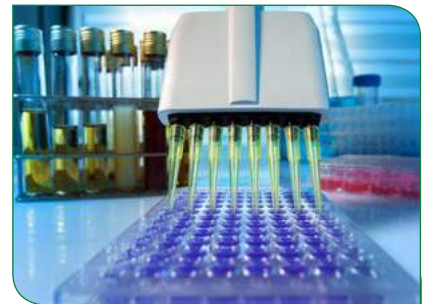
Diagnostics
Total Pet CTs: 17 Nos.



Digital pet ct: 1 Nos.



Digital pathology:
Across Network



Molecular / Genomics Lab: 2
Nos. (@ Associate Co.)



Radiotherapy
Total Linacs: 28 Nos.



Cyberknife: 2 Nos.



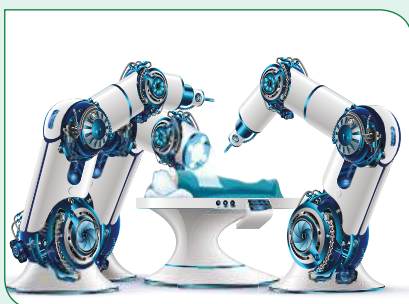
Versahd: 4 Nos.



Tomo therapy: 2 Nos.



Medical / Surgical Oncology
Total Robots: 3 Nos.



Davinci Robot: 2 Nos.



Versius Robot: 1 Nos.



Bone Marrow Transplant Units:
7 Nos.

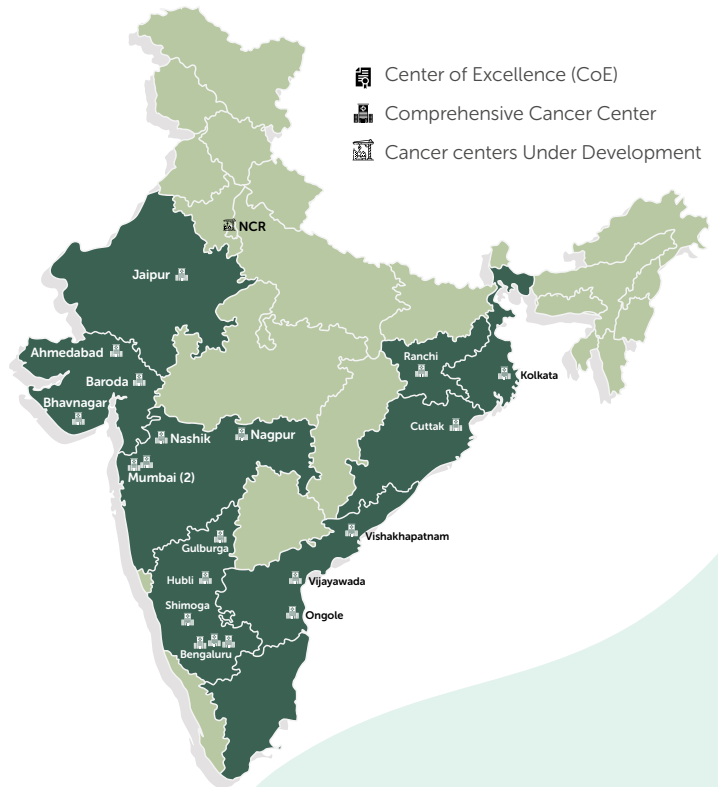
Making oncology care accessible

India

To make quality cancer care easily accessible across the country, we are gradually expanding our network all over the country, with a special focus on Tier I and Tier II cities. We deliver unrivalled healthcare facilities through our Centre of Excellence, Comprehensive Cancer centre, Freestanding Diagnostic centre and Day Care Chemotherapy centres.

Network of Existing and Under Development Cancer Care centres

Location	Centres	Capacity
Karnataka	7	575 beds
Gujarat	5	508 beds
Maharashtra	4	368 beds
East India (Odisha, Jharkhand, West Bengal)	3	288 beds
Andhra Pradesh	3	177 beds
Others (Rajasthan and NCR)	2	125 beds



Average Occupancy Rate

40.8%

Average length of stay

2.29 days

New patient registrations

60,734

Share of revenue from medical tourism / international patients

2.24%

International

We aspire to take our services beyond the domestic borders to reach out to patients in other parts of the world as well. We strive to achieve this through partnerships with leading healthcare providers. In Africa, we have teamed up with Commonwealth Development Corporation to develop HCG Africa as a gateway for quality healthcare in sub-Saharan Africa. In Nairobi, the capital of Kenya, we have collaborated with renowned clinicians to form HCG – CCK (Cancer Care Kenya).

New international patient registrations

750

Revenue from the establishment

US\$ 1.1 Mn



Manufactured Capital

Psycho-oncology Service @ HCG

Cancer brings with it tremendous psychological, emotional and social distress both to the individuals touched by the disease as well as their families.

Research evidence suggests that 3 out of 5 (nearly 60%) cancer patients suffer from severe psychological distress warranting professional psychological intervention (Holland 1998). In recognition of this need, a new field of science emerged in the late 1970s – the field of Psycho-oncology.

Psycho-oncology is a "Multidisciplinary subspecialty of Oncology, concerned with the emotional responses of patients at all stages of disease, their families, and staff." It is also concerned with "the psychological, social, and behavioural variables that influence cancer prevention, risk, and survival". The field has expanded to cover a vast ground throughout the cancer trajectory from Preventive oncology (Life style changes: Tobacco cessation, genetic counseling etc.) to Diagnostic Phase (Breaking the bad news), to Cancer treatment (preparation for cancer treatment, coping with side effects of treatment etc.), to Survivorship, End-of-Life care and beyond: Grief & bereavement management (to families of the deceased).

In a short span of 4 decades, Psycho-oncology has made great strides through convincing evidence that cancer and its treatment have the potential to alter patient's emotional wellbeing and quality of life. It is, therefore, contributing significantly to the changing landscape of cancer treatment!

Unfortunately, psycho-oncology has had a sluggish start in India, because of several myths and misconceptions. It was believed that psycho-oncology service is redundant in the Indian setting as the Indian socio-cultural-spiritual ethos is

very supportive and strong, supporting the emotional well-being of patients. This myth was dispelled in a Nationwide study across 21 cancer centres in India (Sitaram et al. 2008) reported cancer patients experience psychological distress of varying magnitude: 40% of Indian cancer patients experience severe psychological distress and 52% have mild to moderate degree of distress which warrants professional psychological intervention from a qualified and trained psycho-oncologist. Indeed, psychological impact and distress associated with cancer is universal! However, to meet the dire psychological needs of cancer patients in the country we have about 25-30 qualified Psycho-oncologists in the country!

HCG was the first Cancer centre in the Country to establish a professional Psycho-oncology service in the 1990s. The Psycho-oncology service @HCG has under its ambit a whole range of activities: Service, teaching, training and research.

Over the years, we have also evolved offerings in the segment. Today we offer Psycho-oncology Service to both adult and paediatric oncology patients which are tailor made as per patient needs. Further, we also created Brain Lab services at HCG called **C.A.R.E.S (Cognitive Assessment & Remediation Services)** to provide customized remediation plan for functional restoration based on neurocognitive difficulties.

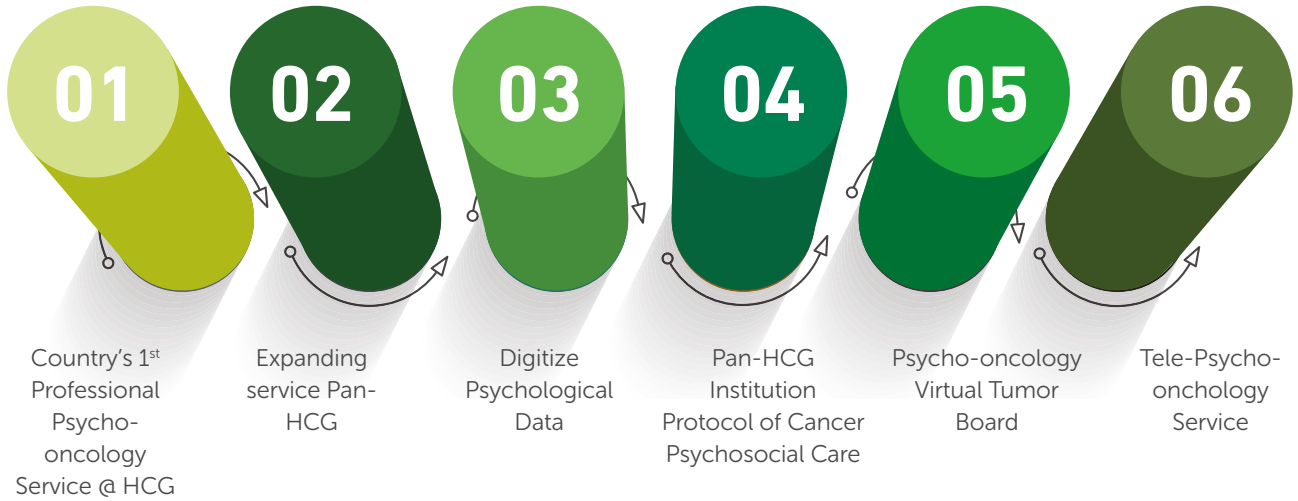
Moreover, through our **HCG L.I.F.E (Living It to the Fullest Extent)** services, we undertake need assessment of patients and offer relevant services. This service provides a one-stop solution for patients, where all the

subspecialties of cancer care are available under a single umbrella.

Our Emotional Support Group Programs i.e. **S.T.H.R.I (Support To Holistically Restore the Individual), C.H.E.E.R.S: (Children's Health, Educational, Emotional Restoration Services)** and **E.M.P.A.T.H.Y: (Empower Parents And Train them in Handling their Young)** provides the necessary emotional support to patients.



There is no stopping for this service, with their endless list of activities! Psycho-oncology service @ HCG is truly adding life to years!



Intellectual Capital

To sustain in an extremely dynamic environment, we rely on our intellectual capital to devise new methods for securing a better life for our patients. With our deep domain knowledge and professional expertise, we seek to adopt innovative methods that enhance the standards of care consistently while creating a favourable ground for healthy business growth.

Brand building

We remain committed to keep our promise of 'Adding life to years' by delivering the highest standards of care. It has allowed us to establish a strong brand reputation that validates our credential as a preferred cancer care provider in the country. Our efforts are focused on achieving clinical and operational excellence, and alleviate the pain and suffering of patients to consistently provide access to quality care.

HCG has undertaken the following brand building initiatives to reach out to patients in different parts of the country:

HCG released a brand campaign #TogetherToWin through print, radio and digital platforms to create awareness for the brand and its services.

Print Campaign

HCG The Specialist in Cancer Care
adding life to years

TREATMENT FOR CANCER IS ALL AMI EXPECTED. TO BE TREATED AS A FRIEND CAME AS A SURPRISE TO HER.

PERSONALISED CARE BY SKILLED ONCO NURSES.

When Ami came to us, she was looking for the best treatment for cancer. But what we had to offer her was much more. At HCG, we believe that when family comes together, cancer doesn't stand a chance. That's why our skilled onco nurses not only deliver the best personalised care, but also become family to every patient.

#TogetherToWin

■ 26 Centres across India ■ 400+ Oncologists ■ Organ Preservation ■ Value-based Medicine ■ Multi-disciplinary Approach

Sola Road, Science City Road, Off, Sarkhej - Gandhinagar Hwy, Sola, Ahmedabad, Gujarat - 380060.



WHEN AYESHA WAS 2, WE TREATED HER FOR CANCER. WHEN SHE TURNED 10, SHE TREATED US TO CAKE.

PERSONALISED CARE BY SKILLED ONCO NURSES.

Ayesha's family trusted our expertise to beat their daughter's cancer. Little did they know that she'd make new friends too. At HCG, we believe that when family comes together, cancer doesn't stand a chance. That's why our skilled onco nurses not only deliver the best personalised care, but also become family to every patient.

#TogetherToWin

NOW IN YOUR CITY

HCG The Specialist in Cancer Care
adding life to years

■ Largest cancer care network across India ■ 400+ oncologists ■ Value-based medicine
HealthCare Global Enterprises, 105 Cross Road, 1st Floor, Off Sarkhej-Gandhinagar Link Road, Sector 30 | ☎ +91 79 6069955 | hcgsonline.com

Quality Care

At HCG, we recognize the importance of delivering the finest quality care and therefore, adhere to stringent standards of service. Our care portfolio extends across operations, diagnostic services and treatment facilities, allowing us to adopt a patient-centric approach that constantly aims to improve the quality of life.

Key Objectives

- ▶ Understanding the requirements of domestic and international patients to offer advanced treatment
- ▶ Ensuring patient satisfaction through consistent focus on safety, timely treatment and effective monitoring
- ▶ Respond to patient feedback in the shortest possible time
- ▶ Achieve continuous improvement by adopting suitable practices for maintaining a safe and healthy environment for patients, doctors and staff
- ▶ Continuous drive to encourage research and development
- ▶ Monitor major quality indicators across departments.
- ▶ Regular training of all staff

Quality department

At HCG, we have a dedicated quality department to undertake comprehensive measures for monitoring a wide range of parameters that help to identify the standards of our service. It not only helps us to benchmark our practices with global standards but, also provides us the opportunity to evaluate and assess the qualitative value of our systems and processes.

HCG's quality department undertakes the following initiatives:

- ▶ Monitors organisational operations at all levels
- ▶ Undertakes hospital accreditation procedure
- ▶ Encourages process improvement
- ▶ Measures patient satisfaction
- ▶ Takes immediate action to improve quality
- ▶ Enforces Q/A policies across operations
- ▶ Oversees staff training procedures
- ▶ Monitors infection control
- ▶ Undertakes internal audits.

NABH Accredited Centres as on 31st March 2021

11

NABH Certified Centres as on 31st March 2021

3

Virtual Quality Care

Due to the onset of the pandemic, HCG adopted virtual modes of operation to ensure the well-being of its employees. The company conducted virtual quality audits and internal trainings to comply with specified quality standards. Over 350 members, across various departments of HCG, were trained over a period of two days through this initiative.



Intellectual Capital

Unique Business model

Over the years, we have developed a unique business model to address the emerging concerns related to cancer care. We not only endeavour to transform cancer care practices, we also aim to offer affordable services that are designed to deliver clinical excellence. Our focus on innovative healthcare practices allow us to substantially improve the quality of healthcare and sustain a successful business model. With a team of talented specialists, nurses and other medical professionals, we strive to enhance the efficiency of clinical care. Recognising the need to reach patients in urban metros as well as small towns, we have established centres of

excellence to foster our research and development capacities and deliver advance care facilities.

Our resolute attitude and determination to chart new frontiers of growth in the healthcare space enables us to compete with the very best in the industry. It is the strength of our exceptional business model that adds impetus to our care portfolio. In 2012, **Harvard Business School** recognized our capability and our business model is a subject of study in many business schools around the world.

With our comprehensive oncology portfolio, we have ensured holistic development of thousands of patients. We are not only enabling last-mile access to quality care, we are

constantly equipping our hospitals, clinics and diagnostic facilities with sophisticated technology to maintain the highest standards of quality across the network. We have also raised awareness about cancer and educated the masses about the benefits of early detection, allowing people to lead healthy and fulfilling lives.

HCG was also portrayed as a cost-effective organisation in **Herzlinger's new book** 'Innovating in Healthcare: Creating Breakthrough Services, Products, and Business Models'. The book examines the various factors that determine the success of an organisation by considering the type of innovation that it has introduced, its role in strategic alignments and the key aspects of its business models.



Digitisation

Our achievements in the digital space have vindicated our ability to foresee major industry shifts and act with speed. During the year, we introduced various initiatives to make healthcare more accessible and increase the efficiency of our backend processes.

Virtual Consultation

The COVID-19 pandemic has significantly changed the way businesses operate. Its impact was also felt on the healthcare industry.

Individuals undergoing cancer treatment are considered extremely susceptible to complications resulting from COVID-19 infections. As a result, HCG developed a Virtual OPD app to aid patients. With the help of this app, patients could easily consult their doctors and provide information about their medical history without any hassle. The service is available in 24 centres, offering the services of 160 oncologists. Around 230 patients benefitted from it regularly. Another initiative, Teams virtual visits, also ensured continuation of cancer

care from the comfort of homes. A centralized call centre coordinated the virtual ecosystem and enabled seamless service for patients across the country.

HCG's digital transformation has, therefore, empowered it to deliver timely care to patients, anywhere, anytime – staying true to its vision of adding life to years.

Innovative digital platforms

We have digitalised our Electronic Medical Record (EMR) with the help of

DISHA-C (Digital Information Systems & Healthcare Analytics – Clinical). At HCG, our preferred vendor for Oncology Information System (OIS), Elekta has introduced a new cloud service (Axis Cloud) for OIS along with an entire suite of applications for enabling seamless Medical & Radiation Oncology services. It is the very first Elekta Axis Platform implementation in the TEMA (Turkey, Europe, Middle-East and Africa) region and it is anticipated to significantly enhance HCG's operational efficiency.

Information Technology

Paying heed to new-age requirements for efficient and advanced care, HCG is

strengthening its IT system to enhance productivity and enable better healthcare facilities.

LIMS (Laboratory Information Management System)

The Enterprise Laboratory Information Management System (LIMS) is an initiative by Strands to automate HCG's hospital laboratories and diagnostic centres. This system enables HCG and Strand to improve its service and simultaneously generate useful data for analysis and future planning. This program has been deployed with the help of HCG's IT partner, ITDOSE. HCG has deployed LIMS in 18 hospital laboratories and some of its sample

collection centres. Some of the major benefits of implementing LIMS consist of the following:

- ▶ Improved Patient Safety
- ▶ Enhanced Ability to Collaborate with Regional Healthcare Organizations
- ▶ Seamless access to crucial data
- ▶ Improved customer loyalty



Human Capital

At HCG, we aim to create a conducive working environment that augments employee productivity and promotes holistic development of people. Our people are not just our greatest assets but, are key differentiating factors for ensuring long-term business growth. To bolster our patient-centric approach, our talented workforce leaves no stone unturned to fulfil our promise of 'Adding years to life'.

Our strategic focus areas

- ▶ Development of Human Resource
- ▶ Promoting inclusivity and diversity
- ▶ Protection of Human Rights
- ▶ Ensuring employee health and safety
- ▶ Building capability
- ▶ Succession planning

Our people power

At HCG, our employees form the cornerstone of our success. Their relentless commitment to ensure excellent care enables us to explore new frontiers of healthcare. Our people practices are, therefore, designed to promote an inclusive and healthy work environment. With a team of expert

oncologists, radiation oncologists, onco-radiologists, surgical oncologists, onco-pathologists, nuclear medicine experts and immuno-therapists, we aim to foster quality care without compromise. We also strive to attract and retain the best talent in the industry to create a motivated team that has the capacity to adapt itself to changes in the healthcare ecosystem.

Employees across our network

5,454

Nurses

1,810

Support staff

2,248

Average age of employees

33.27

Resident Doctors

182

Allied Health Staff

1,279

Voluntary attrition rate

38.4%

Average experience of employees working with HCG (years)

3.4



Diverse and Inclusive Workforce

The success of HCG is deeply entrenched in our ability to foster a diverse and inclusive pool of talented individuals. We aim to encourage a conducive environment where our employees feel valued and appreciated, despite differences in age, gender, marital status, race, colour, religious belief, ethnic origin, nationality, sexual orientation or socio-economic status. At HCG, all employees are expected to treat each other with respect and dignity. We also believe in empowering our women employees and therefore, lay emphasis on hiring women for various roles within the organisation.

Specially abled employees

9

Women employees

2,903

Women: Men ratio

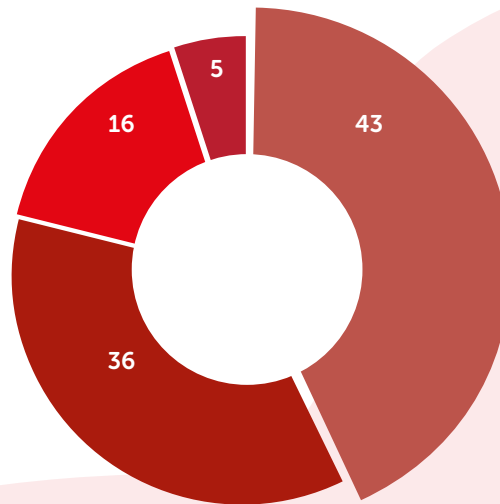
49.3:50.7

Of women in leadership team / top management (%)

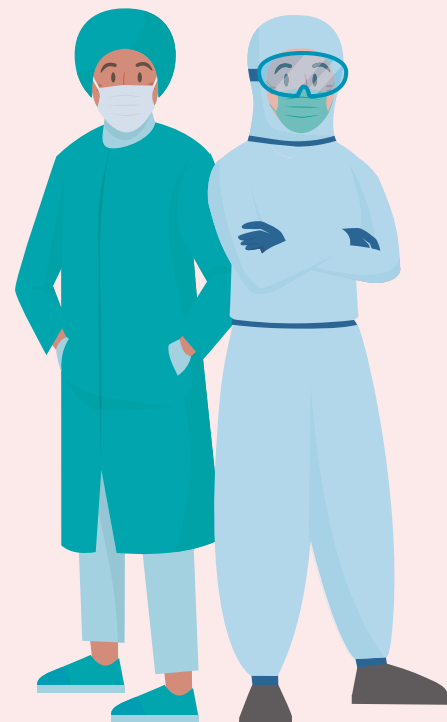
28



Age Mix - % of total Employees



- Between 18 to 30 years
- Between 30 to 40 years
- Between 40 to 50 years
- Above 50



Human Capital

Attracting and Retaining Talent

To ensure continued business success, it is imperative to attract and retain the best talent. Our dynamic working environment requires our people to be adaptable, results driven, self-motivated, decisive and responsive team players. To aid their professional growth, we believe in creating a culture of positivity where every employee gets equal opportunity to thrive and prosper. We prioritise merit based hiring and promotion to assure maximum productivity. Our hiring decisions, are therefore, not only based on the professional skills and capabilities of an individual but, also on their inherent talent to foster positive change within the organisation.

Employees recruited during the year under review

1822

Caring for our employees

In line with our commitment to ensure health and well-being of our employees, we continue to undertake various initiatives as well as conduct various health and safety trainings.

Hours of health and safety training conducted

3300

Building Capability

At HCG, we believe, a talented and skilled workforce is pivotal to business growth and transformation. Our nurses are offered opportunities to enrol in various skill development initiatives and hands-on training for improving patient care. Apart from regular unit level trainings, nurses are provided a platform to interact with other nursing staff from across the group, to share ideas and best practices followed at respective centres.

Fellowship Programs

These programs are specially designed for oncology nurses, working in specialized areas, to refine their skills and enhance their theoretical and clinical expertise. The following fellowship programs were conducted:

- ▶ Medical oncology Nursing
- ▶ Head & Neck oncology Nursing
- ▶ Critical Care Nursing
- ▶ Bone Marrow Transplant & Haematology Nursing
- ▶ Infection control nursing

Skill Based Training Programs

- ▶ **IV nurses training:** Experienced nurses from HCG were identified, trained and certified to be IV specialists. It made them experts in cannulation and helped them to mentor junior nurses to develop specific skills and competency. The infusion log book was also introduced as a part of the nursing induction program.
- ▶ **Scientific Nursing Forums:** Weekly nursing forums are held across HCG units to discuss evidence based practices implemented in various centres.
- ▶ **Leadership Training Programs**



- Nurse Leadership Training:** It was aimed to groom and empower nurses within HCG to become leaders in their practice environments as part of the growth plan for nurses and also help deliver evidence-based quality care and 12 staff successfully completed NLP programme.
- CAND – Calculation And Numbers:** A unique, week-long leadership training program initiated by Cygnia Healthcare was organised for nurses, to provide them information about important concepts related to administration, management, manpower, budgeting, staffing, nursing quality etc. As a part of the program, many small projects were undertaken by nursing heads and rolled out in healthcare units of HCG to train staff about processes like equipment tracking.

Nursing programs organised at HCG

- Post Basic Diploma in Oncology:** Nurses were offered the opportunity to enrol for Post Basic Diploma in Oncology nursing, a program recognized by INC and run by the School of Nursing. Every year 20 nurses are entitled to take up this course. The course imparts specialized knowledge and skills training for advanced cancer care at primary, secondary and tertiary levels. This year, out of the 19 students who appeared for the examination, 5 passed with distinctions and 14 secured first class results.
- Workshops/Conference/Awards**
 - Around 500 participants from HCG registered for a Nursing Conclave on 'Patient Delight Through Holistic Care'.
 - A Nursing Webinar was organised on 'Customer experience and delight', enabling nurses to adopt

practices that met changing healthcare demands.

- Time management programs were initiated to help nurses manage their time efficiently and maintain an appropriate work-life balance.
- 'Mental health & Emotional wellbeing' programs were organised for nurses to cope with the stress of the pandemic. Expert advice was offered by psycho-oncologists and experts in this field.
- In September 2020, a program on 'Legal Aspects in Nursing' was

conducted by S.V. Jogarao, a leading healthcare lawyer

- INS Gujarat chapter was launched in Ahmedabad in Jan 2020
- Nursing workshop held on:
 - Vascular Access Device
 - Nursing workshop on CLABSI
 - Quality Assurance & Pharmacovigilance
- HCG – KR unit was awarded the AHPI award for 'Nursing Excellence' in February 2020

Training Hours

FY 2018-19

1,96,402

FY 2020-21

1,04,047

FY 2019-20

2,00,843



Human Capital

Academics @ HCG

We believe that learning is a continuous journey and our people must have access to education to improve their skills and knowledge. At HCG, employees get an opportunity to enrol for various academic courses, recognised by renowned universities and national boards. To sustain a leading position in the industry, we motivate our people to constantly upgrade their skills and nurture proficiencies for future growth.

Students registered for various courses in FY 2020-21

156

Courses offered

40+



Academic Courses for HCG employees

Courses AFFILIATED TO THE NATIONAL BOARD OF EXAMINATION, NEW DELHI

DNB Radiation Oncology

DNB Surgical Oncology

DNB Medical Oncology

DNB Pathology

DNB in Cardiology

Post Graduate Programs AFFILIATED TO THE RAJIV GANDHI UNIVERSITY OF HEALTH SCIENCES, KARNATAKA:

Fellowship in Head & Neck Surgical Oncology

Fellowship in Tumour Pathology

Fellowship in Oral Onco Surgery

Fellowship in Breast Cancer Diseases

Fellowship in Minimal Invasive Surgery

Fellowship in Onco Imaging

Fellowship in Palliative Care

Fellowship in Paediatric Medical Oncology

Fellowship in Onco Pharmacy

Under Graduate Programs:

B.Sc. Medical Laboratory Technology

B.Sc. Anaesthesia & Operation Theatre Technology

B.Sc. Radiation Therapy Technology

Bachelors in Hospital Administration



HCG Certified Courses

Fellowship in Interventional Radiology

Fellowship in Orthopedic Oncology

Fellowship in Onco Anesthesia

Fellowship in Haematology & BMT

Fellowship in HPB & Liver Transplantation

Fellowship in Gynaecology Oncology

Fellowship in Molecular Biology & Genomics

Fellowship in Uro Oncology & Robotic Surgery

Fellowship in Infectious Diseases

Fellowship in Speech & Swallow

Fellowship in Dental Rehabilitative Oncology

Fellowship in Preventive Oncology

Fellowship in Onco Deglutology

Fellowship in Translational Medicine

Fellowship in Onco Nutrition

Certificate Course in Onco Nutrition

Certificate Course in Breast Imaging

Online certificate course in Onco-Deglutology

Online certificate Video - Fluoroscopy for Deglutology & Speech-Language pathology

Nursing Fellowship Courses

Nursing Fellowship in Head & Neck Oncology

Nursing Fellowship in Medical Oncology

Nursing Fellowship in Bone Marrow Transplant

Nursing Fellowship in Critical care

Nursing Fellowship in PICC Line Insertion

Certificate Program in Hospital Infection Control

Certificate Program in Nurse Leadership

KNC & INC Affiliated Courses

Post Basic Diploma in Oncology Nursing

HCG Institute Ethics Committee

HCG Institute Ethics Committee was set up in 2020 under the DHR in accordance with the 'New Drugs and Clinical Trials Rules 2019', notified by The Ministry of Health and Family Welfare (Department of Health and Family Welfare). It mandates any organization conducting Biomedical and Health Research involving human participants to have an ethics committee for reviewing and overseeing the conduct of the research, according to the specifications given by the Indian Council of Medical Research (ICMR).

In compliance to these rules, under the aegis of HCG Institute Ethics Committee, a team constituting institutional and non-institutional experts have been formed in the month of January 2021. It is also NABH Accredited.



Relationship Capital

At HCG, we realize our responsibility as a corporate entity and continuously strive to add value through our endeavours. We aspire to effectively engage with patients, communities and stakeholders across the vertical to build lasting relationships and stimulate positive changes within society.

Our Key Stakeholders include:



Customers

At HCG, we value patient satisfaction and it constantly guides us to improve the quality of treatment and services offered at our centres. Accordingly, we seek to improve patient experience while inculcating a responsive culture within the organisation. We intend to raise the standards of cancer care by continuously fulfilling the demands of advanced oncological treatment and adopting technologically advanced diagnostic and treatment procedures. We are continuously attempting to make cancer care affordable and driving efforts to ensure cost optimisation within the organisation. Moreover, to enable accurate and effective cancer treatment, we have introduced linear accelerators and treatment planning software at HCG.

Our global network helps to take cancer care closer to our patients. It not only addresses their unique requirements but, also enables us to fulfil our objective of delivering better quality of life to people suffering from the dreaded disease. At HCG, we consider patient satisfaction a prime responsibility and a key priority. To effectively understand their concerns and needs, we find innovative ways to gain insight about their experience. Based on the feedback received, we strive to enhance the quality of care. Patient satisfaction is also estimated through reliable processes like MRD & Quality review, Mortality review and Tumour Boards and the patient experience calculator.

To improve patient experience, here's what we do:

- ▶ Make quality cancer care easily accessible
- ▶ Bring a range of services to patient's home through our 'HCG Home Health' division

- ▶ Offer complete diagnosis and treatment (radiation, surgical and medical oncology) services under a single roof
- ▶ A multidisciplinary team working round the clock to ensure proper treatment and care
- ▶ State-of-the-art facilities equipped with latest technology to improve efficiency of cancer care

Improving Patient experience

At HCG, we value patient satisfaction and strive to gather information about their experiences through various channels. We not only seek regular feedback from our patients, we also undertake various measures to gauge patient experience.

We aspire to enhance our services and customer engagement through our

call centre. We have 1 centralised and 5 unit based call centres to address concerns and mitigate issues faced by patients. We plan to further expand services to all our units. In FY 20-21, 40% of the call traffic came from new patients and we successfully handled 50,000 calls. Additionally, we are planning to institute dedicated helplines to address clinical queries for cancer patients.

Calls handled in FY 2020-21

50,000



Relationship Capital

Success Stories

Personalised care by skilled onco nurses



Ayesha’s parents trusted our expertise to beat their daughter’s cancer. Little did they know that she’d make new friends too. At HCG, we believe that when family comes together, cancer doesn’t stand a chance. That’s why our skilled onco nurses not only deliver the best personalized care, but also become family to every patient.

When Ayesha was 2, we treated her for cancer. When she turned 10, she treated us with cake.



Ayesha, India

Counselling for patients and family members



Saraswathi was traumatised on being diagnosed with breast cancer. And her husband – shocked. At HCG we believe that when family comes together, cancer doesn’t stand a chance. That’s why, we offered pre and post – treatment counseling to both Saraswathi and her loved ones, and ensured that the patient and the support system remained strong throughout.

To make sure Saraswathi won against cancer, we made her husband stronger.



Saraswathi, India

Multi-disciplinary team of expert oncologists



Shankar Patel was told that he had to lose an organ to beat cancer. That’s when he came to us. At HCG, we believe that when family comes together, cancer doesn’t stand a chance. So we brought in our diverse team of multi-disciplinary expert oncologists. Together, they found a solution. And soon Shankar left HCG with both, his organs and his dignity intact.

Shankar had the possibility of losing an organ to save his life. We came together to preserve both.



Shankar Patel, India





About CVC Capital - our majority shareholder and co-promoter

We are proud to welcome CVC Capital as the majority shareholder and co-promoter of HCG. They have acquired 36.48% stake in HCG through preferential allotment in FY 2020-21.

CVC Capital is a leading global private equity firm with a presence in over 4 continents 24 offices around the world. For the last four decades, they are the leaders in the capital market in Europe, North America and Asia Pacific Region. With its widespread network and 243 investment professionals, they are currently managing US\$ 82 billion worth of assets and are capable of giving virtuous returns.

Its specialized capital market teams are proficient in capital structuring and delivering competitive advantages. Its business plan focuses on identifying and executing innovative investment strategies to grab acquisition prospects that accelerate its revenue and overall growth opportunities. They also have a long history of successful healthcare investments. And, we believe that their investment in HCG will enable us to further grow and expand our operations, unlocking newer avenues of success.

Proven track record

37 years

Total value of managed assets

US \$82 bn

Investments since 1981

300+

Investment professionals
















243



Relationship Capital

Current and Historic CVC Healthcare Investments

Long History of Successful Healthcare Investments

Company	Year Acquired	Sector	Description	Status
 Siloam Hospitals	2018	Services	Leading private hospital chain in Indonesia with 35 hospitals and c. 6,500 beds	In portfolio
 RECORDATI	2018	Pharma	International Specialty & Orphan pharma company	In portfolio
 MEHILÄINEN	2018	Services	A leading private healthcare and social care provider in Finland	In portfolio
 Theramex	2018	Pharma	Specialty pharmaceutical marketer with a focus on Women's Health	In portfolio
 sebia	2018	MedTech	Provider of clinical protein electrophoresis equipment and reagents	In portfolio
 HHG	2017	Services	One of the largest private hospitals in Greece	In portfolio
 vitalia	2017	Services	Spanish nursing home operator with c. 5,500 beds across 38 homes	In portfolio
 Aurogen	2015	Pharma	Global generics player with a presence across the US and emerging markets	In portfolio
 ELSAN	2014	Services	Private hospital operator in France with over 80 clinics with c.11,000 beds	In portfolio
 DOC	2016	Pharma	One of the largest generic pharmaceutical companies in Italy	Exited
 quironsalud	2011	Services	Leading private healthcare operator in Spain with a nationwide portfolio of 84 hospitals	Exited
 CS	2011	Pharma	Pharmaceutical retail chain and distributor in Northeast China	Exited
 I-MED Radiology Network	2006	Labs	Australia's largest private diagnostic imaging network	Exited
 大塚製薬株式会社	2005	Pharma	Japanese manufacturer of dental products and generic pharmaceuticals	Exited
 Allpacific	2003	Services	Australia's largest private hospital group with over 50 hospitals	Exited



Investors

As a responsible corporate citizen, we encapsulate an overarching focus on maintaining transparent relationships with our stakeholders. We believe in adopting open channels of communication and therefore, maintain continuous dialogue with our stakeholders through different modes of engagement like earning calls, presentations, conferences, and meetings. Our endeavour to abide by a strict code of conduct has enabled us to emerge as a credible organisation and with frequent engagements, we keep our stakeholders abreast of latest developments within the organisation.

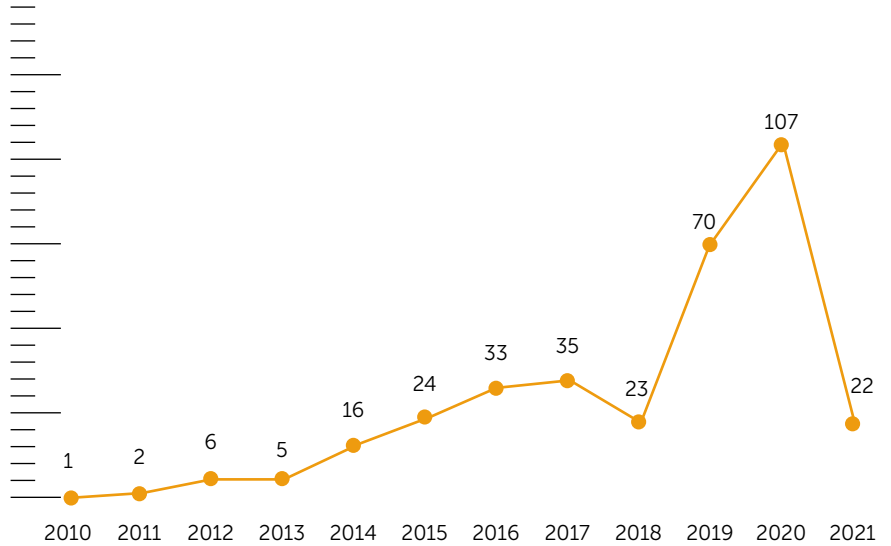
No. of shareholders as on 31st March 2021

13891

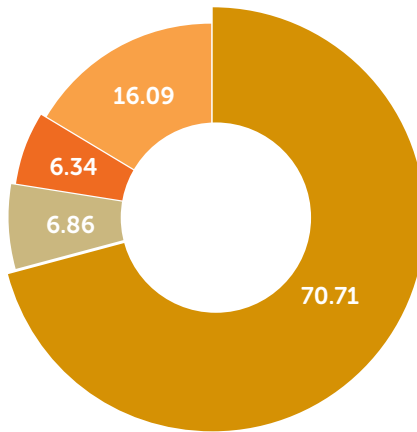
No. of research reports published in FY 2020-21

2%

Publications from HCG over 10 years



Shareholder Mix (%)



- Promoter and promoter group
- Mutual funds
- Foreign Portfolio Investors
- Others

Business Partners

To deliver efficient and effective services to patients, we closely collaborate with various partners in the healthcare space. Our long-term partnerships with technology vendors, suppliers, TPAs and insurance companies, pharmaceutical companies, hospital infrastructure providers and specialist physicians empowers us to provide superior services to our patients and secure sustainable growth. Further, we aim to fortify our relations with local doctors and surgeons to guarantee excellent care.

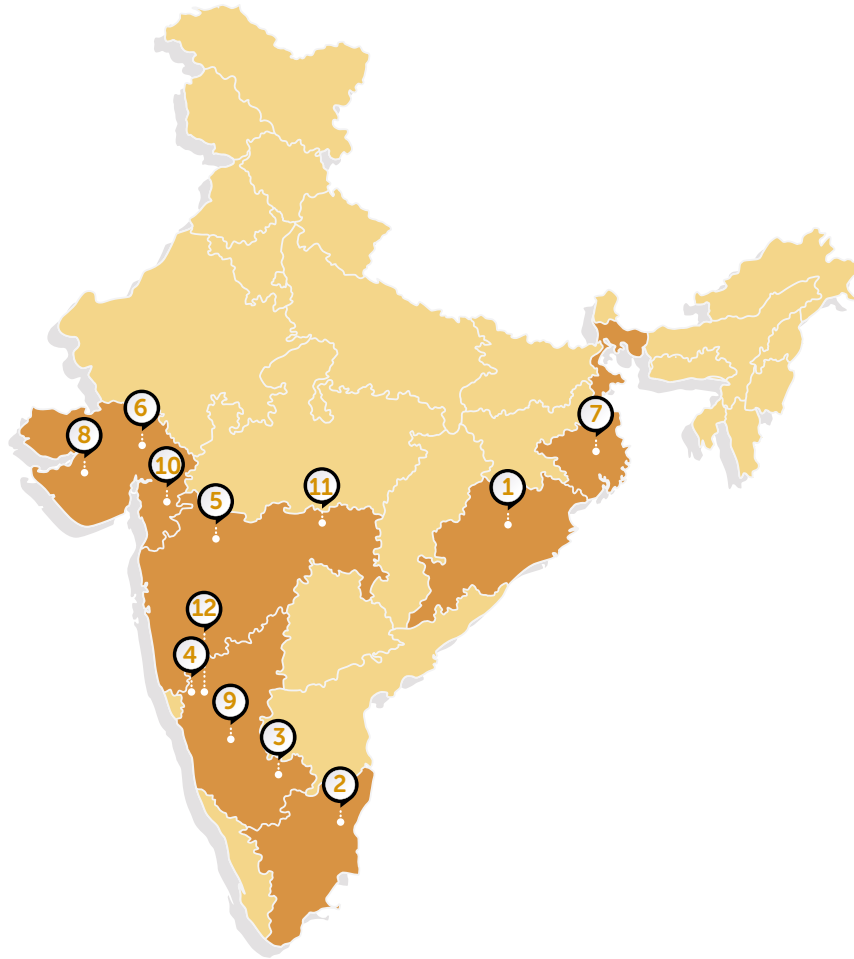
While choosing partners, we deeply value their expertise, reputation and ethical beliefs. It enables us to forge mutually beneficial relationships with local agencies and empower local communities to seek better avenues of healthcare.

Vendors



Relationship Capital

Our Business Partners



Government

At HCG, we partner with key government agencies and industry bodies to comply with applicable norms and regulations. We aim to elevate the standards of our service and maintain a proactive approach to uphold transparency and accountability in our corporate governance practices. Additionally, we make significant contributions to government programs aimed at enhancing the quality of life.

Association with Regulatory Bodies

We remain committed to comply with legal and regulatory requirements, stipulated by regulatory authorities in the healthcare domain. Our regular engagement with industry bodies strengthens our external stakeholder relationships and empowers us to participate in regulatory matters that determine policy development and ensure access to affordable and quality care facilities.

	Location	Partners	Nature of Partnership
1	Cuttack	Dr. K.S. Panda, through Panda Medicals Pvt. Ltd. <i>Surgical oncologist</i>	Free services and rent paid to partner.
2	Chennai	Sri Kavery Medical Care Ltd. <i>Multispeciality Hospital</i>	MSA
3	Bangalore	M. S. Ramaiah Hospital, through Gokula Education Foundation <i>Educational Institute and Multispeciality Hospital</i>	Revenue Share
4	Hubli	NMR Medical Institute Pvt. Ltd. <i>Freestanding Diagnostics centre</i>	Revenue Share
5	Nasik	Dr. Raj Nagarkar <i>Surgical Oncologist</i>	Minority partner
6	Ahmedabad	Astha Oncology Private Ltd. <i>Group of Surgical Oncologists</i>	Minority partner
7	Kolkata	Eko diagnostics Pvt. Ltd. <i>Chain of diagnostic centres</i>	Minority partner
8	Rajkot	Shiv-sun medical services llp <i>Group of medical consultants</i>	Minority partner
9	Shimoga (Shivamogga)	Group of Doctors	Minority partner
10	Baroda	Dr.Rajiv Bhat <i>Surgical oncologist</i>	Minority partner
11	Nagpur	Dr.Ajay Mehta <i>Surgical oncologist</i>	Minority partner
12	Suchirayu	Group of doctors <i>Operations & Management</i>	Revenue Share

Effective engagement with Media

In an era of digitization, we have successfully established a strong relationship with our patients over social media platforms. We communicate our brand values, promote our services and engage with patients through varied social media platforms and offer virtual consultations through Microsoft teams.

Impressions [TOI, Zee, Daily Hunt, News Minute]

15 Mn+

Impressions [Google Network]

11 Mn+

Reach through facebook

3.5 Mn



Media coverage in print

‘Second wave in state largely driven by Delta variant’

93% of randomly tested Covid patients had ‘strain of concern’

AKHIL KADIAL, BENGALURU, DHNS

Scientists are finding that a majority of people with Covid-19 have been infected with so-called ‘Delta’ double-mutant variant of the novel coronavirus. Recent sequencing of samples from 44 symptomatic individuals at HCG Strand Labs found that 41 of the patients had been infected with

the B.1.617.2 ‘Delta’ variant of the virus. This strain has been labeled a variant-of-concern (VoC) by the World Health Organisation because of its ability to evade an immune system response. Questions now arise about whether this variant is responsible for the high influx of cases in the second wave and potentially, the manifestation of more serious cases requiring hospitalization.

According to Dr Vishal Rao, Dean, Centre of Academic Research, HCG Cancer Hospital, the fact that 93% of randomly tested individuals had the ‘Delta’ variant suggests that the second wave is largely being driven by this version of the novel coronavirus.

On whether it is causing aggravated effects is something that the virologist and Technical Advisory Committee member, Dr V Ravi, formerly of Nimhans, said was not borne out by evidence.

“It is true that the ‘Delta’ variant is taking over in the state, even over its sister variant, the B.1.617.1 (‘Kappa’) which has been identified as a variant of interest (VoI). But to say that hospital cases have all

been infected with the ‘Delta’ is not true. There are many others infected with the ‘Delta’ who do not require hospitalization,” he said.

Officially, the state has reported 244 cases of people infected with B.1.617 variant, which includes ‘Delta’ and L.617.1 ‘Kappa.’ Deputy Chief Minister, Ashwath Narayan, who was briefed on the sequencing results on Friday told DH that genomic sequencing must go hand-in-hand with testing. It also could prompt an altering of treatment protocols, he added.

Although the state government had constituted a genomic sequencing committee last year, much of the impetus to expand genomic sequencing was

stalled after the first wave ended. The DycM said that has now been reversed.

“We are starting or supporting seven sequencing labs across the state, including at the Indian Institute of Science (IISc) and the National Centre for Biological Sciences (NCBS), which will help ramp up sequencing,” he added.

Meanwhile, Dr Rao said that phase two of the sequencing trials will cover ICU patients.

“The ‘Delta’ variant was first identified globally in December 2020, but we only introduced a lockdown four months later in April 2021. This shows that there were delays in identifying the variant locally,” he said.

HCG launches Journal of Precision Oncology

HEALTH NEWS SERVICES, BENGALURU

TO mark the National Cancer Awareness Day, HCG - The Specialist in Cancer Care launched the first edition of the Journal of Precision Oncology. The journal is devoted to Translational Research in Oncology. This is the first of its kind journal in India and the second in the world to be launched.

Precision medicine is an emerging approach that takes into account genetic, biologic, metabolic, proteomic, and transcriptionomic variability of every individual and creates specific treatment strategies. This approach allows doctors and researchers to predict more accurately treatment and prevention strategies for a particular disease. It is contrast to one-size-fits-all approach, in which disease treatment and prevention strategies are developed for the average person, with less consideration



for the differences between individuals. Dr B A Ajikumar, Chairman & CEO, Healthcare Global Enterprise Ltd said, “At HCG, we have been defining and redefining cancer care with a vision to make it more patient-centric, in accordance with global standards. The precision treatment has evolved

to raise the bar in cancer care and help us work together in optimizing patient outcomes by adding years to their lives.” Dr Ravi C Nair, Editor, Journal of Precision Oncology, Department of Academic, Healthcare Global Enterprise Ltd said, “The philosophy of precision

treatment in oncology is that the every human being is unique, so is every tumor and reaction of every tumor to treatment modalities. We hope this journal and its focus will foster this unique attitude to cancer care in general and individual patient’s treatment in particular. I thank all those who worked tirelessly for this effort.” Dr Vishal Rao, US, Editor and Associate Dean, Department of Academic, Healthcare Global Enterprise Ltd said, “The journal aims at redefining the future of oncology and also aims for the cancer research from India. As we observe an occurrence of significant growth in translational oncology and this journal includes important angle subject

clinical trials, rare responder studies, basic science, translational and clinical research articles, case reports, and brief communications, commentaries, perspectives, and review articles. Each original research article will include a key summary that will summarize the key issues with the goal of maintaining the impact and reach of the research findings.” All spectrum of cancer across India will be covered in the journal which will help in redefining the future of oncology. Experts and like minded researchers can share their experiences in bringing the best and latest advances in treatment to patient care by submissions for the future issues of the journal.

State-of-the-art day care centre to improve cancer therapy regimen

HEALTH NEWS SERVICES, BENGALURU

HCG CANCER Hospital, the specialist in cancer care launched the state-of-the-art day care centre in Bengaluru. The highly specialised advanced centre will help patients improve their cancer therapy regimen. The day care centres are located at Malleshwaram, Banashankari, and Kalyan Nagar. Patients can access a full-fledged and specialised day care centre with a 360-degree approach towards promoting wellness of cancer patients and survivors. These day care centres aim at facilitating cancer-related treatments under a single roof with better outcomes and in improving cancer treatments with accessible services.

The new clinical model will be at par with the best-in-class available technology and clinical expertise along with a personalised care in ‘an in-hospital’ like environment so that it can cater to the growing needs of patients in the neighbourhood. This facility will enable patients to receive surgical treatment without being admitted to the hospital.

Dr BS Jajamesh, Executive Chairman, Healthcare Global Enterprises, says, “HCG Hospital has always been at the forefront providing quality care to its patients. I am excited to announce the launch of the outpatient day care centre at our Bengaluru hub. The global pandemic emerged critical, as most patients delayed their diagnosis and treatment due to the fear of contracting the virus. The day care centre will facilitate early treatment options, increasing accessibility with better outcomes and lesser hospital stay. The day care centre will cater to patients in Bengaluru and neighbouring areas.”

The amenities available at this centre are intended to enhance the patient experience. Some of these services include rapid diagnostics for can-

cer detection on the same day, day care chemotherapy infusion, radiology, laboratory services, nuclear medicine scans (including PET CT - analog & digital), minor procedures, biopsies, etc.

Dr. Marali Subramanian, Director & Senior Medical Oncologist, HCG Day Care Centre said, “The day care centres will offer consultations, chemotherapy, targeted therapy, and immunotherapy. These centres will be equipped to handle minor office biopsy procedures under local anaesthesia with all basic and advanced onco-diagnoses. The centres will work in sync with the state-of-art comprehensive cancer care which will have both time and resources. With the new services, patients will also have the choice of a second opinion, enabling the doctors to choose the best line of treatment.”

Dr. Balakrishna Shetty, Chairman, Isha Diagnostics said, “Early diagnosis is very important in cancer management. Accurate diagnosis of cancer is also mandatory. Isha Diagnostics is known for early and accurate diagnosis of most of the disease processes including cancer for the last 15 years. Patients with suspicious disease will have expert consultation, clinical diagnosis from oncologists and immediate laboratory and imaging studies, all under one roof. This will save critical time and energy of patients. Golden Hour is the policy we follow that means a comprehensive diagnosis within an hour. This is possible because of the availability of expert diagnostics and state of the art equipment at Isha Diagnostics, Malleshwaram, Bengaluru.”

B'luru hospital gets nod for plasma therapy trials

Sunitha.Rao@timesgroup.com

Bengaluru: The Drug Controller General of India (DCGI) has permitted Bengaluru’s HCG Bangalore Institute of Oncology Speciality Centre to go ahead with clinical trials in convalescent plasma therapy for critically ill Covid-19 patients. The Bengaluru centre received the letter by DCGI Dr VG Soman on Monday, after a three-week wait.

This is the second research institution in India to get the DCGI approval for conducting clinical research in plasma therapy. A Delhi hospital was the first to receive the nod.

About 55% of blood is plasma, which is an almost-clear liquid. The plasma of a person, who has overcome an illness, contains antibodies and protective proteins that fight disease and antigens like viruses, and is called convales-

HOW IT WORKS

- ▶ Critically ill coronavirus patients are administered blood plasma of a fully recovered patient
- ▶ Cured patient’s plasma contains antibodies and protective proteins that fight disease & viruses

“Plasma therapy holds great promise in treating Covid-19 patients and I’m happy the Centre has secured approval” KARNATAKA MEDICAL EDUCATION MINISTER

“Plasma therapy holds great promise in treating Covid-19 patients and I’m happy the Centre has secured approval” KARNATAKA MEDICAL EDUCATION MINISTER

▶ ‘Great promise’, page 4

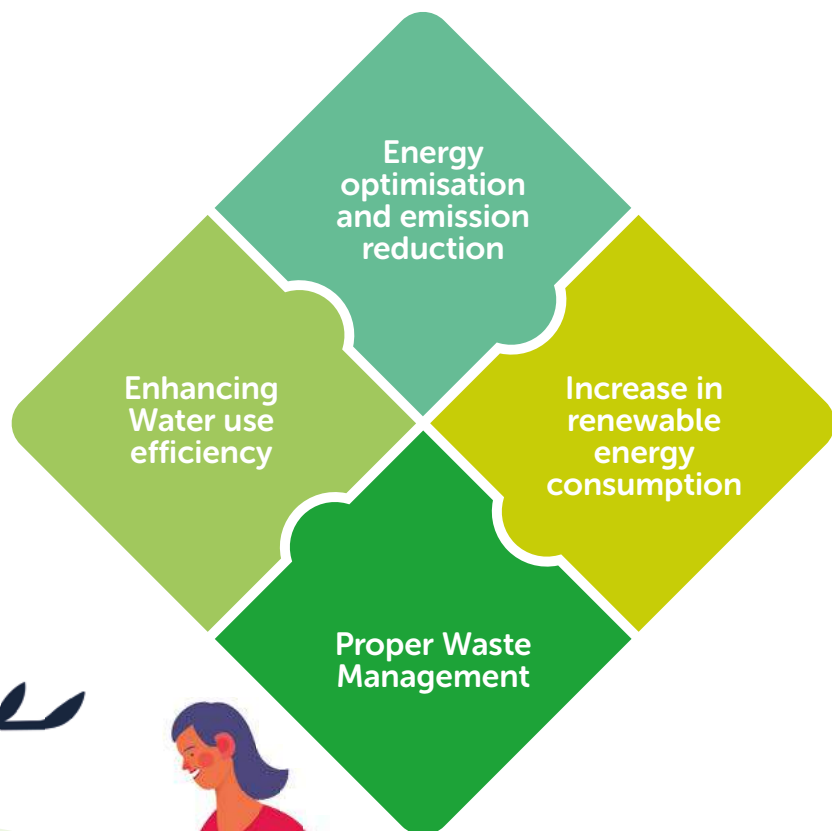
Natural Capital

We are cognisant about our responsibility towards the natural environment and therefore, consciously strive to reduce our environmental footprint. With the objective of creating a viable ecosystem, we devise newer methods to drive sustainability across the organisation.

To limit our ecological footprint, we have set up an environmental management system that encompasses the following:

- ▶ Establishing an environmental policy
- ▶ Assessing the impact of operations on the environment
- ▶ Implementing standards, laws and procedures
- ▶ Raising awareness and changing behaviours
- ▶ Measuring and auditing results
- ▶ Reviewing progress and evaluating the environmental management system, as and when needed

We address critical environmental issues through the following initiatives:





Energy Management

Our healthcare services are energy intensive and we strive to ensure optimum utilisation of resources across the organisation. We monitor energy consumption across the domain and take concerted efforts to restrict it within prescribed limits. We also encourage the use of renewable energy and continue to use LED lights and install solar rooftops to meet our energy demands.

Electricity consumption in FY21

53,22,499kWh

Capacity of solar rooftop

1593 KVA

Waste Management

The healthcare industry generates a large amount of hazardous waste. We adhere to specified norms to ensure proper waste disposal, abiding by the procedures stipulated by the State Pollution Control Board (SPCB). Along with a significant portion of bio-medical waste generated from our facilities, we generate DG set oil waste along with other general waste produced by various operations.

DG set oil waste is handed over to SPCB authorised vendors for following optimum waste treatment procedures.

Bio Medical Waste generated (in kgs per year)

2,96,000

Our waste management policy lays a strong emphasis on reduction and proper disposal of waste. To ensure compliance to rules, bio-medical waste is handed over to Common Bio Medical Waste Treatment Facility, authorized by SPCB. Likewise, the



Natural Capital

Paper Reduction

Excessive usage of paper has an adverse impact on our ecological balance. To address this concern, reducing, recycling and reusing paper can prove to be extremely beneficial. At HCG, we aim to reduce the use of paper within the organisation and have used around 388,032 rims of paper in FY20-21, recording a reduction of 74% paper rims in comparison to previous years. This helped us save 2.5 tons of paper, which translates to conserving 60 trees and 60,00,000 litres of water that may have been used to produce the paper. HCG believes this is the first of many steps aimed at achieving paperless operations in the future.

Reduction in paper consumption in FY 2020-21

74%



Water Management

Water is extensively consumed across our operations, in hospitals and healthcare centres. Efficient utilisation of water is, therefore, one of the most important parameters of our sustainability agenda. HCG takes all possible precautionary measures to manage and reduce its water usage. We actively monitor water consumption levels by installing water meters at discharge points. This helps us to gauge the quantity of water discharged and allows us to reuse waste water for various purposes. This has enabled us to reduce our overall water consumption, as compared to the previous year. Our constant efforts have helped us to initiate better policies for optimum utilisation of water and empowers us to nurture innovative methods for recycling and reusing water.

Total water consumption in FY21

24746.286 kL



Directors' Report

Dear Members,

Your Directors are pleased to present the Twenty Third Annual Report of your Company together with the Audited Standalone and Consolidated Financial Statements and the Auditors' Report thereon for the financial year ended March 31, 2021.

1. Financial Highlights:

The highlights of Standalone and Consolidated financial results of your Company and its subsidiaries are as follows:

	(₹ in million)	
Consolidated	2020-21	2019-20
Income from operations including income from Govt. Grants	10,134.4	10,956.4
Total Expenditure excluding Depreciation, Interest cost, tax and exceptional items	8,868.6	9,234.6
Profit including income from Govt. Grant and before other income, depreciation, interest cost, tax and exceptional items	1,265.8	1,721.8
Other income	169.5	69.7
Depreciation, Finance Charges and Exceptional items	3,718.32	2,860.9
Share of (loss) of equity accounted investees	-3.7	-123.2
Loss before tax	-2,286.6	-1,192.6
Loss after tax attributable to the owners of the Company	-1,934.6	-1,067.0
Standalone		
Income from operations including income from Govt. Grants	6,110.3	6,895.8
Total Expenditure excluding Depreciation, interest cost, tax and exceptional items	5,354.0	5,726.1
Profit including income from Govt. Grants and before other income, depreciation, interest cost, tax and exceptional items	756.3	1,169.7
Other income	218.5	108.6
Depreciation, Finance Charges and exceptional items	3,025.4	1,932.9
Profit/(Loss) before tax	-2,050.6	-654.6
Profit/Loss after tax	-1,915.5	-533.0

2. Performance Overview:

The standalone and consolidated financial statements for the financial year ended March 31, 2021, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs.

Consolidated Operations:

The consolidated income from operations including income from government grant for FY 2020- 21 was ₹ 10,134.4 million as compared to ₹ 10,956.4 million in the previous fiscal year, reflecting a decline of ₹ 822 million. EBITDA in FY 2020-21 was ₹ 1,265.8 million as compared to ₹ 1,721.8 million in FY 2019-20, reflecting year-on-year decrease of ₹ 456 million. EBITDA margin for the year was 12.5% as compared to 15.7% in FY 2019-20, reflecting a decrease of 3.2% year-on-year. This was

primarily on account of spread of Covid 19 and resultant lock downs and restriction on international travel. Loss after tax in the current fiscal year was ₹ 1,934.6 million as compared to ₹ 1,067.0 million in FY 2019-20 mainly on account of the impact of Covid 19 and exceptional items amounting to ₹ 934.5 million.

Standalone Operations:

The standalone income from operations including government grants for FY 2020-21 was ₹ 6,110.3 million as compared to ₹ 6,895.76 million for the previous financial year, reflecting a decrease of 11.4%. Our EBITDA before exceptional items for FY 2020-21 was ₹ 756.3 million with EBITDA margin of 12.4%.

For more information, please refer to the Financial and Operating Highlights in Management Discussion and Analysis Report.

3. Business and Strategy:

3.1 Business:

The Company is a provider of speciality healthcare in India 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 private cancer treatment centres licensed by the AERB as of May 31, 2015 (Government of India, Atomic Energy Regulatory Board).

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 enables 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 equipments, technologies and human resources, thereby deriving economies of scale. 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.

As a group, we continue to deliver the highest standards of clinical outcomes across all our centres. Our standardised clinical protocols for diagnosis and treatment of cancer patients have allowed us to manage the large volume of patient cases across our HCG network with successful clinical outcomes. Mapping our own clinical outcomes and constantly evolving HCG treatment guidelines has paved way for standardization of clinical pathways and improvement in the functioning of the clinical departments. 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.

We also provide fertility treatment under our "Milann" brand. 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.

As of March 31, 2021, our HCG network consisted of 23 centres including comprehensive cancer centres and multispecialty hospitals across India and 1 centre in Africa. Each of our comprehensive cancer centres offers, at a single location, comprehensive cancer diagnosis and treatment services (including radiation, medical oncology and surgical treatments). The details of our existing comprehensive cancer centres as on the date of this report and their facilities and service offerings, including those under development forms part of the Management Discussion and Analysis Report.

3.2 Strategy:

a) Expand the reach of our cancer care network in India:

We plan to expand our 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 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. We believe that our planned network will cater to the increasing unmet demand for cancer care in India.

b) Strengthen our HCG brand to reach more cancer patients:

We believe that our HCG brand distinguishes us from our competitors; and one of the areas of focus is 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.

c) Technology adoption and strengthening our information technology infrastructure:

HCG has been at the forefront of the fight against cancer. An area of such intensity requires innovative treatments and methods, and the introduction of industry-changing technologies, for the overall benefit of both the medical expert and the patient. Cancer research is an area that requires more serious work and HCG aims to rise up to that challenge. In all its years of working in this field, HCG has led the march against cancer and set benchmarks in the industry, by introducing many new technologies, highly useful in increasing the accuracy and saving time. Cancer care is an important area in health care, and we aim to lead with our strong framework and technology infrastructure.

With regard to 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, we continuously focus on upgrading and strengthening the information technology infrastructure. Our information technology infrastructure is based on a private cloud-computing system and encompasses a centralised EMR system seamlessly integrated with various other centralised systems including HIS and ERP system. We believe that this would maximise efficiencies through the greater integration of our network, help us fine tune protocols through knowledge sharing and collaboration, 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 further believe that this will position us as a partner of choice for cancer researchers and academia.

4. Management Discussion and Analysis Report:

In terms of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR Regulations"), the Management Discussion and Analysis Report (MD&A) 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. The MD&A Report provides a consolidated perspective of economic, social and environmental aspects material to its strategy and its ability to create and sustain value to your Company's key stakeholders.

5. Transfer to Reserves and Surplus/Retained Earnings:

The adjustments made to the reserves and surplus/retained earnings are available in the Statement of Changes in Equity, which forms part of the Financial Statements.

6. Dividend:

The Company continues to look at growth prospects through new investment opportunities. Considering that consolidation is taking place in the Healthcare Industry in India, it presents us with more challenges in terms of growth and it is imperative that the Company looks at available options for organic as well as in-organic growth. Achieving a consistent sustainable growth over the next few years and consolidating Company's position competitively would be a key objective.

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 do not recommended any dividend for the financial year under review.

In terms of Regulation 43A of the SEBI LODR Regulations, the Company has adopted Dividend Distribution Policy setting out the parameters and circumstances that will be taken into account by the Board in determining the distribution of Dividend to the Shareholders and/or retaining profits earned by the Company. The said policy is hosted on the website of the Company at <https://hcgel.com/investors/>.

7. Transfer of unpaid and unclaimed amount to IEPF:

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend and refund of share application money due for refund which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend/ unclaimed account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. During the year, no amount was due for transfer to IEPF.

8. Consolidated financial statements:

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

9. Subsidiaries and Associates:

As on March 31, 2021, the Subsidiaries, Associates and Joint Venture Companies of the Company are as under:

Sl. No.	Name of the entity	Country of Incorporation	Primary business activity for which it was formed	% of ownership held by the Company as at March 31, 2021
1	HCG Medi-Surge Hospitals Private Limited	India	Cancer Care	74.00%
2	Malnad Hospital & Institute of Oncology Private Limited	India	Cancer Care	70.25%
3	HealthCare Global Senthil Multi Specialty Hospitals Private Limited	India	Cancer Care	100.00%
4	Niruja Product Development And Healthcare Research Private Limited	India	Research and Development	100.00%
5	BACC Health Care Private Limited	India	Fertility	100.00%
6	HealthCare Diwan Chand Imaging LLP	India	Radiology/ Imaging	75.00%
7	APEX HCG Oncology Hospitals LLP (along with the Shareholding of Niruja Product Development and Healthcare Research Private Limited)	India	Cancer Care	100.00 %
8	HCG NCHRI Oncology LLP	India	Cancer Care	76.00%
9	HCG Oncology LLP	India	Cancer Care	74.00%
10	HCG EKO Oncology LLP	India	Cancer Care	50.50%
11	HCG Manavata Oncology LLP	India	Cancer Care	51.00%
12	HCG SUN Hospitals LLP	India	Health Care Services (Multi-Specialty)	74.00%
13	HCG (Mauritius) Pvt. Ltd. (along with the shareholding of Niruja Product Development and Healthcare Research Private Limited)	Mauritius	Health Care Services	100.00%
14	Healthcare Global (Africa) Pvt. Ltd.	Mauritius	Health Care Services	92.02%
15	HealthCare Global (Uganda) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Uganda	Cancer Care	92.02%
16	HealthCare Global (Kenya) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Kenya	Cancer Care	92.02%
17	HealthCare Global (Tanzania) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Tanzania	Cancer Care	92.02%
18	Cancer Care Kenya Limited (Subsidiary of HealthCare Global (Kenya) Private Limited)	Kenya	Cancer Care	71.35%
19	Strand Life Sciences Private Limited (shareholding on fully diluted basis)	India	Clinical Diagnostics, Bioinformatics & Clinical Research	38.53%
20	Advanced Molecular Imaging Limited (HealthCare Global (Kenya) Private Limited holds 50% of the share capital)	Kenya	Production of Fluro Deoxi Glucose (FDG)	46.01%

None of the subsidiary companies other than HCG Medi-Surge Hospitals Private Limited is a Material Subsidiary, within the meaning of Material Subsidiary as defined under the SEBI LODR Regulations, as amended from time to time.

During the financial year, the Company has acquired 46,695 equity shares of BACC Health Care Private Limited (BACC), aggregating to 49.9% of the share capital of BACC, from Dr. Kamini Rao and her family members, being the minority shareholders of BACC, as per the provisions of the shareholders' agreement executed by the Company, BACC and the minority shareholders.

Consequent to the acquisition of shares from the minority shareholders of BACC, BACC has become a wholly owned subsidiary of the Company.

There were no new subsidiaries, associates incorporated during the Financial Year.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. Pursuant to the provisions of Section 129(3) 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, that forms part of this Report is attached as

Annexure 4. Pursuant to Section 129 of the Companies Act, 2013, 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 thereunder, forms part of this Annual Report.

Further, pursuant to the provisions of Section 136 (1) of the Companies Act, 2013:

- a) The Annual Report of the Company, containing therein its standalone and consolidated financial statements, is placed on the website of the Company, being <https://hcgel.com/investors>.
- b) The audited financial statements of subsidiary companies together with related information and other reports of each of the subsidiary companies would be placed on the website of the Company <https://hcgel.com/investors>.

10. Public deposits:

Your Company has not accepted any deposits from public in terms of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014; and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

11. Unsecured loan from Directors:

In accordance with Section 179 and 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules 2014, and other applicable provisions, if any, the Company, during the previous financial year, has received ₹ 50 Million as unsecured loan from Dr. B.S. Ajaikumar, Whole-time Director. As on March 31, 2020, the total amount outstanding towards Principal and interest was ₹ 31.23 Million. Subsequently, during the year under review, all the amounts outstanding have been repaid. As on the March 31, 2021 no such amounts were outstanding and payable to Dr. B.S. Ajaikumar, in this regard.

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

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of SEBI LODR Regulations, disclosure on particulars relating to Loans/advances given, guarantees provided and investments made are provided as part of the financial statements.

13. Related party transactions:

In line with the requirements of the Companies Act, 2013 and SEBI LODR Regulations, your Company has

formulated a Policy on Related Party Transactions. This Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on yearly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. All Related Party Transactions entered during the year were in ordinary course of the business and at arm's length basis. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements, were entered into by your Company during the year.

A statement giving details of all related party transactions, entered pursuant to the omnibus approval so granted, is placed before the Audit Committee for their review, on a quarterly basis. The policy on Related Party Transactions has been hosted on the Company's website <https://hcgel.com/investors/> in terms of the SEBI LODR Regulations relating to Corporate Governance.

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.

Pursuant to Regulation 23(9) of the SEBI LODR Regulations, your Company has filed the reports on related party transactions with the Stock Exchanges.

14. Signing of the Investment Agreement:

The Company has signed an Investment Agreement ("Investment Agreement") by and between Aceso Company Pte. Ltd., Singapore ("Investor") and Dr. B.S. Ajaikumar, ("Promoter") on June 04, 2020. As per the Investment Agreement, the Investor has subscribed to 2,95,16,260 equity shares and 1,85,60,663 warrants (convertible to equal number of equity shares) of the Company at ₹ 130 per equity share, aggregating to ₹ 625 Crore (assuming exercise of all warrants). The Investment Agreement sets out the rights and obligations of the parties in relation to the investment by the Investor in the Company, inter-se rights and obligations of the Promoter and Investor as shareholders of the Company, management of the Company and other matters in connection therewith. In terms of the Investment Agreement, the Investor has been classified as a promoter of the Company.

The details of equity shares and warrants allotted to the Investors under the Investment Agreement is provided under SI No. 15

15. Share Capital as on March 31, 2021:

15.1 Authorized Share Capital: As on the date of this report, the authorized share capital of the Company is ₹ 200,00,00,000 consisting of 20,00,00,000 equity shares of ₹ 10 each. The shareholders of the Company, through the Postal Ballot, have approved on June 12, 2020, the increase of authorized share capital of the Company and consequent alteration of Capital Clause V of the Memorandum of Association of the Company from ₹ 132,00,00,000 divided into 13,20,00,000 Equity shares of ₹ 10 each to ₹ 200,00,00,000 divided into 20,00,00,000 Equity Shares of ₹ 10 each.

15.2 Issued, Subscribed and Paid-up capital:

(i) **Allotments of shares and warrants to the Investor as per the Investment Agreement:** The Issued, Subscribed and Paid-up Share Capital of the Company has increased from ₹ 88,69,06,290 consisting of 8,86,90,629 equity shares of ₹ 10 to ₹ 125,26,40,840 consisting of 12,52,64,084 equity shares upon the following allotments of securities of the Company to the Investor, on July 28, 2020, based on the Investment Agreement, and the approval of the shareholders of the Company received on June 12, 2020.

- (a) 2,95,16,260 equity shares of ₹ 10 each of the Company, at a price per share of ₹ 130 (including share premium of ₹ 120 per share), upon receipt of ₹ 383,71,13,800.
- (b) 1,85,60,663 warrants ("Series A Warrants") to the Investor, at a subscription price per warrant of ₹ 130 per warrant with a right to the warrant holder on exercise to apply for and be allotted 1 (One) equity share of the face value of ₹ 10 each of the Company at a premium of ₹ 120 per share for each warrant, in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of the Series A Warrants. As required under the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"), the Investor has remitted an amount equivalent to 25% of the Consideration i.e. ₹ 60,32,21,548 on allotment of Series A Warrant and the remaining 75% of the consideration shall be payable by the Investor on the exercise of the Series A Warrant (s), in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of the Series A Warrants.
- (c) 70,57,195 equity shares of ₹ 10 each of the Company, at a price per share of ₹ 130 (including share premium of ₹ 120 per share) upon exercise of 70,57,195 Series A Warrants by the Investor out of the total 1,85,60,663 Series A Warrants, upon receipt of ₹ 68,80,76,513 towards 75% of the consideration for conversion of 70,57,195 Series A Warrants to Equity.

(ii) **Issue and allotment of securities to employees, on exercise of ESOP:** The Board of Directors of the Company on November 12, 2020 and February 11, 2021, has allotted 87,200 and 8,000 equity shares, respectively, to employees of the Company/ subsidiary company on exercise of ESOPs as per HCG ESOS 2014. Accordingly, the Issued, Subscribed and Paid-up Share Capital of the Company has increased to ₹ 125,35,92,840 consisting of 12,53,59,284 equity shares.

(iii) **Issue and allotment of Series B Warrants to Dr. B.S. Ajaikumar, Promoter:** The Board of Directors of the Company on June 26, 2020, pursuant to the approval of the shareholders of the Company received on June 12, 2020, has made a preferential allotment of 20,00,000, Series B Warrants, to Dr. B.S. Ajaikumar, with a right to apply for and be allotted 1 equity share of the face value of ₹ 10 each of the Company, at a premium of ₹ 120 for each Series B Warrant, for a total consideration of ₹ 26,00,00,000. As required under the provisions of the ICDR Regulations, the Company on allotment of Series B Warrants has received ₹ 6,50,00,000 from Dr. B. S. Ajaikumar, being an amount equivalent to 25% of the total consideration. The remaining 75% of the consideration i.e. ₹ 19,50,00,000 shall be payable by him on the exercise of the Series B Warrant(s), in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of the Series B Warrants.

16. Open Offer:

Upon signing of the Investment Agreement, JM Financial Limited, Manager, appointed by the Investor, as required under Regulation 14(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 ("SEBI (SAST) Regulations"), has announced an Open Offer pursuant to and in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations, where the Investor - Aceso Company Pte. Ltd. along with Aceso Investment Holdings Pte. Ltd. ("PAC 1"), CVC Capital Partners Asia V L.P. ("PAC 2"), CVC Capital Partners Investment Asia V L.P. ("PAC 3") and CVC Capital Partners Asia V Associates L.P. ("PAC 4") (PAC 1, PAC 2, PAC 3 and PAC 4 collectively referred to as the "PACs"), in their capacity as the persons acting in concert with the Investor, for acquisition of up to 3,26,13,192 fully paid-up equity shares of face value of ₹ 10 each ("Equity Shares") from the Public Shareholders of the Company, representing 26% of the Expanded Voting Share Capital, at a price of ₹ 130/- per Equity Share aggregating to total consideration of ₹ 4,23,97,14,960 payable in cash ("Open Offer"). In this regard, JM Financial Limited, on behalf of the Investor has filed Letter of Offer dated August 05, 2020 with Securities and Exchange Board of India.

The Board of Directors of the Company had constituted a Committee of the Independent Directors comprising of

Dr Sudhakar Rao, Chairperson, Mr Shanker Annaswamy and Mrs Bhushani Kumar, to evaluate the Open Offer and to provide its written recommendation in relation to the Open Offer. The Committee of Independent Directors in this regard have opined that the Open Offer price is in accordance with SEBI (SAST) Regulations and is fair and reasonable and the recommendation has been filed with SEBI, stock exchanges etc.

Aceso Company Pte. Ltd has acquired 2,60,48,478 equity shares in the Company, representing 20.79% of the total share capital/voting capital, pursuant to the mandatory Open Offer on September 08, 2020.

Pursuant to the Preferential Allotment of shares to Aceso Company Pte. Ltd and acquisition of shares of the Company by the investor through Open Offer, the Company has become a foreign owned and controlled company under Foreign Exchange Management (Non-Debt Instrument) Rules, 2019 ("NDI Rules") and other applicable laws. The Company has complied with the provisions relating to the same, to the extent applicable.

Your Company has not issued shares with differential voting rights and sweat equity shares during the year under review.

17. Reclassification of certain promoters of the Company to public shareholders:

During the financial year, the Board of Directors of the Company had received requests from the following Promoters and members of the Promoter Group of the Company, for reclassifying their shareholding in the Company from the "Promoter and Promoter Group" category to the "Public" shareholding category, in accordance with SEBI LODR Regulations as amended and other rules, regulations and guidelines as applicable in this regard.

- (i) Dr Ganesh Nayak – Promoter;
- (ii) Dr Prakash Nayak – Promoter Group Member;
- (iii) Mr Pradeep Nayak – Promoter Group Member;
- (iv) Dr K.S. Gopinath – Promoter;
- (v) Dr Srinivas K Gopinath – Promoter Group Member;
- (vi) Dr B.S. Ramesh – Promoter;
- (vii) Dr Sudha Venkatesh – Promoter Group Member;
- (viii) Mr. Adarsh Ramesh – Promoter Group Member; and
- (ix) Dr M. Gopichand – Promoter.

The Board of Directors of the Company at their meeting held on July 28, 2020, considered and approved the re-classification of the status of the said promoters and promoter group members from Promoter and Promoter Group Category to Public Category of the Company,

subject to necessary approvals from the Shareholders, Securities and Exchange Board of India (SEBI), Stock Exchanges, as may be required, Shareholders of the company through Postal Ballot, have approved the reclassification on January 14, 2021. Pursuant to the same, an application in terms of Regulation 31A of SEBI LODR Regulations was made to the stock exchanges for their approval for the reclassification.

The Company has received the approval from National Stock Exchange of India Limited and BSE Limited, on April 05, 2021 for reclassification of the said members of Promoter and Promoter Group to Public Shareholders.

18. Declaration by Independent Directors:

The Company has received necessary declaration from each Independent Director, in accordance with Section 149(7) of the Companies Act, 2013, that he/she met the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and the Regulation 16(1)(B) of the SEBI LODR Regulations. 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.

For the purpose of Rule 8(5) (iiia) of the Companies (Accounts) Rules, 2014, the Board of Directors are of the opinion that the independent directors possess requisite qualifications, experience, expertise and hold high standards of integrity. List of key skills, expertise and core competencies of the Board, including the Independent Directors is provided in the Corporate Governance Report, forming part of the Annual Report.

19. Annual Return:

The Annual Return of your Company as on March 31, 2021, as provided under sub-section (3) of Section 92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form MGT 9 is placed on its website at <https://hcgel.com/investors>.

20. Board of Directors:

Our Board comprises of directors with a broad range of skills, experience, backgrounds and perspectives. This mix of skills, knowledge and experience enriches the Board discussion and contributes towards a high performing and effective Board.

As on March 31, 2021, the Board comprised of 4 (four) Independent Non-Executive Directors, 3 (three) Non-Independent Non-Executive Directors of which 2 (two) are Nominee Directors of Aceso Company Pte. Ltd and 1 (one) Executive Director/Whole-time Director, being the Executive Chairman of the Board.

All 4 (four) Independent Directors are free from any business, pecuniary or other relationship that could materially influence their judgment and satisfy the criteria of independence as defined under the Companies Act, 2013, and SEBI LODR Regulations. The Company had 1 (one) woman Director on the Board, who is an Independent and Non-Executive Director. The profiles of these Directors forms part of the Annual Report.

20.1 Directors appointed during the financial year till date:

- (i) Mr. Siddharth Patel and Mr. Amit Soni, have been appointed as Non-Executive Nominee Directors of Asceo Company Pte Ltd, on the Board of the Company, on July 28, 2020, as per the Investment Agreement.
- (ii) Mr. Abhay Prabhakar Havaladar has been appointed as an Independent Non-Executive Director of the Company, for a term of 4 years with effect from August 20, 2020.
- (iii) Mrs. Anjali Ajaikumar has been appointed as Executive Director – Strategy, on February 11, 2021, with effect from April 01, 2021.
- (iv) Mrs. Geeta Mathur has been appointed as an Independent Director (Additional Director) on the Board of the Company on June 17, 2021 for a term of 3 years, subject to approval of the shareholders of the Company.
- (v) Mr. Rajagopalan Raghavan has been appointed as an Independent Director (Additional Director) on the Board of the Company on August 12, 2021, for a term of 3 years, subject to approval of the shareholders of the Company.

20.2 Directors resigned or ceased to be a director due to the completion of the tenure, during the financial year till date:

- (i) Dr Ramesh S Bilimagga has completed his tenure as an Executive Director on May 21, 2020. Dr. B.S. Ramesh has continued on the Board of the Company as Non-Executive Director from May 22, 2020. Subsequently, he has resigned from the Directorship of the Company effective from the closing of business hours of June 30, 2020, as he intended to seek approval of the Board for the reclassification from a promoter to that of a public shareholder of the Company.
- (ii) Initial term of 5 years of Mr. Suresh Chandra Senapaty and Mr. Sampath Thattai Ramesh, as Independent Directors, have come to an end on May 28, 2020. The said Directors have conveyed their desire not to seek appointment as an Independent Directors of the Company for the second term due to their

personal commitments.

- (iii) Mr. Gangadhara Ganapati, Non-Independent Non-Executive Director has resigned from the Board of the Company with effect from August 11, 2020 due to his personal commitments.
- (iv) Dr Amit Varma has resigned from the Directorship of the Company effective from April 01, 2021, due to his personal commitments.
- (v) During the financial year, the Board of Directors of the Company and the shareholders of the Company have approved the re-appointment of Mrs. Bhushani Kumar, as an Independent Director of the Company, for a second term, for a period of 1 (one) year, effective from May 29, 2020. Mrs. Bhushani Kumar has completed the second term on May 28, 2021; and has ceased to be an Independent Director of the Company effective from May 29, 2021.

Members of the Board placed on record their appreciation for the remarkable support and guidance provided by Mr. Suresh Chandra Senapaty, Mr. Sampath Thattai Ramesh, Dr Ramesh S Bilimaga, Mr. Gangadhara Ganapati, Dr. Amit Varma and Mrs. Bhushani Kumar, during their tenure as Directors, and for their active participation in all the decision making processes of the Board.

20.3: Change in role of Dr. B. S. Ajaikumar (DIN 00713779) as Whole-time Director and Executive Chairman of the Company:

The Board of Directors of the Company, at the recommendation of the Nomination and Remuneration Committee has appointed Dr B.S. Ajaikumar as the Executive Chairman, with effect from February 01, 2021 for a period till June 30, 2023 (remaining period of the existing tenure as a Whole-time Director). The shareholders of the Company have approved the same.

20.4: Retirement by rotation: As per the provisions of the Companies Act, 2013, Mr Amit Soni, Non-Independent Non-Executive Director of the Company would retire by rotation at the forthcoming Annual General Meeting, and being eligible has offered himself for reappointment.

21. Number of meetings of the Board:

The Board met six times during the financial year 2020-21 viz., on, May 07, 2020, July 28, 2020, August 20, 2020, November 12, 2020, November 27, 2020 and February 11, 2021. 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 the Board is included in the report on Corporate Governance which forms a part of Directors' Report.

22. Key Managerial personnel:

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMPs) of the Company as on March 31, 2021 are:

- a) Dr B.S. Ajaikumar – Executive Chairman
- b) Mr. Raj Gore – Chief Executive Officer with effect from February 01, 2021
- c) Mr. Srinivasa V Raghavan – Chief Financial Officer
- d) Ms. Sunu Manuel – Company Secretary

During the year under review, Dr. B. S. Ajaikumar has ceased to be the Chief Executive Officer of the Company, effective from February 01, 2021, and has continued in office as Whole-time Director and Executive Chairman.

23. Committees of the Board and their constitution:

During the financial year, the Board had the following five Committees. The Composition of the Committees of the Board along with relevant information pertaining to Directors are detailed in the Corporate Governance Report which forms a part of this Report.

- A. Audit and Risk Management Committee;
- B. Nomination and Remuneration Committee;
- C. Stakeholders' Relationship Committee;
- D. Corporate Social Responsibility Committee; and
- E. Strategy Committee.
- F. Risk Management Committee*

*The Board of Directors of the Company has constituted Risk Management Committee on June 17, 2021. Prior to the formation of the Risk Management Committee, the Audit Committee of the Board was also overseeing the Risk Management function of the enterprise as a whole, and was called as Audit and Risk Management Committee. With effect from June 17, 2021, the Audit and Risk Management Committee is known as Audit Committee.

Keeping in view the requirements of the Companies Act, 2013 and SEBI LODR Regulations, as amended from time to time, the Board reviews the Terms of Reference of these Committees and the nomination of Board Members to various Committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

(A). Audit & Risk Management Committee

The Audit and Risk Management Committee of the Board reviews, acts on and reports to the Board 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 and Regulation 18 of SEBI LODR Regulations.

The Audit and Risk Management Committee met four times during the year, i.e., July 28, 2020, August 19, 2020, November 11, 2020 and February 10, 2021. The composition of the Audit and Risk Management Committee as on March 31, 2021 and their attendance at the committee meetings are given in the below table.

Name	Position	Number of meetings attended
Dr. Sudhakar Rao	Chairman*	4
Mr. Shanker Annaswamy	Member	4
Ms. Bhushani Kumar*	Member	4
Mr. Amit Soni	Member effective from July 28, 2020	3

* Notes:

- (i) Dr. Sudhakar Rao, Independent Director, member of the Audit Committee has been appointed as the Chairman of the Audit and Risk Management Committee, effective from June 12, 2020. Prior to this, Mr. Suresh Chandra Senapaty was the Chairman of the Audit and Risk Management Committee.
- (ii) Mrs. Bhushani Kumar, Independent Director was appointed as a member of the Audit and Risk Management Committee effective from June 12, 2020 and had continued to be a member of the Committee till May 28, 2021.

(B) 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 SEBI LODR Regulations.

Nomination and Remuneration Committee of the Board has met four times during the year 2020-21, i.e., July 27, 2020, August 19, 2020, November 10, 2020 and February 10, 2021.

The composition of the Nomination and Remuneration Committee and their attendance at the committee meetings during FY 2020-21 are given in the below table.

Name	Position	Number of meetings attended
Mr. Shanker Annaswamy	Chairman	4
Dr. Sudhakar Rao*	Member	4
Dr. Sampath T. Ramesh*	Member	Nil
Mr. Siddharth Patel*	Member	3
Mr. Gangadhara Ganapati*	Member	1

*** Notes:**

- (i) Dr. Sudhakar Rao was appointed as a member of the Committee effective from June 12, 2020, and has continued to be member of the Committee till March 31, 2021.
- (ii) The tenure of Dr. Sampath T Ramesh as a member of the Committee has come to end on May 28, 2020.
- (iii) Mr. Siddharath Patel was appointed as a member of the Committee effective from July 28, 2020.
- (iv) Mr. Gangadhara Ganapati has ceased to be a member of the Committee effective from August 11, 2020.
- (v) Effective from April 01, 2021, Mr. Abhay Havaladar, Independent Director and Dr. B. S. Ajaikumar, Executive Chairman have been appointed as members of the Committee

(C) Stakeholders' Relationship Committee

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

Stakeholders' Relationship Committee of the Board has met once during the year 2020-21, i.e., February 08, 2021.

The composition of the Stakeholders Relationship Committee and their attendance at the committee meetings during FY 2020-21 are given in the below table.

Name	Position	Number of meetings attended
Mr. Gangadhara Ganapati*	Chairman till August 11, 2020	Nil
Dr. B. S. Ajaikumar	Member	1
Mrs. Bhushani Kumar*	Member	1
Mr. Amit Soni	Chairman, with effect from August 20, 2020	1

*** Notes:**

- (i) Mr. Gangadhara Ganapati has ceased to be member/chairman of the Committee effective from August 11, 2020.
- (ii) Mr. Amit Soni, Non-Executive Director, has been appointed as a member of the Committee effective from July 28, 2020 and as a Chairman of the Committee effective from August 20, 2020.

(iii) Effective from April 01, 2021, Mr. Abhay Havaladar, Independent Director has been appointed as member of the Committee

(iv) Mrs Bhushani Kumar has ceased to be member of the Committee on March 31, 2021.

The Chairman of the Committee, Mr. Amit Soni is a non-executive director.

(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 and their attendance at the committee meetings during FY 2020-21 are given in the below table:

Name	Position	Number of meetings attended
Dr. Sampath T. Ramesh*	Chairman till May 28, 2020	1
Dr. B. S. Ajaikumar*	Chairman effective from June 12, 2020	1
Dr. Sudhakar Rao	Member	1
Mrs. Bhushani Kumar*	Member	1
Mr. Siddharth Patel*	Member	Nil

The Committee has met once during the financial year 2020-21 i.e., on July 27, 2020.

*** Notes:**

- (i) The tenure of Mr. Sampath T Ramesh as a member of the Committee has come to end on May 28, 2020.
- (ii) Dr. B.S Ajaikumar has been appointed as Chairman of the Committee effective from June 12, 2020, Prior to this, Mr Sampath T Ramesh was the Chairman of the Committee.
- (iii) Mr. Siddharth Patel has been appointed as member of the Committee effective from July 28, 2020.
- (iv) Mrs. Bhushani Kumar has ceased to be a member of the Committee effective from May 28, 2021.

(E) Strategy Committee

The Committee was constituted by our Board of Directors at their Meeting held on May 26, 2016 with

the scope of reviewing strategic initiatives; and for having an oversight of the strategic direction of the Company.

The Committee shall, at all times, be composed of at least 4 members of the Board; and the Chairperson of the Committee shall be the Chairman of the Company. The members of the Committee shall be nominated by the Board of Directors with a right to appoint, replace the members from time to time. The Company Secretary shall act as the Secretary of the Committee. CFO shall be an invitee to the Committee Meetings and would provide support to the Committee in terms of financial analysis and planning.

The members of the Committee and their attendance at the committee meetings during FY 2020-21 are given in the below table:

Name	Position	Number of meetings attended
Dr. B. S. Ajaikumar	Chairman	2
Mr. Gangadhara Ganapati	Member till August 11, 2020	Nil
Mr. Suresh Senapaty	Member till May 28, 2020	Nil
Mr. Shanker Annaswamy	Member till October 24, 2020	Nil
Dr. Amit Varma	Member till October 24, 2020	Nil
Mr. Siddharth Patel	Member effective from July 28, 2020	2
Mr. Amit Soni	Member effective from July 28, 2020	2

The Committee has met twice during the financial year 2020-21 i.e., on November 05, 2020, January 22, 2021.

With effect from April 01, 2021, Ms. Anjali Ajaikumar, Executive Director – Strategy has been appointed as member of the Committee.

(F) Risk Management Committee

The Board of Directors of the Company has constituted Risk Management Committee on June 17, 2021, to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks. The Committee has overall responsibility for monitoring and approving the enterprise risk management framework and associated practices of the Company.

Prior to the formation of the Risk Management Committee, the Audit Committee of the Board was overseeing the Risk Management function of the enterprise as a whole, and was called as Audit and Risk Management Committee. With effect from June 17, 2021, the Audit and Risk Management Committee is known as Audit Committee.

The members of the Risk Management Committee are given in the below table:

Name	Position
Dr. B. S. Ajaikumar	Member
Mrs Geetha Mathur.	Member
Mr. Raj Gore (CEO)	Member

The Committee would appoint the Chairman at its first meeting. The Committee is yet to meet as on the date of the report.

Details of terms of reference of the Committees, attendance at meetings of the Committees are provided in the Corporate Governance Report. The Company Secretary acts as the Secretary of all the Committees of the Board.

24. Board Evaluation:

In terms of the requirement of the Companies Act, 2013 and the SEBI LODR Regulations, an annual performance evaluation of the Board was undertaken. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and the SEBI LODR Regulations, and in consonance with Guidance Note on Board Evaluation issued by SEBI in January 2019. The Board evaluation was conducted through questionnaire having qualitative parameters and feedback based on rating.

Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, review of performance and compensation to Executive Directors, succession planning, strategic planning, etc.

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment, etc. The process also covered separate evaluation of Chairperson of the Board, Executive Directors, Non-Executive Directors and Independent Directors.

Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and

effectiveness of its advice/recommendation to the Board, etc.

The Board had, during the year, opportunities to interact and make an assessment of its functioning as a collective body. In addition, there were opportunities for Committees to interact, for Independent Directors to interact amongst themselves and for each Independent Director to interact with the Chairman. The Board found that, there was considerable value and richness in such discussions and deliberations.

The Board Evaluation discussion was focused around how to make the Board and its Committees more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was appraised of the business issues and the related opportunities and risks. The Board discussed various aspects of the functioning of the Board and its Committees such as structure, composition, meetings, functions and interaction with Management and what needs to be done to further improve the effectiveness of the Board's functioning.

Additionally, during the evaluation discussion, the Board also focused on the contribution being made by the Board as a whole, through its Committees and discussions on a one on one basis with the Chairman.

The process of Board Evaluation was led by the Chairman of the Nomination and Remuneration Committee. The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board that were functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the period. The Board acknowledged the efforts and contributions made by the Chairperson, Executive and Non- Executive Directors and Independent Directors towards the Company's performance.

The Board also noted that the actions identified in the past evaluation had been acted upon. Subsequent to the evaluation done in the financial year 2019-20, given the changing external environment, some areas have been identified for the Board to engage itself with and these will be acted upon.

25. Risk Management:

Pursuant to Regulation 21 of SEBI LODR Regulations, your Company has developed and rolled out a comprehensive Enterprise Risk Management Policy. The policy aims at elimination or reduction of risk exposures through identification and analysis of various types of risks and facilitating timely action for taking risk mitigation measures. The Risk Management and Steering Committee (RMSC) reviews the Company's portfolio of risks and considers it against the Company's risk appetite and recommends changes to the Risk Management

technique and / or associated frameworks, processes and practices of the Company. The enterprise risk management process of the Company is progressing satisfactorily, but the entire process is yet to reach a level of maturity. RMSC also advises and guides the Company for making the process more robust and to achieve prudent balance between risk and reward in both ongoing and new business activities. The Audit and Risk Management Committee periodically reviews the risk management process.

Since the Board has constituted a Risk Management Committee effective from June 17, 2021, the risk management process would be reviewed by the Risk Management Committee, going forward.

For further details on the enterprise wide risk management framework, refer to Management and Discussion Analysis Report forming part of the Annual Report.

26. Compliance Management Framework:

For monitoring compliances to applicable laws, your Company has instituted an online compliance management system within the organization to monitor compliances and provide update to the senior management and Board on a periodic basis. The Audit and Risk Management Committee and the Board periodically monitor status of compliances with applicable laws.

27. Corporate Social Responsibility:

Your Company has been taking initiatives under Corporate Social Responsibility (CSR) for society at large, well before it has been prescribed through the Companies Act, 2013; and over the years, had been 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.

As per the provisions of Section 135 of the Companies Act, 2013, the Company has well defined policy on CSR which covers the activities as prescribed under Schedule VII of the Companies Act, 2013. The CSR Policy is available on the website of the Company at <https://hcgel.com/investors>.

For more information on CSR, please refer to the Annual Report on Corporate Social Responsibility annexed herewith as **Annexure 6**.

28. Internal Audit:

Your Company has continued its engagement with M/s. Ernst & Young LLP, Chartered Accountants, to

conduct internal audit across the organization. We have also strengthened the in-house internal audit team to supplement and support the efforts of M/s. Ernst & Young LLP.

29. Internal Financial Control system and their adequacy:

The Management has laid down internal financial controls to be followed by the Company. We have adopted policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to the 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 disclosures.

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. In furtherance to this, your Company has instituted an online compliance management system within the organization to monitor compliances and provide update to senior management and Board on a periodic basis. The Audit and Risk Management Committee and the Board periodically monitor status of compliances with applicable laws.

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 and Risk Management Committee of the Board oversees the Internal Audit function.

The scope and authority of the Internal Audit function is derived from the Audit Committee Charter approved by the Audit and 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.

30. Vigil Mechanism for Directors and employees:

Section 177(9) and (10) of the Companies Act, 2013, mandates every listed company to establish a Vigil mechanism for its directors and employees which shall function as a channel for receiving and redressing their complaints. 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 have adopted a vigil mechanism which would encourage our directors, employees and all other stakeholders to report any incidence of fraudulent financial or other information to the stakeholders, reporting of instance(s) of leak or suspected leak of unpublished price sensitive information, and any conduct that results in violation of the Company's code of business conduct, to the management (on an anonymous basis, if employees so desire). Further, your Company has prohibited discrimination, retaliation or harassment of any kind against any employee who reports under the Vigil Mechanism or participates in the investigation.

Awareness of policies is created by, inter alia, training and sending group mailers highlighting actions taken by the Company against the errant employees. All complaints received through the Vigil mechanism are reviewed and investigated by the Ombudsperson. Dedicated email address has been created to facilitate receipt of complaints directly by the Ombudsperson.

The Audit and Risk Management Committee periodically reviews the functioning of this mechanism. 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.

Mechanism followed under the process is appropriately communicated within the Company across all levels and has been displayed on the Company's intranet and website at <https://hcgel.com/investors>. The Audit and Risk Management Committee periodically reviews the functioning of this mechanism.

31. Code for Prevention of Insider Trading:

Your Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the Company's website at <https://hcgel.com/investors>

32. Company's Policy on Appointment and Remuneration of Directors:

The Nomination & Remuneration Committee has framed a policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel (KMP), senior management personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the 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 <https://hcgel.com/investors>. We affirm that the remuneration paid to Directors is as per the terms laid out in the nomination and remuneration policy of the Company.

33. Particulars of employees:

The information required 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 for the year ended March 31, 2021 is provided as **Annexure 3** to this Report.

A statement containing, inter alia, names of top ten employees and employees if employed throughout the financial year and in receipt of remuneration of ₹ 102 Lakhs or more, employees employed for part of the year and in receipt of ₹ 8.50 Lakhs per month or more, pursuant to Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is also provided in **Annexure 3** to this report.

34. 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.

35. Statutory Auditors:

Under Section 139 of the Companies Act, 2013 and Rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of the maximum term permitted under the said section.

The shareholders at the 19th Annual General Meeting of the Company have approved the appointment of M/s. B S R & Co. LLP (Firm Registration No. 101248W/W-100022) as Statutory Auditors for a term of 5 years commencing from the conclusion of the Annual General Meeting of the Company held on August 10, 2017, till the conclusion of the Annual General Meeting to be held in the year 2022.

Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of the 23rd AGM.

36. Statutory Auditors' Report:

There are no qualifications, reservations or adverse remarks made by M/s B S R & Co. LLP, Statutory Auditors, in their report for the financial year ended March 31, 2021.

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit and Risk Management Committee during the year under review.

37. 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:

Information regarding potential impact of COVID-19 pandemic on your Company's business operations and financial position are provided as part of the Management Discussion and Analysis Report.

There has been no change in the nature of business of the Company during the last financial year.

38. 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, 2021. The said Report of the Secretarial Audit in Form MR 3 is annexed herewith as **Annexure 1** and forms part of the report.

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from October 1, 2017. The Company has devised proper systems to ensure compliance with its provisions and is in compliance with the same. Your Company has complied with the applicable Secretarial Standards relating to 'Meetings of the Board of Directors' and 'General Meetings' during the year.

39. Cost Records and Cost Auditor:

The Company maintains cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, your Directors, on the recommendation of the Audit and Risk Management Committee, have appointed M/s. Rao, Murthy & Associates (Firm Registration No. 00065), Costs Accountants as the cost auditors of the Company for FY 2020-21 at a remuneration of ₹ 1,75,000 (Rupees One Lakh Seventy-Five Thousand Only) (exclusive of taxes and re-imbursment of actual out-of-pocket expenses, if any, in connection with the cost audit).

The Board of Directors of the Company proposes the ratification of remuneration of M/s. Rao, Murthy & Associates, Cost Accountants as the Cost Auditor of the Company, for FY 2021-22 at the ensuing Annual General Meeting.

Cost Audit Report for the financial year ended March 31, 2020 has been filed with the Registrar of Companies.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is detailed in **Annexure 7**.

41. 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. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company's process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization.

During the year 2020-21, three (3) complaints were received, two of them were resolved and one complaint was outstanding as on March 31, 2021.

42. 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.

The General Circular No. 14/ 2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 39/2020 dated December 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID - 19" issued by the Ministry of Corporate Affairs, Government of India have permitted Companies to dispatch the Notice calling General Meeting and Annual Report by e-mail only.

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.

43. Employee Stock Option Schemes:

As required under Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014, the applicable disclosures as on March 31, 2021 are annexed to this Report as **Annexure 2**.

43.1 HCG ESOS 2014: Pursuant to regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014, the Company has obtained the approval of the members at the Annual General Meeting held on September 29, 2016, for ratifying Employee Stock Option Scheme of the Company (HCG ESOS 2014), the pre-IPO plan. HCG ESOS 2014 is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014 and there have been no material changes to the plan during the financial year. Disclosures on various plans, details of options granted, shares allotted upon exercise, etc. as required under the Employee Benefits Regulations read with Securities and Exchange Board of India circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 are available on the Company's website at <https://www.hcgel.com/investors/>. No employee was issued stock options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

43.2 HCG ESOS 2021: The Board of Directors of the company, on February 11, 2021, approved the new Employee Stock Options Scheme titled "HCG Employee Stock Option Scheme -

2021" (HCG ESOS 2021). The HCG ESOS 2021 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The shareholders have approved HCG ESOS 2021 vide Postal Ballot on May 23, 2021.

As per the Scheme, the Nomination and 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. Under the HCG ESOS 2021, a maximum of 62,67,000 (Sixty-Two Lakh Sixty-Seven Thousand Only) Options can be Granted exercisable into 62,67,000 (Sixty-Two Lakh Sixty-Seven Thousand Only) Equity Shares of face value of ₹ 10/- (Rupees Ten only) each. 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 of 7 years from the date of grant.

The Nomination and Remuneration Committee of the board evaluates the performance and other criteria of employees and approves the grant of options based on the recommendation of the Strategy Committee. These options vest with employees over a specified period subject to fulfilment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options. Under the Investment Agreement, no future grants shall be made under HCG ESOS 2014.

The stock compensation cost is computed under fair value method and accounted in line with graded vesting of options over the total vesting period of four years. For the year ended March 31, 2021, the Company has recorded stock compensation expense of ₹ 1,84,50,000 (FY 2020: ₹ 2,71,86,754).

For further details on the Scheme refer Annexure 2 of the Director's report.

44. Director's Responsibility Statement:

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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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;

- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant Board Committees, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020-21.

45. Corporate Governance:

The Company is committed to observe good corporate governance practices. The report on Corporate Governance practices followed by your Company, as per regulation 34(3) read with Schedule V of the SEBI LODR Regulations including Certificate from CEO and CFO as per Regulation 17 of SEBI LODR Regulations, is provided in the Annual Report and it forms integral part of this Report.

Further, a certificate from Mr. V Sreedharan, Partner, M/s V Sreedharan & Associates, a firm of Company Secretaries in Practice confirming the compliance with the conditions of Corporate Governance as stipulated by Regulation 34 (3) of SEBI LODR Regulations is attached to this report.

46. Declaration on Code of Conduct:

The Company has adopted the Code of Conduct for all its Senior Management Personnel and Directors and the same is affirmed by all the Board Members and Senior Management Personnel as required under Regulation 34 read with Part D of Schedule V of the SEBI LODR Regulations. A declaration signed by Dr. B. S. Ajaikumar, Executive Chairman and Mr. Raj Gore, CEO of the Company affirming the compliance with the Code of Conduct of the Company for the financial year 2020-21 has been annexed as part of this Report.

47. Acknowledgements and Appreciations:

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 desire 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 vendors, business associates, consultants, bankers, regulatory and government authorities, 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 healthcare services.

For and on behalf of the Board of Directors

Date: August 12, 2021
Place: Bengaluru

Dr. B. S. Ajaikumar
Executive Chairman

DECLARATION ON CODE OF CONDUCT

To,
The Members of
HealthCare Global Enterprises Limited.

We, Dr. B. S. Ajaikumar, Executive Chairman and Mr. Raj Gore, CEO of the Company, declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2021.

For and on behalf of the Board of Directors

Date: August 12, 2021
Place: Bengaluru

Dr. B. S. Ajaikumar
Executive Chairman

Raj Gore
Chief Executive Officer

ANNEXURE 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED: MARCH 31, 2021

[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
HEALTHCARE GLOBAL ENTERPRISES LIMITED
CIN: L15200KA1998PLC023489
HCG Tower, No.8 P. Kalinga Rao Road,
Sampangi Rama Nagar,
Bengaluru-560027

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 my 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, 2021 (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 Byelaws 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. There were no External Commercial Borrowings during the period under review.
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period);**
 - f. 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period);**
 - h. The SEBI (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period); and**
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015]
- vi) Other Laws Applicable Specifically to the Company namely:
 - 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 Rules, 2016 ("BMW Rules")
- w. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")
- x. Batteries (Management and Handling) Rules, 2001 ("Batteries Rules")
- y. e-waste (Management) Rules, 2016 ("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.

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

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

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 change in the

composition of the Board of Directors that took place during the period under review was 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 except with respect to those agenda items which the Company deemed to be unpublished price sensitive information (U PSI), 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 review of the compliance mechanism adopted by the Company of providing adequate presentations by the concerned departments' heads at the Board Meetings, regarding compliance with the applicable laws and its adherence, 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, 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., except for the following:

- a) The Company has made the preferential issue during the period under review and allotted 2,95,16,260 Equity Shares of ₹ 10/- each at a premium of ₹ 120/- each and 1,85,60,663 Series A Warrants of ₹ 10/- each at a premium of ₹ 120/- each to Aceso Company Pte Ltd., at the Board Meeting held on July 28, 2020.
- b) At the Board Meeting held on July 28, 2020, 70,57,195 warrants of ₹ 10/- each issued to Aceso Company Pte Ltd., were also converted into Equity Shares of ₹ 10/- each.
- c) The Company has filed an application to the stock exchanges for seeking approval for the reclassification of few shareholders who were forming part of the Promoter and Promoter Group of the Company, collectively holding 28,56,599 Equity Shares of ₹ 10/- each aggregating to 2.28% of Equity Capital of the Company, from Promoter / Promoter Group category to public category and received the approvals from both the stock exchanges vide approval letters dated April 05, 2021.

For V. SREEDHARAN & ASSOCIATES

Company Secretaries

V. Sreedharan

Partner

Date: August 06, 2021

FCS: 2347; CP No. 833

Place: Bengaluru

UDIN: F002347C000746915

Peer Review Certificate: No. 589/2019

This report (i.e., Form No. MR-3) is to be read with our letter of even date which is annexed as 'Annexure' and forms an integral part of this report.

'Annexure'

To,
The Members,
HEALTHCARE GLOBAL ENTERPRISES LIMITED
HCG Tower, No.8 P. Kalinga Rao Road,
Sampangi Rama Nagar
Bengaluru-560034

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Due to Covid-19 pandemic, we have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing Secretarial Audit Report (Form No. MR-3).

For V. SREEDHARAN & ASSOCIATES
Company Secretaries

V. Sreedharan
Partner

Date: August 06, 2021
Place: Bengaluru
Peer Review Certificate: No. 589/2019

FCS: 2347; CP No. 833
UDIN: F002347C000746915

ANNEXURE 2

a) Employee Share Option Plan of the Company

(i) ESOP 2010

In the Extraordinary General Meeting held on August 25, 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 Nomination and 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 June 16, 2010, the Company granted options under said scheme for eligible personnel. In the extraordinary general meeting held on March 31, 2015, the shareholders approved for accelerated vesting of options outstanding as at March 31, 2015. Accordingly, all the options outstanding were vested in the hands of option holders as at March 31, 2015. Further, the remaining options available for grant under ESOP 2010 were transferred to ESOP 2014 scheme.

Also, the options vested under the scheme and remaining unexercised have lapsed during the year 2020-21.

(ii) ESOP 2014

Pursuant to the shareholders' approval in the Extraordinary General Meeting held on March 28, 2014, 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 Nomination and 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 ESOP 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.

Employee stock options will be settled by delivery of shares.

Pursuant to the Investment Agreement, no further options shall be granted under the ESOP 2014.

(iii). HCG EMPLOYEE STOCK OPTION SCHEME - 2021 ("HCG ESOS 2021")

Subject to the shareholders' approval, the Board of Directors at the meeting held on February 11, 2021 approved the new Employee Stock Options Scheme titled "HCG Employee Stock Option Scheme - 2021" (HCG ESOS 2021). HCG ESOS 2021 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share.

The shareholders have approved the HCG ESOS 2021 vide Postal Ballot on May 23, 2021.

As per the Scheme, the Nomination and 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. Under the HCG ESOS 2021, a maximum of 62,67,000 (Sixty-Two Lakh Sixty-Seven Thousand) Options can be Granted exercisable into 62,67,000 (Sixty-Two Lakh Sixty-Seven Thousand) Equity Shares of face value of ₹ 10/- (Rupees Ten only) each. 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 7 years from the date of grant.

Employee stock options will be settled by delivery of shares.

b) (i) The details of fair market value and the exercise price is as given below:

Particulars	ESOP 2010	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	June 16, 2010	June 24, 2014	November 10, 2016	November 10, 2016
Fair market value of option at grant date (Rs.)	23.10	73.34	232.48	156.93
Fair market value of share at grant date (Rs.)	29.18	78.95	240.15	240.15
Exercise price (Rs.)	10.00	10.00	10.00	110.68
No. of options	12,94,800	1,10,100	1,65,400	30,000

Particulars	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	April 01, 2017	April 01, 2017	August 11, 2017	November 06, 2017
Fair market value of option at grant date (Rs.)	221.80	120.08	261.61	269.27
Fair market value of share at grant date (Rs.)	229.45	229.45	269.35	276.95
Exercise price (Rs.)	10.00	150.00	10.00	10.00
No. of options	25,000	35,000	1,01,000	53,000

Particulars	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	May 22, 2018	November 09, 2018	February 07, 2019
Fair market value of option at grant date (Rs.)	298.55	220.74	181.62
Fair market value of share at grant date (Rs.)	306.81	231.85	187.00
Exercise price (Rs.)	10.00	10.00	10.00
No. of options	55,000	25,000	47,000

Particulars	ESOP 2014	ESOP 2014
Date of grant	August 08, 2019	August 08, 2019
Fair market value of option at grant date (Rs.)	94.94	48.45
Fair market value of share at grant date (Rs.)	102.35	102.35
Exercise price (Rs.)	10.00	110.68
No. of options	1,41,800	30,000

(ii) There were no ESOPs granted during the year ended March 31, 2021. The assumptions used in this model for calculating fair value of the ESOP granted during the current year and previous year are as below:

Assumptions	Grant Date: August 8, 2019 (ESOP 2014)			
	Vest 1 August 8, 2020	Vest 2 August 8, 2021	Vest 3 August 8, 2022	Vest 4 August 8, 2023
Variables	10%	20%	30%	40%
Risk free interest rate	7.29%	7.44%	7.55%	7.64%
Expected life (years)	5.50	6.00	6.50	7.00
Expected annual volatility of shares	33.68%	33.68%	33.68%	33.68%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

Assumptions	Grant Date: 8 August 2019 (ESOP 2014)			
	Vest 1 August 8, 2020	Vest 2 August 8, 2021	Vest 3 August 8, 2022	Vest 4 August 8, 2023
Variables	10%	20%	30%	40%
Risk free interest rate	7.29%	7.44%	7.55%	7.64%
Expected life (years)	2.00	3.00	4.00	5.00
Expected annual volatility of shares	33.68%	33.68%	33.68%	33.68%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

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

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	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	5,877	10.00	7,827	10.00
- ESOP 2014	6,33,590	27.26	5,20,910	25.20
Granted during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	1,71,800	27.58

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Options (Numbers)	Weighted average exercise price per option (Rs.)	Options (Numbers)	Weighted average exercise price per option (Rs.)
Forfeited during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
Exercised during the year:				
- ESOP 2010	-	-	1,950	10.00
- ESOP 2014	95,200	10.00	59,120	10.00
Lapsed during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
Options outstanding at the end of the year:				
- ESOP 2010	5,877	10.00	5,877	10.00
- ESOP 2014	5,38,390	27.26	6,33,590	27.26
Options exercisable at the end of the year:				
- ESOP 2010	5,877	10.00	5,877	10.00
- ESOP 2014	2,33,270	45.25	1,19,530	36.17

* Options available for grant under ESOP 2014 Scheme are 21,62,506 (previous year 21,62,506). However, as mentioned above, subsequent to March 31, 2021, upon HCG ESOS 2021 becoming effective, no further stock option grants will be made under ESOP 2014.

** The above figure include options granted to employees of the subsidiaries.

The weighted average share price at the date of exercise for share options exercised during the year ended March 31, 2021 is ₹ 123.24 (previous year ₹ 118.80).

The options outstanding at the end of the reporting period has exercise price in the range of ₹ 10 to ₹ 150 (Previous year ₹ 10 to ₹ 150) and weighted average remaining contractual life of 6.79 years (Previous year 7.7 years).

- d) For details of expense recognised in statement of profit and loss please refer note 26 and for details of movement in share options outstanding account refer note 15.2 of Financial statements.
- e) Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard

Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
(16.85)	(6.02)	0.82	2.89	2.38

- f) Variation in terms of options

Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
None	None	None	None	None

- g)

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.
--	--

<p>h)</p> <p>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</p>	<p>For Financial Year 2021: The total accounting charge taken on account of ESOP 2010 and 2014 is ₹ 1,84,50,000.</p> <p>For Financial Year 2020: The total accounting charge taken on account of ESOP 2010 and 2014 is ₹ 2,71,86,754.</p> <p>For Financial Year 2019: The total accounting charge taken on account of ESOP 2010 and 2014 is ₹ 3,05,59,323.</p>
---	---

<p>i)</p> <p>Money realized by exercise of options (INR), if scheme is implemented directly by the Company</p>	<p>2020-21: ₹ 9,52,000 2019-20: ₹ 6,10,700 2018-19: ₹ 8,00,600</p>
--	---

<p>j)</p> <p>Loan repaid by the Trust during the year from exercise price received</p>	<p>Not Applicable</p>
--	-----------------------

k) Employee wise details of options granted during the year

a) Senior Management Personnel: NIL

b) Other than Senior Management Personnel: NIL

<p>Employees who have received a grant in any one year of options amounting to 5% or more of options granted during that year.</p>	<p>Nil</p>
<p>Employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital of the company at the time of grant.</p>	<p>Nil</p>

ANNEXURE 3

Information pursuant to 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 is detailed as under:

- (a) Comparison and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2020-21

Name of the Director	Designation	Remuneration for FY 2019-20 (₹ in Mn.)	Remuneration for FY 2020-21 (₹ in Mn.)	% increase in Remuneration [#]	% Increase in Median Remuneration of employees (₹ in Mn.)	Ratio Remuneration of employees
Dr. B. S. Ajaikumar	Executive Chairman	20.83	25.9 *	0%	0.23	91.94:1
Dr. B. S. Ramesh	Executive Director	8.03	1.44	0%	0.23	06.27:1
Dr. Sudhakar Rao	Independent Director	0.63	1.18	Nil	NA	NA
Shanker Annaswamy	Independent Director	0.86	0.93	Nil	NA	NA
Suresh C. Senapaty	Independent Director	0.86	0.10	Nil	NA	NA
Dr. Sampath T. Ramesh	Independent Director	0.63	0.10	Nil	NA	NA
Bhushani Kumar	Independent Director	0.59	0.83	Nil	NA	NA
Abhay Prabhakar Havaladar	Independent Director	NA	0.13	NA	NA	NA

[#] There is no increase in the sitting fees paid to independent Directors for attending the Board and Committee meetings. However, the changes in sitting fees are mainly on account of number of meetings attended by them.

* Remuneration of Dr. B. S. Ajaikumar is including variable pay.

- (b) The percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, during the financial year 2020-21

Name of Director/ KMP	Designation	Remuneration for FY 2019-20 (₹ in Mn.)	Remuneration for FY 2020-21 (₹ in Mn.)	% increase in Remuneration [#]
Mr. Meghraj Arvindrao Gore	Chief Executive Officer	Nil	3.8	NA
Mr. Srinivasa V. Raghavan	Chief Financial Officer	10.8	10.6	Nil
Ms. Sunu Manuel	Company Secretary	3.5	4.1*	Nil

[#] With respect to remuneration of the Company Secretary and Chief Financial Officer; there has been no increase in fixed remuneration for FY 2020-2021.

* Remuneration of Company Secretary includes variable pay.

- (c) The percentage increase in the median remuneration of employees during the financial year 2020-21 is 3.47%;
- (d) The number of permanent employees on the rolls of Company as of March 31, 2021 was 3,363.
- (e) Average percentile increase already made in the salaries of employees of the Company 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 2020-21
(A) Average percentile increase already made in the salaries of employees other than the managerial personnel	1.97%
(B) Percentile increase in the managerial remuneration	0.0%
Comparison of (A) and (B)	Percentile increase of B is greater than A
Justification	NA
Any exceptional circumstances for increase in the managerial remuneration	None

- (f) 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.

(g) Statement pursuant to Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The names of the top ten employees in terms of remuneration drawn –

SL No	Name of the Employee	Designation	Qualification	Previous employment	Date of joining (in Years)	Age Experience (in Years)	Remuneration received (₹)	No and % of Equity Shares held in the Company	Relationship with Directors/ Manager
1	Dr. B S Ajaikumar	Executive Chairman	MBBS, MD	Not Applicable	07/03/2000	70	2,11,47,142	1,78,24,215 14.22%	None
2	Anant Kittur	Director-Projects	CA	Wipro GE Healthcare	16/05/2015	48	1,61,25,460	81,200 0.06%	None
3	Meghraj Arvindrao Gore	Chief Executive Officer	M.Sc.IT, MBA and HMP from IMA and Singapore	Apollo Hospital	01/02/2021	46	38,34,990	Nil	None
4	Srinivasa Raghavan V	Chief Financial Officer	B.Com., CA, ICWA	CSC Technologies India Private Limited	27/07/2018	56	95,21,722	7,500 0.01%	None
5	Bharat Gadhavi	Regional Director	MS- General Surgery	Sterling Hospital	15/01/2008	57	63,27,533	44,835 0.04%	None
6	Shailesh Guntu	CEO-Milann & Director Healthcare Services-HCG	BHM, Executive MBA	Narayana Hrudyalaya	23/8/2016	35	59,18,595	2,071 0.00%	None
7	Niraj S Didwania	General Manager-Corporate Development	Masters in Management (Finance)	ING Vysya Bank	06/01/2016	39	59,06,410	18,000 0.01%	None
8	Venkataraman P	Vice President-Finance & Accounts	CA, ICWA	Wep solutions	08/06/2011	48	58,77,894	23,100 0.02%	None
9	Surinder Dang	Regional - Chief Operating Officer	B.Sc, PGM	Cloudnine Hospitals	05/12/2019	55	58,14,773	Nil	None
10	Madhavi Kanumoori	Chief Information Officer	BE	GE Healthcare	20/08/2018	50	57,54,597	Nil	None

Mr. Anant Kittur has resigned as Director- Projects, effective from February 28, 2021. Hence the remuneration details of Mr Anant Kittur pertain to the period from April 01, 2020 to February 28, 2021.

The nature of employment is contractual in all the above cases.

The above table is based on payouts made during the year.

For HealthCare Global Enterprises Limited

Date: August 12, 2021
Place: Bengaluru

Dr. B. S. Ajaikumar
Executive Chairman

ANNEXURE 4

FORM AOC 1

(Statement pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A - Subsidiaries

Name of the subsidiary	Financial year 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	31-03-2021	INR	100.00%	0.94	233.10	525.31	291.28	-	444.04	-125.68	-	-125.68
HCG Medi-Surge Hospitals Private Limited	31-03-2021	INR	74.00%	55.69	137.29	1,120.37	927.39	-	1,066.91	-63.61	14.26	-77.87
Malnad Hospital & Institute of Oncology Private Limited	31-03-2021	INR	70.25%	9.50	33.56	83.82	40.76	-	92.15	18.91	5.16	13.75
Niruja Product Development and Healthcare Research Private Limited	31-03-2021	INR	100%	0.50	-279.96	39.49	318.95	39.00	-	-205.70	-	-205.70
HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	31-03-2021	INR	100%	9.30	-39.00	1.04	30.74	-	-	-0.12	-	-0.12
HealthCare Diwan Chand Imaging LLP	31-03-2021	INR	75.00%	32.72	-8.53	30.94	6.75	-	-	0.21	4.53	-4.32
HCG Oncology LLP	31-03-2021	INR	74.00%	113.43	-284.03	599.67	770.28	-	441.82	-85.89	42.30	-128.19
HCG (Mauritius) Pvt Ltd	31-03-2021	INR	100.00%	309.45	-187.63	162.78	40.96	124.65	-	-213.54	-	-213.54
APEX HCG Oncology Hospitals LLP	31-03-2021	USD	100.00%	4.23	-2.56	2.22	0.56	1.70	-	-2.92	-	-2.92
HCG NCHRI Oncology LLP	31-03-2021	INR	100.00%	1,069.14	-955.74	1,627.21	1,513.81	-	363.66	-212.28	-	-212.28
HCG Manavata Oncology LLP	31-03-2021	INR	76.00%	486.63	-426.57	591.85	531.79	-	250.96	-92.15	-	-92.15
HCG EKO Oncology LLP	31-03-2021	INR	51.00%	657.03	-72.73	2,044.41	1,460.11	-	888.66	-135.56	-0.71	-134.85
HCG SUN Hospitals LLP	31-03-2021	INR	50.50%	521.49	-352.17	736.79	567.47	-	190.70	-231.12	-	-231.12
As on 31.03.2021: 1 US\$ = ₹ 73.2035			74.00%	292.64	-232.02	438.93	378.31	-	263.12	-93.77	-	-93.77

Revenue number is only considered revenue from operations

Part B - Associates and Joint venture

(₹ in Million)

S.No.	Name of associate/joint venture	Last audited balance sheet date	Date on which the associate or joint venture was associated or acquired	No of shares held by the Company in Associate/Joint venture on year end	Amount of investment in Associate/Joint venture	Extent of holding (%)	Description of how there is significant influence	Reason why associate/joint venture is not consolidated	Net worth attributable to shareholding as per latest audited balance sheet	Profit or (loss) for the year	
											Not considered in consolidation
1	Strand Life Sciences Private Limited	March 31, 2021	February 07, 2018	9,284,206 equity shares	245.33	38.20%	More than 20% shareholding	Joint control	74.86	32.41	52.43
2	HealthCare Global (Africa) Private Limited *	March 31, 2021	July 01, 2017	160,659 ordinary shares & 837,548 Preferred A shares	336.81	92.02%	More than 20% shareholding	Associate	263.58	-3.13	-0.27
3	HealthCare Global (Uganda) Private Limited #	March 31, 2021	July 01, 2017	72,500 ordinary shares	3.19	92.02%	More than 20% shareholding	Subsidiary of Associate	0.07	-0.70	-0.06
4	HealthCare Global (Kenya) Private Limited #	March 31, 2021	July 01, 2017	553,554 ordinary shares	406.01	92.02%	More than 20% shareholding	Subsidiary of Associate	2.50	-11.62	-1.01
5	HealthCare Global (Tanzania) Private Limited #	March 31, 2021	July 01, 2017	18,000 ordinary shares	0.08	92.02%	More than 20% shareholding	Subsidiary of Associate	-3.74	-2.98	-0.26
6	Cancer Care Kenya Limited @	March 31, 2021	July 01, 2017	4,768,547 ordinary shares	325.88	71.32%	More than 20% shareholding	Associate	131.34	-15.23	-6.13
7	Advanced Moluculer Imaging Limited §	December 31, 2020	July 07, 2019	5,000 ordinary shares	43.46	50.00%	More than 20% shareholding	Subsidiary of Associate	-9.41	-2.23	-2.91

* HealthCare Global (Africa) Private Limited became an Associate of HCG (Mauritius) Private Limited with effect from July 01, 2017.

HealthCare Global (Uganda) Private Limited, HealthCare Global (Kenya) Private Limited and HealthCare Global (Tanzania) Private Limited are wholly owned subsidiaries of HealthCare Global (Africa) Private Limited and accordingly all these companies would become an Associate of the ultimate parent company.

@ Cancer Care Kenya Limited is a subsidiary of HealthCare Global (Kenya) Private Limited and was acquired on July 01, 2017.

§ Advanced Moluculer Imaging Limited is a subsidiary of HealthCare Global (Kenya) Private Limited and was acquired on June 7, 2019.

For HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar
Executive Chairman

Date : August 12, 2021

Place: Bengaluru

ANNEXURE 5

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act 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 (₹ in million) if any	Date of approval by the Board, if any	Amount paid as advances, if any
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/ Common Director	Sale of goods	Ongoing arrangements	0.51	Not applicable	NIL
Sada Sarada Tumor & Research Institute	Company with Common Director			3.46		
Apex HCG Oncology Hospitals LLP	LLP/Subsidiary			0.67		
JSS Bharath Charitable Trust	Trust/Director of the Company is a trustee	9.41				
HCG Foundation	Trust/Director of the Company is a trustee	Providing of services	Ongoing arrangements	0.91		
Sada Sarada Tumor & Research Institute	Company with common Director			3.30		
Sada Sarada Tumor & Research Institute	Company with common Director	Rent expenses	Ongoing arrangements	0.04		
Strand Life Sciences Private Limited	Company with common Director/Associate	Lab charges	Ongoing arrangements	160.53		
Wipro GE India Pvt Ltd	Company with common Director	Annual Maintenance Charge	Ongoing arrangements	0.53		
GHA Global Healthcare Academy Private Limited	Company with common Director	Promotion and Marketing of Offline and Online courses	Ongoing arrangements	2.50		
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/ Common Director	Corporate Guarantee Commission Income	Ongoing arrangements	4.52		
HCG Oncology LLP	LLP/Subsidiary			2.54		
HCG NCHRI Oncology LLP	LLP/Subsidiary			2.53		
HCG Manavata Oncology LLP	LLP/Subsidiary			2.09		
Apex HCG Oncology Hospitals LLP	LLP/Subsidiary			3.28		
HCG EKO Oncology LLP	LLP/Subsidiary			2.65		
HCG SUN Hospitals LLP	LLP/Subsidiary			8.47		

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 (₹ in million) if any	Date of approval by the Board, if any	Amount paid as advances, if any
Dr. B.S. Ajaikumar	Director	Remuneration	Chairman & CEO, till January 31, 2021 and Executive Chairman from February 1, 2021	25.88	Not applicable	NIL
Ms. Anjali Ajaikumar	Relative of a Director		None.	5.00		
Dr. B.S.Ramesh	Director		Whole time director from April 1, 2021	1.44		
Meghraj Arvindrao Gore	CEO-KMP		Executive Director till May 21, 2020	3.83		
Srinivasa Raghavan	CFO-KMP		Employment Contract	10.58		
Sunu Manuel	CS-KMP		Employment Contract	4.07		

* All the transactions are in the ordinary course of business and at arm's length basis. These are as per agreed terms with the parties and in line with the Related Party policy of the Company and approvals received from the Audit and Risk Management Committee.

* The above compensation excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

* Dr B . S. Ajaikumar has waived off his fixed compensation for approx two months during the year.

For HealthCare Global Enterprises Limited

Dr. B. S. Ajaikumar
Executive Chairman

Date : August 12, 2021
Place: Bengaluru

ANNEXURE 6

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken:

The CSR activities of HCG are guided by its Corporate Social Responsibility (CSR) Policy which has been formulated and adopted by HCG in compliance with the provisions of Section 135 of the Companies Act, 2013 and is hosted on the Company's website <https://hcgel.com/investors>.

The main objective of HCG's CSR Policy is to lay down guidelines for HCG and its subsidiary companies to make CSR a key business process for sustainable development of the Society. It aims at staying committed for ensuring socio-economic development of the community through different participatory and need based initiatives in the best interest of the poor and deprived sections of the society, so as to help them to become self-reliant and build a better tomorrow for themselves. This in turn would lead to sustainable growth of the enterprises they are engaged with, the society and the country at large.

In alignment with the above, HCG, through this philanthropic approach, will conduct and initiate programmes focusing on areas covered in the Policy so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.

HCG's CSR activities, amongst others, will focus on:

- **Hunger, Poverty, Malnutrition and Health:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- **Education:** Promoting education, including special education and employment-enhancing vocational skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting student in their studies.
- **Gender Equality and Women Empowerment:** Promoting gender equality and empowering women; setting up homes and hostels for women and orphans; setting up of old age homes, day care centres and such other facilities for senior citizens;

and adopting measures for reducing inequalities faced by socially and economically backward groups.

- **Environmental Sustainability:** Ensuring environmental sustainability, ecological balance, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air & water.
- **National Heritage, Art and Culture:** Protecting national heritage, art & culture promoting and developing traditional arts and handicrafts.

2. The Composition of the CSR Committee:

The members of the Corporate Social Responsibility Committee as on March 31, 2021 were:

- (i) Dr. B. S. Ajai Kumar; Chairman with effect from June 12, 2020
- (ii) Dr. Sudhakar Rao, Member;
- (iii) Ms. Bhushani Kumar, Member; and
- (iv) Mr. Siddharth Patel, Member.

Corporate Social Responsibility Committee of the Board was reconstituted due to cessation of term of Dr. Sampath T. Ramesh, Chairman of the Committee, on May 28, 2020. Dr. B.S. Ajaikumar, Member of the Committee was appointed as Chairman of the Committee with effective from June 12, 2020. Mr. Siddharth Patel, was appointed as member of the Committee with effect from July 28, 2020. Tenure of Ms. Bhushani Kumar as Independent Director has come to an end on May 28, 2021 and hence she ceased to be a member of the Committee effective from May 28, 2021.

3. Average net profit/loss of the company for last three financial years as per Section 135(5):

Average net loss: ₹ 160.24 million

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

Not applicable

5. Details of CSR spent during the financial year:

Nil

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

HCG is firmly committed to spend the prescribed CSR expenditure amount in the immediate financial years. The Company is also looking at a long term sustainability model of CSR activities which would make a major impact on the communities at large. Various proposals for CSR projects are in the pipeline which would be considered and taken up by the Committee appropriately; and the unspent CSR expenditure amount

with respect to FY 2020-21 is Nil and the cumulative unspent CSR expenditure is ₹ 1,02,28,986 which would be spent on CSR initiatives through structured events, programs and projects during the current financial year and the immediate next financial years, as may be allowed under the Companies Act, 2013 and the Rules made thereunder.

7. CSR Committee Responsibility Statement:

The CSR Committee of the Board of Directors hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives of the Company.

Place: Bengaluru
Date: August 12, 2021

Dr. B.S. Ajaikumar
Executive Chairman & Chairman of CSR Committee

ANNEXURE 7

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given below:

A) 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.

The Company has reduced the internal energy consumption through the following:

- Phase out of CFL lamps to LED lights in the utility areas.
- Introduction of timer based operation of Air Handling Units to reduce power, consumption.
- Introduction of micro processing energy saver for AHU Motors, in case of new units.
- Implementation of energy optimization practices in Transformer operation in existing as well as new units.
- VFD installation for AHU motor in a phased manner.
- Introduction of timer control for AHU motors to reduce running hours.
- Phase out of split air conditioner units with chilled water FCU to reduce power consumption and capital cost. Also, for the new units, it is being implemented in the initial stage of the project itself.
- Operation of all Lifts and OT AHUs with VFD panels.
- Installation of solar water heaters in hospitals for hot water requirements
- Design new buildings to match high efficiency standards with respect to consumption of light and other energy resources.

The Company is also contemplating installation of solar panels for lighting requirements across its centres to reduce consumption of energy. Your Company constantly evaluates and invests in new technology to make the infrastructure more energy efficient. As the cost of energy forms a very small portion of the total costs, the financial implications of these measures are not material.

B) Technology absorption:

HCG has, for long, been at the forefront of the fight against cancer. An area of such intensity requires innovative treatments and methods, and the introduction of industry-changing technologies, for the overall benefit of both the medical expert and the patient. Cancer research is an area that requires more serious work and HCG aims to rise up to that challenge. In all its years of working in this field, HCG has led the march against cancer and set benchmarks in the industry, by introducing many new technologies, highly useful in increasing the accuracy and saving time. Cancer surgery is an important area of medicine and we aim to lead with our strong framework and technology infrastructure.

Some of the best and the world class equipments the Company has for the treatment of cancer are as under:

- (i) **Versa HD™:** Versa HD™ is a Versatile, all-in-one system which offers classic radiotherapy to advanced stereotactic precision. Equipped with sophisticated conformal beam-shaping technology and High Dose rate mode delivery, Versa HD™ is designed to provide the precision and speed necessary to deliver advanced stereotactic radiotherapy (SRT) and stereotactic radiosurgery (SRS), techniques that demand the maximum accuracy in tumor targeting and protection of critical structures. Versa HD™ the unique combination of ground-breaking MLC leaf speeds with High Dose Rate mode means clinicians can, for the first time, explore the full capabilities of high dose rate delivery and take advanced therapies to new levels. The equipment was imported in 2016 and the technology has been fully absorbed.
- (ii) **TomoTherapy® H™:** This is one of the most innovative and precise radiation therapy for the first time in India. TomoTherapy is an advanced form of cancer treatment that combines Intensity Modulated Radiation Therapy (IMRT) with the accuracy of Computed Tomography (CT) scanning technology (IGRT- Image Guided Radiotherapy), all in one machine. With this advanced treatment modality, we can modulate powerful radiation beams to treat tumours with precision. Using the built-in CT scanning to confirm the shape and position of the tumour before each treatment, TomoTherapy reduces radiation exposure to healthy tissues and organs thereby minimising the side effects. This technology is very helpful in treating tumours in hard-to-reach sites, tumours that are advanced stage (locally and metastatic) and recurrent tumours which have been previously treated with other

radiotherapy techniques. On each treatment day, the scanning technology provides a 3D image of the treatment area, so the radiation beams can be targeted according to the size, shape and location of the tumour(s) on that specific day. Hence there is no chance of missing the target. This minimizes the radiation that reaches the healthy tissues and organs, thereby, reducing the side effects. The TomoTherapy is a radiation therapy which efficiently treats cancer at any site on the body. Designed like a CT scanner, the TomoTherapy uses its integrated imaging to enhance treatment accuracy and a unique beam to improve treatment precision. The TomoTherapy can be used for any case which may need radiation therapy, including those involving large tumors or multiple tumors throughout the body. The TomoTherapy System may be used as the only treatment, or in combination with surgery and/or chemotherapy. The equipment was imported in 2017 and the technology has been fully absorbed.

(iii) TrueBeam™: TrueBeam system is the latest in cutting-edge technology in the fight against cancer. Aiding practitioners with its numerous lifesaving tools, this radical system enhances levels of clinical excellence with greater image clarity and pinpoint accuracy. Superior features like one-button image acquisition and full automation of beam delivery makes treatment 50% faster and much more effective. TrueBeam offers improved image quality, millimetre accuracy for increased precision and reduced human errors, thanks to its automated technology. It is highly accurate in tumour detection, has non-toxic elements and offers quicker treatment and delivery. The equipment was imported in 2016 and the technology has been fully absorbed.

(iv) Skyra 3 Tesla: This piece of cutting-edge technology allows clinicians to get an enhanced diagnosis which aids in deciding an optimal course of treatment and results in better outcomes. The Skyra 3 Tesla MRI incorporates Tim (Total imaging matrix) and Dot (Day optimising throughput) technology. In simple terms, this allows uniquely tailored and optimised scans that can be configured to the patient's condition or a clinical question. It also allows higher spatial and temporal resolution without having to reposition the patient. The Skyra 3T MRI is used in neuro-surgery (surgical planning), tractography, functional MRI and high resolution anatomical data. The Skyra 3T MRI offers high signal to noise ratio which translates into better quality images. It has faster scan times and 3-dimensional data in every body region, for every contrast available. Better exploitation of the magnetic properties of blood and other tissues allows diagnostic imaging of superior quality. For the patients there is no sedation required, there's more space to put claustrophobic patients at ease and motion correction for uncooperative patients. It can accommodate patients with special needs - pain

and mobility issues, obesity, respiratory problems etc. The equipment was imported in 2010 and the technology has been fully absorbed.

(v) CyberKnife: This is the world's first robotic radiosurgery system that offers the patients a new ray of hope in the treatment of tumours and lesions (previously diagnosed as inoperable or untreatable) anywhere in the body with sub-millimetre accuracy. It is considered to be an innovation in the treatment of cancer. CyberKnife offers a non-invasive alternative to surgery with state-of-the-art, real-time image guidance that precisely targets tumours anywhere in the body with pinpoint accuracy and delivers intense doses of radiation. As CyberKnife removes the need for invasive surgery, it also allows the patient to go home immediately after the treatment. Cyberknife offers several advantages to patients as it treats inoperable tumours, with stereotactic bloodless radiosurgery anywhere in the body. It also has high levels of comfort, as it is a relatively pain-free treatment procedure and requires no anaesthesia. CyberKnife also significantly reduces treatment time as it treats only the affected areas and offers minimal side effects allowing the patient to go back to leading a routine life. The equipment was imported in 2009 and the technology has been fully absorbed.

(vi) The Da Vinci Surgical System: Robotic surgery, or robot-assisted surgery, allows doctors to perform many types of complex procedures with more precision, flexibility and control than possible with conventional techniques. Robotic surgery is usually associated with minimally invasive surgery – procedures performed through tiny incisions. It is also, sometimes, used in certain traditional open surgical procedures. The Da Vinci Surgical System enables surgeons to perform delicate and complex operations through a few small incisions. The Da Vinci System consists of several key components, including an ergonomically designed console where the surgeon sits while operating, a patient-side cart where the patient is positioned during surgery, interactive robotic arms, a 3DHD vision system, and proprietary EndoWrist instruments. Da Vinci is powered by robotic technology that allows the surgeon's hand movements to be scaled, filtered and translated into precise movements of the EndoWrist instruments, working inside the patient's body. The advantages are minimal blood loss, minimal pain, minimal scarring, minimal complications, shorter hospital stay and faster recovery and return to normal life. The equipment was imported in 2016 and the technology has been fully absorbed.

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.

C) Research and Development:

The Research and Development is intellectual property driven accelerated bridge between basic research and clinical implementation through high quality translational research to understand disease pathogenesis, translate such knowledge into improvements in patient care and set new paradigm in personalized medicine era through biospecimen banking. Putting a step forward for comprehensive cancer care, the R&D focusses on high end molecular diagnostics, genomics and other high end technologies and platform to identify and utilize genetic variability in cancer and genetic make-up of the individual to formulate personalized therapeutic approaches that would enable maximum efficacy with a concomitant improvement in patient quality of life.

As a comprehensive cancer hospital dedicated to transforming cancer care, HCG is at the forefront of cancer research, ensuring our patients have access to cutting edge treatments that deliver the best possible outcomes. We are focused on delivering patient-centred care through clinical, academic and research excellence. Medicine is constantly evolving. To ensure we remain at the forefront of the latest approaches to cancer care and treatment, we have dedicated research teams onsite that focus on medical physics, radiation oncology, radiotherapy, medical oncology, as well as an integrated clinical trials department. This provides the opportunity for our patients and team members to get involved in vital research, including the trial of new drugs, devices and other treatment techniques.

Strand Life Sciences, associate of HCG offers the following range of services for Pharma, Biotech, CRO and diagnostic companies engaged in drug discovery, drug development, biomarker discovery and companion diagnostics development:

- Targeted Gene sequencing
- Exome sequencing services
- Tumor profiling services
- Enriched Clinical trial
- Pharmacogenomics - Enable pharma in drug development
- Biomarker Validation
- Companion diagnostics

Our research is focused on the discovery of clinically relevant gene signatures to bring novel biomarkers of diagnostic, prognostic and predictive value in cancer patients. We also carry out research on areas where an understanding of intracellular signalling mechanisms has the potential to yield breakthrough-targeted therapeutics. R&D team has successfully written Investigator Initiated Research (IIR) projects for extramural grants.

The Company actively publishes research papers, case studies, abstracts in international & national forums like ASCO, AACR and Indian Cancer Congress. Having access to well annotated and high quality clinical samples of various cancer types, Strand is the preferred partner for global pharma companies, academia, diagnostic companies, venture & technology groups for oncology research and clinical projects.

D) Foreign exchange earnings and outgo: The details of Foreign Exchange Earnings and Outgo for the year ended March 31, 2021 vis-a-vis during the year ended March 31, 2020 is as under:

(Amount in ₹)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Foreign Exchange Earnings	19,63,56,135	41,42,45,016
Foreign Exchange Expenditure	1,91,32,119	5,66,41,057

ANNEXURE 8

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31-MARCH-2021

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

To,
The Members,
HCG MEDI-SURGE HOSPITALS PRIVATE LIMITED
Medi-surge hospital, S1 Maharashtra Society
Mithakhali Cross Road,
Ahmedabad,
Gujarat, India, PIN-380006.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HCG MEDI-SURGE HOSPITALS PRIVATE LIMITED** (hereinafter called the 'Company'), with CIN U85110GJ2000PTC037474. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

The Management has identified and confirmed the following laws as specifically applicable to the Company, during the financial year 2020-21:

- a. Drugs and Cosmetics Act, 1940 and the rules thereunder
- b. Atomic Energy Act, 1962 ("Atomic Energy Act") and Atomic Energy (Radiation Protection) Rules, 2004 ("Atomic Energy Rules")

- c. Radiation Protection Rules, 1971 ("Radiation Rules")
- d. Radiation Surveillance Procedures for Medical Application of Radiation, 1989 ("Radiation Surveillance Procedures")
- e. The Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 ("X-Ray Safety Code")
- f. Pharmacy Act, 1948 ("Pharmacy Act")
- g. Drugs (Prices Control) Order, 2013 ("DPCO")
- h. The Clinical Establishments (Registration and Regulation), Act, 2010
- i. Narcotic Drugs and Psychotropic Substances Act, 1985 ("Narcotic Act")
- j. Transplantation of Human Organs Act, 1994 ("Transplantation of Organs Act")
- k. Explosives Act, 1884 ("Explosives Act")
- l. Indian Boilers Act, 1923 ("Boilers Act")
- m. Ethical Guidelines for Biomedical Research on Human Participants, 2006 ("ICMR Guidelines")
- n. Legal Metrology Act, 2009 ("Legal Metrology Act") and rules thereunder
- o. Indian Medical Council Act, 1956 ("IMCA")
- p. Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002
- q. Indian Nursing Council Act, 1947
- r. Bio-Medical Waste Management Rules, 2016 ("BMW Rules")
- s. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

- t. Batteries (Management and Handling) Rules, 2001 ("Batteries Rules")
- u. E-waste Management Rules, 2016 ("e-waste Rules")
- v. Static and Mobiles Pressure Vessels (Unfired) Rules, 1981
- w. Food Safety and Standards Act, 2006
- x. Gujarat Electricity Duty Act, 1958
- y. National Accreditation Board for Hospitals & Healthcare Providers
- z. The Environment (Protection) Act, 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

iii) I further report that:

- a) The status of the Company during the financial year has been that of Private Limited Company, which is a Subsidiary of a Listed Public Limited Company;
- b) The Company is a Subsidiary of **Healthcare Global Enterprises Limited;**
- c) The Board of Directors of the Company is duly constituted. The Company is not required to appoint KMP during the year under review. Changes made to the constitution of Board of Directors were reported to the Ministry of Corporate Affairs.

- d) 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.
- e) The decisions of the Committee, Board and General Meetings were carried out with requisite majority, and the Company has adequate mechanism to capture the views and votes of dissenting Directors/ Members, if any, and to consider and address their concern/suggestion and to record those particulars adequately as part of the minutes, as and where such noting is applicable.
- f) 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.
- g) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts, arrangements, shareholdings, directorships, interest in other entities.

I further report that, during the financial year under review, there were no specific events having major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards, etc.

Signature:

K. L. Jayakrishna

Company Secretary in Practice

Date : August 12, 2021 FCS No. 7297, CP No. 14890
Place : Bangalore. UDIN: F007297C000792598

Corporate Governance Report

I. Company's philosophy on code of governance

We at HealthCare Global Enterprises Limited ("HCG" or "the Company") believe that effective governance is achieved through a culture of transparency and openness between management and the Board of Directors ("Board") and across the stakeholders. This report, while detailing the required governance and regulatory assurances and disclosures, also provides an insight into how governance operates at HealthCare Global Enterprises Limited and how effective governance supports and guides our culture and behaviours.

The Board discharges some of its responsibilities directly and delegates certain other responsibilities to its committees to assist it in carrying out its function of ensuring independent oversight. The Board also delegates authority for the operational management of the business to the Executive Chairman and to the CEO for further delegation by them in respect of matters that are necessary for the effective day-to-day running and management of the business.

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

II. Board of Directors

A. Composition of Board

Our Board comprises of directors with a broad range of skills, experience, backgrounds and perspectives. This mix of skills, knowledge and experience enriches the Board discussion and contributes towards a high performing and effective Board.

As on March 31, 2021, the Board comprised of 4 (four) Independent Non-Executive Directors, 2 (two) Non-Executive Nominee Directors, 1 (one) Non-Independent Non-Executive Director and 1 (one) Executive Director/Whole-time Director. The Executive Director, Dr. B. S. Ajaikumar is the Chairman of the Board. All 4 Independent Directors are free from any business, pecuniary or other relationship that could materially influence their judgment and satisfy the criteria of independence as defined under the Companies Act, 2013, and the Listing Regulations. The Company has 1 (one) woman Director on the Board, who is an Independent and Non-Executive Director. The profiles of our Directors forms part of the Annual Report.

During the year, tenure of Mr. Suresh Chandra Senapaty and Mr. Sampath T Ramesh, Independent Non-Executive Directors, have come to an end on May 28, 2020. The said Directors have conveyed their desire not to seek appointment as Independent Directors of the Company for the second term. Further, Dr. B.S. Ramesh, Director of the Company, has completed his tenure as Executive Director on May 21, 2020. Dr. B.S. Ramesh has continued on the Board of the Company as Non-Executive Director from May 22, 2020. Subsequently, he has resigned from the Directorship of the Company effective from the closing of business hours of June 30, 2020.

Further, on July 28, 2020, Mr. Siddharth Patel and Mr Amit Soni, have been appointed as Directors, as nominees of Aceso Company Pte Ltd, on the Board of the Company, as per the Investment Agreement dated June 04, 2020 entered into by and amongst the Company, Dr. B. S. Ajaikumar and Aceso Company Pte. Ltd.

Mr. Gangadhara Ganapati, Non-Independent Non-Executive Director has resigned from the Board of the Company with effect from August 11, 2020. Mr. Abhay Prabhakar Havaldar has been appointed as Independent Non-Executive Director of the Company for a term of 4 years with effect from August 20, 2020. Mrs. Anjali Ajaikumar has been appointed as Executive Director – Strategy on February 11, 2021 to hold office with effect from April 01, 2021. Dr. Amit Varma, Non-Independent Non-Executive Director has resigned from the Board of the Company with effect from April 01, 2021. Out of 4 Independent Non-Executive Directors, tenure of Ms. Bhushani Kumar has come to an end on May 28, 2021. The said Director has completed two terms as Independent Directors of the Company.

B. 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.

The Chairman of the Board decides the agenda in consultation with other members of the Board for the Board meetings. A detailed agenda and notes thereon are sent to each Director in advance of Board and Committee Meetings. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any documents with the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. To enable the Board to discharge its responsibilities effectively, the Board is kept abreast at every meeting on the overall performance of the Company. All the relevant reports are also presented at the Board Meetings. Documents containing unpublished price sensitive information are submitted to the Board and Committee Members, at a shorter notice, as per the general consent taken from the Board, from time to time.

C. Board Meetings

To enable the Board to use its time most effectively, it maintains a scheduled forward programme of

The attendance of the Directors at the Board Meetings for the year ended March 31, 2021 is provided in the below table:

Sl. No.	Name	Position	Number of Board Meetings attended
1.	Dr. B. S. Ajaikumar	Chairman	6
2.	Dr. Sudhakar Rao	Member	6
3.	Mr. Shanker Annaswamy	Member	6
4.	Mrs. Bhushani Kumar	Member	6
5.	Mr. Gangadhara Ganapati	Member	2*
6.	Mr. Suresh C. Senapaty	Member	1*
7.	Dr. Sampath T. Ramesh	Member	1*
8.	Dr. Ramesh S. Bilimagga	Member	1*
9.	Dr. Amit Varma	Member	3
10.	Mr. Abhay Prabhakar Havaladar	Member	2*
11.	Mr. Siddharth Patel	Member	4*
12.	Mr. Amit Soni	Member	4*

* These directors have not attended all the meetings conducted during the financial year, as they have been appointed/ceased to be a director during the financial year.

D. Lead Independent Director

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

E. 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

meetings and a rolling agenda. There is sufficient flexibility in the programme for specific items to be added to any particular agenda to ensure that the Board can focus on the key matters at the appropriate time. The Board also schedules a number of informal sessions and interactions, which allows Board members to discuss areas of the business, strategy and the external environment with members of the Management Team. Generally, members of the Management Team and other senior executives are invited to attend part of the meetings to ensure effective interaction with the Board.

Our Board meetings are normally scheduled for a day. The Board met six times during the financial year 2020-21 viz., on, May 07, 2020, July 28, 2020, August 20, 2020, November 12, 2020, November 27, 2020 and February 11, 2021. The gap between two meetings did not exceed 120 days. The necessary quorum was present for all the meetings. In line with Paragraph 4 of Schedule B of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, it is the endeavour of the Company that the gap between the clearance of accounts by audit committee and board meeting is as narrow as possible.

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. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. The template of the letter of appointment is available on our website at <https://hcgel.com/investors>.

Details of Directors proposed for re-appointment/appointment at the ensuing Annual General Meeting

is provided in the Notice convening the Annual General Meeting.

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

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 <https://hcgel.com/investors>. We affirm that the remuneration paid to Directors is as per the terms laid out in the nomination and remuneration policy of the Company.

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.

G. Criteria of selection of Directors

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the following are the key skills/expertise/competence that has been identified so that the Board of Directors comprises of a diverse and multidisciplinary group of professionals with requisite skills/expertise/competence who can contribute towards providing strategic direction to the Company's management to continue to pursue its vision of providing quality and affordable healthcare whilst upholding the highest standards of Corporate Governance.

Key Competencies	Brief Description
Corporate Governance	Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests and Company's responsibilities, towards customers, employees, suppliers, regulatory bodies and the communities in which it operates.
Business/ Management Leadership Experience	Strong management and leadership experience including in areas of business development, strategic planning and mergers and acquisitions, scientific research and development, senior level government experience and academic background or can demonstrate knowledge or expertise in, sound management and operational business processes and practices in the private or public sector including an understanding of topics such as managing complex projects, leveraging information technology, planning and measuring performance, and allocating resources to achieve outcomes
Personal values	Personal characteristics matching the Company's values, such as integrity, accountability, and high performance standards.
Information Technology	Knowledge and experience in the strategic use and governance of information management and information technology with ability to apply technology to the healthcare/hospital sector, emerging areas of technology such as digital, artificial intelligence, cloud and cyber security, intellectual property in information technology domain, and knowledge of technology trends.
Functional and managerial Experience	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge, macro-economic perspectives, human resources, labour laws, international markets, sales and marketing, and risk management.
Industry/Sector Knowledge	Experience with or is able to demonstrate knowledge or expertise of Healthcare industry including an understanding of particular trends, challenges and opportunities, or unique dynamics within the sector that are relevant to the Company.
Diversity	Diversity of thought, experience, knowledge, perspective, gender and culture. Varied mix of strategic perspectives, and geographical focus with knowledge and understanding of key geographies.

Given below is a list of core skills, expertise and competencies of the individual directors, who are directors of the Company as on March 31, 2021 :

Name of the Director	Skills/Expertise/Competencies						Diversity
	Corporate Governance	Business/ Management Leadership Experience*	Personal values	Information Technology*	Functional and managerial Experience*	Industry/ Sector Knowledge*	
Dr. B. S. Ajaikumar	✓	✓	✓	✓	✓	✓	✓
Dr. Sudhakar Rao	✓	✓	✓	✓	✓	✓	✓
Mr. Shanker Annaswamy	✓	✓	✓	✓	✓	✓	✓
Mr. Amit Varma	✓	✓	✓	✓	✓	✓	✓
Ms. Bhushani Kumar	✓	✓	✓	✓	✓	✓	✓
Mr. Amit Soni	✓	✓	✓	✓	✓	✓	✓
Mr. Siddharth Patel	✓	✓	✓	✓	✓	✓	✓
Mr. Abhay Prabhakar Havaladar	✓	✓	✓	✓	✓	✓	✓

* These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/ experience listed therein in the same depth and intensity.

Nomination and Remuneration Committee considers the following attributes/criteria, whilst recommending to the Board the candidature for appointment of Directors. These skills/competencies are broad-based, encompassing several areas of expertise/experience.

In case of appointment of Independent Directors, Nomination and Remuneration Committee shall, apart from considering the skills/competencies, obtain a declaration to that effect, to 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.

In case of re-appointment of Independent Directors, the Board takes into consideration the performance evaluation of the Independent Directors and their engagement level.

As required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have completed the registration with the Independent Directors Databank.

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.

H. Meeting of Independent Directors

The Company's Independent Directors are required

to meet at least once in every Financial Year in compliance with the provisions of the Companies Act, 2013. Such meetings are conducted to enable Independent Directors to discuss the matters pertaining to the Company's affairs and put forth their views. Further, Independent Directors also review the performance of the Non-Independent Directors, Chairperson (after considering the views of Executive and Non-Executive Directors of the Company) and the Board as a whole. During the Financial Year under review, the Independent Directors met on December 28, 2020.

I. Familiarization programme of Directors

All new Board of Directors receive an induction programme to enable them to function effectively as quickly as possible, while building a deep understanding of our business and markets. Each induction typically consists of a combination of meetings with both executive and independent directors, briefings from senior managers across the Company.

Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, operations review, quarterly and annual results, budgets, review of internal audit reports and action taken reports, statutory compliances, risk management, operations of subsidiaries and business strategy and risks involved. Such presentations and documents provide an opportunity to the Independent Directors to interact with the Senior Management Team of the Company and help them understand the Company's strategy, operations, services, organization structure, finance, human resources, technology, quality and such other areas as may arise from time to time.

Details regarding familiarization programme are provided in Company's Corporate Governance Guidelines which is available in <https://hcgel.com/investors>.

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

The Independent Directors are entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings as detailed hereunder:

- sitting fees for each meeting of the Board or Committee of the Board attended by him or her, of such sum as may be approved by the Board within the overall limits prescribed under the Companies Act, 2013.
- reimbursement of expenses for participation in Board/Committee meetings.
- Independent Directors are not entitled to participate in the stock option schemes of the Company.

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

- the relationship of remuneration and performance benchmark is clear;
- the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and a variable component comprising performance based variable pay;

- 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.
- Directors forming part of the Promoter and Promoter group shall not be entitled to receive stock options.

The Nomination and Remuneration Committee of the Board recommends to the Board, for payment of remuneration to the Executive Directors. The Board, subject to the approval of the shareholders, approves the payment of remuneration to the Executive Directors. Each of our Executive Directors have also signed an agreement containing the terms and conditions of employment, including their remuneration. These agreements have varying terms ranging from two to four year periods. The Agreement cannot be terminated prior to the expiry of the Term by either Party, except for Cause to the Company or for Cause to the Employee. The payment to be made upon termination of services would depend upon the nature of Cause for termination of the agreement.

K. Details of Remuneration to Directors

The Table below provides the remuneration paid to the Directors for the services rendered by them and the Independent Directors towards the sitting fees for the Board/Committee meetings attended by them during the financial year 2020-21. No stock options were granted to any of the Independent Directors and Promoter Directors during the year 2020-21. None of the Directors are related to each other, except Ms. Anjali Ajaikumar who is the daughter of Dr. B. S. Ajaikumar.

Details of remuneration paid to Directors during the year 2020-21:

(₹ in Million)

Name of the Director	Dr. B. S. Ajaikumar	Gangadhara Ganapati	Sudhakar Rao	Shanker Annaswamy	Suresh C. Senapaty	Sampath. T. Ramesh	Bhushani Kumar	Dr. B. S. Ramesh	Dr. Amit Varma	Abhay Prabhakar Havaladar	Amit Soni	Siddharth Patel
Salary	25.9*	Nil	Nil	Nil	Nil	Nil	Nil	1.4	Nil	Nil	Nil	Nil
Allowances	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Commission/ Incentives/	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sitting fees	Nil	Nil	1.18	0.93	0.10	0.10	0.83	Nil	Nil	0.13	Nil	Nil
Retirals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stock options (number of options)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*The above compensation excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

L. Key Information pertaining to Directors as on March 31, 2021 is given below:

Sl. No.	Name of the Director and DIN	Category	Date of appointment	Directorship in Companies* including this Company	Number of Chairmanship in Audit/Stakeholder Committee held in listed entities including this listed entity	Number of Memberships in Audit/Stakeholder Committees * including this listed entity	Attendance at the last AGM held on September 29, 2020	No. of shares held as on March 31, 2021	Number of Independent Directorship in other listed entities **
1.	Dr. B. S. Ajaikumar DIN: 00713779	Promoter, Executive Director	07/03/2000	11	Nil	1	Yes	1,78,24,215	Nil
2.	Dr. Sudhakar Rao DIN: 00267211	Independent Director	25/02/2015	5	4	5	Yes	Nil	Tata Elxsi Limited
3.	Shanker Annaswamy DIN: 00449634	Independent Director	25/02/2015	3	Nil	3	Yes	Nil	IndusInd Bank Limited
4.	Bhushani Kumar DIN: 07195076	Independent Director	29/05/2015	1	Nil	2	No	Nil	Nil
5.	Dr. Amit Varma DIN: 02241746	Non- Executive Non- Independent Director	10/11/2016	12	Nil	2	No	Nil	Nil
6.	Amit Soni DIN: 05111144	Non- Executive Nominee Director	28/07/2020	3	1	2	Yes	Nil	Nil
7.	Siddharth Patel DIN:07803802	Non- Executive Nominee Director	28/07/2020	2	Nil	Nil	Yes	Nil	Nil
8.	Abhay Havaladar DIN:00118280	Independent Director	20/08/2020	2	Nil	1	Yes	Nil	Jubilant Foodworks Limited

* This includes directorship in private and public companies but does not include directorship in foreign companies, Section 8 companies and LLPs where the individual serves as designated partner.

**These Directorships are in the capacity as Independent Directors.

Notes:

(i) None of the Directors are related to each other.

(ii) Dr. Sudhakar Rao and Mr. Shanker Annaswamy, whose initial term of 5 years ended on February 24, 2020, were reappointed for a second term of 5 years with effect from February 25, 2020.

(iii) Second term of 2 years of Mrs. Bhushani Kumar as Independent Director of the Company has come to an end on May 28, 2021.

None of our Directors are members in more than 10 committees and has not acted as Chairman of more than 5 committees across all companies in which they were Directors. The membership and chairmanship in the Committees as above covers the Audit Committee and Stakeholders Relationship Committees only.

III. Governance by the Sub-Committees 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.

During the financial year, the Board has accepted the recommendations of Committees on matters where such a recommendation is mandatorily required. There have been no instances where such recommendations have not been considered.

We have the following five sub-committees of the Board as at March 31, 2021

- A. Audit and Risk Management Committee;
- B. Nomination and Remuneration Committee;
- C. Stakeholders' Relationship Committee;
- D. Corporate Social Responsibility Committee; and
- E. Strategy Committee.

The Board of Directors of the Company has constituted Risk Management Committee on June 17, 2021. Prior to the formation of the Risk Management Committee, the Audit Committee of the Board was also overseeing the Risk Management function of the enterprise as a whole, and was called as Audit and Risk Management Committee. With effect from June 17, 2021, the Audit and Risk Management Committee is known as Audit Committee.

A. Audit and Risk Management Committee

The Audit and Risk Management Committee of the Board reviews, acts on and reports to our Board 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 Listing Regulations and its terms of reference inter-alia, include the following:

- (a) reviewing on a regular basis the adequacy of the internal audit function, coverage and frequency of internal audits including the structure of internal audit department.
- (b) reviewing and discussing with internal auditors and management on issues / findings arising from the internal audit reports and follow up thereon. This would include reviewing the issues / findings arising from internal investigations into matters where there is suspected fraud

or irregularity or a failure of internal control systems of a material nature and reporting the same to the Board.

- (c) meeting separately with the Internal Auditors, Statutory Auditors and Management on a quarterly basis.
- (d) reviewing and monitoring the Auditor's Independence, performance and effectiveness of audit process.
- (e) to make necessary recommendations to the Board to engage, disengage and re-engage Statutory Auditors, pre-approve all audit engagement fees and terms; and pre-approve any non-audit relationship with the Statutory Auditor and the payment to be made for such services.
- (f) discussion with Statutory Auditors before the audit commences, on the nature, scope and approach of the audit and to review the performance of the Statutory Auditors.
- (g) post-audit discussion with Statutory Auditors to ascertain areas of concern and annually obtaining and reviewing a report by the Statutory Auditor describing material issues, if any raised by the most recent peer review of the firm, inquiry or investigation, if any by governmental or professional authorities within the preceding five years in respect of one or more independent audits carried out by the firm, or on steps, if any taken to deal with any such issues, relationships between the Statutory Auditor and the Company so as to assess the Auditor's independence, etc.
- (h) review of the Company's accounting policies, internal accounting controls, internal financial controls and risk management systems and policies and such other matters as the Audit Committee deems appropriate.
- (i) overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are materially correct.
- (j) review and discuss the audited financial statements with management and the Statutory Auditors and determine whether they are complete and consistent with the information known to committee members; assess whether the financial statements reflect appropriate accounting principles.
- (k) reviewing and examining with management the annual financial statements and the auditors' report thereon before submission to the Board of Directors for approval as required under the Companies Act, 2013, which includes changes

in accounting policies and practices and reasons for the same, major accounting entries based on exercise of judgment by management, qualifications in draft audit report, significant adjustments made in the financial statements arising out of audit findings, disclosure of any related party transactions etc.,

- (l) reviewing, with the management, the quarterly financial statements before submission to the Board for approval, including the statement of uses/application of fund raised through an issue (public issue, rights issue, preferential issue, etc.), and making appropriate recommendations to the Board to take up steps in this matter.
- (m) review and approval of a policy on materiality of related party transactions, approval or any subsequent modifications of transactions with related parties, including review on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given, Statement of significant related party transactions, (as defined by the Audit Committee), if any, submitted by the Management.
- (n) reviewing the financial statements of unlisted subsidiaries and in particular the investment made by unlisted subsidiaries.
- (o) evaluation of internal financial controls, risk management systems and policies including review of cyber-security.
- (p) review of utilization of loans and advances, from, and investment by, the Company in its subsidiaries exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans, advances and investments.
- (q) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.

The detailed charter of the Committee is available on our website at <https://hcgel.com/investors>.

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.

As on March 31, 2021, all the members of our Audit and Risk Management Committee are Independent Non-Executive Directors. 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 four times during the year, i.e., July 28, 2020, August 19, 2020, November 11, 2020 and February 10, 2021.

The composition of the Audit and Risk Management Committee as on March 31, 2021 and their attendance at the committee meetings are given in the below table.

Name	Position	Number of meetings attended
Dr. Sudhakar Rao	Chairman*	4
Mr. Shanker Annaswamy	Member	4
Ms. Bhushani Kumar*	Member	4
Mr. Amit Soni	Member effective from July 28, 2020	3

* Notes:

- (i) Dr. Sudhakar Rao, Independent Director, member of the Audit Committee has been appointed as the Chairman of the Audit and Risk Management Committee, effective from June 12, 2020. Prior to this, Mr. Suresh Chandra Senapaty was the Chairman of the Audit and Risk Management Committee.
- (ii) Mrs. Bhushani Kumar, Independent Director was appointed as a member of the Audit and Risk Management Committee effective from June 12, 2020 and had continued to be a member of the Committee till May 28, 2021.

B. 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 Listing Regulations. The terms of reference of the Nomination and Remuneration Committee inter-alia, include:

- a) review annually and approve for the Chief Executive Officer ("CEO") the corporate goals and objectives applicable to the CEO, evaluate at least annually the CEO's performance in light of those goals and objectives, and determine and approve the CEO's (a) annual base salary, (b) annual incentive bonus, including the specific goals and amount, (c) equity compensation, (d) employment agreement, severance arrangements, and change in control agreements/ provisions, and (e) any other benefits, compensation or arrangements, based on this evaluation.
- b) review annually and approve for the executive directors and the senior management, the (a) annual base salary, (b) annual incentive bonus, including the specific goals and amount, (c) equity compensation, (d) employment agreements, severance arrangements or plans, and change in control agreements / provisions, and (e) any other benefits, compensation or arrangements.

- c) administer the Company's equity incentive plans, including the review and grant of awards to eligible employees under the plans and the terms and conditions applicable to such awards, subject to the provisions of each plan.
- d) recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees. This policy shall be such that the remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior employees of the quality required to run the company successfully. This policy shall set out a clear relationship between remuneration and performance, including appropriate performance benchmarks. The policy shall ensure that the remuneration to directors, key managerial personnel and senior employees involves a balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the Company and its goals, should be provided in the policy.
- e) formulate the criteria to determine the qualifications, qualities, skills, positive attributes, independence and other expertise required to be a director of the Company and to develop, and recommend to the Board for its approval, criteria to be considered in selecting director(s) (the "Director Criteria").
- f) identify (including through head hunter agencies), screen and review candidates qualified to be appointed as executive directors, non-executive directors and independent directors, consistent with Director Criteria (including evaluation of incumbent directors for potential renomination), and making recommendations to the Board on candidates for: (i) nomination for election or re-election by the shareholders; and (ii) any Board vacancies that are to be filled by the Board. The nominations Committee may act on its own in identifying potential candidates, inside or outside the Company, or may act upon proposals submitted by the Chairman of the Board. The Committee will review and discuss all documents pertaining to candidates and will conduct evaluation of candidates in accordance with a process that it sees fit and appropriate, passing on the recommendations for the nomination to the Board.
- g) review annually, the Board's committee structure and composition and to make recommendations to the Board regarding the appointment of directors to serve as members of each committee and committee chairpersons.
- h) the Committee shall work with the Chairman of the Board to develop and recommend to the Board for approval a CEO succession plan (the "Succession Plan"), and shall review the Succession Plan periodically with the CEO, develop and evaluate potential candidates executive positions and recommend to the Board any changes to, and any candidates for succession under, the Succession Plan.
- i) develop, subject to approval by the Board, a process for an annual evaluation of the performance of the Board, the individual directors and board committees in the governance of the Company and to coordinate and oversee this annual evaluation.
- j) formulate criteria for evaluation of independent directors and the Board and carry out evaluation of every director's performance.
- k) annually review its own performance and present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.
- l) maintain regular contact with the leadership of the Company, review of data from the employee survey and regular review of the results of the annual leadership evaluation process.
- m) identify persons to be appointed to positions of Senior Management in accordance with identified criteria and to recommend to the board their appointment and removal.
- n) the Committee shall disclose the criteria for performance evaluation, as laid down by the Nomination and Remuneration Committee, in Company's Annual Report.
- o) develop and recommend a policy on Board diversity.

The detailed charter of the Committee is available on our website at <https://hcgel.com/investors>

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 (including Independent Directors) as well as the evaluation of the working of all the Committees of the Board. Details of methodology adopted for Board evaluation has been provided in the Board's Report.

Nomination and Remuneration Committee of the Board has met four times during the year 2020-21, i.e., July 27, 2020, August 19, 2020, November 10, 2020 and February 10, 2021.

The composition of the Nomination and Remuneration Committee and their attendance at the committee meetings during FY 2020-21 are given in the below table.

Name	Position	Number of meetings attended
Mr. Shanker Annaswamy	Chairman	4
Dr. Sudhakar Rao*	Member	4
Dr. Sampath T. Ramesh*	Member	Nil
Mr. Siddharth Patel*	Member	3
Mr. Gangadhara Ganapati*	Member	1

* Notes:

- Dr. Sudhakar Rao was appointed as a member of the Committee effective from June 12, 2020, and has continued to be member of the Committee till March 31, 2021.
- The tenure of Dr. Sampath T Ramesh as a member of the Committee has come to end on May 28, 2020.
- Mr. Siddharth Patel was appointed as a member of the Committee effective from July 28, 2020.
- Mr. Gangadhara Ganapati has ceased to be a member of the Committee effective from August 11, 2020.
- Effective from April 01, 2021, Mr. Abhay Havaladar, Independent Director and Dr. B. S. Ajaikumar, Executive Chairman have been appointed as members of the Committee

C. Stakeholders' Relationship Committee

This Committee is constituted in compliance with Section 178 of the Companies Act, 2013 and the Listing Regulations as Stakeholders' Relationship Committee.

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

- resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- approve issue of duplicate certificates and new certificates on split / consolidation / renewal etc.;
- approve transfer/transmission, dematerialization and rematerialization of equity shares in a timely manner;
- monitor and review the performance and service standards of the Registrar and Share Transfer Agents of the Company and provide continuous guidance to improve the service levels for investors;
- review of cases for refusal of transfer / transmission of shares and debentures;
- advice, guide and oversee the activities of the internal investor relations department;
- review movement in shareholdings and ownership structure;
- review of measures taken for effective exercise of voting rights by the shareholders;
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring

timely receipt of dividend warrants / Annual Reports / statutory notices by the shareholders of the company;

- monitor and review any investor complaints received by the Company or through SEBI, SCORES (Sebi COmplaints REdress System) and ensure its timely and speedy resolution, in consultation with the Company Secretary and Compliance officer and RTA of the Company;
- perform any other function as required under the (i) Regulations of the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 (ii) The Companies Act, 2013 and Rules framed thereunder (iii) the equity listing agreement entered into between the Company and the Stock exchanges on which its equity shares are listed (iv) by the Board and (v) any other SEBI Regulations or any other applicable law, as amended from time to time;
- perform and review investor satisfaction surveys;
- consult with other committees of the Board, if required, while discharging its responsibilities; and
- monitor and review on an annual basis the Company's performance in dealing with Stakeholder grievances;

The detailed charter of the Committee is available on our website at <https://hcgel.com/investors>.

Stakeholders' Relationship Committee of the Board has met once during the year 2020-21, i.e., February 08, 2021.

The composition of the Stakeholders Relationship Committee and their attendance at the committee meetings during FY 2020-21 are given in the below table.

Name	Position	Number of meetings attended
Mr. Gangadhara Ganapati*	Chairman till August 11, 2020	Nil
Dr. B. S. Ajaikumar	Member	1
Mrs. Bhushani Kumar*	Member	1
Mr. Amit Soni	Chairman with effect from August 20, 2020	1

* Notes:

- Mr. Gangadhara Ganapati has ceased to be member/chairman of the Committee effective from August 11, 2020.
- Mr. Amit Soni, Non-Executive Director, has been appointed as a member of the Committee effective from July 28, 2020 and as a Chairman of the Committee effective from August 20, 2020.
- Effective from April 01, 2021, Mr. Abhay Havaladar, Independent Director has been appointed as member of the Committee
- Mrs Bhushani Kumar has ceased to be member of the Committee on March 31, 2021.

The Chairman of the Committee, Mr. Amit Soni is a non-executive director.

Details of Shareholders Complaints

The details of shareholders' complaints received and resolved till March 31, 2021 are as under:

No. of complaints remaining pending at the beginning of the year	Complaints received during the year	Complaints resolved during the year	No. of complaints remaining pending at the end of the year
Nil	Nil	Nil	Nil

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 and their attendance at the committee meetings during FY 2020-21 are given in the below table:

Name	Position	Number of meetings attended
Dr. Sampath T. Ramesh*	Chairman till May 28, 2020	1
Dr. B. S. Ajaikumar*	Chairman effective from June 12, 2020	1
Dr. Sudhakar Rao	Member	1
Mrs. Bhushani Kumar*	Member	1
Mr. Siddharth Patel**	Member	Nil

The Committee has met once during the financial year 2020-21 i.e., on July 27, 2020.

* Notes:

- (i) The tenure of Mr. Sampath T Ramesh as a member of the Committee has come to end on May 28, 2020.
- (ii) Dr. B.S Ajaikumar has been appointed as Chairman of the Committee effective from June 12, 2020. Prior to this, Dr Sudhakar Rao was the Chairman of the Committee.
- (iii) Mr. Siddharth Patel has been appointed as member of the Committee effective from July 28, 2020.
- (iv) Mrs. Bhushani Kumar has ceased to be a member of the Committee effective from May 28, 2021.

E. Strategy Committee

The Committee was constituted by our Board of Directors at their Meeting held on May 26, 2016 with the scope of reviewing strategic initiatives; and for having an oversight of the strategic direction of the Company.

The Committee shall, at all times, be composed of at least 4 members of the Board; and the Chairperson of the Committee shall be the Chairman of the

Company. The members of the Committee shall be nominated by the Board of Directors with a right to appoint, replace the members from time to time. The Company Secretary shall act as the Secretary of the Committee. CFO shall be an invitee to the Committee Meetings and would provide support to the Committee in terms of financial analysis and planning.

The members of the Committee and their attendance at the committee meetings during FY 2020-21 are given in the below table:

Name	Position	Number of meetings attended
Dr. B. S. Ajaikumar	Chairman	2
Mr. Gangadhara Ganapati	Member till August 11, 2020	Nil
Mr. Suresh Senapaty	Member till May 28, 2020	Nil
Mr. Shanker Annaswamy	Member till October 24, 2020	Nil
Dr. Amit Varma	Member till October 24, 2020	Nil
Mr. Siddharth Patel	Member effective from July 28, 2020	2
Mr. Amit Soni	Member effective from July 28, 2020	2

The Committee has met twice during the financial year 2020-21 i.e., on November 05, 2020, January 22, 2021.

With effect from April 01, 2021, Ms. Anjali Ajaikumar, Executive Director – Strategy has been appointed as member of the Committee.

Primary responsibilities of the Committee, inter alia, are:

- a) oversight of the strategic direction of the Company.
- b) making recommendations to the Board, related to the organization's mission, vision, strategic initiatives, major programs and services and periodic review of the same.

- c) helping management identify critical strategic issues facing the organization, assisting in analysis of alternative strategic options.
- d) ensuring management has established an effective strategic planning process, including development of a three to five-year Strategic Plan with measurable goals and time targets.
- e) annually reviewing the Company's Strategic Plan and recommending updates as needed based on changes in the market, community needs and other factors.
- f) debate and discuss the outside-in-perspective (from a macro economic and technology trends) and see how this could possibly influence our choices as well as potential risks we may have to overcome.
- g) evaluate new investment proposals and expansions of existing business and make suitable recommendation to the Board for adoption.
- h) discuss thoughts on Mergers and Acquisitions and Strategic alliances and leverage Strategy Committee to suggest ideas and potentially open up sole sourced transactions.
- i) development of plans to implement the Company strategy.
- j) review of the Company's progress with respect to implementation of its strategy. The Committee will regularly review, discuss, and, where appropriate, make recommendations to management on the Company's vision as well as share with management the Board's expectations for the strategic planning process.
- k) delegation of power to the Chairman of the Company to approve investments up to specified limits.
- l) examine specific proposals such as acquisition or divestment of companies or similar such proposals requiring the approval of the Board and make appropriate recommendations to the Board.
- m) advising and guiding CFO of the organization for developing models for financial analysis of new projects, mergers and acquisitions etc., and for presenting financial information for evaluating investment opportunities.

F. Risk Management Committee

The Board of Directors of the Company has constituted Risk Management Committee on June 17, 2021, to assist the Board in fulfilling its corporate governance oversight responsibilities with

regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks. The Committee has overall responsibility for monitoring and approving the enterprise risk management framework and associated practices of the Company.

Prior to the formation of the Risk Management Committee, the Audit Committee of the Board was overseeing the Risk Management function of the enterprise as a whole, and was called as Audit and Risk Management Committee. With effect from June 17, 2021, the Audit and Risk Management Committee is known as Audit Committee.

The members of the Risk Management Committee are given in the below table:

Name	Position
Dr. B. S. Ajaikumar	Member
Mrs. Geetha Mathur	Member
Mr. Raj Gore	Member

The Committee would appoint the Chairman at its first meeting. The Committee is yet to meet as on the date of the report.

Primary responsibilities of the Committee, inter alia, are:

- (a) To formulate a detailed risk management policy which shall include:
 - (i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (iii) Business continuity plan.
- (b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (d) Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management including the risk management plan.

- (e) Review and approve Enterprise Risk Management (ERM) policy.
- (f) To periodically review the Enterprise Risk Management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (g) To review the alignment of the ERM framework with the strategy of the Company.
- (h) Monitor the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, cyber security risk, forex risk, commodity risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.
- (i) Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels.
- (j) Review and analyze risk exposure related to specific issues, concentrations and limit excesses, and provide oversight of risk across organization.
- (k) Review compliance with risk policies, monitor breaches / trigger trips of risk tolerance limits and direct action.
- (l) Nurture a healthy and independent risk management function in the Company.
- (m) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- (n) Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

IV. Governance Through Management process

A. Code for Prevention of Insider Trading:

On December 31, 2018, Securities and Exchange Board of India amended the Prohibition of Insider Trading Regulations, 2015, prescribing various new requirements with effect from April 1, 2019. In line with the amendments, your Company has adopted an amended Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for

fair disclosure of unpublished price sensitive information which has been made available on the Company's website at <https://hcgel.com/investors>.

B. 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 <https://hcgel.com/investors>. The objective of this policy is to have uniform disclosure practices and ensure timely, adequate and accurate disclosure of information on an on-going 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.

C. Whistle Blower Policy:

The Company has adopted the Whistle Blower Policy which provides for 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 under policy is appropriately communicated within the Company across all levels and has been displayed on the Company's intranet and website at <https://hcgel.com/investors>. This policy of the Company was amended to align with the requirements under Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This meets the requirement under Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations.

D. 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.

E. Policy for Prevention, Prohibition & Redressal of 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. During the year 2020-21, three complaints were received at a group level and the same were investigated, out of which two were resolved as per the provisions of the Act as on March 31, 2021.

V. 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. 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 Listing Regulations, the Company has adopted a policy on Related Party Transactions and process for purpose of identification, monitoring and reporting of such transactions. The policy on Related Party Transactions as approved by the Audit Committee and the Board is available on the Company's website at <https://hcgel.com/investors>.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company, other than the managerial remuneration paid/payable to the Executive Directors and sitting fee to the Independent Directors. During the year 2020-21, 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 and the concerned officials have given undertakings to that effect as per the provisions of the Listing Regulations. 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. During the period, the Company has complied with all the requirements of the Stock Exchange, SEBI and other statutory authorities on the matters related to Capital Markets, as applicable, since listing on the stock exchanges. 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 during the period.

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. No personnel in the Company have been denied access to the Audit and Risk Management Committee or its Chairman.

D. Policy for determining material subsidiary

The Company has adopted a policy for determining a material subsidiary, in terms of which a subsidiary shall be considered as Material, if, the income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

In terms of the said policy, HCG Medi-Surge Hospitals Private Limited has become a Material Subsidiary during FY 2019-20. Necessary compliances w.r.t. material subsidiaries have been duly carried out.

For the purpose of appointing an Independent Director on the Board of the material non-listed subsidiary Company, "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth of the holding Company in the immediately preceding accounting year. The income or net worth of HCG Medi-Surge Hospitals Limited does not exceed 20% of the consolidated income or net worth of the holding Company.

The policy for determining material subsidiary is available on the Company's website at <https://hcgel.com/investors>.

E. Framework to Monitor Subsidiary companies

All the subsidiaries of the Company are managed with their Boards having the rights and obligations to manage those subsidiary companies in the best interest of their stakeholders. The Company nominates its representatives on the Board of subsidiary companies and monitors performance of such subsidiaries, inter alia, by reviewing:

- a. financial statements, statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies forming part of the financials.
- b. Minutes of the meetings of the board of unlisted subsidiary companies are placed before the Company's Board, as required under the Companies Act, 2013 and Listing Regulations.

F. Certificate on Compliance with norms of Corporate Governance

The certificate issued by Mr. V Sreedharan, Partner, V Sreedharan & Associates, Practising Company Secretaries, forms part of this Annual Report and in compliance with corporate governance norms prescribed under the Listing Regulations.

G. Unclaimed Shares

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

The disclosure as required under Listing Regulations is given below:

- i. Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year: Nil
- ii. Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year: Nil
- iii. Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year: Nil
- iv. Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year: Nil

- v. Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NA

H. Compliance with mandatory requirements and adoption of non-mandatory requirements

Your Company has complied with all mandatory requirements of Listing Regulations with respect to Corporate Governance to the extent applicable to the company. Specifically, your Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.

Your Company has complied with the Disclosure Requirements of Listing 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.

I. Certificate by Practising Company Secretary

The Company has received certificate from Mr. V Sreedharan, Partner, V Sreedharan & Associates, Practising Company Secretaries, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate of Affairs or any such authority. The certificate forms part of the Annual Report.

J. 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 <https://hcgel.com/investors>.

K. Declaration as required under Regulation 34 (3) and Schedule V of the Listing Regulations

All Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2021.

Annexure

General Shareholder Information

A. Corporate Identity Number (CIN)

Our Corporate Identity Number (CIN), allotted by Ministry of Corporate Affairs, Government of India is L15200KA1998PLC023489 and our Company Registration Number is 23489.

B. Annual General Meeting

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

The Day, date and time : Wednesday, September 29, 2021 at 3.00 P.M.

Venue : **Corporate Office:** Unity Building Complex, No. 3, Tower Block, Unity Building Complex, Mission Road, Bengaluru – 560027, Karnataka.

General Body Meetings

i. Details of last three Annual General Meetings

Particulars	Date & Time	Venue	Special Resolutions passed
For the Financial year ended March 31, 2020 – Twenty second AGM	September 29, 2020 at 3.00 PM	Unity Building Complex, No. 3, Tower Block, Unity Building Complex, Mission Road, Bengaluru – 560027, Karnataka. It was held through OAVM.	None
For the Financial year ended March 31, 2019 – Twenty first AGM	September 26, 2019 at 3.00 PM	The Chancery Pavilion, No. 135, Residency Road, Shanthala Nagar, Ashok Nagar, Bengaluru – 560025	<ol style="list-style-type: none"> To re-appoint Dr. B. S. Ajaikumar (DIN: 00713779) as Whole-Time Director & Chief Executive Officer of the company, for a period of 4 years w.e.f. July 01, 2019. To approve increase in remuneration of Ms. Anjali Ajaikumar, VP – Strategy and Quality, relative of Dr. B. S. Ajaikumar, Whole-Time Director & CEO.
For the Financial year ended March 31, 2018 – Twentieth AGM	September 26, 2018 at 3.00 p.m.	M. S. Ramaiah Memorial Hospital Auditorium, M. S. Ramaiah Memorial Hospital, MSR Nagar, MSRIT Post, Bengaluru – 560054	<ol style="list-style-type: none"> To approve making investments in excess of the limits prescribed under Section 186 of the Companies Act, 2013. Appointment of Dr. B. S. Ramesh, Director as an Executive Director of the Company w.e.f. May 22, 2018 for a period of 2 years. Increase in remuneration of Ms. Anjali Ajaikumar, Vice-President – Strategy & Quality, relative of Dr. B. S. Ajaikumar, Whole-time Director, designated as Chairman & CEO. Increase in remuneration of Dr. B. S. Ajaikumar, Whole-time Director, designated as Chairman & CEO. Approve re-classification of Dr. B. Amarkumar from Promoter Group category to public category

ii. Details of Special Resolutions passed in Extraordinary General Meetings

- 1) At the Extraordinary General Meeting held on December 1, 2017, the shareholders have passed Resolution with requisite majority as listed below:

Approve, with or without modification, the Scheme of Amalgamation of HCG Pinnacle Oncology Private Limited with HealthCare Global Enterprises Limited

- 2) At the Extraordinary General Meeting held on December 22, 2017, the shareholders have passed Special Resolution as listed below:

Issue of Equity Shares on a Preferential Allotment / Private Placement Basis to Indgrowth Capital Fund I

- 3) At the Extraordinary General Meeting held on March 29, 2018, the shareholders have passed Special Resolution as listed below:

Issue of equity shares on Preferential allotment/ Private placement basis to Dr M. Gopichand, one of the Promoters, for consideration other than cash

- 4) At the Extraordinary General Meeting held on June 24, 2019, the shareholders have passed Special Resolution as listed below:

Issue of equity shares on Preferential allotment/ Private placement basis to Dr Kunnathu Philipose Geevarghese, for cash consideration

iii. Details of resolutions passed through postal ballot during Financial Year 2020-21 and details of the voting pattern:

The Company sought the approval of shareholders through notice of postal ballot on multiple occasions during the Financial Year 2020-21 as detailed below:

Date of Postal Ballot Notice	Special/ Ordinary Resolution	Agenda	Date of announcement of results of Postal ballot
May 13, 2020	Ordinary	Increase of Authorized Share Capital of the Company and alteration of the Capital Clause of the Memorandum of Association of the Company	June 13, 2020
	Special	Issue of equity shares on preferential allotment/private placement basis to Investors other than Promoters	
	Special	Issue of Warrants on preferential allotment/private placement basis to Investors other than Promoters	
	Special	Issue of Warrants on preferential allotment/private placement basis to Dr. B.S. Ajaikumar, Promoter	
August 22, 2020	Special	Reappointment of Ms. Bhushani Kumar (DIN: 07195076), as an Independent Director of the Company	September 25, 2020
	Ordinary	Appointment of Mr. Amit Soni (DIN: 05111144), as Non-Independent Non- Executive Director, nominee of Aceso Company Pte. Ltd., on the Board of the Company	
	Ordinary	Appointment of Mr. Siddharth Patel (DIN: 07803802), as Non-Independent Non- Executive Director, nominee of Aceso Company Pte. Ltd., on the Board of the Company	
	Special	Adoption of amended and restated Articles of Association	
December 15, 2020	Ordinary	Reclassification of certain individuals from Promoters/ Promoter Group category to public category	January 15, 2021

Mr. V. Sreedharan, Partner of V Sreedharan & Associates, Practicing Company Secretaries, was appointed as the Scrutinizer for all the postal ballots to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Sl No	Special Resolutions	No. of Votes Polled	No. of Votes Cast in Favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes Cast Against on Votes Polled
1	Issue of equity shares on preferential allotment/private placement basis to Investors other than Promoters	6,57,23,658	6,57,19,184	4,474	99.99	0.01
2	Issue of Warrants on preferential allotment/private placement basis to Investors other than Promoters	6,57,23,658	6,54,12,291	3,11,367	99.53	0.47
3	Issue of Warrants on preferential allotment/private placement basis to Dr. B.S. Ajaikumar, Promoter	6,57,23,458	6,53,82,914	3,40,544	99.48	0.52
4	Reappointment of Ms. Bhushani Kumar (DIN: 07195076), as an Independent Director of the Company	8,57,98,283	7,65,71,605	92,26,678	89.25	10.75
5	Adoption of amended and restated Articles of Association	8,57,99,283	7,69,84,343	88,14,940	89.73	10.27

Procedure for Postal Ballot

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. In view of the COVID-19 pandemic, the MCA permitted companies to transact items through postal ballot as per the framework set out in Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020, the shareholders were provided the facility to vote through remote e-voting. The postal ballot notice is sent to shareholders in electronic form to the email addresses, where available. The shareholders were also given a facility to register their e-mail id for the limited purpose of receiving the Postal Ballot Notice for that event alone. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

C. Means of Communication

i. 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 <https://hcgel.com/investors>.

Our quarterly results are published in widely circulated newspapers such as The Business Standard (English), and Vijayawani (Kannada).

- ii. **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 <https://hcgel.com/investors>.
- iii. **Annual Report:** Annual Report containing audited standalone financial statements, consolidated financial statements together with Board's Report, Auditors Report and other important information are circulated to members entitled thereto.

D. 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 April 1, 2020 to March 31, 2021. The company got its securities listed on BSE Limited and National Stock Exchange of India Limited on 30th March 2016.

E. Dividend

In the absence of distributable profits, the Board of Directors of your Company have not recommended any dividend for the financial year 2020-21.

F. 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 to the Investor Education and Protection Fund administered by the Central Government pursuant to Section 124 and 125 of Companies Act, 2013.

G. 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 Jeejeebhoy 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.

H. 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.

I. Stock Code

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

Distribution of shareholding as on March 31, 2021

Sl No	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 500	12,369	87.69	11,49,506	0.92
2	501 - 1000	820	5.81	6,20,671	0.50
3	1001 - 2000	314	2.22	4,63,787	0.37
4	2001 - 3000	134	0.95	3,38,790	0.27
5	3001 - 4000	72	0.51	2,52,810	0.20
6	4001 - 5000	52	0.37	2,40,413	0.19
7	5001 - 10000	113	0.81	7,93,078	0.63
8	10001 and above	232	1.64	12,15,00,229	96.92
	TOTAL:	14,106	100.00	12,53,59,284	100.00

J. Share Price Data

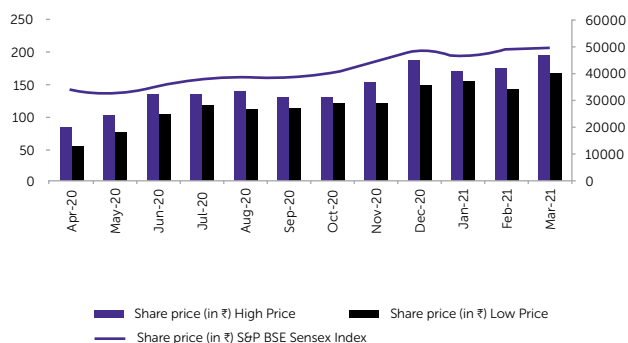
i. National Stock Exchange of India Limited

Month	Share Price (In ₹)				Turnover (₹ In Million)
	Open Price	High Price	Low Price	Close Price	
Apr-20	77.4	89.1	62.05	70.05	241.17
May-20	73.5	107.8	71.25	100.45	1754.29
Jun-20	100.5	124.8	100.3	122.8	1162.00
Jul-20	123.45	134	120.5	126.05	447.76
Aug-20	124.25	139.5	106.95	121.35	582.07
Sep-20	115.15	128.8	111.25	120.15	94.95
Oct-20	123.00	129.4	117.15	120.1	96.29
Nov-20	119.9	149.9	116.35	147.95	335.47
Dec-20	150	185.7	144.4	162.75	610.74
Jan-21	163.9	167	151.3	152.15	238.52
Feb-21	157.8	172.85	149.05	168.8	466.58
Mar-21	170	193.7	166	190.5	1779.50

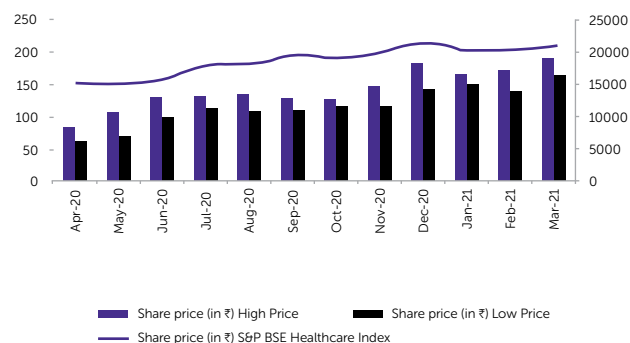
ii. BSE Limited

Month	Share Price (In ₹)				Turnover (₹ In Million)
	Open Price	High Price	Low Price	Close Price	
Apr-20	74.5	84.00	62.95	70.55	11.27
May-20	72.1	107.85	71.75	100.35	212.84
Jun-20	101.85	133.00	100.30	122.9	22.41
Jul-20	122.7	134.00	116.00	126.10	23.29
Aug-20	127.1	138.00	109.65	121.3	27.86
Sep-20	122.6	128.30	111.50	120.65	5.86
Oct-20	122.4	130.00	116.30	121.45	5.89
Nov-20	120.95	150.15	117.65	147.9	20.25
Dec-20	151	186.00	144.40	162.9	53.93
Jan-21	166.05	167.60	151.00	151.45	17.71
Feb-21	163.25	172.85	141.55	169.9	35.11
Mar-21	168	193.20	165.65	191.05	101.37

HCG Share price and BSE sensex movement from April 2020 to March 2021



HCG Share price and BSE Healthcare Index movement from April 2020 to March 2021



K. Shareholding pattern – Physical Vs DEMAT

The pattern of shareholding in physical as against in DEMAT mode as on March 31, 2021 is as under:

Sl No	Description	Cases	Shares	% Equity
1	PHYSICAL	140	5,65,270	0.45
2	NSDL	8,096	11,79,67,318	94.10
3	CDSL	5,870	68,26,696	5.45
	Total:	14,106	12,53,59,284	100.00

Out of total 14,106 shareholders, 140 shareholders hold 565,270 shares, aggregating to 0.45% of total shares, in physical mode as on March 31, 2021.

L. Registrar and Transfer Agents

The Company's Registrar and Share Transfer Agent is M/s. KFin Technologies Private Limited (name changed from Karvy Fintech 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. KFin Technologies Private Limited
Unit: HealthCare Global Enterprises Limited

Selenium, Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, Telangana

Toll free number - 1800-309-4001

Contact person name, designation, e-mail id:

Mr. Ganesh Chandra Patro, Sr. Manager - einward.ris@kfintech.com

M. 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 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, else the same are returned to with remarks for rectification.

The Reconciliation of Share Capital Audit as stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 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 reports for all the quarters have been filed with the stock Exchanges within the time stipulated under Listing Regulations.

N. 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.

O. Email based Query Redressal System

Members may utilize this facility extended by the Registrar & Transfer Agents for redressal of their queries. Please email your queries to einward.ris@kfintech.com.

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
For Shareholder Grievance Redressal Ms. Sunu Manuel Company Secretary and Compliance Officer HealthCare Global Enterprises Limited Registered Office: HCG Towers, No. 8, P. Kalinga Rao Road Sampangi Rama Nagar, Bengaluru – 560027 Corporate Office: Unity Building Complex, No. 3, Tower Block Unity Building Complex, Mission Road, Bengaluru – 560027 Phone: 080-46607700, Fax: 080-46607748 e-mail: investors@hcgel.com	For Investor Relations Mr. Niraj Didwania Head – Investor Relations HealthCare Global Enterprises Limited Corporate Office: Unity Building Complex, No. 3, Tower Block, Unity Building Complex, Mission Road, Bengaluru – 560027 Phone: 080-46607700, Fax: 080-46607748 e-mail: investors@hcgel.com

P. Credit Ratings

The Company has been rated A-Stable for Long Term Debt and A2+ for Short Term Debt by ICRA.

Q. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

During the year 2020-21, the Company had issued the securities on preferential basis as described below

Name of allottee	Type of securities	No. of securities	Issue price (in ₹)	Consideration received (in ₹)
ACESO Company Pte Ltd	Equity shares	2,95,16,260	130	383,71,13,800
	Convertible Warrants allotted and converted into equity shares during the year	70,57,195	130	91,74,35,350
	Convertible Warrants allotted and not converted into equity shares during the year	1,15,03,468	130	37,38,62,710
Dr. B. S. Ajaikumar	Convertible Warrants allotted and not converted into equity shares during the year	20,00,000	130	6,50,00,000

Objects for which funds have been raised and where there has been a deviation, in the following table

Original Object	Modified Object, if any	Original Allocation (₹ in Million)	Modified allocation, if any	Funds Utilised (₹ in Million)	Amount of Deviation/ Variation for the quarter according to applicable object	Remarks, if any
The proceeds from the preferential issue of Equity Shares shall inter-alia be utilized to repay a significant portion of existing debt, meet other financial obligations, provide liquidity to support working capital needs of the business in the current environment and capital requirements.	NA	5,128	NA	3,883	NIL	NA

R. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

(₹ in Million)

Payments to auditors	31 March 2021	31 March 2020
Audit fee excluding OPE and applicable taxes	8.8	8.6
Others	3.3	2.6
Total	12.1	11.2

S. Chairman and Managing Director / CFO Certification

The Executive Chairman, CEO and CFO have issued certificate pursuant to the provisions of Regulation 17 (8) of Listing 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.

T. Hospital units/locations

Your Company, with its subsidiaries provides healthcare services across India and Africa. Details of locations of units are available on our website <https://www.hcgoncology.com/our-hospitals>.

U. Outstanding GDR's/ ADR's or Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued GDR's/ ADR's or any convertible instruments during the year under review, except warrants convertible into equity shares, the details of which are as under:

Sl. No	Name of the Allottee	Category of the Allottee	Number of Warrants Allotted	Price per share at which the Warrants would be converted to equity shares of the Company (INR)	Date of allotment	% of shareholding as on March 31, 2021	% of shareholding post conversion of warrants
1.	Dr. B. S. Ajaikumar – Series B Warrants	Promoter	20,00,000	130	June 26, 2020	14.22	14.28*
2.	Aceso Company Pte. Ltd. - Series A Warrants	Promoter	1,15,03,468	130	July 28, 2020	53.69	56.75*

These warrants are convertible within 18 months from the date of allotment.

*Shares allotted post March 31, 2021 are not considered to compute the % of shareholding post conversion of warrants.

V. Commodity price risk or foreign exchange risk and hedging activities

Refer Note on financial risk management of the financial Statements for details on commodity price risk, foreign exchange risk and hedging activities.

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

The Board of Directors
HealthCare Global Enterprises Limited
Bengaluru

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, 2021 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.

Bengaluru
August 12, 2021

Dr. B. S. Ajaikumar
Executive Chairman

Raj Gore
Chief Executive Officer

Srinivasa V. Raghavan
Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L15200KA1998PLC023489
Nominal Capital : ₹ 200 Crores

To
The Members of **HEALTHCARE GLOBAL ENTERPRISES LIMITED,**

We have examined all the relevant records of HEALTHCARE GLOBAL ENTERPRISES LIMITED (CIN: L15200KA1998PLC023489) for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2021. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in Schedule II of the said Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with items C and E.

NOTE: Due to Covid-19 pandemic situation, we have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing this Certificate.

**For V. Sreedharan & Associates
Company Secretaries**

Bengaluru
August 06, 2021
UDIN: F002347C000746961

V. Sreedharan
Partner
FCS: 2347; CP No. 833

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
HEALTHCARE GLOBAL ENTERPRISES LIMITED
HCG Tower, NO.8, P. Kalinga Rao Road,
Sampangi Rama Nagar, Bangalore - 560027

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HEALTHCARE GLOBAL ENTERPRISES LIMITED**, having CIN L15200KA1998PLC023489 and having registered office at HCG Tower, No.8, P. Kalinga Rao Road, Sampangi Rama Nagar, Bangalore - 560027 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA) MCA, or any such other Statutory Authority.

Details of Directors:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Abhay Prabhakar Havaladar	00118280	20/08/2020
2.	Sudhakar Rao	00267211	25/02/2015
3.	Shanker Annaswamy	00449634	25/02/2015
4.	Basavalinga Ajaikumar Sadasivaiah	00713779	14/07/2006
5.	Amit Soni	05111144	28/07/2020
6.	Bhushani Kumar	07195076	29/05/2015
7.	Siddharth Tapaswin Patel	07803802	28/07/2020
8.	Amit Varma	02241746	10/11/2016

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

NOTE: Due to Covid-19 pandemic situation, we have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing this Certificate.

For V Sreedharan & Associates
Company Secretaries

Bengaluru
August 06, 2021
UDIN: F002347C000747014

V. Sreedharan
Partner
FCS: 2347; CP No. 833

Management Discussion and Analysis (MDA)

Indian Healthcare Market

The healthcare market in India continues to advance at a rapid pace owing to increased coverage, better facilities and greater participation by public and private players. The healthcare sector in India encompasses a diverse array of service providers ranging from hospitals and nursing homes to telemedicine facilities and health insurance. In recent years, medical tourism has also emerged as a promising prospect for the industry.

The growing prevalence of lifestyle diseases, demand for affordable healthcare delivery services and technical advances continue to drive this segment. Moreover, with the advent of telemedicine, accelerated penetration of health insurance and government measures such as e-health, healthcare has become easily accessible for a large majority of the Indian population. Over the past few decades, India witnessed a systematic shift in the healthcare industry as it continued to create more diagnostic centres, nursing homes, hospitals, health clubs, 24*7 pharmacies and blood banks.

Public and private healthcare service providers make up the Indian healthcare delivery system. But, a significant proportion of private healthcare providers operate in urban areas, delivering secondary and tertiary care. On the other hand, the healthcare needs of people in rural areas are mostly met by public healthcare providers with a three-tier framework of sub-centers, Primary Health Center (PHCs), and Community Health Centers (CHCs).

With rapid advancements in the medical industry, the quality of clinical

care has improved significantly. It has also ensured cost efficiency and made India an attractive medical tourism destination. Many hospitals in India today meet international standards and deliver the expertise of highly qualified and trained medical professionals. It continues to boost the country's reputation as a favoured destination for patients from around the world.

The healthcare industry in India is expected to touch \$193.83 billion in 2020¹ and the biosimilar industry in India is projected to reach \$0.9 billion by 2020². Rising incidence of chronic diseases, an ageing population in India and all over the world, favourable policy support from the government and the global demand for low-cost and superior quality therapies have largely prompted investments from pharmaceutical players, thereby aiding the growth of the biosimilar industry.

Impact of Covid-19 pandemic

FY 2020-21 emerged as one of the most unforgettable years in history. The healthcare challenges it brought to the fore weighed heavily on the medical infrastructure of India and the world. The Indian healthcare ecosystem, in particular, was not adequately prepared to fight a crisis of this magnitude. However, timely precautions and government initiatives helped India to usher necessary transformations into its healthcare infrastructure.

The Public Health Policy focused primarily on minimizing and eliminating infections, while adopting a coordinated approach towards healthcare. Government intervention helped to relatively reduce infections and casualties. It also supported state health departments to upgrade their infrastructure, utilise their workforce

optimally and supplied necessary medical equipment that aided the treatment of Covid-19 patients.

The government partnered with the private sector for efficient utilisation of information technology for risk triage, contact tracing and management of suspected Coronavirus patients. The Arogya Setu app was launched in India to facilitate contact tracing and Covid-19 Quarantine Monitor centres were set up in Tamil Nadu. In Maharashtra, MahaKavach was launched along with and 24*7 chatbots and call centers that were used to track patients and control the pandemic.

Soon after the outbreak, the government announced free testing and treatment facilities for Covid-19 patients under the Ayushman Bharat scheme. Moreover, an insurance cover of ₹ 50 lakh was announced for the safety and security of frontline health workers³. In the face of adversity, India remained resilient and earmarked specific hospitals, in each district, for Covid patients. In record time, supply of Personal Protective Equipment (PPE), hand sanitizers, masks and ventilators were mobilized to aid health workers.

India is undergoing one of the world's largest coronavirus immunization drives with the approval of two vaccines from Serum Institute of India and Bharat Biotech. The Government of India has allocated ₹ 35,000 crore for vaccination in the Union Budget 2021-22.

Recent Government Policies

The Indian government plays a significant role in healthcare funding through effective mobilization of resources. Some of the major healthcare schemes that aim to offer

¹ India Brand Equity Foundation: Indian Healthcare Industry Analysis

² Outlook of India's Healthcare Industry, 2020 by Frost and Sullivan

³ <https://pib.gov.in/PressReleasePage.aspx?PRID=1609041>

equitable access to healthcare are discussed below.

- **National Health Policy, 2017:** The policy aims to provide the highest standards of healthcare to people of ages. It aims to ensure equitable access to quality healthcare services by enhancing efficiency and lowering healthcare costs.
- **Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY):** Ayushman Bharat is one of the largest healthcare schemes in the world, offering health insurance of up to ₹ 5 lakh. The scheme is designed to cover economically weaker sections of society and strives to serve more than 50 crore Indians⁴.
- **National Health Mission (NHM):** The National Rural Health Mission (NRHM) and the recently launched National Urban Health Mission (NUHM) are part of the National Health Mission. The NHM aims to provide equal access to sustainable and high-quality healthcare that is designed to meet the medical needs of patients.
- **National Nutrition Mission:** The Prime Minister's Overarching Scheme for Holistic Nutrition, also known as POSHAN Abhiyaan or National Nutrition Mission, is India's flagship initiative to fulfil the dietary requirements of infants, pregnant women, and lactating mothers.
- **Pradhan Mantri AtmaNirbhar Swastha Bharat Yojana:** The Union Budget 2021-22 has unveiled a new scheme with a budget allocation of ₹ 64,180 crore, to be implemented over the next 6 years. The scheme aims to increase the capacity of existing primary, secondary, and tertiary healthcare systems and establish institutions to address the requirements for diagnosis and treatment of new and emerging diseases.

Digital transformation of Healthcare Sector

Digital transformation has pervaded all facets of society and it has also changed the way healthcare is delivered to a large majority of the population. The government's National Digital Health Mission is expected to augur the digital transformation of the country's healthcare sector and encourage the development of an interconnected environment that promotes universal healthcare coverage. Artificial Intelligence, Telemedicine, the use of remote technologies and many more systems are being constantly used in the healthcare arena since 2019 and it is expected to increase phenomenally over the next few years.

After the Covid-19 pandemic, telemedicine has emerged as an effective method for consultation. As per the Economic Survey 2020-21, eSanjeevani OPD (a patient-to-doctor teleconsultation system) has registered nearly a million consultations since its launch in April 2020. The COVID-19 pandemic has highlighted the importance of technology-enabled networks as a digital delivery mechanism for healthcare services. Given India's complex struggles to reach out to patients in different parts of the country, technology-enabled services can provide a new dimension to the healthcare delivery system in India.

Outlook

The COVID-19 pandemic has shed light on the immense value of quality healthcare, demonstrating how a healthcare problem can quickly transform into an economic and social crisis. India is a land brimming with potential for medical device companies. With massive capital spending on specialised diagnostic facilities, the country has also become one of the leading destinations for high-end diagnostic services. Furthermore, patients in India have also realised the importance of fitness

and superior quality care, a driving force behind the massive growth of the healthcare space in India.

By 2022, the healthcare sector in India is estimated to be worth \$372 billion dollars⁵. The diagnostics market is projected to expand at a growth rate of 20.4 percent, reaching \$32 billion by 2022⁵. Moreover, by 2025, the Indian government intends to expand public health investment to 2.5 percent of the country's GDP¹.

The improved success rate of Indian firms in obtaining Abbreviated New Drug Application (ANDA) approvals adds to the growing credibility of India's healthcare segment. India also has a lot of scope to develop its R&D and medical tourism facilities. Therefore, healthcare infrastructure spending in both urban and rural India is anticipated to be fuelled by these prospects.

Oncology

Global Overview

According to World Health Organization (WHO), cancer is growing at an unprecedented rate worldwide and stronger prevention measures are necessary for combating the disease. Cancer is the second major cause of deaths worldwide, accounting for almost 10 million deaths per year⁶. The disease is responsible for almost 1 in every 6 deaths around the world⁶. These recent estimates send a clear message that urgent action is required to prevent its occurrence and improve treatment methods for better cure and care.

The growing rate of population, increasing consumption of tobacco and alcohol, unhealthy eating habits and sedentary lifestyles are some of the major factors contribution to growing incidences of cancer around the world. These factors are also the shared risk factors for various other non-communicable diseases. In many cases, risks of certain cancers increase with age and an ageing population

⁴ <https://pmjay.gov.in/about/pmjay>

⁵ <https://www.outlookindia.com/website/story/opinion-the-future-of-healthcare-investment-in-india/362801#:~:text=The%20healthcare%20market%20size%20is,reach%20%2432%20Bn%20by%202022.>

⁶ <https://www.who.int/news-room/fact-sheets/detail/cancer>

can be a cause of concern for the medical fraternity.

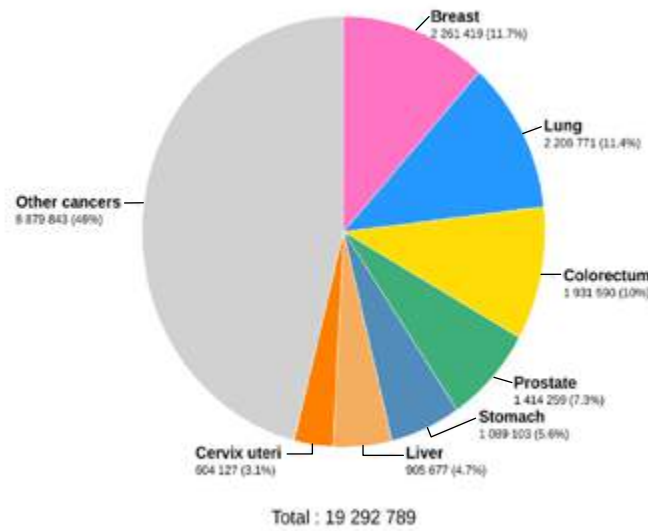
Since 2015, the worldwide oncology/ cancer medicines industry has grown at a compound annual growth rate (CAGR) of 9.8 percent, reaching about \$167.9 billion in 2019⁷. The oncology drugs industry is projected to shrink by 11 percent in 2020, from \$167.9 billion in 2019 to \$149.9 billion in 2020⁷. The downturn is mostly attributed to the recent global economic crisis caused by the COVID-19 pandemic.

Patients with cancer are more vulnerable to serious infections, particularly after chemotherapy, stem cell transplants and surgeries. So, oncology services have experienced severe implications after the pandemic in 2020. COVID-19 has delayed clinical trials for oncology drugs, production has been suspended in many parts of the world due to the lockdown and this has triggered supply chain issues of massive proportions.

Strategic partnerships in the oncology drugs industry continues

to produce better results. Companies are designing new products and exchanging skills and knowledge to stay afloat in a highly competitive environment. New developments and technological advances in cancer care are also gaining traction. The use of artificial intelligence in research and development and in 3D printing systems to simulate the human body for drug trials and testing have proved to be extremely .

Estimated number of new cases in 2020, worldwide, both sexes, all ages

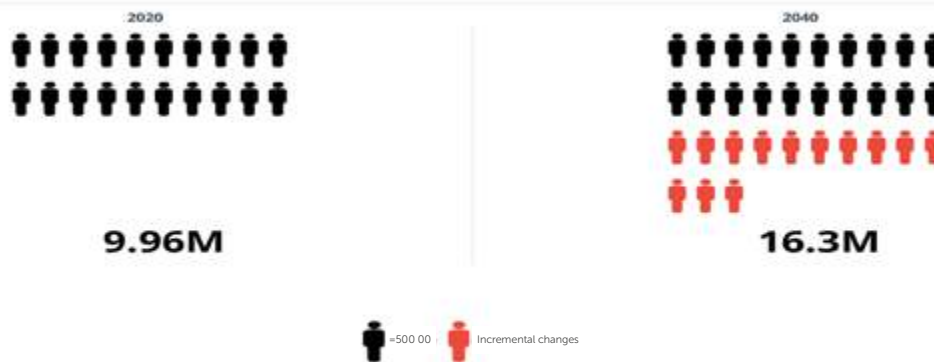


Data source: Globocan 2020
Graph production: Global Cancer Observatory (http://gco.iarc.fr)

International Agency for Research on Cancer
World Health Organization

Source: Global Cancer Observatory

Estimated number of deaths from 2020 to 2040, Both sexes, age [0-85+]
All Cancers World



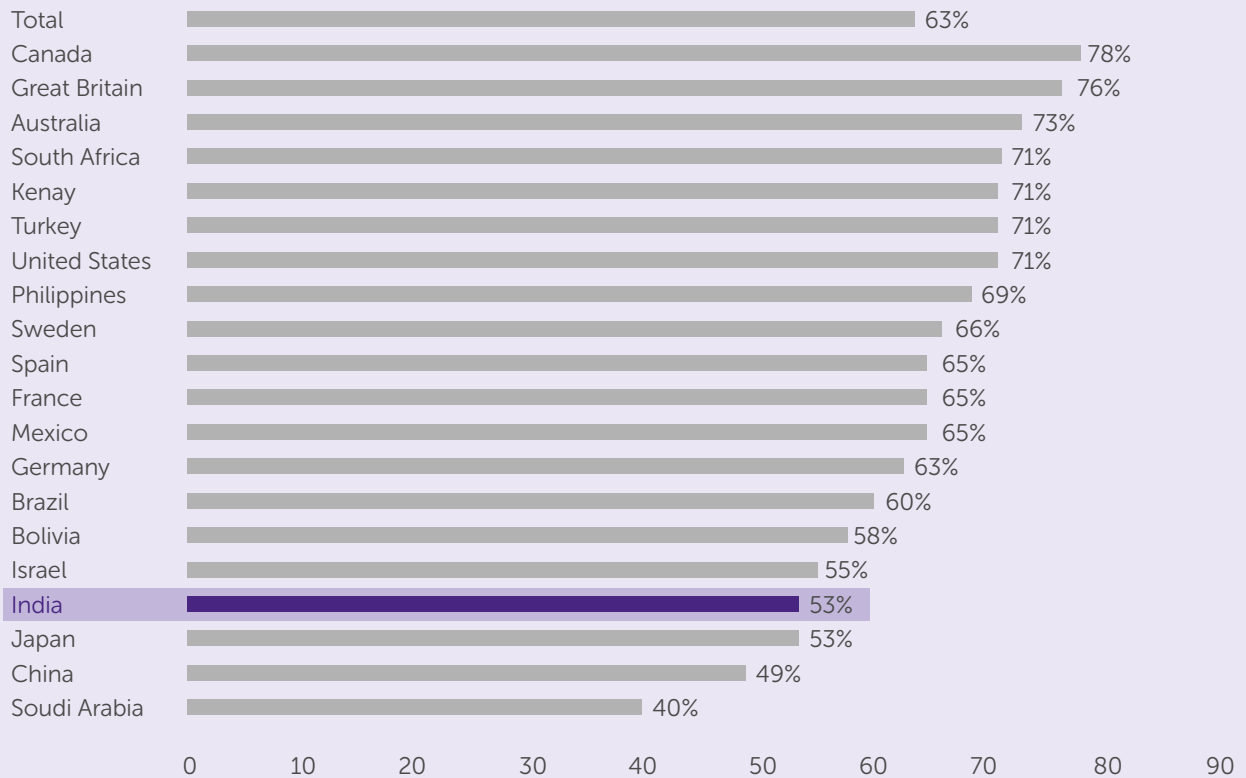
IARC - All Rights Reserved 2020

International Agency for Research on Cancer
World Health Organization

Source: Global Cancer Observatory

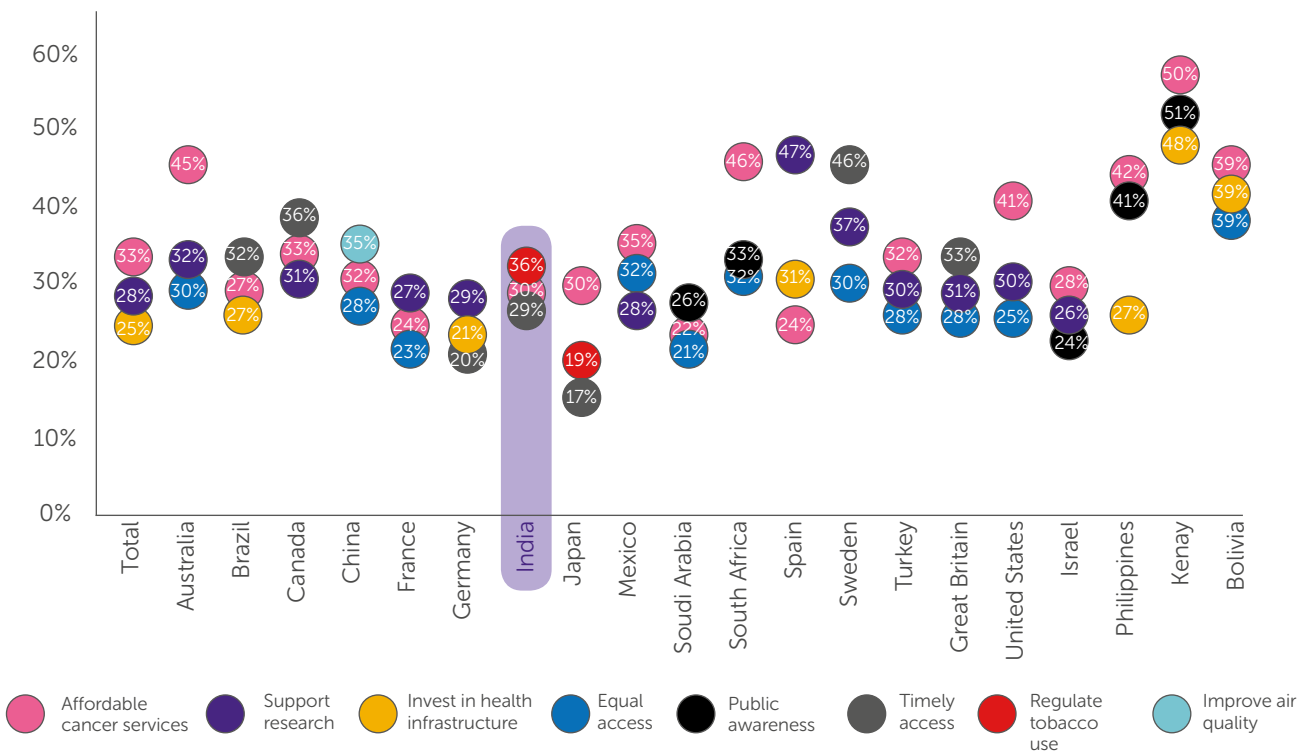
⁷ <https://www.globenewswire.com/news-release/2020/10/06/2104100/0/en/Oncology-Market-Size-2020-Particularly-Prone-To-Disruption-During-Pandemic-In-The-Global-Oncology-Market.html>

People’s belief that tobacco use is a cancer risk factor, by country



Base: 15,427 adults across 20 countries

People’s views on the most important government actions with respect to cancer



Legend: Affordable cancer services (pink), Support research (purple), Invest in health infrastructure (yellow), Equal access (blue), Public awareness (black), Timely access (grey), Regulate tobacco use (red), Improve air quality (teal)

Offering a cure for cancer, unquestionably remains one of the major obstacles for the healthcare industry. Increasing occurrence and prevalence of different types of cancer continue to motivate countries to develop innovative and quality care for patients. In the battle against cancer, new ways to taming the immune system are being developed to move closer to a world where cancer becomes a curable illness. Personalized vaccination, cell therapy, genome editing, and microbiome treatments are gaining popularity and are expected to revolutionize cancer treatment around the world.

India Overview

Cancer is on the rise in India, a pattern that is coinciding with the overall rise in non-communicable diseases (NCDs). Cancer cases are estimated

to touch 20 lakhs by 2040, up from about 11.6 lakh in 2018⁸. In 2018, it was reported that India’s cancer prevalence has more than doubled in comparison to the previous 26 years⁹.

While incidences of cancer in India are lower than most Western countries, the sheer size of its population becomes a significant public health burden. In India, cancer is the second leading cause of death. Breast cancer, prostate cancer, oral cancer, gastric cancer, and cervical cancer are the most prevalent cancers affecting the country’s population.

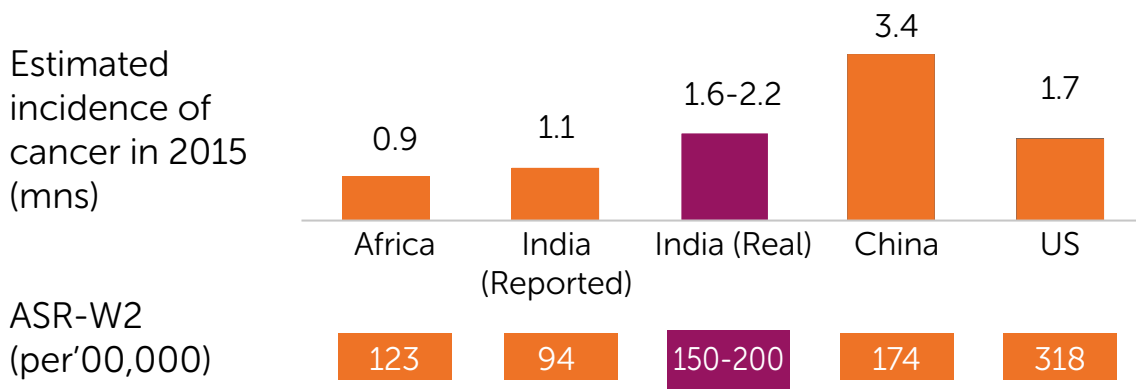
According to the National Cancer Registry Programme (NCRP) Report 2020, published by the ICMR and the National Centre for Disease Informatics and Research in Bengaluru, the number of cancer cases in 2020 is estimated to be 13.9 lakhs and it is projected to

increase to 15.7 lakhs by 2025. The report also suggested that females are more prone to cancer than males, with 712,758 cases of cancer reported in females in 2020 and 679,421 in men. Moreover, the results indicate that one in 68 males (lung cancer), one in 29 females (breast cancer), and one in 9 Indians will grow cancer between the ages of 0-74.

While lung, throat, stomach, and esophageal cancers are most common among men, breast and cervix uteri cancers are on the rise among women in India. Incidences of breast cancer have also touched alarming proportions. It continues to affect a larger proportion of women in metropolitan cities such as Hyderabad, Chennai, Bengaluru and Delhi, than in other parts of the country. However, cervical cancer seems to be on the decline in India.

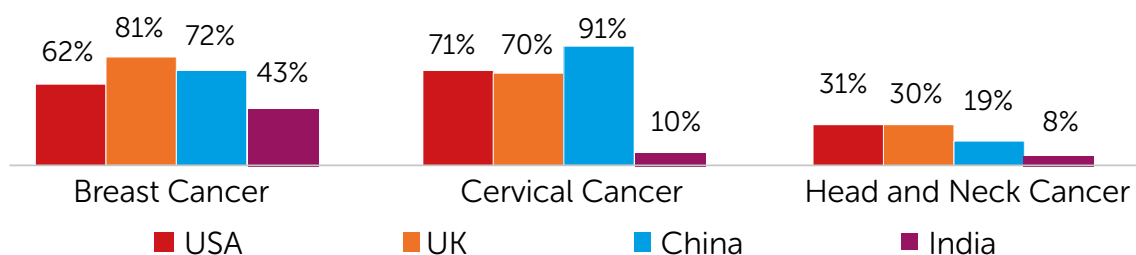
Incidence across Countries

Under-Reporting of Cancer in India



Under Diagnosis of Cancer in India

Cancer Diagnosis at Early Stages (Stage I or Stage II)

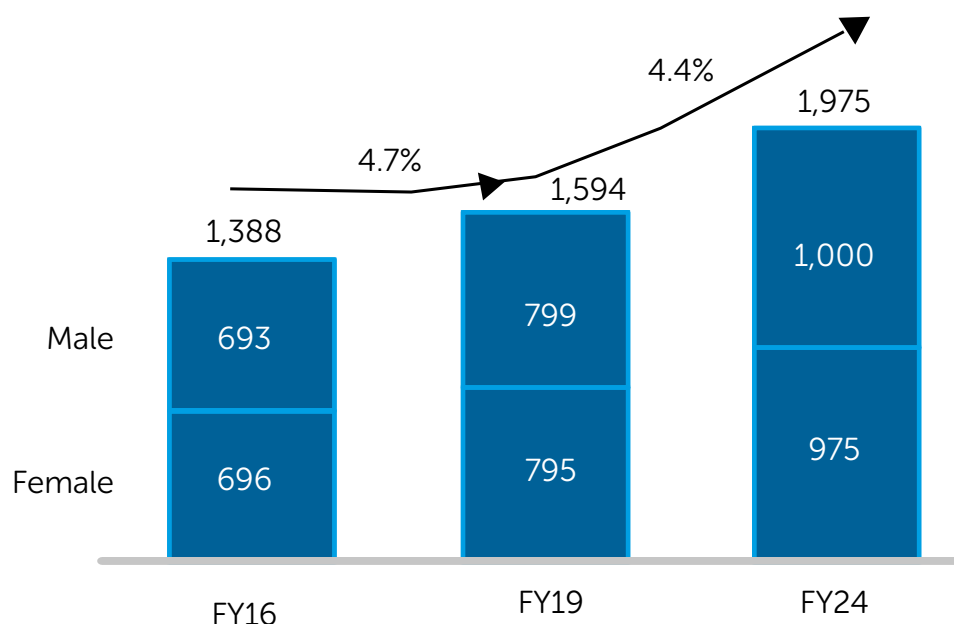


⁸ <https://futuremedicineindia.com/indias-cancer-burden-to-double-by-2040-study/>

⁹ <https://www.healthissuesindia.com/2020/02/04/world-cancer-day-2020-indias-growing-crisis/>

CANCER INCIDENCE IN INDIA TO GROW TO ~2MN CASES BY FY24

Incidence of new cancer cases ('000)



Impact of Covid-19 on cancer care

Cancer care in India has been significantly affected by the pandemic. After the nationwide lockdown was imposed, cancer care was severely hampered. It delayed diagnosis as well as treatment of patients. It also disrupted existing therapies, making it even more difficult to control and cure the disease.

Since cancer patients are more susceptible to COVID-19 infection and may suffer from massive complications, the care procedure has become extremely difficult. Even after the lockdown was gradually lifted from June 2020, there remains a large backlog in the number of cancer patients seeking immediate treatment.

In India, hospitals have been grappling with the added load of COVID-19 patients. Amidst the crisis, treatment of other chronic diseases such as cancer became a challenge in itself. Due to the diversion of manpower for the treatment and prevention of COVID-19, the demands of cancer care remained largely unmet, leading to severe consequences for patients. It has also attracted attention towards the need for better facilities that can be used to ease the existing cancer care burden.

With a growing number of cancer patients waiting to restart or begin treatment in a stressed healthcare ecosystem, post-pandemic cancer care is likely to pose significant challenges for oncologists.

Advancements in cancer treatment in India

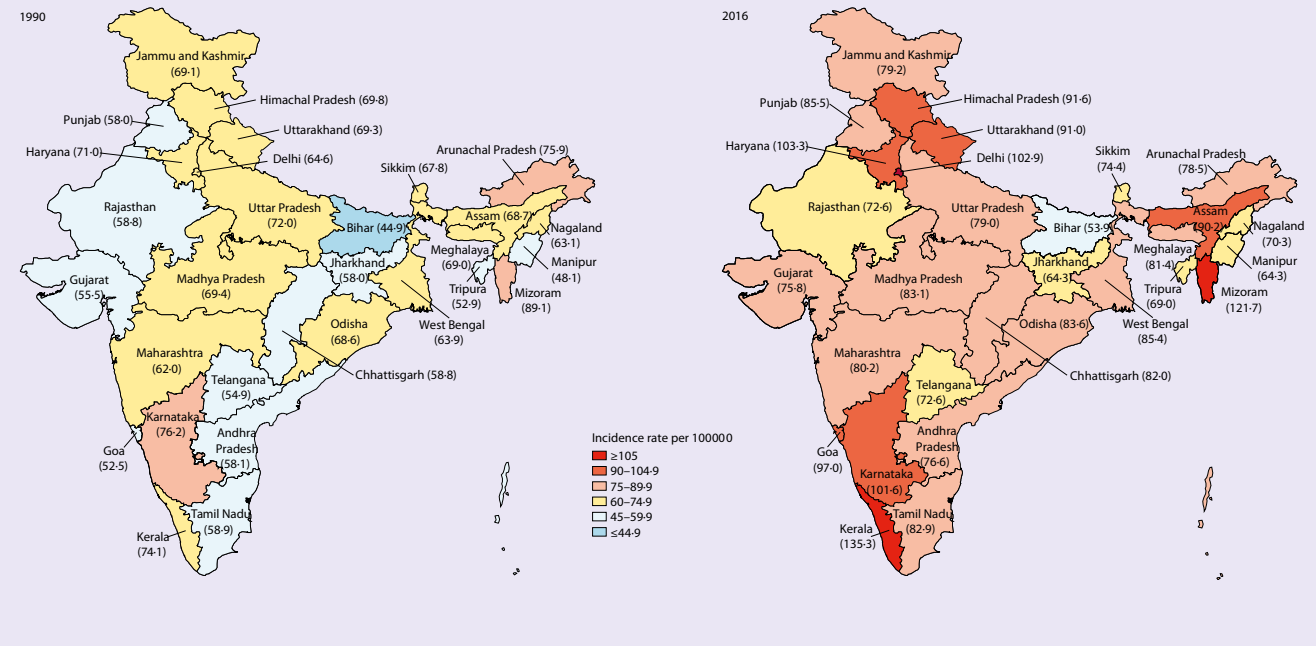
With the rising incidence of cancer in recent years, India has significantly improved the processes for cancer diagnosis and treatment. Recent advancements have also transformed cancer care and has given hope to millions of people.

- **Immunotherapy:** Immunotherapy, also known as biologic therapy, is widely used for cancer care and cure. It boosts the body's natural defence to help combat the disease. The treatment has offered relief to many patients.
- **Liquid biopsy:** The sampling and examination of non-solid biological tissue, usually blood, is known as liquid biopsy or fluid phase biopsy. It's a groundbreaking method for detecting cancer at an early stage and determining the effectiveness of chemotherapy.

- **Artificial Intelligence (AI):** Recent advancements in artificial intelligence have largely enhanced the efficacy of various treatment methods. AI has helped medical practitioners to predict the effectiveness of cancer immunotherapy and is extremely useful for the diagnosis of different types of cancer.
- **Multiparametric-magnetic resonance imaging (mp-MRI) and Fluorescence lifetime imaging (FLI):** These imaging techniques aid in breast cancer detection. The scan shows signs of proteins that aid the growth of cancer cells and allows doctors to quickly diagnose and decide a clear path for treatment.

India, therefore, stands at the cusp of offering remarkable cancer care through numerous innovative and patient centric treatments. The country has achieved important breakthroughs in cancer research that help better care and treatment of cancer patients. Besides, the use of advanced technology has enabled caregivers to rely on innovative pathways for cancer detection.

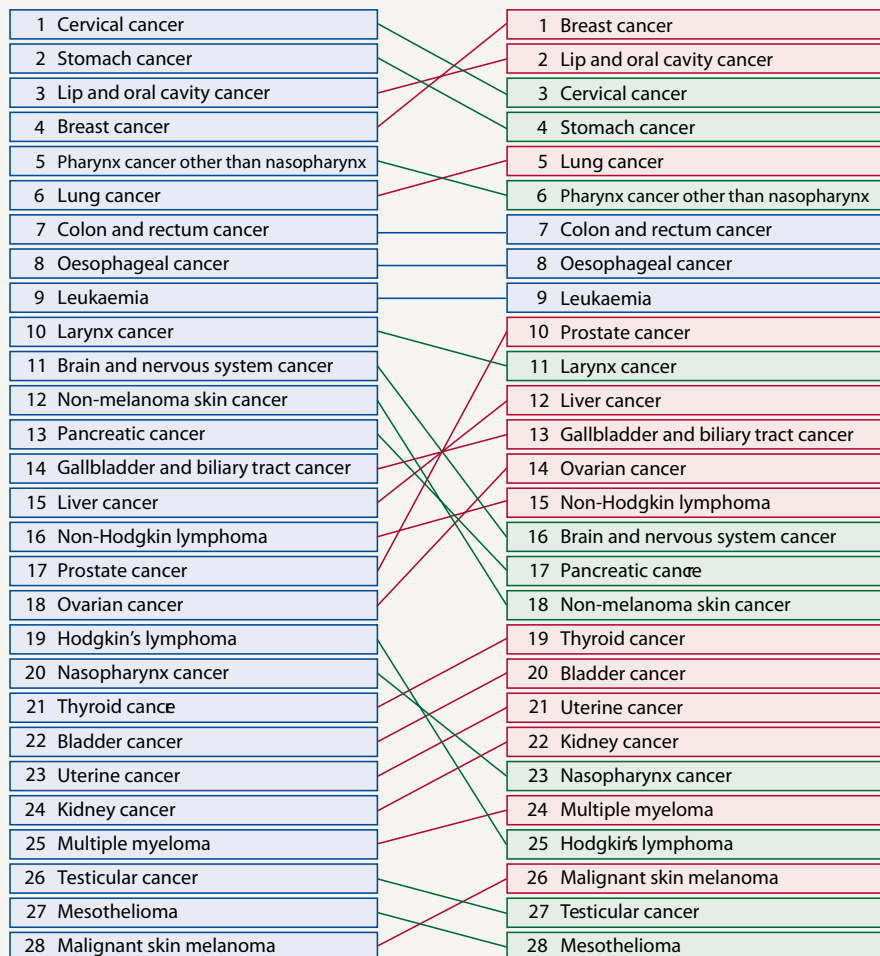
Crude annual incidence rate of all cancers together in the states of India, 1990 and 2016

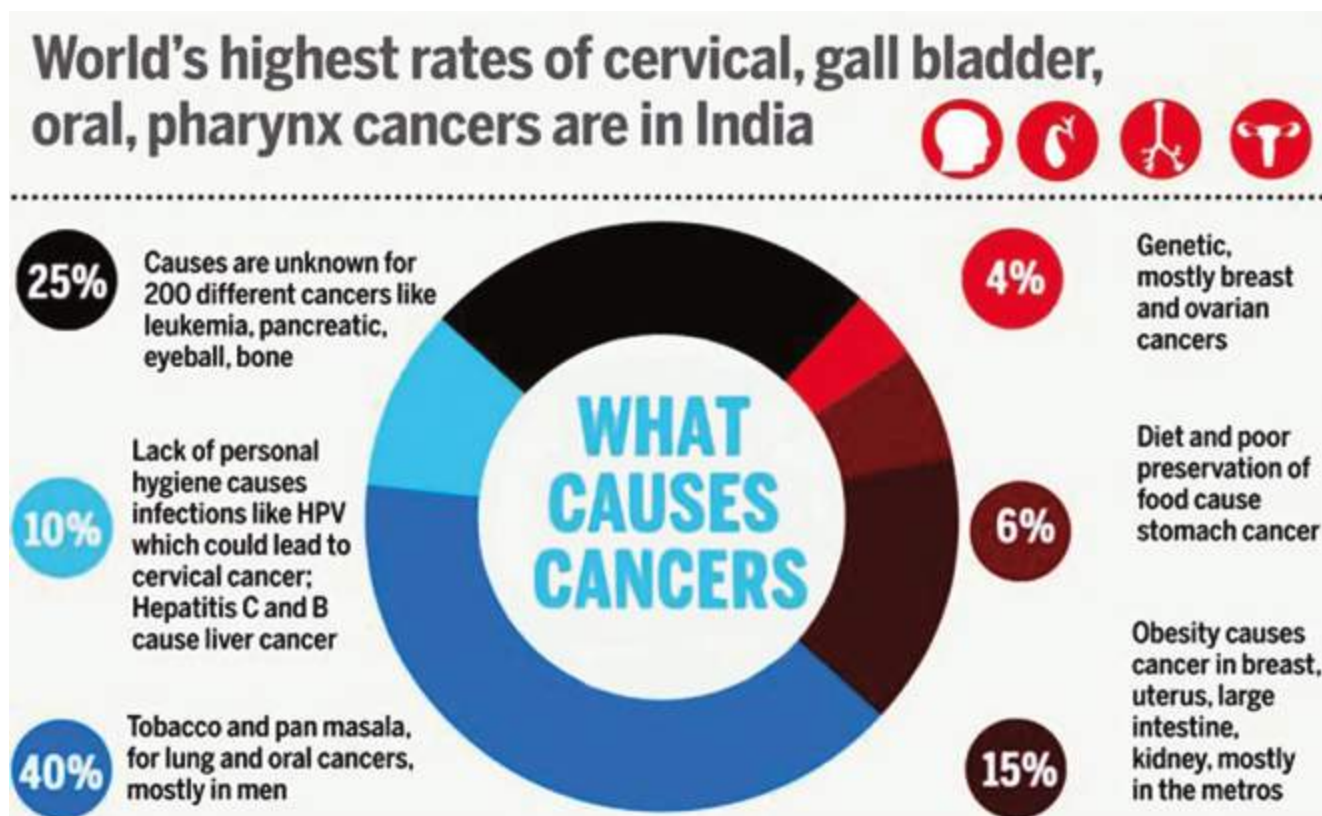


Different types of cancers in India, 1990–2016

Types of cancers, 1990

Types of cancers, 2016





Source: <https://healthvision.in/why-higher-cancer-cases-in-india/>

Fertility

India is the second-most populous country in the world accounting for 17.7% of the world's population. However, over the past few years, fertility rates have severely declined in India. The fertility rate in 2019 was 2.22 births per woman, a 0.89% fall from 2018. In 2020, the fertility rate further reduced to 2.2 births per woman, a fall of 0.9% from 2019.

Infertility is among the most prominent health issues faced by many young couples around the world. In India too, it has become a grave problem in recent years. Sedentary lives with little or no physical exercise, increasing stress levels, erratic sleep patterns and unhealthy lifestyle choices are some of the major factors causing infertility. As a result, artificial methods of conception have become quite popular in large metros as well as small towns.

The growing prominence of advanced research has opened up new avenues for infertility treatment in India. It has provided patients with safe and secure solutions including IUI (intrauterine insemination), IVF (in vitro fertilisation), and ICSI (Intracytoplasmic sperm injection). In India, the most common method of treatment is in-vitro fertilization and IVF clinics continue to report a very high number of successful conceptions.

Recently, the COVID-19 crisis emerged as a major obstacle for around 3 million couples seeking infertility treatment. A majority of couples had to cancel plans to start a family. Others who had started the procedures had to halt treatments due to the unprecedented medical emergency that engulfed the entire nation. During this period, the number of patients seeking care at IVF clinics dropped significantly. According to data from around 1100 centres across India,

from April to June 2020, the number of people attending IVF cycles dropped by nearly 90%.

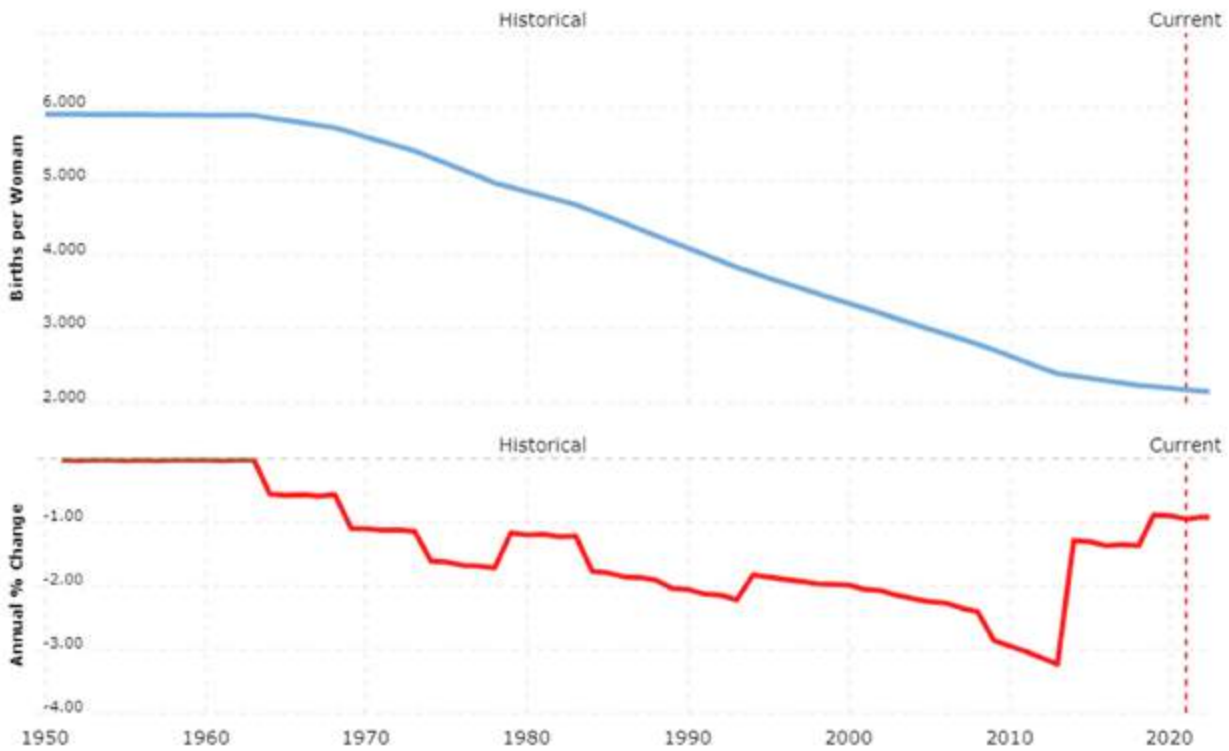
The future of infertility treatment in India relies largely on the adoption of digital methods of treatment. With growing importance of artificial intelligence and machine learning in the field of medicine, infertility treatments are also expected to be remodelled in the coming years. The incorporation of AI in therapeutic Anti-retroviral therapy (ART) opens up promising possibilities in this field. It is not only expected to offer high efficacy rates, but is also anticipated to reduce treatment costs considerably. By processing and analysing more data accurately and in greater detail, AI is anticipated to distinguish high-quality embryos from chromosomally defective ones, a method that is intended to save healthcare practitioners enormous time and effort.

¹⁰ <https://www.worldometers.info/world-population/india-population/>

¹¹ <https://www.macrotrends.net/countries/IND/india/fertility-rate#:~:text=The%20fertility%20rate%20for%20India,a%201.37%25%20decline%20from%202017.>

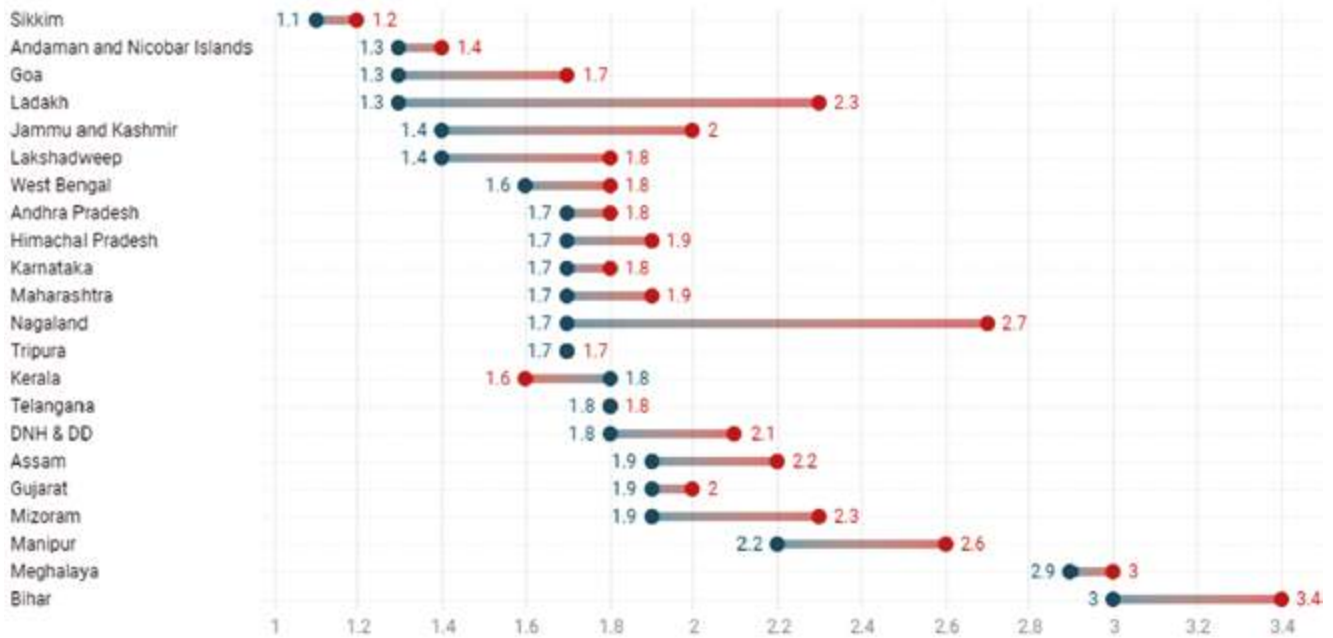
¹² <https://www.expresshealthcare.in/news/infertility-affects-around-10-per-cent-to-15-per-cent-of-married-couples-in-india/423681/>

India Fertility Rate (1950-2020)



Source: <https://www.macrotrends.net/countries/IND/india/fertility-rate>

Change in TFR by states/UTs of India, 2015-16 to 2019-20



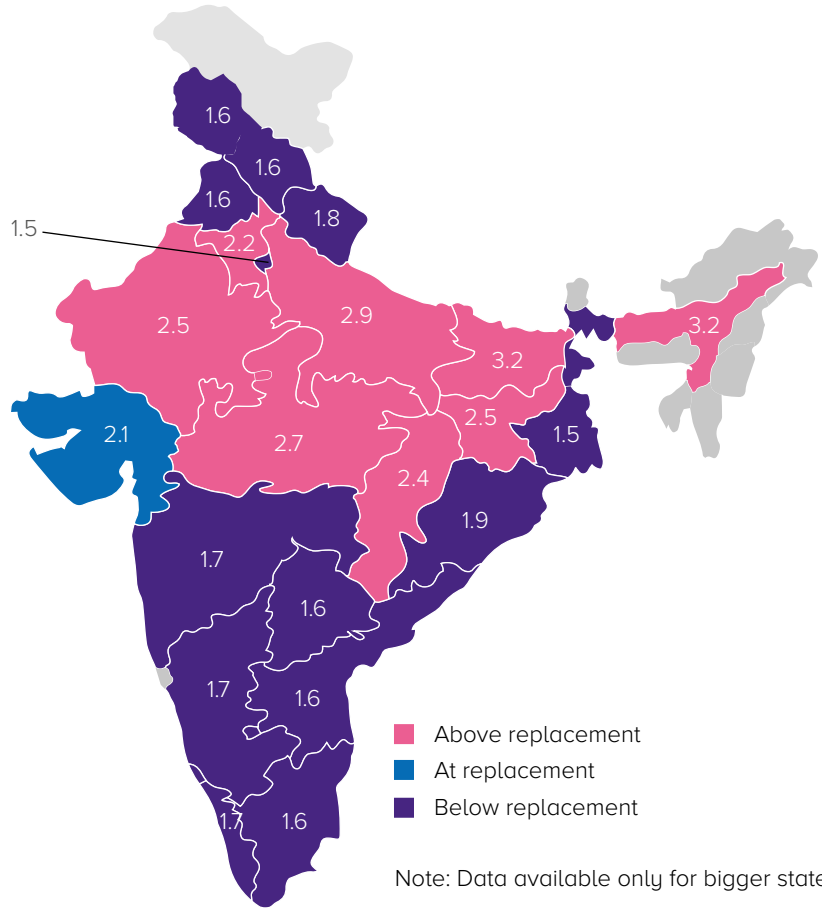
Red and blue circles, respectively, denote the TFR in the years of 2015-16 and 2019-20. Chart includes states and UTs surveyed in the first phase of NFHS-5.

Source: <https://www.downtoearth.org.in/news/health/fertility-rate-down-in-most-states-nfhs-5-finds-74624>

Age and Education affects fertility levels

Total Fertility Rate (TFR) indicates the average number of children to be born per woman during her reproductive period. Women's age and education are extremely important factors that have impacted fertility levels in the country. Fertility in all age groups (reproductive age group of 15-49 years) is higher in rural than in urban areas. It reaches the peak in the age group of 25-29 and declines thereafter. Various studies also indicates that women who were graduates and above, TFR was 1.7. While for those educated up till Class 12 and below primary level education, TFR is 1.8 and 2.9 respectively. With increase in education level, TFR witness a gradual decline.

Overall fertility has dropped below replacement rate in about half the states



Risk factors leading to high prevalence of infertility

- | | | |
|---|---------------------------------|--|
| 1 | PCOS | <ul style="list-style-type: none"> ◆ PCOS incidence in India reported to range between ~4% to 23% ◆ Mean global prevalence rate of 5% to 10% |
| 2 | Endometrial Tuberculosis | <ul style="list-style-type: none"> ◆ Endometrial TB causes endometrial and tubal damage resulting in infertility ◆ Prevalence is estimated to be ~18% among infertile women in reproductive age in India vis-à-vis 1% in the USA |
| 3 | Obesity | <ul style="list-style-type: none"> ◆ Prevalence of obesity in men has increased from 17% (2010) to 20% (2014) ◆ Increased from 11% (1998) to 25% (2014) in women |
| 4 | Tobacco | <ul style="list-style-type: none"> ◆ Tobacco prevalence in India estimated at 17% ◆ Approaching the levels of use in the UK (21%) and the US (19%) |
| 5 | Alcohol | <ul style="list-style-type: none"> ◆ Overall alcohol consumption per capita increased from 3.6 liters in 2005 to 4.3 liters in 2010 |
| 6 | STD | <ul style="list-style-type: none"> ◆ High prevalence of STDs ◆ Estimated to range between 10 - 34% |

Company Overview

Company Overview

HCG is a leading provider of tertiary and quaternary healthcare services focused on cancer and fertility specialties. Under the "HCG" brand, we operate one of the largest private cancer care networks in India in terms of the total number of cancer treatment centers scale, presence as well as in terms of revenues and new patient registrations.

Our Business

Oncology



The Company is the largest provider of cancer care in India under the "HCG" brand. It owns and operates comprehensive cancer diagnosis and treatment services (through radiation therapy, medical oncology and surgery). As of March 31st, 2021, our HCG network consisted of 21 comprehensive cancer centers, including our center of excellence in Bengaluru, and 1 center in Africa. Each of our comprehensive cancer centers offers, at a single location, comprehensive cancer diagnosis and treatment services (including radiation, medical oncology and surgical treatments). Our freestanding diagnostic centers and our day care chemotherapy center offer diagnosis and medical oncology services, respectively.

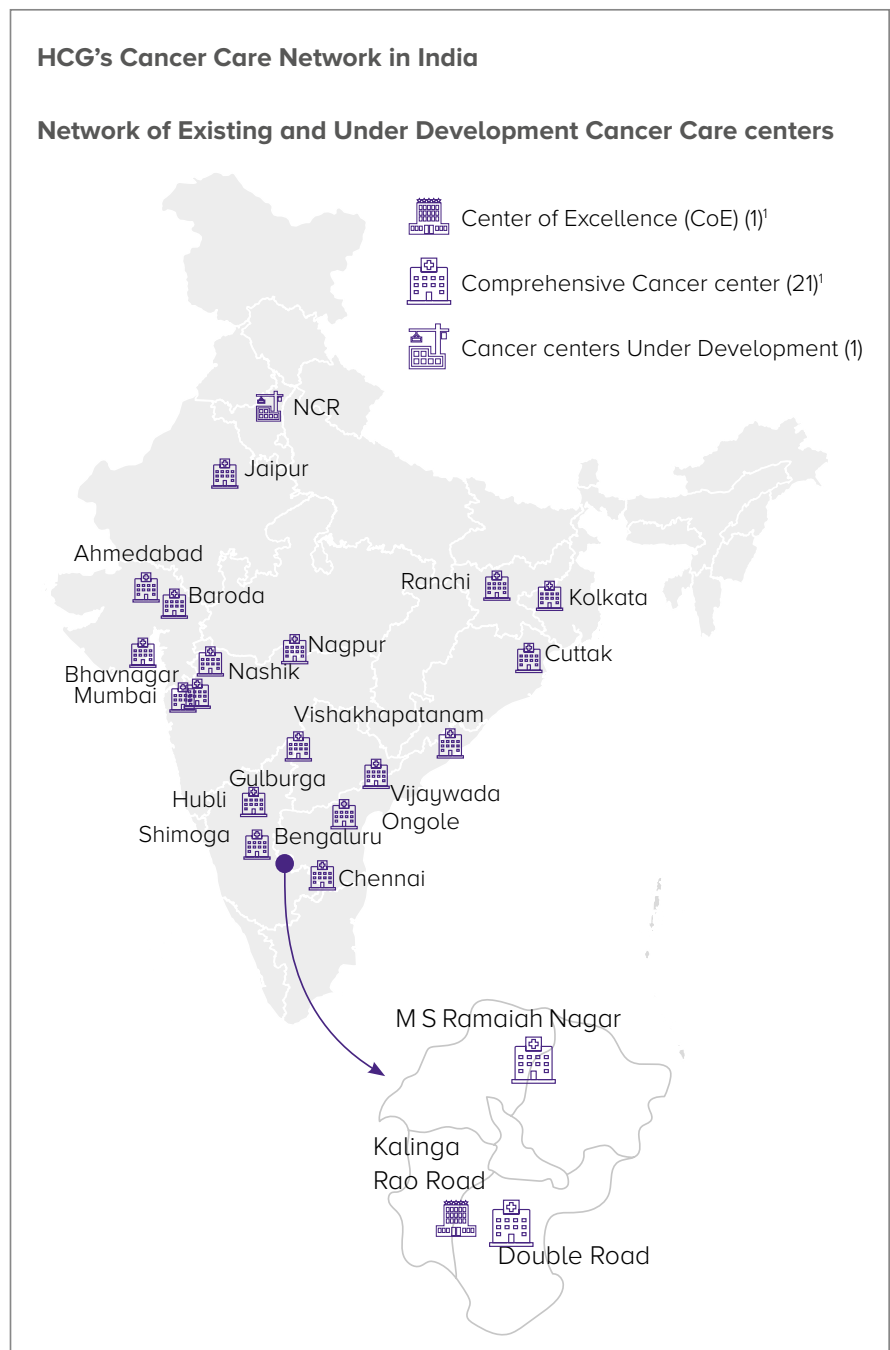
Each of our comprehensive cancer centers offers, at a single location, comprehensive cancer diagnosis and treatment services (including radiation, medical oncology and

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 standardized 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 believe that owing to the relationships we enjoy with such medical technology vendors and pharmaceutical and biotechnology companies and our involvement with them in the areas of research and development, we have been able to introduce in India and adopt across our HCG network the latest advances in technology relatively



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.

early. For instance, we were among the first healthcare providers in India to standardize 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

Molecular diagnostics technologies, including genomic testing and molecular imaging, including 128 slice PET-CT scans in the diagnosis and

radiosurgery and robotic radiosurgery, in the treatment of cancer in India. We were also the first healthcare provider in India to perform computer assisted tumour navigation surgery. We believe this gives us a distinct advantage relative to our competitors in delivering high quality and standardized cancer care to our patients. We also utilize targeted nuclear medicine therapies as well as advanced radiation treatments to minimize 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.

Targeted nuclear medicine therapies as well as advanced radiation treatments

Given the large number of patient cases treated across our HCG network, we believe that we are able to efficiently utilize our equipment, technologies and human resources, thereby deriving economies of scale. Furthermore,

Efficiently utilise our equipment, technologies and human resources, thereby deriving economies of scale.

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 internationally. We have partnered with CDC to establish a network of speciality cancer centres in Africa, similar to our cancer care network in India. Pursuant to this partnership with CDC, we completed acquisition of Cancer Care Kenya, a leading dedicated cancer care center located in Nairobi in July' 2017. We believe that we 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 centers in India.

Cancer Care Kenya Limited (CCK) a leading cancer centre in Nairobi, Kenya, which we acquired in FY2018, is ramping up well. CCK started operation in 2010 and is the first private comprehensive cancer centre in the country. CCK treats over a thousand patients annually including over two hundred patients from other African nations. CCK's team includes internationally trained radiation, medical and surgical oncologists, physicists, radiation technicians and oncology nurses. There are over 250,000 new cancer incidences each year in Eastern Africa – resulting in a huge and growing unmet need for advanced cancer care. Thousands of patients travel overseas for treatment, due to the lack of access to advanced cancer care. HCG has been treating patients from Africa in India for several years now, and have been enthused by the positive results and the strong response from the medical community in these countries. To ensure the best clinical outcomes and maintain continuity of care for medical tourism patients, we have successfully established advanced treatment options in the region through CCK and have made high quality cancer care accessible to patients across Africa.

Fertility



Milann is the leading provider of fertility treatment under the brand "Milann". It owns and operates comprehensive reproductive medicine services including assisted reproduction, gynaecological endoscopy and fertility preservation. Milann has been Ranked No. 1 in India and first in the South India region continuously for 3 years in the fertility segment in the Times Health All India Critical Care Hospital Ranking Survey 2018. (Source: All India Critical Care Hospital Ranking Survey 2017, All India Critical Care Hospital Ranking Survey 2017, published on Times Health, Times of India on December 16, 2016).

HCG acquired 50.10% equity interest in BACC Healthcare Pvt Ltd in 2013 and

acquired the balance stake in 2020 to reach 100% ownership and operates fertility centers under the Milann brand. We operate seven Milann fertility centers across Bengaluru, Delhi and Chandigarh as on March 31, 2021.

BACC Healthcare Pvt Ltd. is led by a team of qualified and experienced fertility specialists with successful track record of providing fertility treatments. Our Milann fertility centers 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 centers aim to provide medical services following established protocols with a focus on quality medical care across diagnosis and treatment.

Precision Diagnostics



Strand Life Sciences Private Limited is an integrated speciality diagnostics company with end to end capabilities in precision medicine through proprietary analytics, clinical research, access to the HCG biorepository, genomic technologies, assay development and validation and a network of laboratories offering a broad menu of tests. HCG entered into a business transfer agreement, with Strand Life Sciences in January 2018, providing for a business combination of its Triesta Sciences business unit ("Triesta Sciences"), with Strand Life Sciences. Pursuant to the business transfer agreement, the

Company has transferred its Triesta unit on slump sale basis for a consideration aggregating to 38.2 % stake in Strand Life Sciences. Strand is a Joint Venture of the Company.

Strand, established in 2000 as a spin- off from the Indian Institute of Science, is one of the pioneers in the bioinformatics space and leader in genomic testing for cancer and inherited diseases in India. Strand has over 200 engineers and scientists and provides cutting-edge diagnostic solutions and its customers include leading global life science and technology companies, research labs, as well as oncologists, paediatric specialists, geneticists and hospitals.

Triesta Sciences, which, prior to the business transfer, operated as the diagnostic unit of the Company and offers a one- stop solution for oncology diagnostics, Genomics (Next Generation sequencing based diagnostics), biomarker and translational research, laboratory services, and clinical research services for several hospitals across India with a focus on innovation, quality and accuracy for better diagnosis and prognosis of Cancer.

Strand is a leader in offering bioinformatics solutions and offers proprietary data analytical engines for research and clinical applications for genomic testing. Strand also provides hospital laboratory management services by way of establishing and operating laboratory within the hospital premises. We also provide clinical reference laboratory services in India with specialization in oncology, rare diseases and reproductive health and its offerings include molecular diagnostic services and genomic testing. Strand central reference laboratory is located in Bengaluru and is accredited by NABL in India, as well as by CAP for

quality assurance of laboratory tests performed. Additionally, Strand offers research and development services to pharmaceutical and biotechnology companies in the areas of clinical trial management and biomarker discovery and validation and is led by a team of specialist onychopathologies, molecular biologists and clinical researchers.

The bioinformatics vertical of Strand covers the entire range of high- throughput data, including Microarrays, Mass Spectrometry, Next-Generation Sequencing, Microscopy etc. and has over ~24,000 citations in research publications for tools built by Strand.

As part of clinical diagnostics, Strand offers precision tests like Rare disease Diagnosis, Inherited Cancer Risk Analysis, Tumour Mutation Analysis for Precision Treatment, Liquid Biopsy Analysis for Precision Treatment, Response Monitoring, and Early Detection of Relapse, in addition to an entire gambit of traditional tests. The Precision Medicine Laboratory is the first NGS CAP Lab in South Asia and scored 100% in Proficiency Testing for both Germline cancer risk and Somatic tumour profiling while other labs, most in the US and Europe, ranged from 85-100%.

The specialised diagnostics market is one of the fastest growing segments within the Indian diagnostic industry and is expected to be over US\$ 700 million by 2021.

In July'2020, Strand exited business of Quest Diagnostics and started consolidation of operations and turned profitable. In FY21, software tools built by Strand were cited in >1100 new peer reviewed publications.

Multispeciality



HCG operates four multi-speciality hospitals, three under "HCG" brand in Ahmedabad, Bhavnagar and Rajkot, all in the state of Gujarat and one under Operations and Management contract in Hubli in the state of Karnataka.

HCG Multispeciality in Ahmedabad, Bhavnagar and Rajkot are tertiary care

hospitals with 118, 73 and 147 beds respectively, as of 31 March 2021. These hospitals provide comprehensive inpatient and outpatient treatments. Their key specialties include cardiology, neurology, orthopaedics, gastroenterology, urology, internal medicine and pulmonary and critical care. Suchirayu Health Care Solutions Limited, in Hubli, managed by us, is a multi-speciality tertiary hospital. With 110 operational beds and capacity to

go to 250 beds, the hospital offers state of the art facilities and infrastructure in the region. We own 18% stake in Suchirayu Health Care Solutions which is the entity that owns the hospital infrastructure and assets, acquired for a nominal amount.

We do not foresee any further Multispeciality hospitals to be added to our network in the future.

Hospital Network

Existing HCG cancer centers in India

As of March 31, 2021, we operate a network of 22 comprehensive cancer centers across nine states in India and 1 center in Nairobi, Kenya. All of these centers are owned and operated by the Company, with some of the centers in joint-venture with oncologists or healthcare groups where majority ownership is with the Company. The following table sets out our existing comprehensive cancer centers 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	51	1	3	-	Yes ¹⁰
Shimoga ¹	2003	52	1	3	-	Yes ¹¹
Bengaluru - Kalinga Rao Road ²	2006	225	3 ⁷	7	2	Yes ¹⁰
Bengaluru - MS Ramaiah Nagar	2007	22	1	1	1	Yes ¹¹
Hubli	2008	70	1	2	1	Yes ¹¹
Gulbarga	2016	85	1	3	-	Yes ¹⁰
Ahmedabad ¹	2012	101	2	5	1	Yes ¹⁰
Baroda ¹	2016	69	1	3	1	Yes
Bhavnagar	2018	- ¹²	1	2	-	Yes
East India Cluster						
Ranchi	2008	84	1	3	-	Yes
Cuttack	2008	116	1	3	1	Yes ¹⁰
Kolkata ¹	2019	88	1	2	1 ⁴	Yes ¹⁰
Maharashtra Cluster						
Nasik ¹	2007	77	1	2	1	Yes
Borivali ¹	2017	104	1	5	1	Yes ¹⁰
Nagpur ¹	2017	115	1	4	1	Yes
South Mumbai	2019	32	2 ⁷	2	1	Yes ¹⁰
Nashik Phase II ¹	2018	75	2	5	1	Yes
Andhra Pradesh Cluster						
Vijaywada	2009	70 ⁵	2	4	-	Yes ¹⁰
Ongole	2012	19 ⁶	1	2 ⁹	-	Yes
Vishakhapatnam	2016	88	1	2	1	Yes

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
Others						
Chennai	2012	-	1	-	-	Yes ¹¹
Jaipur	2018	45	1	2	-	Yes

Notes

- Operated through our Subsidiary.
- Our comprehensive cancer center located at Kalinga Rao Road in Bengaluru is our center of excellence.
- Number of beds includes ICU beds (as applicable).
- We utilize PET-CT of our partner.
- In addition, we have 120 self-care beds at our center in Vijaywada.
- In addition, we have 61 self-care beds at our center at Ongole.
- Includes a WBRRS system and Cyber Knife.
- 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.
- Surgical services are provided by our partner.
- Laboratory services are provided by our Investee Company Strand Life Sciences.
- Laboratory services are provided by our partner.
- The overall bed capacity of the hospital is 73 beds.

As of March 31, 2021, we also had two freestanding diagnostic centers, of which one is located in Chennai and another in Vijaywada. Our freestanding diagnostic centers are equipped with PET-CT scanners and provide radiology and diagnostic services. We established some of these centers under partnership arrangements. Our hospital in Kolkata commenced launch of operations as comprehensive cancer center including Bone-Marrow Transplant (BMT) facilities. This is one of the only

private comprehensive cancer care in the region and provides access to high quality care to a large population who were otherwise travelling long distances for accessing cancer care

South Mumbai hospital was also fully operationalized in the year, offering comprehensive cancer care services. South Mumbai is one of the most advanced new cancer centers with substantial investment in radiation technology upfront. Not only does this center offer Radixact Tomotherapy,

but we have also launched the 1st cyber knife in Western and Central India (across Maharashtra, Goa, Gujarat, Madhya Pradesh) at this center, which is HCG's 2nd Cyber knife overall across the network. Thus the new hospitals launched and operationalized in FY20 provide advanced and high-quality care targeting higher-economic segment located in attractive micro-markets within the large metro cities of Kolkata and Mumbai.

HCG cancer centers under development in India

New Centers

As on the date of this report we are in the process of establishing 1 new comprehensive cancer centers in India, which are under development. We expect these centers to commence operation by end of calendar year 2021 and 2022.

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

Location of the comprehensive cancer center	Facilities and Services				
	Number of Beds	Number of RT- LINACs	Number of Operation Theatres ³	Number of PET- CT Scanners	Laboratory
Gurgaon	85	1	3	1	Yes

Milann Centers

The following table sets out our existing Milann fertility centers as of March 31, 2021 and their facilities and service offerings:

Location	Year	Number of Beds	IVF	Endoscopy Operation Theatre	Embryology Laboratory	Neonatal ICU
Shivananda Circle, Bengaluru	1989	38	√	√	√	√
Jayanagar, Bengaluru	2010	26	√	√	√	√
Indiranagar, Bengaluru	2012	6	√	√	√	-
MSR Nagar, Bengaluru	2015	6	√	√	√	-
Delhi	2016	4	√	√	√	-
Chandigarh	2016	3	√	√	√	-
Whitefield, Bengaluru	2018	6	√	√	√	-

Milann new center in Whitefield launched to strengthen presence and market share in Bengaluru region achieved break-even and continued to ramp-up. Milann center in Ahmedabad was restructured for strategic reasons

Risks & Concerns:

Risks are integral part of any enterprise. Efficient management of business risks is a key factor that determines growth, profitability and at times, even survival. In the last few years, the healthcare industry in India has been witnessing increased consolidation even among the larger players. Further, Government intervention, by way of an active regulatory regime, be it in terms of price control or capping of margins on medicines has been stepped up. State and Central Healthcare coverage schemes are also impacting industry margins. The risks that might impact our business, prospects, financial condition and results of operations, inter-alia includes:

a) Our results of operations in any given period can be influenced by a number of factors, many of which are outside of our control and may be difficult to predict, including political and economic conditions, the timing of opening and the number of new centres, changes in the competitive landscape in which we operate, government policies which may affect the pricing of our medical services, the operation of medical equipments, the licensing and operation of our centres and

hospitals and the licensing of our medical staff, delays in executing our growth strategies due to a number of factors, delays in project execution resulting in significant time and cost overruns, delays or failure in receiving government approvals, unavailability of human and capital resources, or any other risks that we may or may not have foreseen etc.

b) The success of our business is dependent on our ability to maintain our relationships with our partners, to identify suitable partners and acquisitions targets and to undertake new partnership arrangements and acquisitions. We may be unable to continue to operate our centres and hospitals if there are any conflicts or disputes with our partners or if our partnership arrangements are not renewed at the end of their respective terms.

c) Our patients include patients who pay for their medical expenses themselves and patients who are beneficiaries of third-party payer agreements. If we do not receive payments on time from our payers, our financial condition, cash flows and results of operations may be materially

and adversely affected. We make provisions for disallowances and doubtful trade receivables in our financial statements on account of the probability of not being able to collect the amounts billed to third party payers, based on our actual experience of disallowances and collection from each category of payers. Provisions for disallowances reduce our revenue from operations and provisions for doubtful trade receivables increase our expenses and thus reduce our profitability.

d) We face intense competition from other healthcare facilities. If we are unable to compete effectively, our business and results of operations may be materially and adversely affected. Our ability to effectively compete with our competitors is dependent on our ability to achieve high success rates in diagnosis and treatment and reduce risks and side effects in providing cancer care and fertility treatment, enhance the brand image and marketability of our "HCG" and "Milann" brands, increase new patient registrations across our HCG network, attract and retain specialist physicians, physicians and others k i l l e d persons etc.

- e) We are highly dependent on our promoters, key clinicians, partners and the members of our senior management team, including some who have been with us since the establishment of the first cancer centre in our HCG network, to manage our current operations and to meet future business challenges. The loss of the services of our senior management or key management personnel, including our senior specialist physicians and physicians, or if we are unable to find a suitable replacement for them, could seriously impair our ability to continue to manage and expand our business.
- f) We may not realise the value of our goodwill or other intangible assets. We expect to engage in additional transactions that will result in our recognition of additional goodwill or other intangible assets. We evaluate on a regular basis whether events and circumstances have occurred that indicate that all or a portion of the carrying amount of goodwill or other intangible assets may no longer be recoverable, and is therefore impaired. Under the current accounting rules, any determination that impairment has occurred, would require us to write off the impaired portion of our goodwill or the unamortised portion of our intangible assets, resulting in a charge to our earnings. We have written off goodwill in the past, and any future write-off could have a material adverse effect on our financial condition and results of operations.
- g) Currently, our Company conducts a portion of its operations through its subsidiaries. Further, a portion of our Company's assets is held by, and a part of its earnings and cash flows is attributable to, our subsidiaries. If earnings from our subsidiaries were to decline, our Company's earnings and cash flows would be materially and adversely affected. We cannot assure you that our subsidiaries will generate sufficient earnings and cash flows to pay dividends or otherwise distribute sufficient funds to enable our Company to meet its obligations, pay interest and expenses or declare dividends.
- h) We rely on the financing arrangements with various banks and financial institutions to bridge the gap between cash flow from operating activities and investing activities (including put options of the partners). We cannot assure that the banks and financial institutions would fund us as per the planned timelines, and this could adversely affect our results of operations and financial condition.
- We have revitalised our Risk Management framework with a detailed exercise aimed at a better and updated understanding of all our operational, financial, regulatory and strategic risks. Please refer to the section on Enterprise Risk Management forming part of the Management Discussion and Analysis Report to read more on the Risk Management framework.

Financial and Operating Highlights

Overview

FY2020-21 has been one of the toughest years in history of HCG, which started with unexpected margin cap on oncology drugs by the government, which not only impacted our revenues and margins negatively, but also allows patients who have affordability and capability to pay, gaining unfair benefit out of these caps and taking away the flexibility of 'cross-subsidy' to the needy patients, which is paramount for hospitals like HCG to offer consistent quality across different socio-economic segments of the population. HCG adopted the following measures to mitigate the negative impact from these drug margin caps, to some extent:

1. Supply-chain management initiatives including centralization,

reduction of inventory, logistics and other related costs

2. Changes in mix of drugs being carried as part of HCG formulary
3. Initiatives to enhance package rates with services offsetting some of the drug price/margin impact while ensuring the cost of treatment to the patient remains within reasonable levels

HCG is constantly looking at improving the efficiency of its procurement and supply-chain towards matching patient needs and affordability while ensuring optimum

At the end of the year, the world witnessed the biggest medical and economic disruption in recent history in form of COVID-19 pandemic breakout. HCG has also been impacted substantially by this, especially on account of fall in occupancies and

procedures across hospitals. We witnessed substantial COVID impact on business operations across regions:

- Delay, postponement and/or cancellation of oncology, multi-specialty and fertility procedures
- Reduction in footfalls of patients in Outpatients Department (OPD) impacting consultations, treatments and future registration volumes
- Complete shutdown of international travel resulting in cancellation of planned treatments of international patients At the time of this report we were seeing recovery at some of the hospitals but there is continued uncertainty on business on account of the increasing cases and lockdowns being implemented from time to time across various regions where HCG has presence.

Overview of Key Regions

Karnataka Cluster

Number of centers in Karnataka remained as 8, we have closed down Mangalore center with no new center launched or in development for this region. Strong adoption of daVinci technology continues at our center of excellence in Bangalore, with over

243 CK radiosurgery procedures completed in the year. The number of beds operated in the Karnataka cluster remained the same at end of FY 21 at 615 as compared to FY 20. Revenue from Karnataka cluster decline to 3426 in FY21 from 3645 in FY20. ARPOB decreased by 3.8% to 35867/ day on the back of change in payer mix in the current year. With completion of expansion on pan-India basis as well as improving ramp-up in other geographies, share of Karnataka region as a percentage of total revenues for HCG Centers (excluding Fertility) continues to reduce proportionately, and was at 34% in FY 21 as compared to 38% in FY 20.

Gujarat Cluster

During the year under review, Gujarat cluster had 5 operational centers and operated 508 beds. Rajkot center launched in FY19, had ramped up to achieve break-even in Q3- FY21. The Bhavnagar center which was expanded to provide radiation treatment and offers comprehensive cancer care services in FY19 achieve strong scaling-up with good profitability. Baroda center, launched in May 2016, has continued to grow well having achieved break-even last year. While the revenue of the cluster has shown an decrease of 12% to 2,673 million, ARPOB

increase by 7.5% to 38002. We continue to strengthen our position in state of Gujarat with share of revenues of HCG Centers from this cluster at 29% in FY 21 and we remain positive about this region.

Maharashtra

Our centers in Borivali in Mumbai and in Nagpur, both among the largest new centers launched in the last few years, are continuing to ramp up in volumes and revenues.

South Mumbai center was fully operationalised in FY21, and is one of the most advanced new cancer centers with substantial investment in radiation technology upfront. Not only does this center offer Radixact Tomotherapy, but we have also launched the 1st Cyberknife in Western and Central India (across Maharashtra, Goa, Gujarat, Madhya Pradesh) at this center, which is HCG's 2nd Cyberknife overall across the network. South Mumbai center is focused on advanced and high-quality care targeting higher-economic segment located in attractive micro-markets within Mumbai city.

Overall Maharashtra cluster clocked revenue of ₹ 1,607 million during FY21 as against revenue of ₹ 1,390 million in FY20.

Going forward, with a strength of about 403 beds across 4 centers in this region we are looking to dominate this region as one of the largest private oncology players in the state of Maharashtra. We continue to strengthen our position and scale, with share of revenues of HCG Centers from this cluster increasing from 9% in FY 18 to 16% in FY 21 and remain extremely positive about this region.

East India Cluster

East India cluster revenue increase by 5.6% for FY21 to 872 million from 826 million in FY20. ARPOB increased by 23.8% to 21718 in FY21. Further, Share of revenues of HCG Centers from this cluster increasing to 9% in FY 21 as compared to 8% in FY 20

Andhra Pradesh Cluster

During the year under review, Andhra Pradesh cluster had 3 operational centers and operated 177 beds. The Vishakhapatnam center continues to ramp up well and is emerging as a leading center in the region. The revenues of the cluster have shown an increase of 2.8% to 804 million in FY21. With consolidation of our operations with our partner in Vijayawada last year, the center has ramped-up with increased profitability. We continue to strengthen our position in state of Andhra Pradesh, with share of revenues of HCG Centers from this cluster increasing to 8% in FY 21 as compared to 8% in FY 20 and remain positive about this region.

Milann Centers

During the year, the revenues from Milann business decreased which reduced the profitability as compared to previous year. Our Whitefield center has achieved operational break-even and continues to ramp-up well, with overall profitability of the Bangalore business showing improving trends. At the time of this report, Milann was in process of improving performance and showing good recovery at the end of FY21 which was continuing in recent months. Milann continues to be one of the leading IVF brands in India with

strong focus on clinical excellence, training and education as well as one of the largest number of successful pregnancies and babies delivered in the last two decades. During Fiscal Years 2021 and 2020, our Milann fertility centers registered 3,578 and 5,481 new patients and performed 1,450 and 2,195 IVF procedures, respectively. Our Milann fertility centers also offer training programmes for fertility specialists and embryologists.

Financial Performance

The financial statements of HealthCare Global Limited and its subsidiaries joint venture and associate (collectively referred to as "HCG" or the Company) are prepared in compliance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013 and Indian Accounting Standards (Ind AS).

The discussions herein below relate to consolidated statement of profit and loss for the year ended March 31, 2021, consolidated balance sheet as at March 31, 2021 and the consolidated cash flow statement for the year ended March 31, 2021. The consolidated results are more

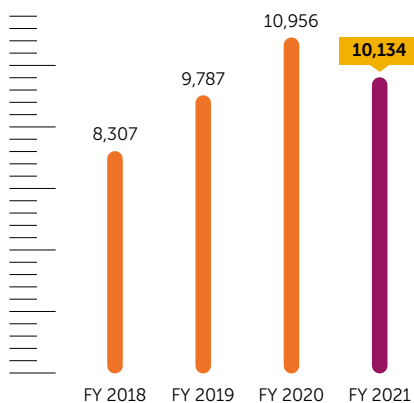
relevant for understanding the performance of HCG.

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, HCG started following 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.

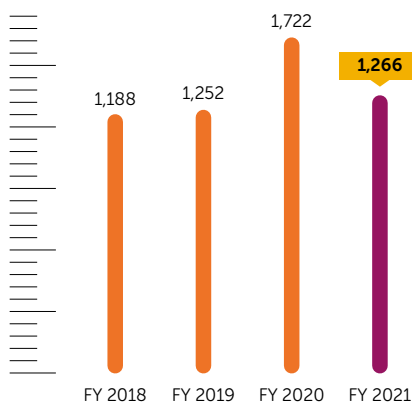
Operating Revenue*

(₹ Mn)



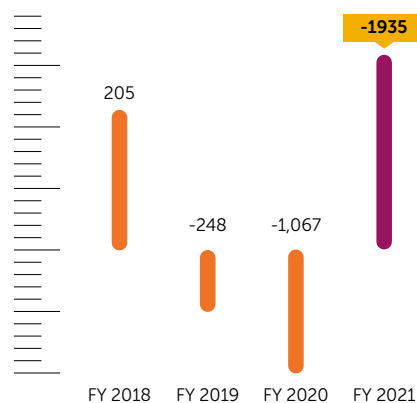
Operating EBITDA*

(₹ Mn)



PAT

(₹ Mn)



*Including government grant

Note: Figures for FY 2018 and FY 2019 is before IndAS 116 adjustment

Particulars	For the fiscal year ended March 31, 2021		Growth vis a vis FY20 In %	For the fiscal year ended March 31, 2020	
	(In millions)	% of Revenue		(In millions)	% of Revenue
REVENUE					
Revenue from operations					
Income from medical services	9,417.5	91.4	-6.5%	10,076.3	91.4
Income from sale of medical and non-medical items	622.6	6.0	-14.7%	729.7	6.6
Other operating revenues	94.2	0.9	-37.3%	150.4	1.4
Total Revenue from Operations including income from government grant	10,134.3	98.4	-7.5%	10,956.4	99.4
Other income	169.5	1.6	143.3%	69.7	0.6
Total Revenue	10,303.9	100.0	-6.5%	11,026.1	100.0

Particulars	For the fiscal year ended March 31, 2021		Growth vis a vas FY20 In %	For the fiscal year ended March 31, 2020	
	(In millions)	% of Revenue		(In millions)	% of Revenue
EXPENSES					
Purchases of stock-in-trade	2,381.7	23.1	0.8%	2,363.5	21.4
(Increase)/ decrease in stock-in-trade	21.5	0.2	-38.8%	35.1	0.3
Employee benefits expense	1,959.4	19.0	-5.8%	2,080.3	18.9
Finance costs	1,191.7	11.6	-13.4%	1,376.5	12.5
Depreciation and amortisation expense	1,592.2	15.5	7.3%	1,484.5	13.5
Other expenses	4,506.0	43.7	-5.2%	4,755.6	43.1
Total Expenses	11,652.4	113.1	-3.7%	12,095.5	109.7
Profit/ (Loss) before tax and exceptional items and share of loss of an associate/ joint venture	-1,348.5	-13.1	26.1%	-1,069.4	-9.7
Exceptional Items	934.46	9.1	-	-	-
Share of (loss) of equity accounted investees	-3.65	-0.0		-123.22	-1.1
Profit/ (Loss) before tax	-2,286.6	-22.2		-1,192.6	-10.8
TAX EXPENSE					
(1) Current tax	47.10	0.5		24.55	0.2
(2) Deferred tax	-122.71	-1.2		37.34	0.3
Net tax expense	-75.61	-0.7		61.89	0.6
Loss for the year	-2,211.0	-21.5		-1,254.5	-11.4
Share of profit of minority interest	-276.4	-2.7		-187.6	-1.7
Net Profit/ (Loss) for the year	-1,934.6	-18.8		-1,067.0	-9.7

Revenue

Our total revenue from operation including government grant decreased by ₹ 822.0 million (7.5%) as compared to Fiscal Year 2020 to ₹ 10,134.3 million in Fiscal Year 2021. This decrease was primarily due to the spread of Covid 19 and the resultant lockdowns and restrictions on international travel.

Revenue from operations*

The revenue from operations decreased by ₹ 822.0 million, or by 7.5%, from ₹ 10,956.4 million in Fiscal Year 2020 to ₹ 10,134.3 million in Fiscal Year 2021. This decrease in revenue was primarily on account of the outbreak of the Covid 19 pandemic across India and the resultant lockdowns and the restriction on Travel, both domestic and International.

During the Fiscal Year 2021, Our, Karnataka, Gujrat and Maharashtra clusters contributed to a revenue of KA: 3,426 mn, Guj : 2,673 mn, MH:

1607 mn respectively. Most of our new centers, including Rajkot in Gujrat, Hubli and Gulbarga in Karnataka, Visakhapatnam in Andhra Pradesh, Borivali, Nagpur, Nashik and South Mumbai in Maharashtra and Kolkata in West Bengal had registered year on year growth in revenues. Major units which had registered revenue de growth were KR-DR in Karnataka, Ahmedabad, Baroda and Bhavnagar centers in Gujrat and Chennai in Tamil Nadu. Revenue from our fertility centers was lower by ₹ 257.2 million during the fiscal year 2021 at ₹ 444 million.

Other operating revenues

Our other operating revenues including Govt. grants was ₹ 94.2 million during fiscal year 2021 as compared to ₹ 150.4 million in Fiscal Year 2020. Other operating income primarily consists of Income from Training and from other operational arrangements and the

EPCG Income.

Other income

Our other income increased by ₹ 99.9 million, from ₹ 69.7 million to ₹ 169.5 million in Fiscal Year 2021. Increase in other income was primarily on account of interest Income on bank deposits and Income tax refunds during the fiscal year 2021.

Expenses

Our total expenses decreased by ₹ 443.1 million, or by 3.7%, from ₹ 12,095.5 million in Fiscal Year 2020 to ₹ 11,652.4 million in Fiscal Year 2021. Decrease in employment cost and other operating expenses is in line with the revenue decline.

Cost of consumption

Cost of consumption comprises of our expenses related to purchases of medical and non-medical items and changes in inventories of medical

*including government grant

and non-medical items. Cost of consumption related to usage of drugs, medical and non-medical consumable items increased by ₹ 4.5 million, from ₹ 2398.6 million in Fiscal Year 2020 to ₹ 2403.2 million in Fiscal Year 2021.

Cost of consumption as a percentage of our total revenue increased from 21.8% in Fiscal Year 2020 to 23.3% in Fiscal Year 2021. This was primarily due to margin cap on Oncology drugs by the government which impacted our revenue as well as margins. Some part of this impact was mitigated by supply chain management including centralization, reduction of inventory, logistics and other related costs.

Employee benefits expense

Our employee benefits expense decreased by ₹ 120.9 million, or by 5.8%, from ₹ 2080.3 million in Fiscal Year 2020 to ₹ 1959.4 million in Fiscal Year 2021. This decrease was primarily achieved by temporary salary reduction at various levels and optimization of employment costs.

Finance costs

Our finance costs decreased by ₹ 184.8 million, or by 13.4%, from ₹ 1376.3 million in Fiscal Year 2020 to ₹ 1191.7 million in Fiscal Year 2021

This decrease is primarily due to lower interest cost because of repayment of a part of our term loans and lower exchange rate fluctuation loss.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by ₹ 107.7 million, or by 7.3%, from ₹ 1484.5 million in Fiscal Year 2020 to ₹ 1592.2 million in Fiscal Year 2021. The increase is primarily attributable to increase in amortisation cost of computer software which was capitalised at the end of the previous year.

Other expenses

Our other expenses decreased by ₹ 249.6 million, or by 5.2%, from ₹ 4755.6 million in Fiscal Year 2020 to ₹ 4506.0 million in Fiscal Year 2021. Reduction in other expenses is mainly on account of lower medical consultancy charges and travelling expenses due to the outbreak of Covid 19 pandemic.

Other expenses, as a percentage of revenue, slightly increased from 43.1% in Fiscal Year 2020 to 43.7 % in Fiscal Year 2021 for reason mentioned above. Other key expense line items include:

Description	Fiscal Year 2021	% of Total Revenue	Fiscal Year 2020	% of Total Revenue
Medical consultancy charges	2,217.5	21.5%	2,450.7	22.2%
Repairs and maintenance	490.0	4.8%	349.0	3.2%
Power, fuel and water	317.5	3.1%	332.6	3.0%
House keeping and security	238.3	2.3%	281.9	2.6%
Legal and professional charges	206.6	2.0%	183.0	1.9%
Lab charges	377.9	3.7%	385.0	3.5%
Advertisement, Publicity & Marketing	135.7	1.3%	193.3	1.8%

Medical consultancy charges which are variable in nature decreased by ₹ 233.2 million or by 9.5% from ₹ 2450.7 million to ₹ 2217.5 million in fiscal year 2021 due to lower revenues.

Our repairs and maintenance expenses increased by ₹ 141 million from ₹ 349.0 million in fiscal year 2020 to ₹ 490 million in fiscal year 2021. As a % of revenue, the same was at 4.8%

in fiscal year 2021 when compared to 3.2% in fiscal year 2020.

Our power, water and fuel expenses decreased by ₹ 15.2 million from ₹ 332.6 million in fiscal year 2020 to ₹ 317.5 million in fiscal year 2021. As a % of revenue, it was flat at 3.1% for the current fiscal year.

Our house-keeping and security expenses decreased by ₹ 43.6 million or by 15.5 % from ₹ 281.9 million in fiscal year 2020 to ₹ 238.3 million in fiscal year 2021. As a % of revenue the same was at 2.3% in 2021 as compared to 2.6% in 2020.

Loss before tax and exceptional items and share of loss of associate/joint venture

Our loss before tax and exceptional items was ₹ 1348.5 million in Fiscal Year 2021 as compared to a loss before tax amounting to ₹ 1069.4 million in Fiscal Year 2020.

Share of (loss) of equity accounted investees

Our investments in HealthCare Global Africa Private Limited, held by HCG (Mauritius) Private Limited as well as investment in Strand Life Sciences are accounted under equity method as per Ind AS 28 'Investment in Associates and Joint Ventures' have resulted in loss of ₹ 3.65 million in the current fiscal year. This was lower by ₹ 119.6 million over previous year due to improvement in profitability of Strand Life Sciences during the year.

Tax expense

We recorded current tax of ₹ 47.1 million and deferred tax of ₹ -122.7 million in Fiscal Year 2021 as a result of which total tax expense for FY 21 was ₹ -75.6 million. We recorded current tax credit of 24.6 million and deferred tax credit of 37.3 million in Fiscal Year 2020 as a result of which net tax credit for FY 20 was ₹ 61.9 million.

Loss for the year

Our loss after tax before share of profit/(loss) of minority interest was ₹ 2211.0 million in Fiscal year 2021 as compared to a loss of ₹ 1254.5 million in fiscal year 2020.

Share of profit/ (loss) of minority interest

Minority's share of loss was ₹ 276.4 million in Fiscal year 2021 as compared to a loss of ₹ 187.6 million in fiscal year

2020. This was primarily on account of increased share of loss contributed by new units operationalized during the year where HCG has majority stake.

Loss for the year

As a result of the foregoing, our net loss for the year was ₹ 1934.6 million in Fiscal year 2021 as compared to a net Loss amounting to ₹ 1067 million in fiscal year 2020.

Assets

₹ in million

Particulars	As at March 31,	
	2021	2020
Non-current assets		
Property, plant and equipment	8,531.2	9,271.1
Capital work in progress	300.1	460.9
Goodwill	963.4	1,093.4
Right of Use Asset	4,114.3	5,776.2
Other intangible assets	214.9	320.1
Investments in equity accounted investees	205.5	267.6
Financial assets		
- Investments	57.3	73.5
- Loans receivable	450.9	515.9
- Other financial assets	167.7	222.2
Deferred tax assets (net)	343.1	261.4
Income Tax assets (net)	426.4	817.8
Other non-current assets	231.7	413.7
Total non-current assets	16,006.5	19,493.7
Financial Assets		
- Trade receivables	1,866.1	1,856.6
- Cash and cash equivalents	300.0	317.5
- Bank balance other than cash and cash equivalents above	108.5	2.7
- Loans receivable	93.1	54.4
- Other financial assets	1,546.2	274.6
Other current assets	224.7	299.5
Total current assets	4,349.6	3,037.8
Total assets	20,356.1	22,531.7

We had property, plant and equipment amounting to ₹ 8531.2 million as at March 31, 2021 and ₹ 9271.1 million as at March 31, 2020. Our property, plant and equipment assets primarily consist of medical equipment, buildings, land, leasehold improvements, furniture and fixtures and vehicles.

Decrease in our property, plant and equipment assets is primarily on

account of depreciation of ₹ 989.96 million during the fiscal year FY 2021. We also had an addition of ₹ 251.2 million in new assets during the year.

Our Capital Work-in-progress of ₹ 300.1 million as of March 31, 2021 was primarily on account of new projects which are under development that include comprehensive cancer care centers in Privat in Delhi.

We had goodwill amounting to ₹ 963.4 million as of March 31, 2021 and ₹ 1,093.4 million as of March 31, 2020. Our goodwill comprises payments made to our partner for securing exclusive rights to operate a center, and pertains to acquisitions of our Milann fertility centers, HCG Medi-Surge and City Cancer Center in Vijayawada.

The Company had adopted the new accounting standard IND As 116 pertaining to Leases which become effective from 1st April 2019. As a result, of this adoption, all long term rental agreements where re-worked based on committed tenure and a new Asset Right-to-Use was created. The ROU value was ₹ 4114.3 million as on 31st March 2021. The corresponding liability was created as "Lease liabilities" under "Non current liability" and "current liability".

Our Investments in equity accounted investees primarily consist of investments made in Healthcare Global Africa Private Limited amounting to ₹ 124.7 million as well as Strand Life Sciences Private Limited amounting to ₹ 80.8 million

The decrease in our other intangible assets from ₹ 320.1 million as of March 31, 2020 to ₹ 214.9 million as of March 31, 2021 was primarily on account of amortization of Computer software licenses for ERP (SAP) and Hospital Information Systems (HIS).

We had non-current investments of ₹ 57.3 million as of March 31, 2021 and ₹ 73.5 million as of March 31, 2020. We had non-current loans amounting ₹ 450.9 million primarily on account of Inter Corporate Deposit of ₹ 93.0 million and security Deposit of ₹ 357.9 million as of March 31 2021.

We had other non-current financial assets of ₹ 167.7 million as of March 31, 2021 and ₹ 222.2 million as of March

31, 2020. This primarily comprises of Term Deposits amounting to 82.2 million and Right to Equity amounting to 38.1 million as on March 31, 2021.

Our Deferred Tax Assets increased to 343.1 million as of 31 March 2021 from ₹ 261.4 million as of 31 March 2020. Our income tax assets decreased to 426.4 million as of 31 March 2021 from 817.8 million as of 31 March 2020 which is primarily on account of TDS from our customers pending assessments and refunds in our holding company and our subsidiaries.

We had other non-current assets amounting to 231.7 million and 413.7 million as at March 31, 2021 and 2020 respectively. The decrease is

on account of decrease in our capital advances by 171.3 million and decrease in prepaid expenses by 10.7 million.

We had outstanding net trade receivables amounting to 1866.1 million and ₹ 1856.6 million as at March 31, 2021 and 2020 respectively. We made provisions for doubtful trade receivables amounting to 478.8 million and ₹ 411.2 million as at the end of March 31, 2021 and 2020 respectively. Our trade receivables comprise receivables from government payors, corporate bodies, insurers and patients who pay directly to us.

We had loans amounting to 93.1 million as of March 31, 2021 as against 54.4 million as of March 31, 2020.

The increase in loans was primarily on account of increase in security deposits by 26 million during the year. We had other current financial assets of 1546.2 million as of March 31, 2021 as against ₹ 274.6 million as of March 31, 2020 and other current assets of 224.7 million as of March 31, 2021 as against ₹ 299.5 million as of March 31, 2020. Our other current financial assets primarily comprise of unbilled receivables amounting to ₹ 151.9 million and Term Deposits amounting to ₹ 1357.3 million, while other current assets consist of advance to vendors amounting to ₹ 84.6 million, prepaid expenses of 56.8 million.

Liabilities and Indebtedness

Liabilities

The following table sets forth the principal components of our liabilities as at March 31, 2021 and 2020

Liabilities

Particulars	₹ in million	
	As at March 31,	
	2021	2020
Non-current liabilities		
Financial Liabilities:		
- Borrowings	3,461.7	5,296.1
- Lease Liabilities	4,693.1	6,091.7
- Other financial Liabilities	-	623.7
Provisions	86.2	72.8
Deferred tax liabilities	42.8	69.8
Other non current liabilities	279.8	422.3
Total non-current liabilities	8,563.7	12,576.5
Current liabilities		
Financial Liabilities:		
- Borrowings	670.2	936.6
- Lease Liabilities	365.1	215.0
- Trade payables	1,455.1	1,535.7
- Other financial liabilities	1,428.4	2,653.6
Other Current liabilities	625.9	304.5
Provisions	104.2	90.5
Income tax liabilities (net)	3.5	21.7
Total current liabilities	4,652.4	5,757.5
Total liabilities	13,216.1	18,334.0

A significant portion of our liabilities comprise of non-current borrowings. We had non-current borrowings amounting to 3461.7 million and ₹ 5296.1 million as at March 31, 2021 and 2020 respectively.

Our Lease Liability stood at 4693.1 million as on 31st march 2021 as against 6091.7 million as on 31st march 2020

Our other noncurrent liabilities primarily comprise of Deferred Government grant 279.8 million as of March 31, 2021

We had outstanding trade payables amounting to 1455 million and ₹ 1,535.7 million as at March 31, 2021 and 2020 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.

We had other current financial liabilities amounting to 1428.4 million and ₹ 2,653.6 million as at March 31, 2021 and 2020 respectively. These primarily comprised current maturities of long- term debts amounting to

587.4 million liability on put options amounting to 537.1 million. This put option of MediSurge was classified as non-current in fiscal year 2020.

Our other current liabilities amounted to 625.9 million and ₹ 304.5 million as at March 31, 2021 and 2020 respectively. This was primarily comprised of advance from customers amounting to 203.6 million and 154.7 million and Statutory remittances amounting to 64.5 million and 109.0 million as at March 31, 2021 and 2020 respectively. We also had a contingency provision for custom duty amounting to 327.1 as on 31st March 2021.

Liabilities

₹ in million

Particulars	As at March 31,	
	2021	2020
Secured loans		
- Term loans from banks	2,143.7	3,438.8
- Term loans from other parties	1,394.0	1,610.3
- Vehicle Loans	2.4	4.1
- Working capital loans (bank overdraft)	271.4	905.4
- Other short term loan from Banks	398.8	-
Total secured loans	4,210.3	5,958.6
Unsecured loans		
- Deferred payment liabilities	452.9	1,117.9
- Long term maturities of Finance Lease obligations		-
- From Other parties	53.2	51.4
- Loan from Related parties	-	31.2
- Loans repayable on demand from Banks	-	-
Total unsecured loans	506.1	1,200.5
Total borrowings	4,716.3	7,159.0
Total borrowings represented by:		
Long-term borrowings	3,461.7	5,296.1
Short-term borrowings	670.15	936.60
Current maturities of long-term borrowings (included in other current liabilities)	584.4	926.3
Total	4,716.3	7,159.0

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, 2021, we had ₹4716.3 million of indebtedness outstanding. All of our indebtedness outstanding as at March 31, 2021 was

denominated in Indian Rupees except for U.S.\$ 1.54 million and Euros 3.96 million in outstanding loans taken from various equipment vendors.

Summary of cash flow statement:

₹ in million

Particulars	For the Fiscal year ended March 31, 2021	For the Fiscal year ended March 31, 2020
Net cash flow generated from/(used in) operating activities	1,205.2	1,301.4
Net cash flow generated from/(used in) investing activities	-1,711.0	-1,013.8
Net cash flow generated from/(used in) financing activities	1,122.4	-584.3
Net cash flows generated for the year	616.6	-296.7

Cash flow generated from operating activities

For the fiscal year ended March 31 2021, we had loss before tax of 2286.6 million and our operating profit before working capital changes was 1332.7 million. Our cash generated

from operations after adjusting for changes in working capital was 825.5 million. This reflected cash out flow on account of an increase in trade and other payable by ₹ 528.9 million; and cash outflow on account of an increase in trade receivables by ₹ 247.4 million. There was also an

exceptional item amounting to 934.5 million pertaining to various write off of various investments.

After adjusting for changes in working capital and a net income tax refund receipt amounting to ₹ 379.7million, our net cashflow generated from operating activities was ₹ 1205.2 million for the fiscal year ended in March 2021.

Cash flow used in investing activities

For the fiscal year ended March 31, 2021, our net cash flow used in investing activities was ₹ 1711.0 million. This reflected fund earmarked for credit facilities for 2831.1 million partly offset by margins money proceedings of 1515.8 million. Capex outflow in property plan and equipment was for property, plant and equipment amounted to 354.2 million as against 1078.1 during previous year ended 31st March 2020.

Cash flow used in financing activities

For the fiscal year ended March31, 2021, our net cash flow used in financing activities was ₹ 1122.4 million. Proceeds from equity shares and warrants amounted to 5194.4 million a part of which was used towards repayment of long terms borrowings amounting to 2416.3 million during the year ended 31st March 2021. We also had a cash outflow of 662.8 million towards payment of put option settlement exercised by non-controlling interest in one of our subsidiaries. Interest payment, including interest on lease liability amounted to 1127.2 million for the fiscal year under review.

Key Ratios	For the fiscal year ended March 31	
	2021	2020
Ratio - Leverage		
Debt/Equity	0.7	1.7
EBIDTA/Interest *	1.2	1.3
Ratio Profitability		
Operating Profit Margin % **	13.9%	16.2%
Net Profit Margin %	-18.8%	-9.7%
Return on equity %	-35.9%	-24.9%
RoCE %	-1.0%	1.8%
Ratios Operations		
Inventory Turnover Ratio	10.8	9.6
Current Ratio	0.9	0.5
Ratio - Per Share		
EPS	-17.02	-12.1
P/E	-11.3	-6.2
Market Capitalisation/Total Revenue ***	2.3	0.6

* EBIDTA includes other income

** Operating profits includes other income and income from govt. grants

*** Based on closing share price as on March 31st 2021 on BSE

Notes to key ratio:

- 1 Return on Equity: PAT/Average Shareholder's Equity
- 2 RoCE: EBIT/Average Capital Employed
- 3 Inventory Turnover Ratio: COGS/Average Inventory of FY 20 and FY 21
- 4 Current Ratio: Current Assets/Current Liabilities
- 5 EPS: PAT post minority interest/ Nos. of diluted shares outstanding
- 6 P/E: Closing share price as on March 31st 2021 on NSE/EPS
- 7 EBIDTA/Interest: FY 21 and FY 20 includes Interests on lease liability due to adoption of IND AS 116,

Credit Rating:

The long-term credit rating of HCG for FY 21 has been maintained at A (-) by ICRA. (Associate of Moody's Investor's services) 'A' Rating for Instruments signifies adequate degree of safety regarding timely servicing of financial obligations. The outlook on the long term rating is Stable.

Internal Control System and Their Adequacy

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 has institutionalized 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.

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 a part of overall governance mechanism around financial reporting and as stipulated under the Companies Act, 2013, Internal Control over Financial Reporting (ICoFR) framework have been institutionalized. The adequacy and operating effectiveness of the internal controls affecting financial reporting is assessed by the management.

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 with direct reporting to the Audit and 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 and 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.

The Audit and Risk Management Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of internal audit observations.

Enterprise Risk Management

HCG operates in a business environment that is characterized by increasing competition and market uncertainties. It is exposed to a number of risks in ordinary course of business. This is inevitable, as there can be no entrepreneurial activity without the acceptance of risks and associated profit opportunities.

Accordingly, risk management activities at HCG are not aimed at eliminating all risks in their entirety, but rather at helping to identify and assess the risks the company encounters in its daily business. This allows the company to manage the risks in an efficient manner to take informed decisions, to exploit the opportunities available and thereby enhance the value of the company and its stake holders.

Risk Management Framework:

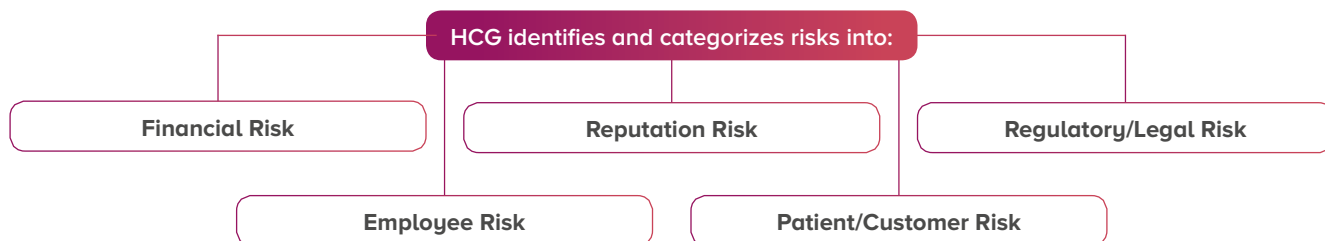
The Risk Management framework has been developed and approved by senior management in accordance with the business strategy.

The key elements of the framework include Risk Strategy, Risk Structure, Risk Portfolio, Risk Measuring & Monitoring and Risk Optimizing. The implementation of the framework is supported through criteria for risk assessment and categorization, risk escalation matrix, Risk forms & MIS.

The overall objective of risk management process is to optimize the risk-reward relationship.

Risk Categorization:

Risk Categorization into different buckets help to prioritize risks, within an entity. It assists management in ensuring that they have captured all categories of organizational risks, not just traditional, financial hazards.



The Board of Directors considers a number of factors for risk categorization during risk identification and assessment

Risk Measuring and Monitoring

A risk review involves the re-examination of all risks recorded on the risk assessment repository to ensure that the current assessments remain valid and review the progress of risk reduction actions.

Risk Communication and Escalation need to be embedded in the culture of an organization to make it effective. At HCG, the Board of Directors drive the Risk Management Process through its Audit and Risk Management Committee by adopting the following communication and escalation procedure:

Employees continuously identify needs to update / modify the risks and escalate them to their respective Unit / Functional Head.

The respective Unit/ Functional Head or designated personnel collate the identified risks/ modifications and forward the same to the respective Risk Coordinator for collation and escalation to Risk Management Committee. Standard forms for identification/ modification/ deletion of risks are used for this purpose.

The Risk Coordinator collates the risks and forwards the same to the Risk Management Committee on a periodic basis. The Risk Management and Steering Committee (RMSC) is responsible for reviewing and validating the risks/ modifications for all departments. The RMSC categorizes

and rates the risks (using the risk appetite). Risk Owners for each risk are identified and approved by RMSC.

Risk Owners may be at any level in the organization depending on the nature and categorization (e.g. strategic, operational, compliance or reporting) of the risk.

Designated Risk Coordinator updates the Risk Assessment Repository on the basis of the approvals obtained from the RMSC.

RMC provides half yearly updates to the Chairman & Board of Directors for key risks, their assessment and status of action plans for mitigating these risks.

The escalation of key risk information will assist in ensuring that significant risks identified at the line level are available for consideration in the context of the overall operations of the business.

Risk Management Organization

A robust organizational structure for managing and reporting risks is a prerequisite for an effective risk management process. The organization structure needs to be supported by clearly defined non - overlapping roles and responsibilities which are communicated and understood.

In order to ensure that this policy is followed in letter and spirit, a Risk Management and Steering Committee (RMSC) is constituted comprising of

Key personnel nominated from the following departments:

- Operations
- Finance
- Compliance
- Legal
- Procurement & Pharmacy
- IT
- HR

QUALITY CONTROL AND AUDIT

Monitoring the quality of our patient care is one of our prominent focus. We take action to identify and eliminate the recurrence of any expected or adverse incidents. As part of that, we embrace patient feedback, self-examination and peer review. We use these benchmarks to help us deliver high quality patient care in a safe environment and look at ways to continually improve our patient experience.

We review and publish our inpatient services performance against a number of important measures including hygiene, infection rate and patient satisfaction. We use these benchmarks to help us deliver high quality patient care in a safe environment and look at ways to continually improve our patient experience.

We are subject to various internal and external audits, incident reporting and feedback monitoring processes. Internal audits are carried out by

members of our staff at each cancer center on a half-yearly basis. Our internal audits are based on standard requirements set out by NABH and may impose corrective and preventive actions, as necessary, for any non-compliance with such requirements. The quality department of each cancer center reviews all feedback received from patients daily and takes measures to appropriately address such feedback. Incident reports are collected and analysed by the quality departments weekly and appropriate remedial measures are undertaken.

External audits are carried out by NABH at our center of excellence in Bengaluru and at HMS. External audits by NABL and CAP had been carried out at Triesta central reference laboratory. External audits by NABH, NABL and CAP are based on the standards set out by these bodies and are voluntary. The external accrediting bodies also set out certain quality standards, which are monitored by our internal quality departments and a monthly report of quality indicators is presented to our corporate quality team, which oversees the quality functions of our Company. Further, our internal quality teams document the policies and procedures mandated by the accrediting bodies. The accrediting bodies verify these policies and procedures. Our corporate quality team also develops specific quality indicators to monitor clinical outcomes based on documented clinical procedures.

In addition to the above, HCG has also developed case specific clinical protocols for the majority of the oncology cases that we see in the HCG Network. This standardization has helped us in achieving optimum level of care in all units without having to compromise.

Each cancer center also has other committees which are responsible for quality control, such as hospital infection control committees, pharmacy and therapeutics committees, employee grievances committees and ethics committees.

From time to time, AERB also conducts audits at our cancer centers relating to quality assurance of radiation

equipment, radiation safety measures taken by our cancer centers, any changes in the representations made by our cancer centers while obtaining the AERB approval and the adequacy of the skills and number of manpower and resources at each cancer center.

We also have a quality management system structured as per the ISO9001:2008 guidelines for quality management systems across our Milann fertility centers. The key quality assurance practices at our Milann fertility centers include standardised treatment and management protocols, service delivery by experts in reproductive medicine, globally accepted medical equipment, regular calibration and maintenance of key equipment, quality control processes such as standardised processes for tests and audits.

Our Milann fertility centers undertake weekly clinical audits aimed at enhancing clinical outcomes, patient safety and care. The clinical audit process reviews and evaluates medical management in line with clinical and scientific best practice standards, clinical success rates, possible causes and courses of action for unsuccessful outcomes, quality metrics for clinical, embryology and laboratory outcomes and policies and action plans for continuous quality improvement.

Employee surveys are carried out twice a year by the human resource departments of each cancer center and the results of such surveys are shared with the quality departments and the management team of each cancer center for remedial measures.

CLINICAL EXCELLENCE

Clinical excellence is the core premise around which our healthcare operations are structured. Our Group continues to deliver the highest standards of clinical outcomes across all our business verticals. Our standardised clinical protocols for diagnosis and treatment of cancer patients have allowed us to manage the large volume of patient cases across our HCG network with successful clinical outcomes. The five-year

survival rate for breast cancer patients at our HCG network is comparable to U.S. benchmarks. (Source: Delivering World-Class Health Care, Affordably, published on Harvard Business Review by Vijay Govindarajan and Ravi Ramamurti, dated November 2013). 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.

Department of Clinical excellence at HCG has been instrumental in synergizing the clinical functions at all HCG hospitals. This department under quality and strategy aims to improve the quality of clinical care and usher in uniform standards of care across all HCG centers. This has been facilitated through a systematic change in people, process, and function. Credentialing and privileging have been synergized with the functions and quality indicators of each department thereby ushering a sense of accountability. Identifying training needs and skill development has ensured improvement at the people level. At the process level upgradation of medical record departments, registry, implementation of uniform documentation practices across centers, clinical audits and deficiency monitoring has helped set high standards of clinical practice. Mapping our own clinical outcomes and constantly evolving HCG treatment guidelines has paved way for standardization of clinical pathways and improvement in the functioning of the departments. Research leveraged with genomics has ushered in an era of precision medicine at HCG. Biorepository specimens and the accompanying clinical repository is a treasure trove for novel drug targets and discovery. The department of clinical excellence strives towards an improvement in clinical care and health of the patients transcending beyond oncology. The vision is to make people's lives better than what

they had before a cancer diagnosis using caring hands, clinical expertise, and high-end technology.

The Department of Clinical Excellence facilitates:

- Implementation of Uniform documentation standards
- Implementation of Uniform treatment protocols and clinical pathways
- Centralized Cancer registry
- Centralized Biorepository
- R&D activities and Investigator
- Centralized Clinical repository
- Initiated Trials
- Documentation of outcomes
- Development of clinical audit standards across departments
- Developments of clinical forms

HCG was the host institution to the Second

International Cancer Congress (ICC-2017), the largest conglomeration of oncologists in the country. The second chapter of the Indian Cancer Congress (ICC) 2017 at the Clarks Convention Centre in Bengaluru. The aim of the conference, jointly organized by its four major national oncology partners and the Government of Karnataka, was to provide a platform and spread cancer awareness through various initiatives. The theme of the conference was Insight, Innovation, and Integration. The conference also saw active participation from Ministry of AYUSH in launching the National Integrative Cancer program (ICAP). The conference was a scientific treat with around 5000 delegates and several hundred international speakers, discussing and sharing advances in various aspects of cancer Care. The conference saw an active participation from HCG Oncologists in coordinating various specialty symposia and presenting several research publications.

Human Resource

The Human Resources (HR) department at HCG is driven by the mission to help HCGians realize their potential

– to develop, grow and achieve their purpose, build the right culture and capabilities to enable us to serve our patients and to make HCG the best place to work for passionate, innovative people who want to make a difference.

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.

Our senior management team has extensive experience in the management of healthcare businesses. We believe the experience, depth and diversity of our management team, complemented by the clinical expertise and relationship base of our physician Promoters, is a distinct competitive advantage in the complex and rapidly evolving healthcare industry in which we operate.

In order to maintain the quality of care we offer to our patients; our physicians and other medical staff must pursue a rigorous programme of continuing education. We offer a wide range of health education sessions and seminars on-site at our centers and hospitals to our physicians and medical staff, as well as to healthcare professionals outside our network of centers and hospitals. The sessions are led by expert physicians and other healthcare professionals from our network of centers and hospitals, who have first-hand knowledge of the latest clinical developments and research. We believe that these

sessions provide an important forum to discuss recent developments to improve patient care and teach our physicians and medical staff new skills. In addition, we believe that they also provide an important opportunity for us to showcase the capabilities of our centers, hospitals and physicians and allow our physicians to grow their referral networks.

We also offer physicians the opportunity to consult with each other on challenging cases and treatments. For example, at our weekly tumour board discussions, we discuss selected complex cases from across our HCG network. This allows knowledge sharing and enables us to develop best practices and protocols which are implemented across our HCG network. We also evaluate the clinical activities of each center and hospital as part of our annual evaluations to ensure that high quality treatments or services are provided to patients.

Furthermore, we have a dedicated learning and development department, which continuously monitors the learning and development activities and ensures that a high quality of service is provided to our patients, thereby improving patient satisfaction. Our learning and development department provides continuing education for quality improvement to our employees. It identifies areas in which training is required, and develops an employee development plan for each employee, pursuant to which employees are provided various skill enhancement trainings.

At our center of excellence in Bengaluru, we offer a Diplomate of National

Board medical residency programme for radiation oncology, medical oncology and pathology, in affiliation with the National Board of Examination.

In addition, we offer various certificate medical and nursing courses on oncology, a paramedical course on advanced radiotherapy technology, a laboratory research course and various other medical and non-medical courses for our employees.

Our Milann fertility centers also offer a post-graduate fellowship programme in reproductive medicine services to fertility specialists, in affiliation with the National Board of Examination. Additionally, our Milann fertility centers offer training programmes in IVF for fertility specialists and embryologists. We believe that these education and training programmes are critical capabilities that we have and these enable us to develop an in house trained team of specialist physicians.

FORWARD LOOKING STATEMENT

Except for the historical information contained herein, statements in this discussion contain contains

certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy,

future business plans, our growth and expansion in business, the impact of any acquisitions, our financial capabilities, technological implementation and changes, the actual growth in demand for our services, cash flow projections, our exposure to market risks as well as other general risks applicable to the business or industry.

The Company undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof. These discussions and analysis should be read in conjunction with the Company's financial Statements included herein and the notes thereto.

Business Responsibility Report

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sl. no.	Section A: General Information about the Company	
1.	Corporate Identity Number (CIN) of the Company:	L15200KA1998PLC023489
2.	Name of the Company	HealthCare Global Enterprises Limited ("HCG")
3.	Registered address:	HCG Tower, No.8, P. Kalinga Rao Road, Sampangi Rama, Nagar, Bengaluru, Karnataka, India – 560027
4.	Website:	https://hcgel.com/
5.	E-mail id	investors@hcgel.com
6.	Financial Year reported	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company is in the healthcare sector running, operating, maintaining primarily cancer care centres. The applicable NIC Code is 8610.
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company provides only health care services.
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5): (b) Number of National Locations:	The Company through its step down subsidiary operates a cancer care centre in Kenya. As of March 31, 2021, our HCG network consisted of 23 centres including comprehensive cancer centres and multispecialty hospitals across India and 1 centre in Africa.
10.	Markets served by the Company – Local/State/ National/International:	National Presence: Bengaluru, Hubli, Shimoga, Mangalore, Chennai, Vijayawada, Ongole, Gulbarga, Vizag, Mumbai, Borivali, Nashik, Nagpur, Ahmedabad, Bhavnagar, Baroda, Ranchi, Kolkata, Cuttack, Jaipur. International Presence: Africa

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (₹): 125,35,92,840
- Total Turnover (₹): 10,134.4 Million (including government grants)
- Total profit/(Loss) after taxes (₹): (1,934.6) Million (Loss after minority, with IndAs 116)
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): Nil
- List of activities in which expenditure in 4 above has been incurred: -

The Company has not made any CSR spent during FY 2020- 21. The list of activities for which the CSR expenditure has been incurred in FY 2018-2019 was for education, including vocational training for underprivileged in proximate communities. For details on CSR Programmes, please refer to Annexure on CSR which also forms part of Annual Report.

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies:

As on March 31, 2021, the Company has 13 Subsidiaries (including step down subsidiaries), the details of which are as under:
 - HCG Medi-Surge Hospitals Private Limited (India)
 - Malnad Hospital & Institute of Oncology Private Limited (India)
 - HealthCare Global Senthil Multi Specialty Hospitals Private Limited (India)
 - Niruja Product Development and Healthcare Research Private Limited (India)
 - BACC Health Care Private Limited (India)
 - HealthCare Diwan Chand Imaging LLP (India)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note:

1. Anti-bribery & Anti-Corruption - https://hcgel.com/wp-content/uploads/2017/10/HCG_ANTI-BRIBERY-AND-ANTI-CORRUPTION-Main-02.pdf
2. EHS Policy - <https://hcgel.com/wp-content/uploads/2020/08/ESMS-Policy.pdf>
3. Code of Conduct - <https://hcgel.com/wp-content/uploads/2020/08/HCG-Code-of-Conduct-Policy.pdf>; Whistle-blower - <https://hcgel.com/wp-content/uploads/2019/04/Whistle-Blower-Policy.pdf>; ICW - <https://hcgel.com/wp-content/uploads/2020/08/ICW.pdf> Grievance Policy - <https://hcgel.com/wp-content/uploads/2020/08/GrievancePolicy.pdf>
4. CSR Policy - <https://hcgel.com/wp-content/uploads/2018/09/HCG-CSR-Policy.pdf>
5. CSR Policy - <https://hcgel.com/wp-content/uploads/2018/09/HCG-CSR-Policy.pdf>
6. EHS Policy - <https://hcgel.com/wp-content/uploads/2020/08/ESMS-Policy.pdf>
7. EHS Policy - <https://hcgel.com/wp-content/uploads/2020/08/ESMS-Policy.pdf>
8. CSR Policy - <https://hcgel.com/wp-content/uploads/2018/09/HCG-CSR-Policy.pdf>
9. EHS Policy - <https://hcgel.com/wp-content/uploads/2020/08/ESMS-Policy.pdf>

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

(Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	BR performance is reviewed as a part of the ongoing business review by the Management and the Board of Directors.
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	<p>The Company has qualified under clause (f) of sub regulation (2) of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during financial 2019-20</p> <p>The report for FY 2019 – 20 is hosted on our website as a part of the Annual Report. The link for viewing the reports is https://hcgel.com/investors/</p>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

Yes. This policy extends to HCG, its subsidiaries, joint ventures and affiliated entities. The Company also has a code of conduct applicable for Vendors and Third Parties.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Number of Stakeholders' Complaints received during the financial year: NIL

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

(a) Preventive Oncology Clinic: It is early identification of unrecognized disease in apparently healthy, asymptomatic population by means of tests, examinations or procedures which can be applied rapidly and easily to the target population for improving outcomes.

(b) Psycho-oncology Services: The Psycho-oncology service offers tailor made Psychological intervention after Distress screening, structured Psychological assessment and clinical interview.

(c) Emotional Support Group Programs:

(i) S.T.H.R.I (Support to Holistically Restore the Individual): STHRI is a Emotional Support Group program for Breast cancer patients.

(ii) C.H.E.E.R.S: (Children's Health, Educational, Emotional Restoration Services): CHEERS is an Emotional support group for children touched by cancer.

(iii) E.M.P.A.T.H.Y: (Empower Parents and Train them in Handling their Young): EMPATHY is an Emotional support group for Parents of Children touched by cancer.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

We improve efficiency across the value chain by continuous training and skilling of manpower as well as adopting new technological innovations. We have enhanced our academics and nurse training programs as well as installed state-of-the art equipment in the previous year across our networks.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

With installation of digital pathology systems across our hospitals, we have made the diagnostic reporting more efficient through reduced human as well as logistics requirements for generating patient reports. Through digital PET installed at our center of excellence, the requirement of FDG per scan has been reduced while ensuring better imaging and analysis.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company is in the business of providing healthcare service in which the products and services as inputs are regulated by the statutes, and hence we procure the products and services from empanelled vendors who are governed by various statutes. In the recent procurement of high value utilities, the facility started adopting life cycle cost analysis to identify a sustainable product with lesser energy foot print. This procedure ensures that energy efficiency, resource consumption to an optimum level, while meeting the requirement.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is in the business of providing healthcare service in which the products and services as inputs are regulated by the statutes and hence, we procure the products and services from empanelled vendors who are governed by various statutes.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

We have mechanism in place for managing, various hazardous and non-hazardous waste generated. We manage the waste generation and disposal of various types including Bio-medical waste, DG - set oil waste and general waste. The table below summarise the quantity, method of handling and disposal of these wastes.

Hazardous and Non-hazardous Waste Type	Annual Quantity and Units	Method of Storage and Handling	Method of Recycling, Reuse or Disposal
Bio Medical Waste	2,96,000 kgs per year	As per Bio Medical Waste Handling Rules, 2016 and Govt. of India and State Pollution Control Board	Through the State Pollution Control Board authorised Common Bio Medical Waste Treatment Facility as per the Bio Medical Waste Handling Rules, 2016
DG Set Oil Waste	610 litres per Year	As per provisions of the Hazardous Waste (Management And Transboundary Movement) Rules.	Through the State Pollution Control Board authorised vendor under the Hazardous Waste (Management and Transboundary Movement) Rules
General Waste	49,000 Kgs. per Year	Stored in a secured area and cleared Regularly as per local municipality rules.	Handed over to Local Municipalities.

Recycling and reuse methods have been aggressively scaled up to reduce impact on environment.

Principle 3

1. Please indicate the Total number of employees.: 3363 (entity level)
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.: 1154 (entity level)
3. Please indicate the Number of permanent women employees.: 1678 (entity level)
4. Please indicate the Number of permanent employees with disabilities: 0 (entity level)
5. Do you have an employee association that is recognized by management. No
6. What percentage of your permanent employees is members of this recognized employee association? : Not Applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	3	1
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?
 - (a) Permanent Employees: 75% employees have been covered for the training
 - (b) Permanent Women Employees: 75% employees have been covered for the training
 - (c) Casual/Temporary/Contractual Employees: 75% employees have been covered for the training
 - (d) Employees with Disabilities: 75% employees have been covered for the training

Principle 4

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

It has been the continued effort of the CSR team to identify vulnerable and marginalised populations. Before initiating programmes, we conduct baseline surveys wherein we understand demographics, socio-economic profile as well as healthcare indices. This helps us address gaps in services for identified populations.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Some of the special initiatives taken are as under:

- (a) Consumer Awareness Campaign: At HCG, we conduct several cancer care awareness campaigns about the benefits of early detection of cancer its timely diagnosis. The awareness programs are organized across the country through screening camps, awareness talks, action oriented activities, media outreach articles, free health check and social media channels.
- (b) Sanjeevani - Cancer Diagnostic Mobile Clinic: Aiming at overcoming the hurdle of transportation that comes in the way of medical checkup, HCG, in association with Infosys Foundation, launched a mobile cancer project in 2014; Staffed with a doctor, nurse and paramedical staff (around five in all), the clinic is equipped with mammography, x-ray system, ultrasound system, pathology and lab. The mobile cancer clinic is deployed in Gulbarga to cater to districts in north Karnataka, the clinic is a boon to people in the remote areas. The mobile clinic creates accessibility to advanced cancer screening and early diagnosis. It is a fully sufficient bus with advanced technology which helps in creating awareness by disseminating information about cancer through a television fitted inside the mobile clinic with provision to beam images onto a screen outside. The incidence of head and neck cancer and cervical cancer is high in rural areas. With early diagnosis one can find better approach to cancer treatment. The goal of the mobile bus clinic was to leverage pre-existing infrastructure in the local communities to continue educate and provide diagnosis with detection in rural communities.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Applies to Company and its Subsidiaries and it also extends to the employees/ workers hired from outsourced agencies.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

NIL

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

This covers the Company and all its subsidiaries.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, as part of the strategy, Company has adopted environment initiatives like resource conservation audits, sourcing energy from renewable sources and energy conservation projects to combat the effects of Climate Change, Global Warming, etc

3. Does the company identify and assess potential environmental risks? Y/N : Yes
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Since the Company is in the business of providing healthcare services and is not engaged in any manufacturing process, the compliance with Clean Development Mechanism is not applicable. Hence, no projects relating to the same has been undertaken by the Company.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Company has initiatives on clean technology usage through the renewable sources of energy

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? :

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, HCG is a Member of Association of Healthcare Providers (India) - ("AHPI")

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

HCG engages in constructive dialogues with industry regulatory bodies and associates on issues of legitimate interest of the Group. At Industry level, we participate in many industry forums and associations. We collaborate with these associations and forums to set industry standards benchmarks with best global practises. Through our regular interaction with these associations and forums, we ensure long-term viability of the industry by participating in policy development and thereby securing a sustainable future.

Principle 8

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

We understand the impact of business on the social and economic development, and respond through appropriate action to minimise the negative impacts. We innovate and invest in technologies and processes that promote the wellbeing of society and make efforts to complement and support the development priorities at local and national level. Some of these aspects are explained below:

- (a) Hub and spoke business model: Our business model is structured to provide specialty focused healthcare services under an institutional brand, with presence in metros and Tier 2/3 towns of India. We believe that our strategy of widening our footprint in parts of India, aligns to our business goals of enabling accurate diagnosis and treatment for a larger part of community. Cancer treatments continues to evolve with new diagnostic and care methodologies being developed. At HCG, we invest in R&D and innovation to build capabilities as a pioneer in cancer treatment with focus of addressing unmet patient needs. We also advocate public private partnerships to deliver larger social good.
- (b) Pioneers in advanced technology: We have been pioneers in commercialization of high-end technologies with respect to oncology in India. Our application of ground-breaking technology

has enabled us to emerge as one of the leading cancer care hospital in India. Across our network, we adopt technology-centric approach to accurately diagnose and treat our patients. Adoption of these technologies has enabled us to provide surgical, radiation, medical oncology and diagnostic facilities all under one roof. It also enables us to ensure that the clinical services provided across our network are efficient, effective, appropriate, evidence-based and affordable.

- (c) Helping tobacco farmers grow alternative crops: India is the second largest consumer of tobacco in the world accounting for almost half of all oral cancers and the highest burden of tuberculosis globally. With this trend, it is estimated that tobacco will cause ~13% of total deaths by 2021 in India. India is also the third largest producer of tobacco in the world, with Karnataka, Andhra Pradesh, Gujarat and UP accounting for almost 80% of the total production. In order to address this issue, we at HCG initiated to work towards the cause of the problem i.e. tobacco cultivation. Our Antardhwani, HCG's independent non-partisan think tank, is all set to launch the country's first of- its-kind alternative farming project started during June-July 2019 in Mysore / Hunsur region. The project will involve a select group of tobacco farmers who are assisted to grow primarily sandalwood besides other seasonal vegetables and fruits in their agricultural land.

2. Are the programmes/projects undertaken through in-house team/own foundation / external NGO/ government structures/any other organization?

In-house team and external NGO/government structures

3. Have you done any impact assessment of your initiative?

A Study conducted by SEO Amsterdam Economics, commissioned by a third party, evaluates the socioeconomic development impact of HCG. The accompanying 'Theory of Change' illustrates how HCG is expected to improve health outcomes through its improvements in access, quality of care, and health sector standards; while also adding economic value by directly and indirectly supporting jobs in many sectors.

4. What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.

To boost early detection of Cancer, we have been conducting various programs including screening camps to spread awareness on symptoms and best practices, and recommend accurate treatment of cancer. We are actively looking to use new-age technologies, data analytics to detect risk and disease earlier and maintain engagement with patients inside and outside hospitals through digital tools.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

(a) At the level of patients' health, the available evidence suggests that HCG has made an important contribution towards improving the quantity and quality of health outcomes.

(b) At the level of health sector, it is creating an impact with improved access to oncology care (including via hub-and-spoke model), improving quality of cancer care and setting new standards in clinical care through its state-of-the-art investments and quality system.

(c) At the level of wider economy, HCG continues to provide employment to more than 48,000 people (directly and indirectly) across its network of operations. With this it is creating an overall positive impact on job creation for doctors and nurses, not only increasing labour demand but also increasing labour supply.

According to the study, the quality indicators collected by HCG suggest that experienced quality of care is high at HCG. This is reflected as a part of the internal analysis where we collate data to arrive at an average outpatient satisfaction ratio and an average inpatient satisfaction ratio. This ratio is higher than some global comparators, for example the United Kingdom National Health Services hospitals.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There are 19 cases which are pending before consumer forums and civil courts pertaining to customers as on the end of financial year, which are in different stages of trial.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)

Company is a healthcare service provider and hence this question is not applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Nil.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

We strive to build a patient-centric and innovation driven business model that brings better health and brighter future for people. To achieve the same, we have established a platform wherein we take feedback from our patients to gain better insights into their experience, improve patient engagement, and recover any gap in service quality.

The Company collects patient feedback (OP, IP and Day-care patients) through Patient Smile application. Feedback is also collected through the website and reviewed by the Company. Through this application HCG monitors Service excellence through NPS (Satisfaction index), Google reviews, Website reviews. Service recovery through understanding pain points, mapping process efficiency of service recovery from areas like IP, OP and Day-care Chemotherapy.

Financial Statements

A decorative graphic at the bottom of the page consisting of a solid pink area with a wavy, irregular top edge that separates it from the white background above.

Independent Auditors' Report

To the Members of **HealthCare Global Enterprises Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of HealthCare Global Enterprises Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 31 March 2021, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act.

Description of Key Audit Matters.

The key audit matter	How the matter was addressed in our audit
<p>Impairment evaluation of investment in subsidiaries, related loans, goodwill and capital project</p> <p>A. Impairment of investment in subsidiaries and related loans</p> <p>Refer Note 3(r), 3(m), 8, 9 & 31 to the standalone financial statements.</p> <p>Investments in subsidiaries and related loans are significant item on the balance sheet for which the Company assesses at each reporting date if there is an indication, based on either internal or external sources of information, that investments in subsidiaries / loans may be impaired. Where such indicators exist, the Company performs impairment testing.</p> <p>In performing such impairment assessment, the Company compares the carrying value of investments and related loans, where applicable, with their respective recoverable values to determine whether any impairment loss should be recognised. This involves using key assumptions including estimates of revenue growth rate, profitability, discount rate, terminal growth rate and selection and determination of market comparable multiples. Any changes to these assumptions could result in different recoverable values.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> Assessed the appropriateness of accounting policy for impairment of investment in subsidiaries, related loans, goodwill and capital project as per relevant accounting standards. Evaluated the design and implementation of key internal financial controls relating to impairment process and tested the operating effectiveness of such controls. Evaluated the assessment of impairment indicators with respect to investments in subsidiaries, related loans and capital projects considering internal or external sources of information, as performed by the Company. Inquired with Management on the project feasibility. Verified the approval of the Board of Directors for the revised project plans including future projections. We assessed the adequacy of the level of impairment by: <ul style="list-style-type: none"> evaluating different business scenarios and understanding its feasibility

Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the *Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Emphasis of matter

We draw attention to Note 2(b) in the standalone financial statements, which describes the economic and social consequences the Company is facing as a result of COVID-19 which is impacting supply chains/demand/personnel available for work and/or being able to access offices/hospitals.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>In view of the significance of the carrying amounts of these assets and significant judgments (including the impact of Covid 19) required to compute recoverable values, we have determined this to be a key audit matter.</p> <p>B. Impairment of Goodwill and Capital project</p> <p>Refer Note 3(h)(ii), 3 (m)(ii), 5,6, 6A and 31 to the standalone financial statements.</p> <p>Goodwill is a significant item on the standalone balance sheet for which the Company performs impairment testing at least annually.</p> <p>The Company also has significant investment in one capital project and has identified this project as a separate cash generating unit ('CGU'). There has been significant change in scope and delays in this capital project due to changes in the management plan, market conditions including the outbreak of COVID-19 pandemic, requiring assessment for the recoverability.</p> <p>In performing these impairment assessments, the Company compares the carrying value of each of the identifiable CGU including the CGU where goodwill has been allocated, where applicable, with its respective recoverable values, to determine whether any impairment loss should be recognised.</p> <p>The Company's process of assessment of impairment of goodwill and capital project involves using key assumptions including estimates of revenue growth rate, terminal growth rate, profitability, the discount rate and selection and determination of market comparable multiples. Any changes to these assumptions could result in different carrying value.</p> <p>Due to the significance of the carrying amount of goodwill, capital project, and significant judgments (including the impact of Covid 19) required to compute recoverable values, we have determined this to be a key audit matter.</p>	<ul style="list-style-type: none"> - evaluating with the help of our valuation specialists, where required, appropriateness of the valuation methodology and of key assumptions, specifically those relating to revenue growth rates, profitability, discount rates, terminal growth rates and market comparable multiples with reference to our understanding of their business and industry, historical trends and underlying business strategies and growth plans; - performing sensitivity analysis of the key assumptions including the possible effects of Covid 19. <ul style="list-style-type: none"> • Assessed the adequacy of disclosures in the standalone financial statements in accordance with the relevant accounting standards.
<p>Reassessment of leases</p> <p>Refer Note 3(b), 7 and 31 to the standalone financial statements.</p> <p>The Company, as a lessee, has entered into several lease contracts relating to the hospital buildings with different lease terms including the option to extend or terminate the leases.</p> <p>Due to changes in management plan, the market conditions and business environment in India (including the impact of COVID-19 pandemic), the management has reassessed lease terms for its leases and negotiated rentals for one of its lease.</p> <p>The impact of the above reassessment / modification is significant to the standalone financial statements and involves significant judgements and estimates including determination of the lease term (termination and renewal options) , the ability of the management to shift hospital operations to another building, and the appropriate discount rates for remeasurement of the Right of Use ('ROU') asset and lease liability ("LL"). Any changes to these assumptions could result in different ROU/LL.</p> <p>In view of the above, the adjustments arising from the reassessment of the Leases is considered as a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the accounting policy for changes to leases as per relevant accounting standard. • Evaluated the design and implementation of the key internal financial controls in relation to assessment of the terms and conditions of lease contracts and the calculation of the related lease liability and ROU asset and tested the operating effectiveness of such controls. • Inquired with Management on the ability to shift hospital operations. • For the leases reassessed, evaluated the reasonableness of Company's key judgements and estimates made in relation to the lease term and discount rate. Also took assistance of our valuation specialists to evaluate the reasonableness of the discount rates. • Evaluated mathematical accuracy of the impact of the reassessment. • Assessed the adequacy of the disclosures relating to remeasurement and modification in the standalone financial statements in accordance with the relevant accounting standard.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income/loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 2. (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 33 to the standalone 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;
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Amit Somani
Partner

Place: Bengaluru
Date: 17 June 2021

Membership No.060154
UDIN: 21060154AAAABG5605

Annexure-A to the Independent Auditor's Report of HealthCare Global Enterprises Limited

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of 3 years. In our opinion, this periodicity of physical

verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year. No material discrepancies were noticed on such verification.

- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except the following immovable properties:

Total number of cases	Gross block (₹ in millions)	Net Block (₹ in millions)	Remarks, if any
Freehold land -3 cases	132.08	132.08	Company is in the process of obtaining registration.
Building – 3 cases	446.91	330.82	The buildings referred to here are on the freehold land referred above.

- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii) The Company in the previous years has granted loans to two companies and a Limited Liability Partnership ('LLP') covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
- (a) In our opinion and according to the information and explanations given to us, the Company has not granted / renewed any loan during the year to/ with parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us, for the loans granted, terms and conditions with respect to repayment of principal and payment of interest are not stipulated. We are therefore unable to make specific comment on the regularity of repayment of principal and payment of interest.
- (c) For similar reasons as explained in (iii) (b) above, in relation to these loans, we are unable to make a specific comment on amounts being overdue for more than ninety days. During the earlier years, due to the adverse business performance of a subsidiary company, the outstanding loan was fully provided for and during the current year due to adverse business performance of another subsidiary company, the outstanding loan is partially provided for.
- (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 Act, with respect to the loans given, investments made, guarantees and securities given.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Goods and Services tax, duty of Customs, Income tax (tax deducted at source) and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases. Further as explained to us, the Company did not have any dues on account of Sales tax, Service tax, Duty of excise and Value added tax during the year.

Refer note 9 to the standalone financial statements

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs and other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income Tax or sales Tax or service Tax or duty of customs or duty of excise or value added tax or goods and service tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the statute	Nature of the dues	Amount (₹ in million) #	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	2.50 (0.4)*	Financial year 2011-12 to financial year 2014-15	High Court of Andhra Pradesh
The Central Excise Act, 1944	Excise duty	15.20 (0.6)*	April 2009 to March 2014	Central Excise, Customs and Service Tax Appellate Tribunal (CESTAT)
The Central Excise Act, 1944	Excise duty	13.14	March 2013 to June 2015	Commissioner (Appeals) of Central Excise
The Karnataka Value Added Tax Act, 2003	Value Added Tax	29.90 (29.90)*	Financial year 2013-14 to financial year 2014-15	Karnataka Appellate Tribunal, Bengaluru
The Central Sales Tax Act, 1956	Value Added Tax	9.46 (14.59)*	Financial year 2014-15 to financial year 2016-17	Deputy Commissioner of Commercial Taxes, Bangalore
The Karnataka Value Added Tax Act, 2003	Value Added Tax	3.12 (3.12)*	Financial year 2015-16 to financial year 2016-17	Joint Commissioner, Department of Commercial Taxes, Bengaluru
Gujarat Value Added Tax Act, 2003	Value Added Tax	12.94 (1.30)*	Financial year 2014-15 to financial year 2016-17	Deputy Commissioner of State Tax, Ahmedabad

* represents amount paid under protest

the amounts disclosed above includes interest and penalties demanded, wherever applicable.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. However, during the period April 2020 to August 2020, the Company availed the moratorium as announced by Reserve Bank of India due to Covid-19 and deferred the repayment of loans or borrowings to financial institutions and banks. The Company did not have any outstanding loans or borrowings from government and there are no dues to debenture holders during the year.

(ix) According to the information and explanations given to us and based on examination of the records of the Company, the term loans obtained during the year were applied for the purpose for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) According to the information and explanations given to us, no material fraud on the Company by its officers and employees or fraud by the Company has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us and based on examination of the records of the Company, 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 Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties

are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of Section 42 of the Act in respect of preferential allotment of shares during the year. Out of the total monies raised aggregating ₹ 5,128 million, an amount of ₹ 3,883 million has been utilised up to 31 March 2021. Pending utilisation, the balance funds available aggregating to ₹ 1,245 million as at 31 March 2021, were used for the purposes other than for which they were raised by temporarily investing in fixed deposits/overdraft account.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Amit Somani

Partner

Membership No.060154

UDIN: 21060154AAAABG5605

Place: Bengaluru

Date: 17 June 2021

Annexure-B

to the Independent Auditors' report on the standalone financial statements of HealthCare Global Enterprises Limited for the year ended 31 March 2021.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (2(A)f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of HealthCare Global Enterprises Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal

financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial

controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Bengaluru
Date: 17 June 2021

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Amit Somani
Partner
Membership No.060154
UDIN: 21060154AAAABG5605

Standalone Balance Sheet as at

(₹ in million)

Particulars	Note No.	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	4,974.08	5,381.95
(b) Capital work-in-progress	5	276.06	436.11
(c) Right-of-use assets	7	1,804.19	2,998.00
(d) Goodwill	6	484.52	484.52
(e) Other intangible assets	6	188.89	278.86
(f) Financial assets			
(i) Investments	8	3,656.57	3,161.29
(ii) Loans receivable	9	327.92	536.74
(iii) Other financial assets	10	66.27	868.81
(g) Deferred tax assets (net)	32.3	273.26	153.06
(h) Income tax assets (net)	32.4	307.48	662.62
(i) Other non-current assets	11	105.94	321.39
Total non-current assets		12,465.18	15,283.35
Current assets			
(a) Inventories	12	119.50	125.14
(b) Financial assets			
(i) Trade receivables	13	1,474.84	1,523.18
(ii) Cash and cash equivalents	14	144.61	151.37
(iii) Loans receivable	9	55.78	57.28
(iv) Other financial assets	10	1,328.07	318.12
(c) Other current assets	11	157.13	230.73
Total current assets		3,279.93	2,405.82
TOTAL ASSETS		15,745.11	17,689.17
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,253.59	886.91
(b) Other equity	16	7,984.23	5,258.15
Total equity		9,237.82	6,145.06
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,471.25	3,149.54
(ii) Lease liabilities		2,219.47	3,282.92
(iii) Other financial liabilities	18	62.36	76.62
(b) Provisions	20	62.86	53.69
(c) Other non-current liabilities	19	192.05	214.95
Total non-current liabilities		4,007.99	6,777.72
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	670.15	1,039.88
(ii) Lease liabilities		199.25	109.50
(iii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		2.66	0.06
Total outstanding dues of creditors other than micro enterprises and small enterprises		810.21	991.33
(iv) Other financial liabilities	18	517.25	2,366.55
(b) Other current liabilities	19	213.23	183.64
(c) Provisions	20	86.55	75.43
Total current liabilities		2,499.30	4,766.39
TOTAL EQUITY AND LIABILITIES		15,745.11	17,689.17
Significant accounting policies	3		

The accompanying notes are an integral part of these standalone financial statements

As per our reports of even date attached

for B S R & Co. LLP

Chartered Accountants

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

Amit Somani

Partner

Membership number: 060154

Place: Bengaluru

Date: 17 June 2021

for and on behalf of the Board of Directors of

HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar

Executive Chairman

DIN: 00713779

Place: Chicago

Date: 17 June 2021

Srinivasa Raghavan

Chief Financial Officer

Place: Bengaluru

Date: 17 June 2021

Meghraj Arvindrao Gore

Chief Executive Officer

Place: Bengaluru

Date: 17 June 2021

Sunu Manuel

Company Secretary

Place: Bengaluru

Date: 17 June 2021

Standalone Statement of Profit and Loss for the years ended

(₹ in million)

Particulars	Note No.	31 March 2021	31 March 2020
I INCOME			
Revenue from operations	22	6,088.61	6,883.34
Income from government grant	23	21.67	12.42
Other income	24	218.50	108.63
Total Income (I)		6,328.78	7,004.39
II Expenses			
Purchases of medical and non-medical items		1,378.95	1,427.54
Changes in inventories	25	5.64	38.22
Employee benefits expense	26	1,367.24	1,426.91
Finance costs	27	628.64	829.94
Depreciation and amortisation expense	28	865.79	794.06
Other expenses	29	2,602.13	2,833.42
Total expenses (II)		6,848.39	7,350.09
III Loss before exceptional items and tax (I- II)		(519.61)	(345.70)
IV Exceptional items	31	1,530.96	308.91
V Loss before tax (III-IV)		(2,050.57)	(654.61)
VI Tax expense			
Deferred tax credit	32.1	(135.10)	(121.64)
Total tax credit		(135.10)	(121.64)
VII Loss the year (V-VI)		(1,915.47)	(532.97)
VIII Other comprehensive income/ (loss)			
(i) Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of the defined benefit plans	37.2	(2.05)	(8.82)
- Income tax effect on (i) above	32.2	0.73	3.08
(ii) Items that will be reclassified to profit or loss			
- Effective portion of gain/ (loss) on hedging instruments in a cash flow hedge	40	44.73	7.95
- Income tax on effect (ii) above	32.2	(15.63)	(2.78)
Other comprehensive income/ (loss) for the year, net of income tax		27.78	(0.57)
IX Total comprehensive loss for the year (VII+VIII)		(1,887.69)	(533.54)
Loss per equity share of ₹ 10/- each:			
Basic (in ₹)	35.1	(16.85)	(6.02)
Diluted (in ₹)	35.2	(16.85)	(6.02)
Significant accounting policies	3		

The accompanying notes are an integral part of these standalone financial statements

As per our reports of even date attached

for B S R & Co. LLP

Chartered Accountants

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

Amit Somani

Partner

Membership number: 060154

for and on behalf of the Board of Directors of

HealthCare Global Enterprises Limited

Dr. B.S. Ajai Kumar

Executive Chairman

DIN: 00713779

Place: Chicago

Date: 17 June 2021

Srinivasa Raghavan

Chief Financial Officer

Place: Bengaluru

Date: 17 June 2021

Meghraj Arvindrao Gore

Chief Executive Officer

Place: Bengaluru

Date: 17 June 2021

Sunu Manuel

Company Secretary

Place: Bengaluru

Date: 17 June 2021

Place: Bengaluru

Date: 17 June 2021

Standalone Cash flow statement for the years ended

(₹ in million)

Particulars	Note No.	31 March 2021	31 March 2020
Cash flows from operating activities			
Loss before tax for the year		(2,050.57)	(654.61)
Adjustments for:			
Finance costs		628.64	829.94
Gain on investment revalued at FVTPL		(1.40)	(1.18)
Gain on sale of mutual fund		-	(0.54)
Guarantee commission income		(26.08)	(15.02)
Loss/ (gain) on disposal of property, plant and equipment		0.64	(0.08)
Trade receivable written off		-	25.39
Provision for bad and doubtful receivables		34.70	32.91
Provision for doubtful advances		6.70	8.80
Interest income		(188.86)	(68.77)
Income from government grant		(21.67)	(12.42)
Depreciation and amortisation expense		865.79	794.06
Expenses on employee stock option scheme		18.45	27.19
Net foreign exchange loss/(gain)		1.29	(12.49)
Exceptional Items : Non-cash expenditure	31	1,530.96	308.91
Movements in working capital:			
Changes in trade receivables		12.35	(113.00)
Changes in inventories		5.64	38.22
Changes in loans, financial assets and other assets		116.67	(110.12)
Changes in trade payables, financial liabilities and other liabilities		(646.95)	(30.98)
Changes in provisions		18.24	15.89
Cash generated from operations		304.54	1,062.10
Income taxes paid (net of refunds)		404.33	(198.70)
Net cash generated from operating activities (A)		708.87	863.40
Cash flows from investing activities			
Margin money deposits, net		-	18.81
Fixed deposits, earmarked against credit facility		(2,831.13)	-
Proceeds from maturity of margin money deposits		1,807.65	-
Acquisition of property, plant and equipment		(229.30)	(803.08)
Payment towards contingent consideration		(64.00)	-
Interest received		67.66	10.23
Investment in subsidiaries		(1,230.73)	(405.60)
Payment of share application money		-	(13.85)
Loans to related parties		-	(4.81)
Proceeds from repayments of related party loans		20.12	-
Proceeds from repayment of Inter-corporate deposits		3.00	-
Proceeds from disposal of property, plant and equipment		0.52	3.35
Proceeds from sale of investment in mutual funds		-	35.00
Net cash (used in) investing activities (B)		(2,456.21)	(1,159.95)
Cash flows from financing activities \$			
Proceeds from issue of equity shares	15 & 16	4,526.13	203.25
Proceeds from issue of shares warrants	15 & 16	668.22	-
Share issue expenses	15 & 16	(232.35)	(0.07)
Loan from related parties		-	402.15
Repayment of loan from related parties		(149.90)	(264.61)

Standalone Cash flow statement for the years ended (contd..)

(₹ in million)

Particulars	Note No.	31 March 2021	31 March 2020
Inter-corporate deposit received		-	45.00
Inter-corporate deposit repaid		-	(72.00)
Proceeds from bills discounting		583.03	-
Bills discounted settled		(184.24)	-
Proceeds from long-term borrowings		124.59	621.55
Repayment of long-term borrowings		(2,314.50)	(261.17)
Repayment of principal portion of lease liability		(67.00)	(38.00)
Interest paid on lease liability		(285.72)	(274.64)
Interest and other borrowing cost paid		(309.06)	(389.04)
Net cash generated/ (used in) from financing activities ('C)		2,359.20	(27.58)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		611.86	(324.13)
Cash and cash equivalents at the beginning of the year	14	(738.61)	(414.48)
Cash and cash equivalents at the end of the year	14	(126.75)	(738.61)

For the purpose of statement of cash flows, cash and cash equivalent comprises the followings:

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Cash on hand	5.05	12.81
(b) Cheques, drafts on hand	4.19	0.89
(c) Balance with bank		-
In current accounts and EEFC accounts	133.64	137.67
In deposit accounts	1.73	-
Cash and cash equivalent as per balance sheet	144.61	151.37
Less : Bank overdrafts (refer note 17)	(271.36)	(889.98)
Cash and cash equivalents as per the standalone statement of cash flows	(126.75)	(738.61)

Standalone Cash flow statement for the years ended (contd..)

₹ Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

(₹ in million)

Particulars	Term loan and deferred payment obligation	Short term borrowing (other than bank overdraft)	Other borrowing cost	Total
Debt as at 1 April 2020	3,836.67	149.90	-	3,986.57
Interest accrued as at 01 April 2020	-	-	-	-
Cash flows including interest and other borrowing cost	(2,390.96)	248.89	(108.01)	(2,250.08)
- Interest and other borrowing cost*	215.06	-	108.01	323.07
- Non cash transactions	64.26	-	-	64.26
Debt as at 31 March 2021	1,725.03	398.79	-	2,123.82

*Interest and other borrowing cost include interest on Short term borrowings, bank charges measured at amortised cost etc.

₹ Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

(₹ in million)

Particulars	Term loan and deferred payment obligation	Short term borrowing (other than bank overdraft)	Other borrowing cost	Total
Debt as at 1 April 2019	3,165.84	-	-	3,165.84
Interest accrued as at 1 April 2019	15.12	-	-	15.12
Cash flows including interest and other borrowing cost	91.73	137.54	(120.39)	108.88
- Interest and other borrowing cost*	350.47	12.36	161.50	524.33
- Non cash transactions	213.51	-	-	213.51
Interest accrued	-	-	(41.11)	(41.11)
Debt as at 31 March 2020	3,836.67	149.90	-	3,986.57

*Interest and other borrowing cost include interest on Short term borrowings, bank charges measured at amortised cost etc.

Significant accounting policies

3

The accompanying notes are an integral part of these standalone financial statements

As per our reports of even date attached

for B S R & Co. LLP

Chartered Accountants

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

Amit Somani

Partner

Membership number: 060154

Place: Bengaluru
Date: 17 June 2021

for and on behalf of the Board of Directors of

HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar

Executive Chairman

DIN: 00713779

Place: Chicago
Date: 17 June 2021

Srinivasa Raghavan

Chief Financial Officer

Place: Bengaluru
Date: 17 June 2021

Meghraj Arvindrao Gore

Chief Executive Officer

Place: Bengaluru
Date: 17 June 2021

Sunu Manuel

Company Secretary

Place: Bengaluru
Date: 17 June 2021

Standalone Statement of changes in equity for the years ended 31 March 2021 and 31 March 2020

a. Equity share capital

Particulars	No of Shares	(₹ in million)
Balance as at 01 April 2019	87,919,033	879.19
Changes in equity share capital during the year		
(a) Issue of equity shares pursuant to preferential allotment (refer note 15.1)	710,526	7.11
(b) Issue of equity shares pursuant to exercise of employee share options under employee share option plan 2014 (refer note 38(c))	61,070	0.61
Balance as at 31 March 2020	88,690,629	886.91
(a) Issue of equity shares pursuant to preferential allotment (refer note 15.1)	36,573,455	365.73
(b) Issue of equity shares pursuant to exercise of employee share options under employee share option plan 2014 (refer note 38(c))	95,200	0.95
Balance as at 31 March 2021	125,359,284	1,253.59

b. Other equity

Particulars	Note No.	Reserves and surplus			Amalgamation adjustment deficit account	Items of other comprehensive income		Money received against share warrants	Total other equity
		Securities premium	Share options outstanding account	Retained earnings		Cash flow hedging reserve	Remeasurement of the defined benefit plan		
Balance as at 01 April 2019		5,587.35	55.71	(18.14)	(13.91)	(41.96)	(1.05)	-	5,568.00
Loss for the year	-	-	-	(532.97)	-	-	-	-	(532.97)
Other comprehensive (loss)/ income for the year (net of tax)	-	-	-	-	-	5.17	(5.74)	-	(0.57)
Total comprehensive income	-	-	-	(532.97)	-	5.17	(5.74)	-	(533.54)
Transactions recorded directly in equity									
Premium on shares issued during the year	16.1	195.46	-	-	-	-	-	-	195.46
Share issue expenses incurred during the year	16.1	(0.07)	-	-	-	-	-	-	(0.07)
Transferred to Securities premium account on exercise of ESOPs	16.2	13.51	(13.51)	-	-	-	-	-	-
Expense on employee stock option scheme (including ESOP given to employees of subsidiaries cross charged, refer note 44)		-	28.30	-	-	-	-	-	28.30
Balance as at 31 March 2020		5,796.25	70.50	(551.11)	(13.91)	(36.79)	(6.79)	-	5,258.15
Loss for the year	-	-	-	(1,915.47)	-	-	-	-	(1,915.47)
Other comprehensive (loss)/ income for the year (net of tax)	-	-	-	-	-	29.10	(1.32)	-	27.78
Total comprehensive (loss)/ income	-	-	-	(1,915.47)	-	29.10	(1.32)	-	(1,887.69)
Transactions recorded directly in equity									
Premium on shares issued during the year	16.1	4,159.45	-	-	-	-	-	-	4,159.45
Share issue expenses incurred during the year	16.1	(232.35)	-	-	-	-	-	-	(232.35)
Transferred to Securities premium account on exercise of ESOPs	16.2	21.80	(21.80)	-	-	-	-	-	-
Expense on employee stock option scheme		-	18.45	-	-	-	-	-	18.45

(₹ in million)

Standalone Statement of changes in equity for the years ended 31 March 2021 and 31 March 2020 (contd..)

(₹ in million)

Particulars	Note No.	Reserves and surplus			Amalgamation adjustment deficit account	Items of other comprehensive income		Money received against share warrants	Total other equity
		Securities premium	Share options outstanding account	Retained earnings		Cash flow hedging reserve	Remeasurement of the defined benefit plan		
Money received against share warrants during the year [refer note 15.1(b) and (c)]	16.7	-	-	-	-	-	668.22	668.22	
Issue of shares pursuant to exercise of warrants during the year [refer note 15.1(b)]	16.7	229.36	-	-	-	-	(229.36)	-	
Balance as at 31 March 2021		9,974.51	67.15	(2,466.58)	(13.91)	(7.69)	438.86	7,984.23	

Securities premium

Securities premium is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Share option outstanding Account

The Company has employee stock option plans for eligible employees of the Company and its group companies. Refer note 38 for further details on these plans. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company.

Amalgamation adjustment deficit account

It represents excess of consideration over carrying value of net assets (including reserves) in case of common control business combination. This amount will be adjusted in determining the surplus available for dividend distribution.

Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

Remeasurement of defined benefit plan

This represents the actuarial gain and losses on defined benefit plan.

Money received against share warrants

This represents the subscription amount received at the time of issue of warrants.

Significant accounting policies

The accompanying notes are an integral part of these standalone financial statements

As per our reports of even date attached

for B S R & Co. LLP

Chartered Accountants

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

Amit Somani

Partner

Membership number: 060154

for and on behalf of the Board of Directors of

HealthCare Global Enterprises Limited

Dr. B. S. Ajaikumar

Executive Chairman

DIN: 00713779

Place: Chicago

Date: 17 June 2021

Srinivasa Raghavan

Chief Financial Officer

Place: Bengaluru

Date: 17 June 2021

Meghraj Arvindrao Gore

Chief Executive Officer

Place: Bengaluru

Date: 17 June 2021

Sunu Manuel

Company Secretary

Place: Bengaluru

Date: 17 June 2021

Place: Bengaluru

Date: 17 June 2021

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

1 HealthCare Global Enterprises Limited ('the Company') is engaged in setting up and managing hospitals and medical diagnostic services including scientific testing and consultancy services in the pharmaceutical and medical sector. The Company is a public company incorporated and domiciled in India and has its registered office at #8, P. Kalinga Rao Road, Sampangi Ram Nagar, Bengaluru – 560 027.

The standalone financial statements for the year ended 31 March 2021 were approved by the Board of Directors and authorised for issue on 17 June 2021.

2 Basis of preparation of the standalone financial statements

(a) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Impact of Covid-19

The number of new cases of Covid which had reached its lowest level in the first week of February 2021 increased in March 2021. The Company is taking necessary actions to secure the health and safety of its employees and extended ecosystem. Different forms of restrictions have been imposed by various state governments and local bodies to control this strong second wave of the pandemic but these restrictions are not as severe as the lockdown during first wave. The Company's operations are currently running at normal levels. However, the Company will continue to monitor changes to the future economic conditions for any material impact as the situation evolves including its new projects.

The Company has incurred losses in the current year. Management believes that it has taken into account the possible impacts of known events arising from COVID-19 pandemic in the preparation of the standalone financial statements including but not limited to its assessment of the Company's liquidity position and various estimates in relation to the standalone financial statements captions upto the date of adoption of Statement by the Board of Directors. During the year, the Company has received funding from issue of Equity shares and Warrants of ₹ 5,193 million (refer note 15.1). Given the nature and duration of COVID-19, its impact on the financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

(c) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (Rs), which is also the Company's functional currency. All amounts are in Indian Rupees million except share data and per share data, unless otherwise stated.

(d) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement
Derivative financial instrument	Fair Value
Net defined benefit (asset)/liability	Fair Value of plan assets less present value of defined benefit obligations

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(e) Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Application of accounting policies that require critical accounting estimates involving judgments and the use of assumptions in the standalone financial statements have been disclosed below:

Judgements

- Note 7 - Leasing arrangements : Evaluation whether an arrangement qualifies to be a lease based on the requirements of the relevant standard.

Identification of a lease requires significant management judgment.

- Note 5 - Property, plant and equipment: Timing of capitalisation and nature of cost capitalised.

- Note 18 : Supplier factoring facility : Whether the arrangement is financing in nature.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

Assumptions and estimation uncertainties

- Note 7 - Leasing arrangements : Determination of lease term and discount rate
- Note 5 - Estimation of useful life of property, plant and equipment
- Note 40 & 8 - Impairment of financial assets : Key inputs considered i.e. discount rate, growth rate and profitability
- Note 32 - Deferred tax balances (net) : Timing and level of future taxable profit
- Note 33 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 37 - Employee benefit plans: key actuarial assumptions.
- Note 6- Goodwill impairment assessment : Key inputs considered i.e. discount rate, growth rate and profitability
- Note 41 and 13 - Expected credit loss : Forward adjustment to the collected trend
- Note 19 - Deferred government grant: Timing of meeting export obligations

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, goodwill, investments, allowance for trade receivables and the net realisable values of other assets. Refer note (b) above.

(f) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company's has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurement, including level 3 fair values, and reports directly to the chief financial officer.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company's uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company's recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred."

3 Summary of significant accounting policies

(a) Revenue recognition

Medical services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. As per Ind AS 115, "Revenue from contracts with customers", revenue from hospital services are recognized as and when services are performed, unless significant future uncertainties exist. The Company assess the distinct performance obligation in the contract and measures to at an amount that reflects the consideration it expects to receive net of tax collected and remitted to Government and adjusted for discounts and concession. The Company based on contractual terms and past experience determines the performance obligation satisfaction over time. Unbilled revenue is recorded for the service rendered where the patients are not discharged and final invoice is not raised for the services.

Sale of medical and non-medical items

Pharmacy Sales are recognised when the control of the products being sold is transferred to the customer and no significant uncertainties exist regarding the amount of consideration that will be derived from the sale of goods as regarding its collection. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Other operating revenue

Other operating revenue comprises revenue from various ancillary revenue generating activities like facilitation of training programmes, operations and

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

maintenance arrangements and research projects as per the management agreement with other entities. The service income is recognised only once the services are rendered, there is no unfulfilled performance obligation as per the terms of agreement and no significant future uncertainties exist.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The Company recognizes a deferred income (contract liability) if consideration has been received (or has become receivable) before the company transfers the promised goods or services to the customer.

Disaggregation of revenue

The Company disaggregates revenue from hospital services (medical and healthcare services), sale of medical and non-medical items and other operating income. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors."

Dividend and interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognised when the Company's right to receive dividend is established."

(b) Leases

Company as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company has elected to apply the practical expedient of not assessing the rent concessions as a lease modification, as per the notification issued by the Ministry of Corporate Affairs dated 24 July 2020 on Ind AS 116 for all rent concessions which are granted due to COVID-19 pandemic.

(c) Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise except for exchange differences arising from translation of long-term foreign currency monetary items recognised in the standalone financial statements of the Company for the period immediately before the beginning of the first Ind AS financial reporting period (prior to 01 April 2016), as per the previous GAAP, pursuant to the Company's choice of availing the exemption as permitted by Ind AS 101.

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

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

(d) Borrowing costs

Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method,
- (ii) finance charges in respect of finance leases, and
- (iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs."

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(e) Employee benefits

Defined benefit plan

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The net interest expense is recognised in the line item 'Finance costs'.

Defined contribution plan

A defined contribution plan is post-employment benefit plan under which an entity pays specified contributions

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

to separate entity and has no obligation to pay any further amounts. The Company makes specified obligations towards employee provident fund and employee state insurance to Government administered provident fund scheme and ESI scheme which is a defined contribution plan. The Company's contributions are recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Share-based payment transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and Company's estimate of equity instruments that will vest. That cost is recognised, together with a corresponding increase in share-options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

(f) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the assets and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Ind AS 12, Income Taxes defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(g) Property, plant and equipment

Property, plant and equipment are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Cost includes expenditures directly attributable to the acquisition of the asset.

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

Asset category	Useful life as per the management	As per schedule II of Companies Act, 2013
Buildings	60 years	60 years
Plant and Medical Equipment	10-15 years	10-15 years
Data processing equipment	3-6 years	3-6 years
Electrical installations	10 years	10 years
Furniture and fixtures	10 years	10 years
Office equipment	5 years	5 years
Vehicles	8 years	8 years

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

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

Freehold land is not depreciated.

Effective 31 March 2021, the Company has reassessed the lease term for certain lease premises (refer note 7). Considering this, the depreciation on Right of Use of Assets and interest on Lease Liabilities requires revision. Also, the related leasehold improvements will be depreciated over the shorter of the revised lease term or useful of the assets. The change in this accounting estimate is to be applied prospectively in accordance with Ind AS 8, 'Accounting policies, changes in accounting estimate and errors' and has an impact on depreciation and amortisation expense and interest on lease liabilities. The financial impact due to the change in the estimate will be over the lease term and useful life determined of the leasehold improvements. For the year ending 31 March 2022, interest on lease liabilities will reduce by ₹ 67.37 Million and depreciation on right of use assets and leasehold improvements will increase by ₹ 5.12 Million and ₹ 1.60 Million respectively. For the period thereafter, in aggregate, interest on lease liabilities will reduce by ₹ 1,947.00 million and depreciation on right of use assets and leasehold improvements will decrease by ₹ 626.33 million and ₹ 1.60 million respectively. Given multiple years, each future year impact has not been disclosed separately.

(h) Intangible assets

(i) Intangible assets acquired separately

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset category	Useful Life
Computer software	3 years
Software for plant and machinery	13 years

(ii) Goodwill

Goodwill arising on a business combination is initially measured at excess of purchase consideration over fair value of identified net asset taken over. Subsequent measurement is at initial recognition

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

less any accumulated impairment losses.

(i) Government grants

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

(j) Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for GST wherever applicable applying FIFO method.

Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction. "

(k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

(l) Financial instruments

a. Recognition and initial measurement

Trade receivables and debt securities issued are *initially* recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes the stated

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)."

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. *Derecognition*

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e. *Invoice discounting facility:*

The Company uses this facility to draw down certain sales invoices as part of its cash credit facility with the Bank and has an obligation to settle the liability on the specified due date irrespective of whether the underlying receivables have been collected or

not. As the Company continues to retain all risks and rewards of the receivables and control of the asset, the underlying receivables are not eligible for derecognition from the standalone financial statements. Amounts due in respect of invoice discounting are separately disclosed under short-term borrowings.

f. *Derivative financial instruments*

The Company holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

g. *Cash flow hedge*

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and accumulated in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of profit and loss.

The Company designates only the changes in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contract ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity.

If the hedging instrument no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(m) Impairment

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a Company of financial assets is impaired. Ind AS 109 - Financial Instruments requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

Allowance for credit losses on receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates.

(ii) Non-financial assets

Tangible and Intangible assets

Property, plant and equipment, capital work-in-progress and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(n) Earnings / loss per share (EPS)

Basic earnings / loss per share is computed by dividing profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings / loss per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also

weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent liabilities and commitments are reviewed by the management at each balance sheet date."

(p) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / loss before tax is adjusted for the effects of transactions of a 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 segregate. Bank overdrafts and investment in liquid mutual funds are classified as cash and cash equivalents for the purpose of cash flow statement, as they form an integral part of an entity's cash management.

(q) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

(r) Investment in subsidiaries and joint ventures

(i) Initial recognition

The acquired investment in subsidiaries and joint ventures are measured at acquisitions date fair value

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(ii) Subsequent measurement

Investment in equity shares of subsidiaries and joint ventures are accounted either;

- (a) at cost, or
- (b) in accordance with IND AS 109, financial instruments

The Company has elected to account its subsidiaries and joint ventures at cost less accumulated impairment losses, if any.

(s) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis.

(t) Reverse factoring arrangement

Under this arrangement the vendors and suppliers of the Company discounts the invoices payable to them by Company. On maturity of the discounting period, the factor (underlying banker) debits the bank account of the Company. The related interest is borne by the vendors and suppliers and this arrangement is not a utilisation of the sanction limit available to the Company.

The invoices discounted by the vendor and due to be settled by the Company is shown separately from "Trade Payable" as "Supplier Factoring Facility"

The discounting of invoices by supplier and vendor is considered as non-cash transactions and settlement by the Company on due date as "operating activity"

4 Recent Indian Accounting Standards (Ind AS)

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III

of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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

Description of assets	(₹ in million)											
	Freehold Land	Buildings - owned	Buildings - leased	Leasehold improvements	Plant and medical equipment - owned	Office equipment	Furniture and fixtures	Data processing equipments	Electrical installation	Vehicles	Total	Capital work in progress
I. Gross block												
Balance as at 01 April 2019	402.86	690.73	481.03	510.03	3,881.36	68.72	116.01	83.10	53.10	26.20	6,313.14	1,041.14
Transition impact of Ind As 116 (Refer note 7)	-	-	(481.03)	-	-	-	-	-	-	-	(481.03)	-
Restated balances as on 01 April 2019	402.86	690.73	-	510.03	3,881.36	68.72	116.01	83.10	53.10	26.20	5,832.11	1,041.14
Additions* \$ (refer note 19)	-	98.95	-	284.20	967.44	4.12	21.83	17.39	25.63	0.69	1,420.25	726.70
Disposals	-	-	(8.08)	(0.01)	(8.08)	(2.50)	(1.01)	(0.22)	-	(1.10)	(12.92)	-
Exchange fluctuation	-	-	-	-	9.42	-	-	-	-	-	9.42	-
Capitalisation during the year	-	-	-	-	-	-	-	-	-	-	-	(1,331.73)
Balance as at 31 March 2020	402.86	789.68	-	794.22	4,850.14	70.34	136.83	100.27	78.73	25.79	7,248.86	436.11
Additions* \$ (refer note 19)	-	1.61	-	73.28	53.17	0.69	2.58	3.85	3.79	-	138.97	171.54
Disposals	-	-	-	-	(20.88)	(0.22)	(0.16)	-	-	-	(21.26)	-
Exchange fluctuation	-	-	-	-	-	-	-	-	-	-	-	-
Provision for impairment [refer note 31(iii)]	-	-	-	-	-	-	-	-	-	-	-	(304.02)
Capitalisation / transfer to subsidiary during the year (refer note 44)	-	-	-	-	-	-	-	-	-	-	-	(27.57)
Balance as at 31 March 2021	402.86	791.29	-	867.50	4,882.43	70.81	139.25	104.12	82.52	25.79	7,366.57	276.06
II. Accumulated depreciation and impairment												
Balance as at 01 April 2019	-	58.82	71.18	102.85	1,008.83	33.54	47.10	45.95	20.50	8.00	1,396.77	-
Transition impact of Ind As 116 (Refer note 7)	-	-	(71.18)	-	-	-	-	-	-	-	(71.18)	-
Restated balances as on 01 April 2019	-	58.82	-	102.85	1,008.83	33.54	47.10	45.95	20.50	8.00	1,325.59	-
Eliminated on disposal of assets	-	-	(0.01)	(0.01)	(7.88)	(2.28)	(1.01)	(0.08)	-	(0.53)	(11.79)	-
Depreciation expense	-	14.99	-	63.16	417.97	11.55	15.85	18.33	7.94	3.32	553.11	-
Balance as at 31 March 2020	-	73.81	-	166.00	1,418.92	42.81	61.94	64.20	28.44	10.79	1,866.91	-
Eliminated on disposal of assets	-	-	(19.72)	-	(19.72)	(0.22)	(0.16)	-	-	-	(20.10)	-
Depreciation expense	-	17.56	-	67.89	414.68	8.18	12.12	14.32	7.70	3.23	545.68	-
Balance as at 31 March 2021	-	91.37	-	233.89	1,813.88	50.77	73.90	78.52	36.14	14.02	2,392.49	-
Net block as at 31 March 2020	402.86	715.87	-	628.22	3,431.22	27.53	74.89	36.07	50.29	15.00	5,381.95	436.11
Net block as at 31 March 2021	402.86	699.92	-	633.61	3,068.55	20.04	65.35	25.60	46.38	11.77	4,974.08	276.06

Refer note 17 for details of charge created on property, plant and equipment.

Directly attributable expenses capitalised of ₹ 82.14 million (31 March 20 ₹ 169 million). Total borrowing cost capitalised (included in directly attributable expenses) is ₹ 62.42 million (31 March 20 ₹ 66.02 million), of which ₹ 62.42 million relates to Interest on Lease Liability as per Ind AS 116, "Leases" (31 March 20 ₹ 66.02 million).

\$ Additions includes government grant recognised at fair value as per Ind AS 20, accounting for government grants and disclosure of government assistance (refer note 19).

*Acquisition of Property, plant and equipment through deferred payment settlement scheme is ₹ Nil (31 March 20; ₹ 177 million).

Impact of Covid-19 (global pandemic):

The Company has considered the impact of Covid-19 while assessing the recoverable value of the property, plant and equipment. However, given the nature and duration of Covid-19, its impact on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

6 Goodwill and other intangible assets

(₹ in million)

Description of assets	Goodwill (refer note 6A below)	Other intangible assets		
		Computer software	Software for plant and machinery	Total
I. Gross block				
Balance as at 01 April 2019	484.52	125.95	3.42	129.37
Additions	-	252.88	-	252.88
Balance as at 31 March 2020	484.52	378.83	3.42	382.25
Additions	-	15.03	-	15.03
Balance as at 31 March 2021	484.52	393.86	3.42	397.28
II. Accumulated amortisation and impairment losses				
Balance as at 01 April 2019	-	58.98	3.42	62.40
Amortisation expense for the year	-	40.99	-	40.99
Balance as at 31 March 2020	-	99.97	3.42	103.39
Amortisation expense for the year	-	105.00	-	105.00
Balance as at 31 March 2021	-	204.97	3.42	208.39
Balance as at 31 March 2020	484.52	278.86	-	278.86
Balance as at 31 March 2021	484.52	188.89	-	188.89

Refer note 17 for details of charge created on intangible asset.

6A Goodwill

For the purposes of impairment testing, goodwill from business acquisition has been allocated to the Cash Generating Units (CGU) as given below:

(₹ in million)

Particulars	31 March 2021	31 March 2020
City Cancer Center (CCC) (refer note a)	484.52	484.52
Total	484.52	484.52

(a) The key assumptions used in the estimation of the recoverable amount of Goodwill are set out below:

During the year ended 31 March 2021 for the purpose of impairment testing, the recoverable amount of this CGU is determined based on fair value less cost of disposal. The fair value is computed as per the market approach using revenue and EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) multiples. The market approach considered is based on the external source of information and consistent with the Management experience and risk factor of the CGU and also considers peers of the Company.

With respect to previous year ended 31 March 2020, the values assigned to the key assumptions given in the table below represented management's assessment of future trends and based on historical data from both external and internal sources. Discount rate reflected the market assessment of the risks specific to a Cash Generating Unit (CGU). The discount rate was estimated based on the capital asset pricing method for the CGU. The cash flow projections included specific estimates developed using internal forecasts. The planning horizon reflected the assumptions for short-to-midterm market developments. The Company believed that any reasonably possible change in the key assumptions on which a recoverable amount was based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

Assumptions	31 March 2020
	Values in %
Annual growth rate	4% to 14%
Terminal growth rate	5%
Discount rate	13.50%

The estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

Impact of COVID-19 (Global pandemic)

The recoverable value factors the increase in uncertainties due to Covid-19. The market comparable multiple already considers such uncertainties due to covid. In the previous year, reassessment of the discount rates, revisiting the growth rates including terminal value and subjecting these variables to sensitivity analysis factored uncertainties due to Covid-19.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

7 Leases

Right-of-use-assets

(₹ in million)

Description of assets	Buildings
I. Gross block	
Balance as at 01 April 2019	481.03
Additions	2,811.89
At 31 March 2020	3,292.92
Additions	17.00
Remeasurement of lease liabilities and lease modification (refer notes (i) and (ii) below)	(975.98)
At 31 March 2021	2,333.94
II. Accumulated depreciation and impairment	
Balance as at 01 April 2019	71.18
Depreciation expense	223.74
At 31 March 2020	294.92
Depreciation expense	234.83
At 31 March 2021	529.75
Net block as at 31 March 2020	2,998.00
Net block as at 31 March 2021	1,804.19

The Company has lease arrangements primarily for its hospital buildings. The aggregate depreciation expense on ROU for the year amounting to ₹ 215.11 million (31 March 2020; ₹ 199.96 million) is included in the "Depreciation and Amortisation expense" in the Standalone statement of Profit and Loss and ₹ 19.72 million (31 March 2020; ₹ 23.78 million) is capitalised to Capital work-in-progress.

Notes:

- As on 1 January 2021, the Company negotiated lower lease rent for reduced space leading to Lease Modification. As a result of this modification, the Right-of-use asset and Lease liability reduced by 344.23 million and 401.97 million respectively and there was also a gain on modification amounting to ₹ 57.74 million, recorded in Exceptional Items in the statement of Profit and Loss.
- As on 31 March 2021, the Company reassessed its lease term for certain leases, considering change in management plan, market condition in current pandemic and an option to leverage with the alternate premises post non-cancellable lease period. Accordingly, the Right-of use assets and Lease liabilities have reduced by ₹ 631.75 million and ₹ 592.34 million respectively.

The following is the break-up of current and non-current lease liabilities as at 31 March 2021 and 31 March 2020:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Current lease liabilities	199.25	109.50
Non-current liabilities	2,219.47	3,282.92
Total	2,418.72	3,392.42

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 and 31 March 2020 on a discounted basis:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Less than one year	199.25	109.50
One to five years	645.47	401.90
More than five years	1,574.00	2,881.02

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

7 Leases (contd.)

Amounts recognised in Statement of profit and loss

(₹ in million)

Particulars	31 March 2021	31 March 2020
Depreciation of right-of-use assets *	234.83	223.74
Interest on lease liabilities*	365.25	371.63
Rent expenses # (refer note 29)	32.06	48.57

* Interest and depreciation expenses capitalised amounting to ₹ 62.42 million and ₹ 19.72 million (31 March 2020: ₹ 66.02 million and ₹ 23.78 million) respectively.

During the year ended 31 March 2021, the Company incurred expenses amounting to ₹ 29.90 million (31 March 2020: ₹ 28.07 million) towards short-term leases and ₹ 2.16 million (31 March 2020: ₹ 20.50 million) expenses towards variable rent, net of rent concessions ₹ 11.07 million (31 March 2020: Nil).

Amounts recognised in Cash flow statement

(₹ in million)

Particulars	31 March 2021	31 March 2020
Repayment of principal portion of lease liability	67.00	38.00

Impact of COVID-19 (Global pandemic)

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its operations base rendering the physical infrastructure redundant. The leases that the Company has entered into with lessors for buildings are long term in nature and no changes in terms of those leases have been made due to the Covid-19, other than to the extent already considered.

8 Investments

(₹ in million)

Particulars	31 March 2021	31 March 2020
A) Non current investment		
I) Investment carried at cost*		
(i) In subsidiary companies		
Unquoted equity instruments		
Malnad Hospital & Institute of Oncology Private Limited (66,706 (31 March 20: 66,706) equity shares of ₹ 100/- each, fully paid up)	6.64	6.64
Niruja Product Development and Healthcare Research Private Limited (50,000 (31 March 20: 50,000) equity shares of ₹ 10/- each, fully paid up)	0.50	0.50
HealthCare Global Senthil Multi-Specialty Hospital Private Limited (92,980 (31 March 20: 92,980) equity shares of ₹ 100/- each, fully paid up)	8.38	8.38
Less: Provision for diminution in value of investment (refer note 46)	(8.38)	(8.38)
Net investment post diminution in value of investment	-	-
HCG Medi-surge Hospitals Private Limited (4,120,807 (31-March-20: 4,120,807) equity shares of ₹ 10/- each, fully paid up)	147.35	145.32
BACC HealthCare Private Limited (93,578 (31-March-20: 46,883) equity shares of ₹ 10/- each, fully paid up)	1,286.33	602.97
Less: Provision for diminution in value of investment (refer note 31 and 46)	(588.40)	-
Net investment post diminution in value of investment	697.93	602.97
HCG (Mauritius) Private Limited (1,197,002 (31-March-20: 361,002) Equity shares of USD 1/- each)	85.51	24.17
(ii) In subsidiary limited liability partnerships		
(a) Fixed capital contribution		
HCG Diwanchand Imaging LLP (75% (31-March-20: 75%) of fixed capital contribution)	0.75	0.75
Apex HCG Oncology Hospitals LLP (99.90% (31-March-20: 99.90%) of fixed capital contribution)	6.19	6.19

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

8 Investments (contd..)

(₹ in million)

Particulars	31 March 2021	31 March 2020
HCG Oncology LLP (74% (31-March-20: 74%) of fixed capital contribution)	0.37	0.37
HCG NCHRI Oncology LLP (76% (31-March-20: 76%) of fixed capital contribution)	0.76	0.76
HCG EKO Oncology LLP (50.50% (31-March-20: 50.50%) of fixed capital contribution)	0.51	0.51
The Company has entered into a non-disposal undertaking of the its investment in HCG EKO Oncology LLP for a period of 10 years from the agreement execution date, except with the prior consent of other partner in writing.		
HCG Manavata Oncology LLP (51% (31-March-20: 51%) of fixed capital contribution)	0.51	0.51
The Company has entered into a non-disposal undertaking of the its investment in HCG Manavata Oncology LLP for a period of 20 years from the agreement execution date, except with the prior consent of other partner in writing.		
HCG SUN Hospitals LLP (74% (31-March-20: 74%) of fixed capital contribution)	0.74	0.74
The Company has entered into a non-disposal undertaking of the its investment in HCG SUN Hospitals LLP for a period of 09 years from the agreement execution date, except with the prior consent of other partner in writing.		
(b) Variable capital contribution		
(Variable capital represents additional financial assistance with a right to convert to fixed capital at such time and as per the terms and conditions, as agreed between the Partners of the LLPs.)		
HCG Diwanchand Imaging LLP	31.72	31.72
Less: Provision for diminution in value of investment (refer note 31 and 46)	(9.00)	(9.00)
Net investment post diminution in value of investment	22.72	22.72
Apex HCG Oncology Hospitals LLP	1,085.45	916.11
Less: Provision for diminution in value of investment (refer note 31 and 46)	(257.65)	(97.65)
Net investment post diminution in value of investment	827.80	818.46
HCG Oncology LLP	102.48	101.73
HCG NCHRI Oncology LLP	432.06	351.15
Less: Provision for diminution in value of investment (refer note 31 and 46)	(202.26)	(202.26)
Net investment post diminution in value of investment	229.80	148.89
HCG EKO Oncology LLP	401.04	262.23
Less: Provision for diminution in value of investment (refer note 31 and 46)	(12.00)	-
Net investment post diminution in value of investment	389.04	262.23
HCG Manavata Oncology LLP	567.32	493.61
HCG SUN Hospitals LLP	267.03	205.37
* Includes corporate guarantee given to subsidiaries accounted as investment		
(iii) In joint venture		
a. Unquoted equity instruments		
Strand Life Sciences Private Limited 9,284,206 (31 March 2020: 9,183,013) equity shares of ₹ 10 each, fully paid up	245.33	242.70
b. Unquoted compulsorily convertible preference shares		
Strand Life Sciences Private Limited As at 31-March-2020: 101,193 Series 1 preference shares of ₹ 10/- each, fully paid up. During the year ended 31 March 2021, these shares have been converted to equity shares of ₹ 10 each.	-	2.63

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

8 Investments (contd..)

(₹ in million)

Particulars	31 March 2021	31 March 2020
II) Investment carried at fair value through profit and loss (FVTPL)		
(a) In other companies - unquoted equity instruments		
Zoctr Health Private Limited (299 equity shares of ₹ 10/- each, fully paid up and 153 equity shares of ₹ 10/- each, fully paid up; (31-March-2020: 299 equity shares of ₹ 10/- each, fully paid up and 153 equity shares of ₹ 10/- each, fully paid up)	7.64	7.64
Less: Provision for diminution in value of investment (refer note 31 and 46)	(7.64)	-
Net investment post diminution in value of investment	-	7.64
Suchirayu Healthcare Solutions Limited (2,055,000 equity shares of ₹ 10/- each, fully paid up; 31-March-2020: 2,055,000 equity shares of ₹ 10/- each, fully paid up) Refer note below	0.50	0.50
Note: The Company has entered into a non-disposal undertaking of the its investment in Suchirayu Healthcare Solutions Limited (Suchirayu) until the closure of the loan by Suchirayu.		
International Stemcell Services Limited (10,860 equity shares of ₹ 100/- each, fully paid up; 31 March 2020: International Stemcell Services Limited (10,860 equity shares of ₹ 100/- each, fully paid up)	5.61	5.61
Epigeneres Biotech Private Limited (79 equity shares of ₹ 10/- each, fully paid up; 31 March 2020: Epigeneres Biotech Private Limited (79 equity shares of ₹ 10/- each, fully paid up)	10.00	10.00
Less: Provision for diminution in value of investment (refer note 31 and 46)	(10.00)	-
Net investment post diminution in value of investment	-	10.00
Niramai Health Analytix Private Limited (10 equity shares of ₹ 1/- fully paid up; 31 March 2020: (10 equity shares of ₹ 1/- fully paid up)	0.07	0.07
(b) In other companies - unquoted Preference shares		
Niramai Health Analytix Private Limited (4,881 series A preference shares of ₹ 10/- each, fully paid up; 31 March 2020: 4,881 series A preference shares of ₹ 10/- each, fully paid up)	35.79	35.79
(c) Investments in mutual fund (quoted)		
Religare Invesco Short Term Fund- 3,922 units @ ₹ 3,906.17 (31-March-20: 3,922 units @ ₹ 3,546.66)	15.32	13.91
Total non-current investments	3,656.57	3,161.29
Aggregate amount of quoted investments	15.32	13.91
Aggregate amount of Market value of investments	15.32	13.91
Aggregate amount of unquoted investments (gross)	4,736.58	3,464.67
Aggregate amount of impairment in value of investments	1,095.33	317.29

Impact of COVID-19 (Global pandemic)

The Company has considered the impact of COVID-19 while accessing the recoverable value of the above investments and recognised the resulting impairment charge under exceptional items (refer note 31). The financial projections which include future cashflow forecast and the revenue and EBITDA multiple basis which the recoverable values have been estimated, consider the increase in uncertainties due to COVID-19, reassessment of the discount rates and subjecting these variables to sensitivity analysis.

9 Loans receivable (unsecured)

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current*	Non Current	Current*
Considered good				
a) Loans to related parties (refer note 44)	39.01	-	227.61	19.00
b) Advances to employees	-	26.12	-	21.50
c) Inter-corporate deposits	93.00	9.00	105.00	-
d) Security deposits	195.91	20.66	204.13	16.78

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

9 Loans receivable (unsecured) (contd..)

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current*	Non Current	Current*
Considered doubtful				
Loans to related parties (refer note 44)	218.98	-	30.38	-
Less : Allowance for bad and doubtful loans [refer note 31(ii)]	(218.98)	-	(30.38)	-
Security deposits	20.64	-	-	-
Less : Provision for impairment [refer note 31(v)]	(20.64)	-	-	-
Total	327.92	55.78	536.74	57.28

* Refer note 17 for details of charge created on current loans.

10 Other financial assets

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current*	Non Current	Current*
Receivable from related parties (Refer note 44)	-	75.96	-	133.50
Share application money pending allotment (Refer note 46)	5.50	-	13.85	-
Unbilled revenue (Refer note 47)	-	104.16	-	90.75
Term deposits (original maturity more than 12 months) ¹	26.73	1,085.79	58.58	32.03
Interest accrued but not due on fixed deposits	3.91	8.90	5.27	2.16
Interest accrued on inter corporate deposit	30.13	9.00	26.05	3.00
Right to equity [refer note 18(i)]	-	-	694.42	-
Interest accrued on capital contribution to LLPs (Refer note 44)	-	43.96	-	16.38
Interest accrued on loans (Refer note 44)	-	0.30	70.64	0.30
Others	-	-	-	40.00
Considered doubtful				
Interest accrued on loans (Refer note 44)	-	91.07	-	-
Less : Allowance for bad and doubtful receivables [refer note 31(ii)]	-	(91.07)	-	-
Other receivables	-	8.80	-	8.80
Less : Allowance for bad and doubtful receivables	-	(8.80)	-	(8.80)
Total	66.27	1,328.07	868.81	318.12

* Refer note 17 for details of charge created on other current financial assets.

Note:

¹ Term deposits include margin money deposits with banks and deposits given as security for obtaining bank guarantees

(₹ in million)

2. Details of advances to directors and private companies in which any director is a director or a member	31 March 2021	31 March 2020
i) Private companies in which any director is a director or member		
- Malnad Hospital and Institute of Oncology Private Limited	8.34	2.10
- HCG Medi-surge Hospitals Private Limited	9.49	6.80
- HealthCare Global (Africa) Pvt Ltd	3.30	3.30

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

11 Other assets

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current*	Non Current	Current*
Unsecured, considered good				
Capital advances	94.85	-	271.38	-
Prepaid expenses [net of provision for impairment ₹ 31.22 million (31 March 2020: Nil), refer note 31(v)]	11.09	25.35	50.01	35.36
Advance to vendors (refer note 44)	-	49.77	-	147.88
Receivable from revenue authorities	-	29.45	-	24.84
Taxes paid under protest	-	52.56	-	22.65
Unsecured, considered doubtful				
Capital advances	65.69	-	-	-
Less : Allowance for bad and doubtful advances (refer note 30)	(6.70)			
Less : Provision for impairment [refer note 31(iii)]	(58.99)	-	-	-
Advance to vendors	-	55.76	-	27.13
Less : Allowance for bad and doubtful advances [refer note 31(v)]	-	(55.76)	-	(27.13)
Total	105.94	157.13	321.39	230.73

* Refer note 17 for details of charge created on other current assets.

12 Inventories (lower of cost and net realisable value)*

(₹ in million)

Particulars	31 March 2021	31 March 2020
Medical and non-medical items	119.50	125.14
	119.50	125.14

*Inventories are subject to charge to secure bank loans. There are nil provision for written down to net realisable value.

13 Trade receivables*

(₹ in million)

Particulars	31 March 2021	31 March 2020
Trade receivables (unsecured) consist of following		
a) considered good	1,474.84	1,523.18
b) considered doubtful	404.21	369.51
Allowance for doubtful trade receivables (refer note 41)	(404.21)	(369.51)
	1,474.84	1,523.18

* Trade receivables are subject to charge to secured bank loans

Note: Trade receivables include due from companies in which any director is a director or member.

Refer note 44 for related party balances

(₹ in million)

Particulars	31 March 2021	31 March 2020
Private companies in which any director is a director or member		
- HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	0.10	0.10
- Malnad Hospital and Institute of Oncology Private Limited	0.48	1.76
Total	0.58	1.86

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

14 Cash and cash equivalents

(₹ in million)

Particulars	31 March 2021	31 March 2020
(a) Cash on hand	5.05	12.81
(b) Cheques, drafts on hand	4.19	0.89
(c) Balance with bank		
In current accounts and in Exchange Earners Foreign Currency Account (EEFC) accounts	133.64	137.67
In deposit accounts	1.73	-
	144.61	151.37

For the purpose of the statement of cash flows, cash and cash equivalent comprise the followings

(₹ in million)

Particulars	31 March 2021	31 March 2020
(a) Cash on hand	5.05	12.81
(b) Cheques, drafts on hand	4.19	0.89
(c) Balance with bank		
In current accounts and EEFC accounts	133.64	137.67
In deposit accounts	1.73	-
Cash and cash equivalents as per balance sheet	144.61	151.37
Less : Bank overdrafts (refer note 17)	(271.36)	(889.98)
Cash and cash equivalents as per standalone statement of cash flows	(126.75)	(738.61)

15 Equity share capital

(₹ in million)

Particulars	31 March 2021	31 March 2020
Authorised share capital* :		
200,000,000 equity shares of ₹ 10 each (as at 31 March 2020: 132,000,000)	2,000.00	1,320.00
Issued, subscribed and paid up capital comprises:		
125,359,284 fully paid equity shares of ₹ 10 each (as at 31 March 2020: 88,690,629)	1,253.59	886.91

* Pursuant to the approval of the shareholders of the Company received on 12 June 2020, the authorised share capital of the Company be and is hereby increased from ₹ 1,320 million divided into 132,000,000 equity shares of ₹ 10 each to ₹ 2,000 million divided into 200,000,000 equity Shares of ₹ 10 each.

15.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the year:

(₹ in million)

Particulars	Number of shares	Amount
Balance as at 01 April 2019	87,919,033	879.19
(a) Issue of equity shares pursuant to preferential allotment (refer note (a) below)	710,526	7.11
(b) Issue of equity shares pursuant to exercise of employee share options under employee share option plan 2014 (refer note 38(C))	61,070	0.61
Balance as at 31 March 2020	88,690,629	886.91
(a) Issue of equity shares pursuant to preferential allotment (refer note (b) below)	36,573,455	365.73
(b) Issue of equity shares pursuant to exercise of employee share options under employee share option plan 2014 (refer note 38(C))	95,200	0.95
Balance as at 31 March 2021	125,359,284	1,253.59

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

15 Equity share capital (Contd..)

- a) The shareholders of the Company, vide resolution passed in Extra Ordinary general meeting, held on 24 June 2019, approved the allotment of 710,526 equity shares of ₹ 10 each of the Company, at a price of ₹ 285 per share (including share premium of ₹ 275 per share), on Preferential Allotment basis, to Dr. Kunnathu Philipose Geevarghese. The same was approved by Board of Directors and allotted to Dr. Kunnathu Philipose Geevarghese on 25 June 2019.
- b) Pursuant to Investment Agreement ("Agreement") executed amongst the Company, Dr. B. S. Ajaikumar ("Promoter") and Aceso Company Pte. Ltd., Singapore ("Investor") on 04 June 2020 and approval of the shareholders of the Company received on 13 June 2020, preferential allotment of 29,516,260 Equity shares of the face value of ₹ 10 each, at a premium of ₹ 120 each (aggregating to ₹ 130 per equity share) and 18,560,663 Warrants, with a right to apply for and be allotted one equity share of the face value of ₹ 10 each at a premium of ₹ 120 each (aggregating to ₹ 130 per Warrant) were made to the Investor on 28 July 2020. The total consideration on issue of Equity shares and exercise of all Warrants aggregates to ₹ 6,250 Million.

As required under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"), Investor has remitted an amount ₹ 5,128 Million towards allotment of 29,516,260 equity shares at ₹ 130 per share (₹ 3,837 Million), 100% consideration for allotment and subsequent exercise of 7,057,195 warrants at ₹ 130 per warrant (₹ 917 Million) and 25% of the consideration for remaining 11,503,468 warrants at ₹ 130 per warrant (₹ 374 Million). The remaining 75% of the consideration i.e. ₹ 1,122 Million shall be payable by the Investor on the exercise of the Warrant(s), in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of the warrants.

- c) The Board of Directors of the Company on 26 June 2020, pursuant to the approval of the shareholders of the Company received on June 12, 2020, has made a preferential allotment of 20,00,000, Series B Warrants, to Dr. B.S. Ajaikumar, Promoter ("Promoter") with a right to apply for and be allotted 1 Equity Share of the face value of ₹ 10 each of the Company, at a premium of ₹ 120 for each Series B Warrant.

As required under the provisions of the ICDR Regulations, the Promoter has remitted an amount equivalent to 25% of the Consideration i.e. ₹ 65 Million on issue of series B Warrant and the remaining 75% of the consideration i.e. ₹ 195 Million shall be payable by him on the exercise of the Series B Warrant(s), in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of the Series B Warrants.

15.2 Rights, preferences and restrictions attached to equity shares

Fully paid equity shares, which have a par value of ₹ 10, carry one vote per share and carry a right to dividends. The Company has only one class of equity share having a par value of ₹ 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. The distribution will be in proportion to number of equity shares held by the shareholders.

15.3 Details of shareholder holding more than 5% shares of equity shares

Particulars	31 March 2021		31 March 2020	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares				
Aceso Company Pte. Ltd.	67,305,110	53.69%	-	-
Dr B.S Ajaikumar	17,824,215	14.22%	17,680,921	19.94%
Sundaram Mutual Fund	3,648,092	2.91%	7,694,537	8.68%
V Sciences Investments Pte. Limited	-	-	8,320,805	9.38%

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

15 Equity share capital (Contd..)

15.4 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 2021.

Particulars	Aggregate number of shares as at	
	31 March 2021	31 March 2020
(a) Issue of shares pursuant to mergers	-	1,531,562
(b) Issue of shares pursuant to Business combination	934,500	934,500

15.5 Number of equity shares of ₹ 10/- each reserved for issuance

Particulars	31 March 2021	31 March 2020
a) to eligible employees under Employee Stock Option Scheme (also, refer note 38)	2,706,773	2,801,973
b) to Aceso Company Pte. Ltd., Singapore, pursuant to outstanding share warrants	11,503,468	-
c) to Dr. B. S Ajaikumar pursuant to outstanding share warrants	2,000,000	-

16 Other equity

(₹ in million)

Particulars	Note No.	31 March 2021	31 March 2020
Securities premium	16.1	9,974.51	5,796.25
Share options outstanding account	16.2	67.15	70.50
Retained earnings	16.3	(2466.58)	(551.11)
Amalgamation adjustment deficit account	16.4	(13.91)	(13.91)
Remeasurements of the defined benefit plan	16.5	(8.11)	(6.79)
Cash flow hedging reserve	16.6	(7.69)	(36.79)
Money received against share warrants	16.7	438.86	-
		7,984.23	5,258.15

16.1 Securities premium

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at beginning of year	5,796.25	5,587.35
Premium on shares issued during year	4,410.61	208.97
Share issue expenses *	(232.35)	(0.07)
Balance at end of year	9,974.51	5,796.25

* Share issue expenses of ₹ 232.35 million towards preferential allotment of 36,573,455 shares during the year has been debited to securities premium (31 March 2020 Share issue expenses of ₹ 0.07 million towards preferential allotment of 710,526 shares during the year has been debited to securities premium).

16.2 Share options outstanding account

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	70.50	55.71
Transferred to securities premium account on exercise of ESOPs	(21.80)	(13.51)
Deferred stock compensation expense for the year (refer note 26 and 44)	18.45	28.30
Balance at end of year	67.15	70.50

Refer note 38.

16.3 Retained earnings

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

16 Other equity (Contd..)

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at beginning of year	(551.11)	(18.14)
Loss for the year	(1,915.47)	(532.97)
Balance at end of year	(2,466.58)	(551.11)

16.4 Amalgamation adjustment deficit account

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at beginning of year	(13.91)	(13.91)
Balance at end of year	(13.91)	(13.91)

16.5 Remeasurements of the defined benefit liabilities / (asset)

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at beginning of year	(6.79)	(1.05)
Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	(1.32)	(5.74)
Balance at end of year	(8.11)	(6.79)

16.6 Effective portion of loss on designated portion of hedging instrument in a cashflow hedge

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at beginning of year	(36.79)	(41.96)
Other comprehensive income arising from remeasurement of hedging instrument in a cashflow hedge (net of income tax)	29.10	5.17
Balance at end of year (refer note 40)	(7.69)	(36.79)

16.7 Money received against share warrants

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at beginning of year	-	-
Money received against share warrants during the year (refer notes 15.1(b) and (c) above)	668.22	-
Issue of shares pursuant to exercise of warrants (refer notes 15.1(b) above)	(229.36)	-
Balance at end of year	438.86	-

17 Borrowings

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current	Non Current	Current
Secured - at amortised cost				
(i) Term loans *				
from banks (Refer note 17.1.1)	489.85	30.79	1,763.30	119.52
from other parties (Refer note 17.1.2)	757.34	86.94	1,051.60	10.65
(ii) Vehicle loans (Refer note 17.1.5)	0.47	1.89	2.14	1.85

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

17 Borrowings (Contd..)

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current	Non Current	Current
(iii) Loans repayable on demand *				
-from Banks (bank overdraft) (Refer note 17.1.6)	-	271.36	-	889.98
(iv) Other short-term loans from Banks (Refer note 17.1.7)	-	398.79	-	-
Unsecured - at amortised cost				
(i) Deferred payment liabilities (Refer note 17.1.4)	198.06	112.86	298.37	544.23
(ii) Loan from related parties * (refer note 17.1.8)	-	-	-	149.90
(iii) Term loans from other parties (refer note 17.1.3)	25.53	21.30	34.13	10.87
Less : Amount included under "Other financial liabilities" (refer note 18)		(253.78)		(687.12)
Total	1,471.25	670.15	3,149.54	1,039.88

* Includes interest accrued amounting to NIL (31 March 2020 ₹ 8 million) relating to loans repayable on demand, ₹ 0.85 million (31 March 2020; ₹ 7.87 million) relating to term loan others, ₹ 2.37 million (31 March 2020: ₹ 15.05 million) relating to term loan from banks, ₹ 1.8 million (31 March 2020: Nil) relating to other short-term loan from banks and ₹ Nil (March 2020; ₹ 12.36 million) relating to related parties, which is clubbed under the respective loans outstanding as on 31 March 2021 and 31st March 2020 respectively.

17.1 Summary of borrowing arrangements

Details of security and terms of repayment of term loans and other loans (except loans repayable on demand) are stated below.

(₹ in million)

Terms of repayment and security	31 March 2021	31 March 2020
17.1.1 Term loans from banks - Secured		
Non-current portion *	512.32	1,808.00
Amounts included under current maturities of long-term debt including accrued interest	30.79	119.52
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: 6 months MCLR + 0.70% to 1% p.a.		
- Repayable in installments over a period of 10 years after 1 year moratorium from the date of borrowing.		
The Company has availed moratorium facility as announced by Reserve Bank of India due to Covid-19 for its interest part for the period March 2020 to August 2020, which was paid in September 2020.		
* Non-current portion of bank debt includes an amount of ₹ 22.47 million (31 March 2020; ₹ 44.70 million) towards unamortised loan processing charges, which is netted off below		

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

17 Borrowings (Contd..)

(₹ in million)

Terms of repayment and security	31 March 2021	31 March 2020
17.1.2 Term loans from others - Secured		
Facility -1		
Non-current portion	757.34	1,051.60
Amounts included under current maturities of long-term debt	84.16	7.87
Details of security and terms of repayment for the amounts borrowed during the current year:		
- Secured by a first pari-passu mortgage, charge and by way of hypothecation of entire immovable and movable properties of the Company; both present & future, including all movable properties. A second paripassu charge on the entire current assets, cashflow, receivables, book debts and revenue of the Company, including Trust & Retention Account / Escrow Account, of whatsoever nature and arising both present & future. First pari-passu charge on entire intangible assets of the Company, including but not limited to, goodwill and uncalled capital, intellectual property, intangible assets, both present & future.		
- Rate of interest: IDFC's benchmark rate prevailing on the date of disbursement (8.7% p.a.)+ spread @ 1.05% p.a.		
- Repayable in installments over a period of 9 years after 3 year moratorium from the date of borrowing.		
The Company has availed moratorium facility as announced by Reserve Bank of India due to Covid-19 for its interest part for the period March 2020 to August 2020, which was paid in September 2020.		
Term loans from others - Secured		
Facility -2 Non-current portion"	-	-
Amounts included under current maturities of long-term debt	2.78	2.78
- 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 (refer note 40)		
17.1.3 Term loans from others - Unsecured		
Non-current portion	25.53	34.13
Amounts included under current maturities of long-term debt	21.30	10.87
- Rate of interest: 10.60% p.a.		
- Repayable in installments over a period of 3 years.		
17.1.4 Deferred payment obligations - Unsecured		
Non-current portion	198.06	298.37
Amounts included under current maturities of long-term debt	112.86	544.23
- Rate of interest 3% p.a.		
- Repayment in installments over a period of 1 to 5 years from the date of borrowing (refer note 41)		
17.1.5 Vehicle loan from bank - Secured		
Non-current portion	0.47	2.14
Amounts included under current maturities of long-term debt	1.89	1.85
- Secured by hypothecation of cars purchased out of finance.		
- Rate of Interest 9.25% - 11.25% p.a.		
- Repayable in 18 to 60 monthly installments from the date of borrowing (refer note 41)		

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

17 Borrowings (Contd..)

(₹ in million)

Terms of repayment and security	31 March 2021	31 March 2020
17.1.6 Secured loan repayable on demand from banks:		
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) of the company. Rate of Interest : 3 months MCLR + 0.8% p.a. (spread) The Company has availed moratorium facility as announced by Reserve Bank of India due to Covid-19 for its interest part for the period March 2020 to August 2020, which was paid in September 2020.	271.36	889.98
17.1.7 Secured loans - other short-term loans from banks:		
Sales invoice financing facility availed from banks repayable on due date. 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) of the parent Company. Rate of interest 1 months MCLR + 1.0% (spread rate)	398.79	-
17.1.8 Unsecured loan from related parties:		
- Rate of Interest base rate: 11%. - It is repayable on demand	-	149.90
Less: Unamortised loan processing charges	(22.47)	(44.70)
Add: Interest accrued		
Term loans	2.37	22.92
Others	2.65	20.36
Total (net of Unamortised loan processing charges)	2,395.18	4,876.54
Non-current portion	1,471.25	3,149.54
Amounts included under current maturities of long-term debt	253.78	687.12
Amounts included under current borrowings	670.15	1,039.88

Impact of COVID-19 (Global pandemic)

The Company had availed of moratorium facility as announced by Reserve Bank of India due to Covid-19 on payment of interest and principal installment from March 2020 till August 2020. Further, given the primary equity raise during the current year (refer note 15.1 above), the Company does not expect any liquidity risk with regard to its borrowing arrangements and these obligations would be met as and when they fall due. The interest of ₹ 15.05 million which was accrued and not paid as on 31 March 2020 due to the above moratorium has been paid in the current financial year.

18 Other financial liabilities

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current	Non Current	Current
Current maturities of long-term debt *	-	140.92	-	142.89
Book overdraft	-	4.48	-	-
Current maturity of deferred payment obligations *	-	112.86	-	544.23
Creditors for capital goods	-	22.12	-	88.46
Derivative liability	-	18.83	12.87	65.39
Payable balance towards supplier factoring facility **	-	17.69	-	443.50
Payable for share purchase (refer note (i) below)	-	-	-	735.98
Accrued employee benefits (refer note 44)	-	180.24	-	209.15

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

18 Other financial liabilities (Contd..)

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current	Non Current	Current
Payable on acquisition of business [§]	-	-	-	69.26
Financial guarantee obligation	62.36	14.24	63.75	16.36
Advance received from subsidiaries (refer note 44)	-	-	-	23.33
Other payable to related parties (refer note 44)	-	5.87	-	-
Payable towards deposit received	-	-	-	28.00
Total	62.36	517.25	76.62	2,366.55

* The details of interest rates, repayment and other terms are disclosed under note 17

The Company's exposure to liquidity risk are disclosed in note 41.

** This represents invoices discounted by the various vendors wherein as per the terms of the arrangement, on maturity these amount will be directly debited to the Company's bank account.

§ This pertains to payable to Dr. Gopichand towards business acquisition of City Cancer Centre as per the business transfer agreement dated 28 February 2014, which was paid during the current year.

Note (i): Pursuant to the shareholders' agreement dated 22 March 2013, the Company was required to acquire shares of BACC Healthcare Private Limited ("BACC") held by the other shareholder pursuant to the exercise of the put option right. As at 31 March 2020, the Company recognised right to acquire such shares of ₹ 694.42 million and the liability towards payable for such share purchase of ₹ 735.98 million, including interest accrued on such liability of ₹ 41.56 million. During the current year, pursuant to Share Purchase Agreement dated 27 November 2020, the Company has acquired the remaining 49.9% share capital of BACC from the minority shareholder for a total consideration amounting to ₹ 683.36 million. Accordingly, the Company derecognised liability towards payable for such share purchase amounting ₹ 52.62 million by crediting finance cost by ₹ 41.46 million and crediting the right to equity recognised under other financial asset by ₹ 11.06 million.

19 Other liabilities

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current	Non Current	Current
Advance from customers (refer note 47)	-	149.61	-	89.60
Balance due to statutory/government authorities	-	42.86	-	75.46
Deferred government grant (Refer note below)	192.05	20.76	214.95	18.58
Total	192.05	213.23	214.95	183.64

Note: The Company imports medical equipments under Export Promotion Capital Goods (EPCG) scheme. Under the Scheme, the Company expected to meet the specified criteria, it is exempt from paying customs duty on imports which is recognised as a government grant. Fair value of the government grant is capitalised along with the equipment. Deferred income is amortised over the useful life of the equipment it has been procured. Additional deferred government grant recognised during the year ended 31 March 2021 is ₹ 0.95 million (31 March 2020: ₹ 119.55 million). EPCG income recognised during the year is ₹ 21.67 million (31 March 2020: ₹ 12.42 million). As at 31 March 2021, for certain licenses there is unfulfilled condition with respect to government grant recognized (refer note 33).

Impact of Covid-19 pandemic: While the international business has been impacted due to Covid-19, the Company basis its assessment, believes that it will be able to meet its export obligations.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

20 Provisions

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current	Non Current	Current
Employee benefits				
Gratuity (Refer note 37.2)	62.86	39.36	53.69	37.46
Compensated absences	-	47.19	-	37.97
Total	62.86	86.55	53.69	75.43

21 Trade payables

(₹ in million)

Particulars	31 March 2021	31 March 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	2.66	0.06
Total outstanding dues of creditors other than micro enterprises and small enterprises*	810.21	991.33
Total	812.87	991.39

* For details relating to payable to related parties- refer note 44

As at 31 March 2021, there was an amount of ₹ 2.66 million (31 March 2020; ₹ 0.06 million) due outstanding for less than 45 days to Micro, Small and Medium Enterprises. There is no interest due on the same. During the year ended 31 March 2021 and 31 March 2020, no amount was paid beyond the credit period as defined in the MSMED Act, 2006.

22 Revenue from operations (refer note 47)

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Income from medical services	5,661.24	6,307.55
(b) Sale of medical and non-medical items	386.46	501.84
(c) Other operating revenues	40.91	73.95
Total	6,088.61	6,883.34

Impact of COVID-19 (Global pandemic)

The lockdown was first announced in India from 25 March 2020, but disruption in operations of the Company were experienced from around middle of March 2020 onwards. Revenue has reduced significantly during early part of FY 2020-21 on account of delay, postponement and /or cancellation of oncology and multi-speciality treatments. The Company also took various cost rationalization measures during this period. Following the easing of lockdown restrictions and pursuant to various measures taken by the management to adapt to the changing circumstances, the Company was able to recover from the adverse impact. The management is also continuously monitoring the present circumstances on account of resurgence of Covid infections from March 2021 and has been taking appropriate measures to address the situation as it evolves.

23 Income from government grant

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
EPCG Income	21.67	12.42
	21.67	12.42

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

24 Other income

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Interest income (Refer note below)	180.32	61.77
(b) Interest income from financial assets at amortised cost	8.54	7.00
(c) Net foreign exchange gains	-	12.49
(d) Net gain on sale of investments in mutual funds	-	0.54
(e) Net gain on financial assets designated at fair value through profit and loss	1.40	1.18
(f) Miscellaneous income	2.16	2.55
(g) Net gain on sale property, plant and equipment	-	0.08
(h) Guarantee commission (refer note 44)	26.08	23.02
	218.50	108.63
Interest income comprise:		
Interest on bank deposits	60.91	6.08
Interest on income tax refund	49.19	-
Interest on unsecured loan and capital contribution to LLPs (Refer note 44)	57.13	41.86
Interest on inter-corporate deposits	13.08	13.83
Total	180.32	61.78

25 Changes in inventories

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the beginning of the year	125.14	163.36
Inventories at the end of the year	119.50	125.14
Changes in inventories	5.64	38.22

26 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages (refer note 5)	1,188.07	1,270.54
Contribution to provident and other funds (Refer note 37)	104.04	96.47
Expense on employee stock option scheme (Refer note 16.2 and 38)	18.45	27.19
Staff welfare expenses	56.68	32.71
	1,367.24	1,426.91

27 Finance costs

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Interest costs :-		
Interest on term loan from banks and others	215.06	294.48
Interest on finance liability measured at amortised cost [refer note 18(ii)]	(41.56)	41.56
Interest on bank overdraft	68.93	82.60
Interest on deferred payment obligations	17.58	19.48
Net loss on foreign currency transactions and translations to the extent regarded as borrowing costs	21.12	48.88
Interest expense on lease liabilities (Gross)	365.25	371.63
Less; Capitalised in capital work-in-progress	(62.42)	(66.02)
Interest expense on lease liabilities (net)	302.83	305.61
Interest on defined benefit obligations	5.60	6.39
(b) Other borrowing costs	39.08	30.94
	628.64	829.94

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

28 Depreciation and amortisation expense

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 5)	545.68	553.11
Depreciation of right-of-use assets, Gross (refer note 7)	234.83	223.74
Less; Capitalised	(19.72)	(23.78)
Depreciation of right-of-use assets, net (refer note 7)	215.11	199.96
Amortisation of intangible assets (refer note 6)	105.00	40.99
Total depreciation and amortisation expense	865.79	794.06

29 Other expenses

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Medical consultancy charges	1,162.89	1,337.72
Lab charges (Refer note 44)	253.13	272.65
Power and fuel, water Charges	185.03	195.56
House keeping expenses	153.59	173.49
Rent (Refer note 7)	32.06	48.57
Repairs and maintenance		
Building	9.62	14.74
Machinery	192.71	153.95
Office maintenance & Others	123.15	69.27
Insurance	9.65	10.42
Rates and taxes	59.24	47.06
Printing & stationery	21.32	26.83
Postage & telegram	19.90	22.28
Advertisement, publicity & marketing	74.76	92.48
Travelling & conveyance	50.59	84.54
Legal & professional fees	135.21	128.63
Payment to auditors (Refer note 30.1)	9.82	8.46
Trade receivable written off	-	25.39
Allowance for doubtful trade receivables	34.70	32.91
Allowance for doubtful capital advances	6.70	8.80
Loss on disposal of property, plant and equipment	0.64	-
Corporate social responsibility (refer note 30.2)	-	-
Revenue share expenditure	40.50	48.42
Miscellaneous expenses	26.92	31.25
	2,602.13	2,833.42

30.1 Payments to auditors

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Audit fees	4.40	4.40
b) Limited review	2.00	2.00
c) Out of pocket expenses and taxes on above	1.87	1.28
d) Certification services	1.55	0.78
	9.82	8.46

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

30.2 Corporate social responsibility

Consequent to the requirements of Section 135 of the Companies Act 2013, the Company has provided for as stated below. The same is in line with activities specified in Schedule VII of the Companies Act, 2013

(a) Gross amount required to be spent by the Company during the year is NIL (31 March 2020; ₹ 5.60 million)

(b) Amount spent during the year on corporate social responsibility activities:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Construction/acquisition of any asset	-	-
On purposes other than above	-	-

31 Exceptional items

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Provision for diminution in value of investments (refer note (i) below)		
BACC HealthCare Private Ltd	588.40	-
Apex HCG Oncology Hospitals LLP	160.00	97.65
HCG EKO Oncology LLP	12.00	-
HCG NCHRI Oncology LLP	-	202.26
Diwanchand Imaging LLP	-	9.00
Zoctr Health Private Limited	7.64	-
Epigeneres Biotech Private Limited	10.00	-
Provision for loans given and accrued interest thereon (refer note (ii) below)		
Niruja Product Development and Healthcare Research Private Limited	279.67	-
Project cost written off / impairment		
Privat project (refer note (iii) below)	363.01	-
Cochin project (refer note (iv) below)	87.49	-
Others (refer note (v) below)	80.49	-
Gain on account of Lease Modification (refer note 7)	(57.74)	-
	1,530.96	308.91

- (i) The Company performed impairment assessment for all its investments and recorded consequential impairment loss under exceptional items. Given the continued losses incurred and due to weaker forecasts due to COVID-19, the recoverable amount of these investments (considering the present and past performance and based on future cash flow projections) was estimated to be lower than their carrying value, resulting into an impairment charge.
- (ii) The Company has invested in Healthcare Global (Africa) Pvt Ltd ('HCG Africa') through its wholly owned subsidiaries. During the year, CDC Group PLC, ('CDC') (other investor in HCG Africa) exercised the put option in accordance with the agreement to exit HCG Africa. The Company performed impairment assessment based on future cash flows projection, as a result of which, the recoverable amount of investment including the related loans was estimated to be lower than carrying value. Accordingly, related loan along with interest accrued aggregating to ₹ 279.67 million (of which, interest accrued is ₹ 91.07 million) has been impaired during the year ended 31 March 2021.
- (iii) During the year ended 31 March 2021, the Company has assessed the recoverable value of its investment made in the upcoming greenfield project in Gurgaon. The assessment was made considering significant change in scope, delays in project due to changes in management plan, market conditions including the outbreak of COVID-19 pandemic. The recoverable amount of this project (considering the future cash flows discounted to present value using the discount rate of 14%) was estimated to be lower than carrying value, resulting into an impairment charge of ₹ 363.01 million (comprising impairment of capital work-in progress ₹ 304.02 million and capital advances of ₹ 58.99 million).
- (iv) During the current year, due to changes in business environment and weaker project viability due to COVID-19, the Cochin project has been abandoned. The Management has assessed and estimated that the related assets may not be recoverable. Hence an amount of ₹ 48 million of capital advances and ₹ 39.49 million of security deposit has been written off.
- (v) During the year ended 31 March 2021, the Company assessed the recoverable amount of certain class of assets where impairment indicators were noted and recognised resulting impairment charge of ₹ 49.27 million in respect of certain security deposits and advance to vendors and Rs. 31.22 million in respect of other assets under exceptional items.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

32 Income tax expense

32.1 Income tax recognised in the Statement of profit and loss

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax		
Current tax	-	-
	-	-
Deferred tax		
- MAT	-	-
- Others	(135.10)	(121.64)
	(135.10)	(121.64)
Total income tax expense recognised in the Statement of profit and loss	(135.10)	(121.64)

The reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Loss before tax	(2,050.57)	(654.61)
Enacted income tax rate in India	34.944%	34.944%
Computed expected tax expense	(716.55)	(228.75)
Effect of:		
Income not taxable	(6.15)	(5.20)
Permanent Differences and Others	(7.18)	5.07
Impairment / loan provisions and project cost written-off on which deferred tax asset not recognised	520.43	107.24
Impact of suspension of depreciation claim on goodwill *	86.12	-
Others	(11.77)	-
	(135.10)	(121.64)

* Depreciation on goodwill is not available from 1 April 2020 as per the Finance Act, 2021. Deferred tax expense for the year ended 31 March 2021 includes ₹ 86.12 million being the Deferred Tax Liability recognized by the Company on difference between book base and tax base of goodwill consequent to Finance Act, 2021.

32.2 Income tax recognised in other comprehensive income

(₹ in million)

Particulars	31 March 2021	31 March 2020
Income tax arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	0.73	3.08
Effective portion of loss on hedging instruments in a cash flow hedge	(15.63)	(2.78)
Total income tax recognised in other comprehensive income	(14.90)	0.30

32.3 Deferred tax balances (Net)

(₹ in million)

Particulars	31 March 2021	31 March 2020
Deferred Tax assets	1,086.86	857.73
Deferred Tax liabilities	(813.60)	(704.67)
Total	273.26	153.06

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2021 are as follows:

(₹ in million)

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment and intangible assets	(621.24)	(22.81)	-	(644.05)
Goodwill	(83.43)	(86.12)	-	(169.55)
Sec 43B items	57.36	8.59	0.73	66.68
MAT credit entitlement	145.25	-	-	145.25
Provisions- others	153.06	24.48	-	177.54
IND AS 116	137.76	52.95	-	190.71
Tax losses	303.68	106.00	-	409.68
Others	60.62	52.01	(15.63)	97.00
	153.06	135.10	(14.90)	273.26

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2020 are as follows:

(₹ in million)

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment and intangible assets	(467.69)	(153.55)	-	(621.24)
Goodwill	(55.61)	(27.82)	-	(83.43)
Sec 43B items	49.82	4.46	3.08	57.36
MAT credit entitlement	145.25	-	-	145.25
Provisions- others	138.49	14.57	-	153.06
IND AS 116	-	137.76	-	137.76
Tax losses	201.10	102.58	-	303.68
Others	19.76	43.64	(2.78)	60.62
	31.12	121.64	0.30	153.06

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax ('MAT') if the tax payable under normal provisions is less than tax payable under MAT. Excess tax paid under MAT over tax under normal provision can be carried forward for a period of 15 years and can be set off against the future tax liabilities. Unabsorbed business losses expire 8 years after the year in which they originate and unabsorbed depreciation can be carried forward indefinitely unless there is a substantial change in the ownership. Tax benefits on unabsorbed business losses, unabsorbed depreciation and MAT credit entitlement have been recognised as deferred tax asset as it is more probable than not that the future economic benefits associated with the asset will be realised.

32.4 Current tax assets

(₹ in million)

Particulars	31 March 2021	31 March 2020
Tax deducted at source, advance tax (net of Provision)	307.48	662.62
	307.48	662.62

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

33 Contingent liabilities

(₹ in million)

Particulars	31 March 2021	31 March 2020
a) Corporate guarantee given on behalf of subsidiaries and other parties (refer note 44 and 46)	2,597.21	2,555.85
b) Other money for which the Company is contingently liable		
Excise and service tax (Refer note (i) below)	28.34	28.34
Value added tax (Refer note (ii) below)	48.86	32.40
Sales tax (Refer note (iii) below)	9.46	18.87
Duties and taxes in respect of EPCG licenses (Refer note (iv) below)	253.89	-
c) Bonus to employees pursuant to retrospective amendment to the Payment of Bonus Act, 1965 (Refer note (v) below)	9.98	9.98

- (i) (a) Excise Commissionerate-III, Bengaluru has passed Order against the Company adjudicating that the product Fluro-deoxy-glucose ('FDG') is excisable and levied excise duty for the period under scrutiny from April 2009 to March 2014 of ₹ 6.80 million, interest on duty amount, penalty of ₹ 6.80 million, redemption fine of ₹ 0.6 million in lieu of confiscation of goods not available. The order also imposed a penalty of ₹ 1 million on Dr. B.S.Ajaikumar, Executive Chairman of the Company. The Company has filed an appeal before CESTAT by paying Central Excise Duty of ₹ 0.6 million and is positive of winning the case on the ground that FDG is not excisable as there is no specific entry in the Central Excise Tariff Act 1985. Further, even if it is excisable the same has to be classified under Chapter 30 which attracts excise duty at 6% and valuation of captively consumed FDG will reduce the demand.
- (i) (b) Additional Commissionerate of Central Excise, Chennai, has passed the Order confirming the excisability on sale of FDG for the period March 2013 to June 2015 levying excise duty of ₹ 6.57 million, interest on duty amount and penalty of Rs. 6.57 million. The Company is positive of winning the case on the ground that FDG is not excisable as there is no specific entry in the Central Excise Tariff Act 1985. Further, even if it is excisable the same has to be classified under Chapter 30 which attracts excise duty at 6% and valuation of captively consumed FDG will reduce the demand.
- (ii) (a) HealthCare Global Vijay Oncology Private Limited which got merged with HCG effective from April 1, 2015, has undergone Departmental VAT audit for the period from 2011-12 to 2014-15 and noted that the Company has not charged & paid VAT on supply of food to patients and raised a AP-VAT demand of ₹ 2 million. Further, the Deputy Commercial Tax Officer, Vijayawada has passed the Penalty Order for ₹ 0.5 million against the above AP-VAT Audit Order. The Company has filed an writ petition before Andhra Pradesh High Court by paying ₹ 0.4 million VAT amount to department.
- The Company is positive of winning the case on the ground that various High Courts in India have ruled that the supply of food to patient is pursuant to provision of medical service and is not a sale of goods.
- (ii) (b) The Company's assessment for Karnataka Value Added Tax (VAT) for FY 2013-14 to FY 2016-17 has been completed wherein demand of ₹ 33.02 million has been raised. The demand has mainly arisen on account of differential rate of tax on canteen income, denial of input credit, wrongly taxing other income and ignoring the details of sales / sales returns. Presently, appeals for FY 2013-14 and FY 2014-15 is pending before the Appellate Tribunal. Whereas, for FY 2015-16 and FY 2016-17, the appeals are pending before first appellate authority. Further, entire demand for has been recovered from the Company. The Company believes that the VAT demand will be dropped and there would be no adverse impact in the financial statements.
- (ii) (c) Gujarat Value Added Tax (VAT) assessment has been closed for FY 2014-15, FY 2015-16 and FY 2016-17 wherein demand of Rs. 7.84 Million, ₹ 3.58 million and ₹ 1.52 million have been raised. The Company being aggrieved, has filed an appeal for both the years on the ground that Sales Tax is not applicable on IP sales and there is no mismatch in ITC taken by the Company. The Company has paid ₹ 1.30 million as pre-deposit against these orders. Currently, the appeal against the order is pending before the first appellate authority.
- (iii) During the year ended 31 March 2020, the Company's assessment for Central Sales Tax (CST) was done for FY 2014-15, FY 2015-16 and FY 2016-17 wherein demand of ₹ 9.46 million was raised. The demand has mainly arisen on account of non-submission of 'F' Forms before the AO. Though, demand has arisen, it is to be noted that the transactions

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

has been reported correctly and it is mere a procedural challenge leading to the demand. Entire demand has been recovered from the Company. Currently, the cases are pending before the first appellate authority. The Company does not expect any adverse impact on the standalone financial statements.

- (iv) The Company has availed benefit of custom duty payable on imported assets through Export Promotion and Capital Goods (EPCG) licenses wherein it has to achieve certain level of exports as per Customs Rules.
- (v) The Payment of Bonus (Amendment) Act, 2015 (hereinafter referred to as the Amendment Act, 2015) has been enacted on 31 December 2015, according to which the eligibility criteria of salary or wages has been increased from ₹ 10,000 per month to ₹ 21,000 per month (Section 2(13)) and the ceiling for computation of such salary or wages has been increased from ₹ 3,500 per month to ₹ 7,000 per month or the minimum wage for the scheduled employment, as fixed by the appropriate government, whichever is higher. The reference to scheduled employment has been linked to the provisions of the Minimum Wages Act, 1948. The Amendment Act, 2015 is effective retrospectively from 1 April 2014. Based on the same, the Company has computed the bonus for the year ended 31 March 2015 which amounts to ₹ 9.98 million.

The Company has taken a position that the stay granted by the two High Courts of India on the retrospective application of the amendment would have a persuasive effect even outside the boundaries of the relevant states and accordingly no provision is currently required.

- (vi) The Company is involved in other disputes, law suits and other claims including commercial matters which arise from time to time in the ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on the financial statements.
- (vii) The Company has given letter of support to its subsidiary companies, namely HealthCare Global Senthil-Multi Specialty Hospital Private Limited, Niruja Product Development and Healthcare Research Private Limited, HCG (Mauritius) Private Limited, HCG Oncology LLP, APEX HCG Oncology Hospitals LLP, BACC HealthCare Private Limited, HCG NCHRI Oncology LLP, HCG EKO Oncology LLP and HCG SUN Hospitals LLP. Under the letter of support, the Company is committed to provide operational and financial assistance as is necessary for the subsidiary companies to enable them to operate as going concern for a period of at least one year from the balance sheet date i.e. till 31 March 2022.
- (viii) The Hon'ble Supreme Court has, in a recent decision dated 28 February 2019, ruled that special allowance would form part of wages for computing the Provident Fund (PF) contribution. The Company keeps a close watch on further clarifications and directions from the respective department based on which suitable action would be initiated, if any.

34 Commitments

Particulars	(₹ in million)	
	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	112.54	485.59
Written put options issued by the Company to the non-controlling interests of its subsidiaries	537.08	499.00

35 Loss per Share

35.1 Basic loss per share

The calculations of loss attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic loss and diluted loss per share calculations are as follows:

Particulars	(₹ in million)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Loss after tax	(1,915.47)	(532.97)
The Loss used in the calculation of basic loss per share	(1,915.47)	(532.97)
Weighted average number of equity shares for the purposes of basic loss per share	113,648,953	88,549,647

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

Basic loss per equity share of ₹ 10 each (Amount in ₹)	(16.85)	(6.02)
---	---------	--------

35.2 Diluted loss per share

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
The loss used in the calculation of diluted loss per share are as follows.		
a. loss used in the calculation of basic loss per share	(1,915.47)	(532.97)
b. loss used in the calculation of diluted loss per share	(1,915.47)	(532.97)
c. Weighted average number of equity shares used in the calculation of diluted loss per share	113,648,953	88,549,647
Diluted loss per equity share of ₹ 10 each (Amount in ₹)	(16.85)	(6.02)

The weighted average number of equity shares for the purpose of diluted loss per share reconciles to the weighted average number of equity shares used in the calculation of basic loss per share as follows:

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Weighted average number of equity shares used in the calculation of basic loss per share	113,648,953	88,549,647
Shares deemed to be issued for no consideration in respect of employee stock options and warrants	-	-
Weighted average number of equity shares used in the calculation of diluted loss per share	113,648,953	88,549,647

Since there is a loss for the year ended 31 March 2021 and 31 March 2020, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

36 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis. The Company's sole operating segment is therefore 'Medical and Healthcare Services'. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

Geographical information

Geographical information analyses the Company's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been presented based on the geographical location of the customers and segment assets has been presented based on the geographical location of the assets.

(i) Revenue from operations

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
India	6,088.61	6,883.34
Total	6,088.61	6,883.34

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(ii) Non current assets*

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
India	8,141.16	10,563.45
Total	8,141.16	10,563.45

*Non-current assets exclude financial assets and deferred tax assets

37 Employee benefit plans

37.1 Defined contribution plans

The Company has defined contribution plan in form of Provident Fund and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below:

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contribution to Provident Fund included under contribution to provident and other funds.	91.53	84.37
Contribution to Employee State Insurance Scheme	7.54	12.79
	99.07	97.16

37.2 Defined benefit plans

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

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

(₹ in million)

Particulars	31 March 2021	31 March 2020
Current service cost	12.51	12.10
Net interest expense	5.60	6.39
Components of defined benefit costs recognised in the Statement of profit and loss	18.11	18.49
Service cost recognised in employee benefits expense in Note 26	12.51	12.10
Net interest expense recognised in finance costs in Note 27	5.60	6.39
Remeasurement of the net defined benefit liability:		
Actuarial gains arising from changes in demographic assumptions	-	(0.92)
Actuarial losses arising from changes in financial assumptions	6.67	2.03
Actuarial (gains) / losses arising from experience adjustments	(4.62)	7.71
Remeasurement of the net defined benefit liability recognised in other comprehensive income	2.05	8.82

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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

(₹ in million)

Particulars	31 March 2021	31 March 2020
Present value of funded defined benefit obligation	103.27	92.13
Fair value of plan assets	1.05	0.98
Unfunded status	102.22	91.15
Net liability arising from defined benefit obligation	102.22	91.15
Non-current (refer note 20)	62.86	53.69
Current (refer note 20)	39.36	37.46

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

(₹ in million)

Particulars	31 March 2021	31 March 2020
Opening defined benefit obligation	92.13	72.58
Current service cost	12.51	12.10
Interest cost	5.60	6.39
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	(0.92)
Actuarial gains and losses arising from changes in financial assumptions	6.67	2.03
Actuarial gains and losses arising from experience adjustments	(4.62)	7.71
Benefits paid	(9.02)	(7.38)
Others	-	(0.38)
Closing defined benefit obligation	103.27	92.13

Movements in the fair value of the plan assets are as follows.

(₹ in million)

Particulars	31 March 2021	31 March 2020
Opening fair value of plan assets	0.98	0.91
Interest income	0.06	0.06
Remeasurements of plan assets	0.01	0.01
Closing fair value of plan assets	1.05	0.98

* Expected future contribution to the plan - Nil (31 March 2019- Nil)

The fair value of the plan assets at the end of the reporting period for each category, are as follows

(₹ in million)

Particulars	Fair value of plan assets as at	
	31 March 2021	31 March 2020
Insurer-managed funds	1.05	0.98
Total	1.05	0.98

Defined plan asset

Plan assets consist of assets held in a 'long-term benefit fund' for the sole purpose making future benefit payments when they fall due. Plan assets include qualifying insurance policies and not quoted in the market.

The actual return on plan assets was ₹ 0.07 Million (for the year ended 31 March 2020: ₹ 0.07 Million).

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.96)	2.05	(1.65)	1.72
Future salary increase (1% movement)	4.53	(4.27)	3.95	(3.73)
Attrition rate (10% movement)	(2.09)	2.35	(1.22)	1.32

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the defined benefit obligation as at 31 March 2021 is 3.36 years (as at 31 March 2020: 4.34 years)

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	31 March 2021	31 March 2020
Discount rate(s)	5.00%	5.90%
Expected rate(s) of salary increase	7.50%	5.00%
Rate of return on plan assets	5.89%	7.00%
Mortality table	IALM 2012-14	IALM 2012-14
Employee turnover rate	43.00%	43.00%

Maturity profile of defined benefit obligation:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Within 1 year	40.41	38.43
1-2 years	26.02	23.45
2-3 years	18.01	15.45
3-4 years	11.81	10.34
4-5 years	7.29	6.55
6-10 year	10.30	8.67
>10 years	0.84	0.64

38 Share-based payments

A Employee share option plan of the Company

(a) ESOP 2010

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. In the extraordinary general

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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) ESOP 2014

Pursuant to the shareholders' approval in the extraordinary general meeting held on 28 March 2014, 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 ESOP 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.

Subsequent to 31 March 2021, pursuant to the shareholders' approval vide their special resolution passed through postal ballot, the Board of Directors have formulated the Scheme titled "Employee Stock Option Scheme 2021" (ESOP 2021). Upon ESOP 2021 becoming effective, no further stock option grants will be made under ESOP 2014. However, all the employee stock options already granted under this Scheme shall be eligible for being vested and exercised as per the terms of ESOP 2014.

Employee stock options will be settled by delivery of shares.

B (i) The detail of fair market value and the exercise price is as given below:

Particulars	ESOP 2010	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	16-Jun-10	24-Jun-14	10-Nov-16	10-Nov-16	1-Apr-17
Fair market value of option at grant date (₹)	23.10	73.34	232.48	156.93	221.80
Fair market value of share at grant date (₹)	29.18	78.95	240.15	240.15	229.45
Exercise price (₹)	10.00	10.00	10.00	110.68	10.00
No. of options	1,294,800	110,100	165,400	30,000	25,000

Particulars	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	1-Apr-17	11-Aug-17	6-Nov-17	22-May-18
Fair market value of option at grant date (₹)	120.08	261.61	269.27	298.55
Fair market value of share at grant date (₹)	229.45	269.35	276.95	306.81
Exercise price (₹)	150.00	10.00	10.00	10.00
No. of options	35,000	101,000	53,000	55,000

Particulars	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	9-Nov-18	7-Feb-19	8-Aug-19	8-Aug-19
Fair market value of option at grant date (₹)	220.74	181.62	94.94	48.45
Fair market value of share at grant date (₹)	231.85	187.00	102.35	102.35
Exercise price (₹)	10.00	10.00	10.00	110.68
No. of options	25,000	47,000	141,800	30,000

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

- (ii) There were no ESOPs granted during the year ended 31 March 2021. The assumptions used for calculating fair value of the ESOPs granted during the previous year are as below:

Assumptions	Grant Date: 08 August 2019 (ESOP 2014)			
	Vest 1 08 Aug 20	Vest 2 08 Aug 21	Vest 3 08 Aug 22	Vest 4 08 Aug 23
Variables	10%	20%	30%	40%
Risk free interest rate	7.29%	7.44%	7.55%	7.64%
Expected life	5.50	6.00	6.50	7.00
Expected annual volatility of shares	33.68%	33.68%	33.68%	33.68%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

Assumptions	Grant Date: 08 August 2019 (ESOP 2014)			
	Vest 1 08 Aug 20	Vest 2 08 Aug 21	Vest 3 08 Aug 22	Vest 4 08 Aug 23
Variables	10%	20%	30%	40%
Risk free interest rate	7.29%	7.44%	7.55%	7.64%
Expected life	2.00	3.00	4.00	5.00
Expected annual volatility of shares	33.68%	33.68%	33.68%	33.68%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

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

Particulars	31 March 2021		31 March 2020	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
- ESOP 2010	5,877	10.00	7,827	10.00
- ESOP 2014	633,590	27.26	520,910	25.20
Granted during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	171,800	27.58
Forfeited during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
Exercised during the year:				
- ESOP 2010	-	-	1,950	10.00
- ESOP 2014	95,200	10.00	59,120	10.00
Lapsed during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
Options outstanding at the end of the year:				
- ESOP 2010	5,877	10.00	5,877	10.00
- ESOP 2014	538,390	27.26	633,590	27.26
Options exercisable at the end of the year:				
- ESOP 2010	5,877	10.00	5,877	10.00
- ESOP 2014	233,270	45.25	119,530	36.17

* Options available for grant under ESOP 2014 Scheme are 2,162,506 (31 March 2020: 2,162,506). However, as mentioned above, subsequent to March 31, 2021, upon ESOP 2021 becoming effective, no further stock option grants will be made under ESOP 2014.

** The above figure include options granted to employees of the subsidiaries.

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2021 is ₹ 123.24 (31 March 2020: ₹ 118.80).

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

The options outstanding at the end of the reporting period has exercise price in the range of ₹ 10 to ₹ 150 (31 March 2020: ₹ 10 to ₹ 150) and weighted average remaining contractual life of 6.79 years (31 March 2020: 7.7 years).

- D For details of expense recognised in statement of profit and loss please refer note 26 and for details of movement in share options outstanding account refer note 16.2.

39 Financial instruments

The carrying value and fair value of financial instruments by categories as at 31 March 2021 and 31 March 2020 are as follows:

(₹ in million)

Particulars	Carrying value as at	
	31 March 2021	31 March 2020
Financial assets		
Amortised cost		
Loans (including current and non-current)	383.70	594.02
Trade receivables	1,474.84	1,523.18
Cash and cash equivalents	144.61	151.37
Other financial assets	1,394.34	492.51
Right to equity shares	-	694.42
FVTPL		
Investments in unquoted equity instruments	41.97	59.61
Investments in mutual fund (quoted)	15.32	13.91
Total assets	3,454.78	3,529.02
Financial liabilities		
Amortised cost		
Loans and Borrowings (including current maturities and short-term borrowings)	2,395.18	4,876.54
Trade payables	812.87	991.39
Lease liabilities (including current and non-current)	2,418.72	3,392.42
Other financial liabilities (including current and non-current)	230.40	792.44
Payable on acquisition of business	-	69.26
Payable for share purchase	-	735.98
FVTPL		
Financial guarantee obligation (including current and non-current)	76.60	80.11
Hedging instruments		
Derivative liability (including current and non-current)	18.83	78.26
Total liabilities	5,952.60	11,016.40

The management assessed that the carrying value of above financial assets and liabilities approximates the fair value.

Refer note 17 for details related to pledge of financial assets

40 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March 2021 and 31 March 2020.

(₹ in million)

Quantitative disclosures fair value measurement hierarchy	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value as at 31 March 2021				
Investment in mutual funds (quoted)	15.32	15.32	-	-
Investments in unquoted equity instruments	41.97	-	-	41.97
Financial liabilities measured at fair value as at 31 March 2021				
Financial guarantee obligation	76.60	-	76.60	-
Derivative liability	18.83	-	18.83	-
Financial assets measured at fair value as at 31 March 2020				
Investment in mutual funds (quoted)	13.91	13.91	-	-
Investments in unquoted equity instruments	59.61	-	-	59.61
Financial liabilities measured at fair value as at 31 March 2020				
Financial guarantee obligation	80.11	-	80.11	-
Derivative liability	78.26	-	78.26	-

There have been no transfers among Level 1, Level 2 and Level 3 during each of the years presented above.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted equity instruments	Recent completed transaction in the underlying investment	1. Price per share 2. Qualitative factors on operating performance vis a vis budgets 3. Regulatory factors	Not applicable
Financial guarantee obligation	Market comparison: The fair value is estimated considering the rate at which the Company has contracted for similar guarantee obligation with YES bank Limited	Not applicable	Not applicable
Derivative Instruments	The fair value is estimated using valuation techniques with observable market inputs including currency spot and forward rates, interest rate curves, currency volatility, etc.	Not applicable	Not applicable

Details of assets and liabilities considered under Level 3 classification

(₹ in million)

Particulars	Investment in equity instruments
Balance as at 1 April 2019	59.61
Additions	-
Gain/(loss) recognised in other comprehensive income and statement of profit and loss	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(₹ in million)

Particulars	Investment in equity instruments
Balance as at 31 March 2020	59.61
Additions	-
Loss recognised in statement of profit and loss	(17.64)
Gain/(loss) recognised in other comprehensive income	-
Balance as at 31 March 2021	41.97

As at 31 March 2021 and 31 March 2020, a one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets does not have a significant impact in its value.

Derivative financial instruments (assets and liabilities): The Company is exposed to foreign currency fluctuations on foreign currency assets and liabilities, and forecasted cashflows denominated in foreign currency.

The Company limits the effect of foreign exchange rate fluctuations by following an established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counter party is primarily bank.

Derivatives are recognised and measured at fair value. Attributable transaction costs are recognised in the standalone statement of profit and loss as cost. Subsequent to initial recognition, derivative financial instruments are measured as described below:

- A. Cashflow hedges:** Changes in fair value of the derivative hedging instrument is designated as a cash flow hedge are recognised in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognised in the statement of profit and loss.
- B. Others:** Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results from operating activities.

Derivatives valued using valuation techniques with market observable inputs are mainly foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing from counter parties. As at 31 March 2021, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Particulars	As at			
	31 March 2021		31 March 2020	
	Notional	Fair value	Notional	Fair value
Designated derivatives instruments				
Buy: Forward contracts	USD 1.05 million	₹ 18.83 million	USD 8.02 million	₹ 78.26 million
Weighted Average forward strike Price	₹ 82.48	₹ 82.48	₹ 80.10	₹ 80.10

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

The following table summarises activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

(₹ in million)

Particulars	As at	
	31 March 2021	31 March 2020
Balance as at the beginning of the year	(36.79)	(41.96)
Fair value changes recognised in other comprehensive income	12.61	23.74
(Gain)/loss reclassified to statement of profit and loss on occurrence of hedged transactions	32.12	(15.79)
Net gain/(loss) on cash flow hedging derivatives, net	44.73	7.95
Balance as at the end of the year	7.94	(34.01)
Deferred tax thereon	(15.63)	(2.78)
Balance as at the end of the year, net of deferred tax (refer note 16.6)	(7.69)	(36.79)

The related hedge transactions for balance in cash flow hedging reserves as at 31 March 2021 are expected to occur and be reclassified to the statement of profit and loss over a period of one year (31 March 2020: The related hedge transactions for balance in cash flow hedging reserves as at 31 March 2020 are expected to occur and be reclassified to the statement of profit and loss over a period of two years).

41 Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risks which may adversely impact the fair value of its financial instruments.

(i) Risk management framework

The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to the credit risk from its trade receivables, unbilled revenue, security deposit, investments, cash and cash equivalents, bank deposits and loans. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

a) Trade and other receivables

Trade receivables are unsecured comprise a widespread customer base. Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information wherever required. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as derived as per the trend of trade receivable ageing of previous years.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

1. The Provision matrix at the end of the reporting period is as follows:-

Category	31 March 2021	31 March 2020
Less than 1 year	4% to 26%	3% to 26%
1-2 years	24% to 57%	29% to 53%
2-3 years	58% to 100%	61% to 100%
More than 3 years	100%	100%

2. Movement in the expected credit loss allowance

(₹ in million)

Category	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at beginning of the year	369.51	336.60
Additional provision during the year (refer note 29)	34.70	32.91
Balance at end of the year (refer note 13)	404.21	369.51

No single customer accounted for more than 10% of the revenue as of 31 March 2021 & 31 March 2020. There is no significant concentration of credit risk.

Impact of COVID-19 (Global pandemic)

Trade receivables forms a significant part of the financial assets carried at amortized cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, the Company has evaluated the likelihood of increased credit risk and consequential default considering emerging Covid-19 situation. This assessment considers the current collection pattern across various customers. The Company is closely monitoring the developments across various customers and states. Basis this assessment, provision made towards ECL is considered adequate.

Details of geographic concentration of revenue is included in note 36 to the financial statements

b) Investments and cash deposits

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors. Pursuant to the impact of Covid-19, the Company has assessed the counterparty credit risk and concluded the carrying / fair value, as applicable, of the financial instruments and deposits with banks to be appropriate.

c) Derivatives

The Company enters into derivative financial instruments with counter-parties, primarily, banks with investment grade credit ratings.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Also refer note 48.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020:

(₹ in million)

Particulars	31 March 2021					
	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings	2,395.18	923.93	364.66	207.83	224.08	674.68
Lease liabilities	2,418.72	199.25	155.81	154.78	148.47	1,760.41
Trade payables	812.87	812.87	-	-	-	-
Other financial liabilities	307.00	244.64	16.78	14.24	11.33	20.01
Derivative liability	18.83	18.83	-	-	-	-

(₹ in million)

Particulars	31 March 2020					
	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings	4,873.77	1,724.22	360.10	466.15	316.34	2,006.96
Lease liabilities	3,392.42	109.50	85.39	103.74	98.38	2,995.41
Trade payables	991.39	991.39	-	-	-	-
Other financial liabilities	872.55	808.80	14.78	13.81	12.49	22.67
Derivative liability	78.26	65.39	12.87	-	-	-
Payable from Share purchase	735.98	735.98	-	-	-	-
Payable on acquisition of business	69.26	69.26	-	-	-	-

(iv) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

(a) Foreign currency risk

The Company's exchange risk arises mainly from its foreign currency borrowings. As a result, depreciation of Indian rupee relative to these foreign currencies will have a significant impact on the financial performance of the Company. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

- (i) The Company holds foreign exchange forward contract to mitigate the risk of changes in exchange rates and foreign currency exposure. The following table presents discounted foreign currency risk from financial instruments as of 31 March 2021 and 31 March 2020:

As at 31 March 2021

(₹ in million)

Particulars	Rupee equivalent of foreign currency amounts		
	US \$	Euro	Total
Assets			
Trade receivables	41.97	-	41.97
Cash and cash equivalents	-	-	-
Liabilities			
Borrowings	113.33	197.85	311.18
Trade payables	0.89	5.50	6.39
Net assets/liabilities	(72.25)	(203.35)	(275.60)
Forward exchange contracts	76.86	-	76.86
Net exposure	4.61	(203.35)	(198.74)

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

As at 31 March 2020

(₹ in million)

Particulars	Rupee equivalent of foreign currency amounts		
	US \$	Euro	Total
Assets			
Trade receivables	121.95	-	121.95
Cash and cash equivalents	-	-	-
Liabilities			
Borrowings	692.56	200.25	892.81
Creditors for capital goods	1.95	8.22	10.17
Trade payables	12.54	-	12.54
Net assets/liabilities	(585.10)	(208.47)	(793.57)
Forward exchange contracts	601.85	-	601.85
Net exposure	16.75	(208.47)	(191.72)

(ii) Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments

(₹ in million)

Particulars	Impact on profit or (loss) before tax	
	31 March 2021	31 March 2020
USD Sensitivity		
₹/USD - Increase by 1%	(2.76)	(7.92)
₹/USD - Decrease by 1%	2.76	7.92

(b) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments. Such risks are overseen by the Company's corporate treasury department as well as senior management.

(i) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Variable rate long term borrowings including current maturities	1,362.14	2,792.97
Total borrowings	1,362.14	2,792.97

(ii) Sensitivity analysis

Every 1% increase or decrease in MCLR rate does not have material impact to statement of profit and loss and other components of equity.

(₹ in million)

Particulars	Impact on profit or (loss) before tax	
	31 March 2021	31 March 2020
Sensitivity		
1% increase in MCLR rate	(13.62)	(27.93)
1% decrease in MCLR rate	13.62	27.93

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

42 Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company. Also refer note 48.

The capital structure is as follows:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Total equity attributable to the equity share holders of the company	9,237.82	6,145.06
As percentage of total capital	80%	57%
Total loans and borrowings	2,395.18	4,876.54
Cash and cash equivalents	144.61	151.37
Net loans & borrowings	2,250.57	4,725.17
As a percentage of total capital	20%	43%
Total capital (loans and borrowings and equity)	11,488.39	10,870.23

43 Due to Micro, Small and Medium Enterprises (refer note 21)

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 and 31 March 2020 have been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

(₹ in million)

Particulars	31 March 2021	31 March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year	2.66	0.06
Principal	2.66	0.06
Interest	-	-
The amount of interest paid by the buyer under MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

All trade payables are 'current.' The Company's exposure to currency and liquidity risks related to trade payable is disclosed in note 41.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

44. Related Party Disclosures

A. Details of related parties:

Description of relationship	Names of related parties
Subsidiary companies & LLPs	Malnad Hospital and Institute of Oncology Private Limited
	HealthCare Global Senthil-Multi Specialty Hospital Private Limited
	HCG Medi-surge Hospitals Private Limited
	Niruja Product Development and Research Private Limited
	BACC HealthCare Private Limited
	HealthCare Diwan Chand Imaging LLP
	APEX HCG Oncology Hospitals LLP
	HCG Oncology LLP
	HCG Manavata Oncology LLP
	HCG NCHRI Oncology LLP
	HCG (Mauritius) Private Limited
	HCG EKO Oncology LLP
	HCG SUN Hospitals LLP
Associate of HCG (Mauritius) Private Limited (WOS of the Company)	Healthcare Global (Africa) Private Limited
Joint venture	Strand Life Sciences Private Limited
Shareholder holding more than 20% of the share capital	Aceso Company Pte Ltd
Key Management Personnel (KMP)	Whole-time director
	Dr. B S Ajaikumar - Chief Executive Officer till 31 January 2021 and Executive Chairman from 1 February 2021
	Executive directors
	Dr.B S Ramesh *
	Non-executive directors
	Amit Soni- Appointed with effect from 28 July 2020
	Siddharth Patel - Appointed with effect from 28 July 2020
	Gangadhara Ganapati - Resigned with effect from 11 August 2020
	Dr Amit Varma- Resigned with effect from 1 April 2021
	Independent Directors
	Shanker Annaswamy
	Sampath T Ramesh - Ceased to be Director with effect from 29 May 2020
	Dr. Sudhakar Rao
	Suresh C Senapaty - Ceased to be Director with effect from 29 May 2020
	Bhushani Kumar - Ceased to be Director with effect from 29 May 2021
	Abhay Havaladar - Appointed with effect from 20 August 2020
	Key Managerial Personnel
Meghraj Arvindrao Gore - Chief Executive Officer with effect from 1 February 2021	
Srinivasa V. Raghavan- Chief Financial Officer	
Sunu Manuel- Company Secretary	
Relatives of KMP	Ms.Anjali Ajaikumar (Daughter of Dr. B S Ajaikumar) (also Whole-time Director from 1 April 2021)
Company / entity in which KMP / Relatives of KMP can exercise significant influence	JSS Bharath Charitable Trust
	Sada Sarada Tumor & Research Institute
	B.C.C.H.I Trust
	HCG Foundation
	Wipro GE Healthcare Private Limited **
	GHA Global Healthcare Academy Private Limited
	Gutti Malnad Hospital LLP

* Dr B S Ramesh has completed his term as Executive Director on 21 May 2020. Thereafter, he continued to be on the Board as a Non Executive Director till 30 June 2020.

** Wipro GE Healthcare Private Limited was a Related Party till 28 May 2020.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

44 Related Party Disclosures (contd..)

B Details of related party transactions during the year:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Sale of medical and non-medical items		
- Malnad Hospital and Institute of Oncology Private Limited	-	1.59
- HCG Medi-surge Hospitals Private Limited	0.51	8.54
- Sada Sarada Tumor & Research Institute	3.46	6.92
- HCG Oncology LLP	-	0.87
- HCG NCHRI Oncology LLP	-	4.92
- Apex HCG Oncology Hospitals LLP	0.67	3.72
- HCG EKO Oncology LLP	-	1.91
- HCG SUN Hospitals LLP	-	0.87
Income from medical services		
- JSS Bharath Charitable Trust	9.41	7.82
- HCG Foundation	0.91	4.50
- HCG Medi-surge Hospitals Private Limited	-	12.16
- BACC Healthcare Private Limited	-	0.22
- Sada Sarada Tumor & Research Institute	3.30	3.60
Rent charges		
- Sada Sarada Tumor & Research Institute	0.04	0.06
- BACC Healthcare Private Limited	-	1.80
Lab charges		
- Strand Life Sciences Private Limited	160.53	193.78
Revenue Share expenses		
- HealthCare DiwanChand Imaging LLP	-	9.60
Repairs and maintenance - Annual Maintenance charges (AMC)		
- Wipro GE Healthcare Pvt Ltd	0.53	18.20
Promotion and Marketing of Offline and Online courses		
GHA Global Healthcare Academy Private Limited	2.50	-
Interest income received		
On loans given		
- Niruja Product Development and Research Private Limited	20.43	27.37
- HCG Oncology LLP	0.90	2.48
On capital contribution		
- HCG NCHRI Oncology LLP	15.35	8.23
- HCG SUN Hospitals LLP	5.84	3.78
- HCG EKO Oncology LLP	14.61	-
Interest expenses		
- HCG Manavata Oncology LLP	-	0.70
- HCG Medi-surge Hospitals Private Limited	5.34	12.36
- BACC Healthcare Private Limited	-	0.09
- Dr. B S Ajaikumar	0.98	0.30
Corporate guarantee commission income received		
- HCG Medi-surge Hospitals Private Limited	4.52	3.73
- HCG Oncology LLP	2.54	2.48
- HCG NCHRI Oncology LLP	2.53	1.74
- HCG Manavata Oncology LLP	2.09	1.42
- BACC Healthcare Private Limited	-	0.07
- Apex HCG Oncology Hospitals LLP	3.28	2.94
- HCG EKO Oncology LLP	2.65	2.23
- HCG SUN Hospitals LLP	8.47	8.41

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

44 Related Party Disclosures (contd..)

(₹ in million)

Particulars	31 March 2021	31 March 2020
Inter-corporate deposit received		
- HCG Manavata Oncology LLP	-	45.00
Inter-corporate deposit repaid		
- HCG Manavata Oncology LLP	-	72.00
Other advances received		
- JSS Bharath Charitable Trust	40.00	20.00
- Sada Sarada Tumor & Research Institute	-	31.00
- HCG Medi-surge Hospitals Private Limited	-	18.62
Other advances repaid		
- JSS Bharath Charitable Trust	40.00	20.00
- Sada Sarada Tumor & Research Institute	-	31.00
Other advances given		
Strand Life Sciences Privated Limited	-	50.00
Loans given		
- Niruja Product Development and Research Private Limited	-	0.81
- HCG Oncology LLP	-	4.00
Loans given repaid		
- HCG Oncology LLP	19.00	-
Loans received		
- Dr. B S Ajaikumar	-	50.00
- HCG Medi-surge Hospitals Private Limited	-	332.15
- BACC Healthcare Private Limited	-	20.00
Loans taken repaid		
- Dr. B S Ajaikumar	30.92	19.08
- HCG Medi-surge Hospitals Private Limited	106.62	225.53
- BACC Healthcare Private Limited	-	20.00
Reimbursement of expense on employee stock option scheme cross charged by the Company		
- HCG Medi-surge Hospitals Private Limited	0.45	0.84
- HCG Oncology LLP	0.11	0.20
- HCG SUN Hospitals LLP	0.11	0.08
Reimbursement of capital expenditure/ revenue expenditure cross charged by the Company		
- HCG Medi-surge Hospitals Private Limited	89.11	10.09
- HCG Oncology LLP	32.70	21.99
- BACC Healthcare Private Limited	0.02	0.24
- Healthcare Diwan Chand Imaging LLP	0.15	0.11
- Malnad Hospital and Institute of Oncology Private Limited	1.01	0.67
- HCG SUN Hospitals LLP	-	78.36
- HCG NCHRI Oncology LLP	-	0.76
- HCG EKO Oncology LLP	-	0.09
- HCG Manavata Oncology LLP	2.67	12.46
- Healthcare Global Senthil Multi-Specialty Hospitals Private Limited	0.12	0.16
- Niruja Product Development and Research Private Limited	0.12	0.12
- APEX HCG Oncology Hospitals LLP	-	2.87
- HCG Foundation	0.54	0.13
- Sada Sarada Tumor & Research Institute	-	0.09
- JSS Bharath Charitable Trust	3.17	3.51
Investment made during the year other than corporate guarantee		

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

44 Related Party Disclosures (contd..)

(₹ in million)

Particulars	31 March 2021	31 March 2020
- APEX HCG Oncology Hospitals LLP	167.51	161.25
- Malnad Hospital and Institute of Oncology Private Limited	-	0.20
- HCG EKO Oncology LLP	135.77	144.17
- HCG Manavata Oncology LLP	69.50	-
- HCG NCHRI Oncology LLP	78.39	110.15
- BACC Healthcare Private Limited #	683.36	-
- HCG SUN Hospitals LLP	57.57	78.24
- HCG (Mauritius) Private Limited *	52.99	8.35
# As explained in note 18(i), the Company has made secondary purchase of equity shares of BACC Healthcare Private Limited during the year.		
* Share application money pending allotment as at 31 March 2020		
Investment made during the year through corporate guarantee		
- HCG Manavata Oncology LLP	4.21	4.42
- HCG Medi-surge Hospitals Private Limited	2.03	0.23
- HCG NCHRI Oncology LLP	2.52	6.09
- HCG EKO Oncology LLP	3.04	4.45
- APEX HCG Oncology Hospitals LLP	1.83	3.21
- HCG SUN Hospitals LLP	4.09	-
- HCG Oncology LLP	0.75	-
Short-term employee benefits to:		
- Dr. B S Ajaikumar (Refer note 45) *	25.88	20.83
- Meghraj Arvindrao Gore	3.83	-
- Ms. Anjali Ajaikumar	5.00	5.32
- Dr. B S Ramesh (Refer note 45)	1.44	8.03
- Srinivasa Raghavan	10.58	10.01
- Sunu Manuel	4.07	3.61
The above compensation excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.		
* Fixed compensation for approx. two months has been waived-off during the year. Fixed compensation for two months was waived-off during previous year.		
Share based payments to:		
- Srinivasa Raghavan	1.19	1.57
- Sunu Manuel	0.33	0.67
Proceeds from issue of share warrants to:		
- Dr. B S Ajaikumar	65.00	-
Sitting fees to Directors		
- Shanker Annaswamy	0.93	0.95
- Sampath T Ramesh	0.10	0.70
- Dr. Sudhakar Rao	1.18	0.70
- Suresh C Senapaty	0.10	0.73
- Bhushani Kumar	0.83	0.65
- Abhay Prabhakar Havaladar	0.13	-

C Details of related party balances outstanding:

(₹ in million)

Balances outstanding as at	31 March 2021	31 March 2020
Trade receivables		
- Healthcare Global Senthil Multi-Specialty Hospitals Private Limited	0.10	0.10

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

44 Related Party Disclosures (contd..)

(₹ in million)

Balances outstanding as at	31 March 2021	31 March 2020
- Malnad Hospital and Institute of Oncology Private Limited	0.48	1.76
- JSS Bharath Charitable Trust	-	1.44
- Sada Sarada Tumor & Research Institute	0.16	8.94
- HCG Oncology LLP	27.36	30.21
- HCG Foundation	3.37	4.94
- B.C.C.H.I. Trust	0.01	0.01
- APEX HCG Oncology Hospitals LLP	3.56	2.57
- HCG NCHRI Oncology LLP	50.69	51.62
- HCG EKO Oncology LLP	4.21	4.21
- HCG SUN Hospitals LLP	10.56	10.55
Interest accrued on loan/ capital contribution by subsidiaries - Other Financial Assets (current/ Non-current)		
- Malnad Hospital and Institute of Oncology Private Limited	0.30	0.30
- Niruja Product Development and Research Private Limited *	91.07	70.64
- HCG SUN Hospitals LLP	-	1.94
- HCG EKO Oncology LLP	14.61	-
- HCG NCHRI Oncology LLP	29.35	14.00
- HCG Oncology LLP	-	0.44
* The Company has provided for non recoverability of the interest receivable on loan given as at 31 March 2021: ₹ 91.07 million (as at 31 March 2020: Nil).		
Receivable from related parties - Other Financial Assets (current)		
- Malnad Hospital and Institute of Oncology Private Limited	8.34	2.10
- HCG Oncology LLP	43.80	39.60
- HCG SUN Hospitals LLP	6.91	8.91
- HCG Manavata Oncology LLP	4.12	70.77
- HealthCare Global(Africa)Pvt Ltd	3.30	3.30
- Wipro GE Healthcare Pvt Ltd	-	2.02
- HCG Medi-surge Hospitals Private Limited	9.49	6.80
Share application money pending allotment - Other Financial Assets (Non-current)		
- HCG (Mauritius) Private Limited	-	8.35
Advance to vendors - Other Assets		
- Strand Life Sciences Private Limited	-	50.00
Loans (Non current/ current)		
- Niruja Product Development and Research Private Limited *	227.61	227.61
- HealthCare Global Senthil Multi-Specialty Hospital Private Limited*	30.38	30.38
- HCG Oncology LLP	-	19.00
* The Company has provided for non recoverability of the loan given of ₹ 218.98 million (31 March 2020; ₹ 30.38 million)		
Accrued employee benefits - Other financial liabilities (current)		
- Dr. B S Ajaikumar	6.65	6.23
- Meghraj Arvindrao Gore	1.19	-
- Ms. Anjali Ajaikumar	0.82	0.50
- Dr. B S Ramesh	-	0.52
- Srinivasa Raghavan	1.88	1.67
- Sunu Manuel	0.54	0.52
Trade Payables		
- Healthcare Diwan Chand Imaging LLP	24.63	24.63
- HCG Foundation	0.09	0.04

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

44 Related Party Disclosures (contd..)

(₹ in million)

Balances outstanding as at	31 March 2021	31 March 2020
- HCG Medi-surge Hospitals Private Limited	0.03	-
- Gutti Malnad LLP	-	0.02
- Wipro GE Healthcare Pvt Ltd	-	8.25
- Sada Sarada Tumor & Research Institute	0.01	0.01
- Strand Life Sciences Private Limited*	22.24	105.07
- HCG EKO Oncology LLP	1.84	1.07
- Apex HCG Oncology Hospitals LLP	15.83	17.08
- HCG Manavata Oncology LLP	3.78	3.78
* Outstanding at 31 March 2021 and 31 March 2020 includes invoices due by the Company and discounted by Strand Life Sciences Private Limited which has been disclosed as "Supplier factoring facility" under "other financial liability". On the maturity date, the account of the Company will be debited by the factoring bank.		
Other payable to related party - Other Financial Liability - current		
- HCG Medi-surge Hospitals Private Limited	1.62	14.05
- BACC Healthcare Private Limited	1.38	6.26
- HealthCare DiwanChand Imaging LLP	2.87	3.02
Loan from related parties- short term borrowings		
- HCG Medi-surge Hospitals Private Limited	-	118.67
- Dr. B S Ajaikumar	-	31.23
(including interest accrued on loan)		
Corporate guarantees given on behalf of:		
- HCG Medi-surge Hospitals Private Limited	470.64	473.80
- HCG Oncology LLP	329.46	348.77
- HCG NCHRI Oncology LLP	287.52	280.35
- HCG Manavata Oncology LLP	249.21	164.88
- HCG EKO Oncology LLP	305.65	297.49
- HCG SUN Hospitals LLP	177.67	181.30
- Apex HCG Oncology Hospitals LLP	365.06	376.53

45 Managerial remuneration:

For the financial year ended 31 March 2021

The remuneration to Dr. B S Ajaikumar for the year ended 31 March 2021 and Dr. B S Ramesh from 1 April 2020 to 21 May 2020 amounts to ₹ 25.88 million (net off fixed salary waiver for approx two months) and ₹ 1.44 million respectively. This has been approved by the Nomination and Remuneration Committee, the Board of Directors and is in accordance with the limits prescribed under Section 197 read with Schedule V to the Companies Act, 2013 considering the approval of the Shareholders of the Company through special resolution obtained on 26 September 2019 and the special resolution obtained on 23 May 2021 for the remuneration to Dr. B S Ajaikumar for the period from 1 February 2021 considering the change in his role from "Chief Executive Officer" till 31 January 2021 to "Executive Chairman" from 1 February 2021.

For the financial year ended 31 March 2020

The remuneration of Chairman & CEO and the Executive director of the Company for the year ended 31 March 2020 amounts to ₹ 20.83 million (net off fixed salary waiver for two months) and ₹ 8.03 million respectively. This has been approved by the Nomination and Remuneration Committee, the Board of Directors and is in accordance with the limits prescribed under Section 197 read with Schedule V to the Companies Act, 2013 considering the approval of the Shareholders of the Company through special resolution obtained on 26 September 2019.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

46 Investments, loans, guarantees and security

(a) The Company has made investment in the following companies

(₹ in million)

Investment in equity instruments *	31 March 2020	Invested during the year	Sold during the year	31 March 2021
Malnad Hospital & Institute of Oncology Private Limited	6.64	-	-	6.64
MIMS HCG Oncology Private Limited	0.50	-	-	0.50
HCG Medi-surge Hospitals Private Limited	145.32	2.03	-	147.35
BACC HealthCare Private Limited**	602.97	683.36	-	1,286.33
HCG (Mauritius) Private Limited#	24.17	61.34	-	85.51
HealthCare Global Senthil Multi-Specialty Hospital Private Limited**	8.38	-	-	8.38
Investment in limited liability partnership				
HCG Diwanchand Imaging LLP**	32.47	-	-	32.47
APEX HCG Oncology Hospitals LLP**	922.30	169.34	-	1,091.64
HCG NCHRI Oncology LLP**	351.91	80.91	-	432.82
HCG EKO Oncology LLP**	262.74	138.81	-	401.55
HCG Manavata Oncology LLP	494.12	73.71	-	567.83
HCG Oncology LLP	102.10	0.75	-	102.85
HCG SUN Hospitals LLP	206.11	61.66	-	267.77
Investment in other companies				
Zoctr Health Private Limited**	7.64	-	-	7.64
Suchirayu Healthcare Solutions Limited	0.50	-	-	0.50
International Stemcell Services Limited	5.61	-	-	5.61
Epigeneres Biotech Private Limited**	10.00	-	-	10.00
Niramai Health Analytix Private Limited	35.86	-	-	35.86
Anthill Venture Capital Advisors LLP#	5.50	-	-	5.50
Investment in joint venture (Equity & preference shares)				
Strand Life Sciences Private Limited	245.33	-	-	245.33

* It includes fair value of corporate guarantee given to subsidiaries accounted as investment in subsidiaries as per Ind AS 109

** The Company has provided for permanent diminution in investment of ₹ 1,083.33 million (31 March 2020; ₹ 317.29 million) (refer note 8)

a) The Company had paid ₹ 8.35 million to HCG (Mauritius) Private Limited during the previous year for which shares have been allotted in the current financial year.

b) The Company has paid ₹ 5.50 million to Anthill Venture Capital Advisors LLP, for which shares are yet to be allotted. This has been disclosed under "Share application money pending allotment" in "Other Financial Assets" in the Balance Sheet.

(b) The Company has given inter-corporate deposits to its following companies

(₹ in million)

Entity	31 March 2020	Movement	31 March 2021	Purpose of the deposits
Niruja Product Development and Research Private Limited*	227.61	-	227.61	The loan has been given for the purpose of investing in HCG (Mauritius) Private Limited
HCG Oncology LLP	19.00	(19.00)	-	These loans have been given for operational requirements of the respective entities
HealthCare Global Senthil Multi-Specialty Hospitals Private Limited*	30.38	-	30.38	These loans have been given for operational requirements of the respective entities
Suchirayu Healthcare Solutions Limited	105.00	(3.00)	102.00	These loans have been given for operational requirements of the respective entities

* The Company has provided for non recoverability of the loan given of ₹ 218.98 million (31 March 2020; ₹ 30.38 million)

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(c) The Company has provided the guarantees to the following entities

(₹ in million)

Entity	31 March 2020	Movement	31 March 2021	Purpose of the guarantee
HCG Medi-surge Hospitals Private Limited	473.80	(3.16)	470.64	Corporate guarantee given to bank towards term loan
HCG Oncology LLP	348.77	(19.31)	329.46	Same as above
HCG NCHRI Oncology LLP	280.35	7.17	287.52	Same as above
HCG Manavata Oncology LLP	164.88	84.33	249.21	Same as above
HCG EKO Oncology LLP	297.49	8.16	305.65	Same as above
Apex HCG Oncology Hospitals LLP	376.53	(11.47)	365.06	Same as above
HCG SUN Hospitals LLP	181.30	(3.63)	177.67	Same as above
NCHRI Private Limited	432.73	(20.73)	412.00	Same as above
Total	2,555.85	41.37	2,597.21	

Note: The above does not include corporate guarantee given by the Company for bank guarantee and cash credit facility. This represents only corporate guarantee given for the term loan facility of the respective entities.

(d) The Company has made investment in the following companies

(₹ in million)

Investment in equity instruments *	31 March 2019	Invested during the year	Sold during the year	31 March 2020
Malnad Hospital & Institute of Oncology Private Limited	6.44	0.20	-	6.64
MIMS HCG Oncology Private Limited	0.50	-	-	0.50
HCG Medi-surge Hospitals Private Limited	145.09	0.23	-	145.32
BACC HealthCare Private Limited	602.97	-	-	602.97
HCG (Mauritius) Private Limited#	24.17	-	-	24.17
HealthCare Global Senthil Multi-Specialty Hospital Private Limited**	8.38	-	-	8.38
Investment in limited liability partnership				
HCG Diwanchand Imaging LLP**	32.47	-	-	32.47
APEX HCG Oncology Hospitals LLP**	757.84	164.46	-	922.30
HCG NCHRI Oncology LLP**	235.67	116.24	-	351.91
HCG EKO Oncology LLP	114.12	148.62	-	262.74
HCG Manavata Oncology LLP	489.70	4.42	-	494.12
HCG Oncology LLP	102.10	-	-	102.10
HCG SUN Hospitals LLP	127.87	78.24	-	206.11
Investment in other companies				
Zoctr Health Private Limited	7.64	-	-	7.64
Suchirayu Healthcare Solutions Limited	0.50	-	-	0.50
International Stemcell Services Limited	5.61	-	-	5.61
Epigeneres Biotech Private Limited	10.00	-	-	10.00
Niramai Health Analytix Private Limited	35.86	-	-	35.86
Anthill Venture Capital Advisors LLP#	-	5.50	-	5.50
Investment in joint venture (Equity & preference shares)				
Strand Life Sciences Private Limited	245.33	-	-	245.33

* It includes fair value of corporate guarantee given to subsidiaries accounted as investment in subsidiaries as per Ind AS 109

** The Company has provided for permanent diminution in investment of ₹ 317.29 million (refer note 8)

During the year ended 31 March 2020, the Company has paid an amount of ₹ 8.35 million to HCG (Mauritius) Private Limited and ₹ 5.50 million to Anthill Venture Capital Advisors LLP, for which shares were pending allotment. This has been disclosed under "Share application money pending allotment" in "Other Financial Assets" in the Balance Sheet.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

(e) The Company has given inter-corporate deposits to its following companies

(₹ in million)

Entity	31 March 2019	Movement	31 March 2020	Purpose of the deposits
Niruja Product Development and Research Private Limited	226.80	0.81	227.61	The loan has been given for the purpose of investing in HCG (Mauritius) Private Limited
HCG Oncology LLP	15.00	4.00	19.00	These loans have been given for operational requirements of the respective entities
HealthCare Global Senthil Multi-Specialty Hospital Private Limited *	30.38	-	30.38	These loans have been given for operational requirements of the respective entities
Suchirayu Healthcare Solutions Limited	105.00	-	105.00	These loans have been given for operational requirements of the respective entities

* The Company has provided for non recoverability of the loan given of ₹ 30.38 million

(f) The Company has provided the guarantees to the following entities

(₹ in million)

Entity	31 March 2019	Movement	31 March 2020	Purpose of the guarantee
HCG Medi-surge Hospitals Private Limited	418.14	55.66	473.80	Corporate guarantee given to bank towards term loan
BACC Healthcare Private Limited	18.43	(18.43)	-	Same as above
HCG Oncology LLP	340.28	8.49	348.77	Same as above
HCG NCHRI Oncology LLP	76.96	203.39	280.35	Same as above
HCG Manavata Oncology LLP	57.22	107.66	164.88	Same as above
HCG EKO Oncology LLP	175.52	121.97	297.49	Same as above
Apex HCG Oncology Hospitals LLP	279.86	96.67	376.53	Same as above
NCHRI Private Limited	458.00	(25.27)	432.73	Same as above
HCG SUN Hospitals LLP	136.32	44.98	181.30	Same as above
Total	1,960.73	595.12	2,555.85	

Note: The above does not include corporate guarantee given by the Company for bank guarantee and cash credit facility. This represents only corporate guarantee given for the term loan facility of the respective entities.

47 Ind AS 115 - Revenue from contract

Contract balances

(₹ in million)

Particulars	31 March 2021	31 March 2020
(a) Receivables		
i) Trade receivables: Refer note 13	1,474.84	1,523.18
ii) Unbilled revenue : Refer note 10	104.16	90.75
b) The Company does not have any contract asset as at 31 March 2021 and 31 March 2020.		
c) The contract liability amount from contracts with customers is given below :		
Advance from customers : Refer note 19	149.61	89.60
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	49.07	80.00
d) Revenue dis-aggregation as per the industry vertical and geographies has been included in note 22, revenue from operations.		

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

48 The Code on Social Security 2020 ('Code'), which received the Presidential Assent on 28 September 2020, subsumes nine regulations relating to social security, retirement, and employee benefits. The Code will have an impact on the contributions towards gratuity and provident fund made by the Company. The Ministry of Labour and Employment ('Ministry') has released draft rules for the Code on 13 November 2020. The effective date of the Code has not yet been notified and the related rules to ascertain the financial impact are yet to be finalized and notified. The Company will assess the impact once the subject rules are notified and will give appropriate impact in its standalone financial statements in the period in which, the Code becomes effective.

The accompanying notes are an integral part of these standalone financial statements.

As per our reports of even date attached

for B S R & Co. LLP

Chartered Accountants

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

Amit Somani

Partner

Membership number: 060154

Place: Bengaluru

Date: 17 June 2021

for and on behalf of the Board of Directors of

HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar

Executive Chairman

DIN: 00713779

Place: Chicago

Date: 17 June 2021

Srinivasa Raghavan

Chief Financial Officer

Place: Bengaluru

Date: 17 June 2021

Meghraj Arvindrao Gore

Chief Executive Officer

Place: Bengaluru

Date: 17 June 2021

Sunu Manuel

Company Secretary

Place: Bengaluru

Date: 17 June 2021

Independent Auditors' Report

To the Members of **HealthCare Global Enterprises Limited**

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of HealthCare Global Enterprises Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint venture, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements / financial information of such subsidiaries, associate and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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, its associate and a joint venture as at 31 March 2021, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Description of Key Audit Matters.

The key audit matter	How the matter was addressed in our audit
<p>Impairment evaluation of investment in associate, goodwill and capital project</p> <p>A. Impairment of investment in associate</p> <p>Refer note 3q, note 7A and note 30 to the consolidated financial statements.</p> <p>Investments in associate is a significant item on the balance sheet for which the Holding Company assesses at each reporting date if there is an indication, based on either internal or external sources of information, that investments in associate may be impaired. Where such indicators exist, the Holding Company performs impairment testing.</p> <p>In performing such impairment assessment, the Holding Company compares the carrying value of investments, where applicable, with their respective recoverable value to determine whether any impairment loss should be recognised.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> Assessed the appropriateness of accounting policy for impairment of investment in associate, goodwill and capital project as per relevant accounting standard. Evaluated the design and implementation of key internal financial controls relating to impairment process and tested the operating effectiveness of such controls. Evaluated the assessment of impairment indicators with respect to investments in associate and capital projects considering internal or external sources of information, as performed by the Company. Inquired with Management on the project feasibility. Verified the approval of the Board of Directors for the revised project plans including future projections.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of matter

We draw attention to Note 2 (b) in the consolidated financial statements, which describes the economic and social consequences the Group is facing as a result of COVID-19 which is impacting supply chains/demand/personnel available for work and/or being able to access offices/hospitals. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>This involves using key assumptions including estimates of revenue growth rate, profitability, discount rate, terminal growth rate and selection and determination of market comparable multiples. Any changes to these assumptions could result in different recoverable values.</p> <p>In view of the significance of the carrying amounts of these assets and significant judgments (including the impact of Covid 19) required to compute recoverable values, we have determined this to be a key audit matter.</p> <p>B. Impairment of Goodwill and Capital project</p> <p>Refer Note 3(h)(ii), Note 3(m)(ii), note 5, note 6, note 6A, and note 30 to the consolidated financial statements.</p> <p>Goodwill is a significant item on the consolidated balance sheet for which the Holding Company performs impairment testing at least annually.</p> <p>The Group also has significant investment in one project and has identified this project as a separate cash generating unit ('CGU'). There has been significant change in scope and delays in this capital project due to changes in the management plan, market conditions including the outbreak of COVID-19 pandemic, requiring assessment for the recoverability.</p> <p>In performing these impairment assessments, the Holding Company compares the carrying value of each of the identifiable CGU including the CGU where goodwill has been allocated, where applicable, with its respective recoverable values, to determine whether any impairment loss should be recognised.</p> <p>The Holding Company's process of assessment of impairment of goodwill and capital project involves using key assumptions including estimates of revenue growth rate, terminal growth rate, profitability, the discount rate and selection and determination of market comparable multiples. Any changes to these assumptions could result in different carrying value.</p> <p>Due to the significance of the carrying amount of goodwill, capital project and significant judgments (including the impact of Covid 19) required to compute recoverable values, we have determined this to be a key audit matter.</p>	<ul style="list-style-type: none"> ● We assessed the adequacy of the level of impairment by: <ul style="list-style-type: none"> - evaluating different business scenarios and understanding its feasibility - evaluating with the help of our valuation specialists, where required, appropriateness of the valuation methodology and of key assumptions, specifically those relating to revenue growth rates, profitability, discount rates, terminal growth rates and market comparable multiples with reference to our understanding of their business and industry, historical trends and underlying business strategies and growth plans; - performing sensitivity analysis of the key assumptions including the possible effects of Covid 19. ● Assessed the adequacy of disclosures in the consolidated financial statements in accordance with the relevant accounting standards.
<p>Reassessment of leases</p> <p>Refer note 3b, note 6B and note 30 to the consolidated financial statements.</p> <p>The Group, as a lessee, has entered into several lease contracts relating to the hospital buildings with different lease terms including the option to extend or terminate the leases.</p> <p>Due to changes in management plan, the market conditions and business environment in India (including the impact of COVID-19 pandemic), the management has reassessed lease terms for leases and negotiated rentals for one of its lease.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> ● Assessed the appropriateness of the accounting policy for changes to leases as per relevant accounting standard.

The key audit matter	How the matter was addressed in our audit
<p>The impact of the above reassessment / modification is significant to the consolidated financial statements and involves significant judgements and estimates including determination of the lease term (termination and renewal options) , the ability of the management to shift hospital operations to another building, and the appropriate discount rates for remeasurement of the Right of Use ('ROU') asset and lease liability ("LL"). Any changes to these assumptions could result in different ROU/LL.</p> <p>In view of the above, the adjustments arising from the reassessment of the Leases is considered as a key audit matter.</p>	<ul style="list-style-type: none"> ● Evaluated the design and implementation of the key internal financial controls in relation to assessment of the terms and conditions of lease contracts and the calculation of the related lease liability and ROU asset and tested the operating effectiveness of such controls. ● Inquired with Management on the ability to shift hospital operations. ● For the leases reassessed evaluated the reasonableness of Group's key judgements and estimates made in relation to the lease term and discount rate. Also took assistance of our valuation specialists to evaluate the reasonableness of the discount rates. ● Evaluated mathematical accuracy of the impact of the reassessment. ● Assessed the adequacy of the disclosures relating to remeasurement and modification in the consolidated financial statements in accordance with the relevant accounting standard.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the financial statements and our auditors' report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of

changes in equity and consolidated cash flows of the Group including its associate and a joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies / Partners of the Limited Liability Partnership (LLPs) included in the Group and of its associate and a joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors / Partners of the entities included in the Group and of its associate and a joint venture are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors / Partners either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors / Partners of the entities included in the Group and of its associate and a joint venture is responsible for overseeing the financial reporting process of each entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of seven (7) subsidiaries and one (1) step down subsidiary, whose financial statements/financial information reflect total assets of Rs. 2,086 million as at 31 March 2021, total revenues of Rs. 797 million and net cash inflow amounting to Rs. 11 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive loss) of Rs. 10 million for the year ended 31 March 2021, in respect of an associate and a joint venture, whose financial statements/financial information have not been audited by us. These financial statements/financial information 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, a joint venture, and an associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associate is based solely on the audit 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.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements / financial information of such subsidiaries, an associate and a joint venture as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 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 (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the auditors of its subsidiary companies and a joint venture incorporated in India, none of the directors of the subsidiary companies and the joint venture incorporated in India is disqualified as on 31 March 2021 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 with reference to financial statements of the Holding Company, its subsidiary companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. 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 and based on the consideration of the reports of the other auditors on separate financial statements / financial information of the subsidiaries, an associate and a joint venture, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group, its associate and a joint venture. Refer Note 32 to the consolidated financial statements.
- ii. The Group, its associate and a joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and a joint venture incorporated in India during the year ended 31 March 2021.
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of

the auditors of such subsidiary companies and joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, and joint venture incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, and joint venture incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Place: Bengaluru
Date: 17 June 2021

Amit Somani
Partner
Membership No.060154
UDIN: 21060154AAAABF7404

Annexure-A

to the Independent Auditors' report on the consolidated financial statements of HealthCare Global Enterprises Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of HealthCare Global Enterprises Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its joint venture company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 relevant subsidiary companies and a joint venture company 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 with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three (3) subsidiary companies and one (1) joint venture company, which are companies incorporated in India, is based on the corresponding reports of the other auditors of such companies incorporated in India.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Amit Somani

Partner

Place: Bengaluru

Date: 17 June 2021

Membership No.060154

UDIN: 21060154AAAABF7404

Consolidated Balance Sheet as at

(₹ in million)

Particulars	Note No.	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	8,531.25	9,271.11
(b) Capital work-in-progress	5	300.12	460.94
(c) Right-of-use assets	6B	4,114.27	5,776.19
(d) Goodwill	6	963.40	1,093.40
(e) Other intangible assets	6	214.86	320.08
(f) Investments in equity accounted investees	7(A)	205.49	267.64
(g) Financial assets			
(i) Investments	7(B)	57.29	73.52
(ii) Loans receivable	8	450.92	515.87
(iii) Other financial assets	9	167.71	222.22
(h) Deferred tax assets (net)	31.3	343.10	261.40
(i) Income tax assets (net)	31.4	426.42	817.79
(j) Other non-current assets	10	231.70	413.71
Total non current assets		16,006.53	19,493.87
Current assets			
(a) Inventories	11	211.08	232.58
(b) Financial assets			
(i) Trade receivables	12	1,866.05	1,856.58
(ii) Cash and cash equivalents	13	300.01	317.45
(iii) Bank balance other than cash and cash equivalents above	13.1	108.50	2.74
(iv) Loans receivable	8	93.06	54.40
(v) Other financial assets	9	1,546.17	274.57
(c) Other current assets	10	224.74	299.53
Total current assets		4,349.61	3,037.85
TOTAL ASSETS		20,356.14	22,531.72
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	1,253.59	886.91
(b) Other equity	15	5,718.17	2,925.64
Equity attributable to owners of the Company		6,971.76	3,812.55
Non-controlling interests	16	168.24	385.14
Total equity		7,140.00	4,197.69
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	3,461.73	5,296.10
(ii) Lease liabilities		4,693.12	6,091.68
(iii) Other financial liabilities	18	-	623.74
(b) Provisions	20	86.21	72.84
(c) Deferred tax liabilities (net)	31.3	42.77	69.84
(d) Other non-current liabilities	19	279.84	422.34
Total non-current liabilities		8,563.67	12,576.54
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	670.15	936.60
(ii) Lease liabilities		365.12	214.96
(iii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		3.09	0.06
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,452.10	1,535.64
(iv) Other financial liabilities	18	1,428.38	2,653.61
(b) Other current liabilities	19	625.95	304.49
(c) Provisions	20	104.16	90.45
(d) Income tax liabilities (net)	31.5	3.52	21.68
Total current liabilities		4,652.47	5,757.49
Total liabilities		13,216.14	18,334.03
TOTAL EQUITY AND LIABILITIES		20,356.14	22,531.72
Significant accounting policies	3		

The accompanying notes are an integral part of these consolidated financial statements

As per our reports of even date attached

for B S R & Co. LLP

Chartered Accountants

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

Amit Somani

Partner

Membership number: 060154

Place: Bengaluru
Date: 17 June 2021

for and on behalf of the Board of Directors of
HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar

Executive Chairman

DIN: 00713779

Place: Chicago
Date: 17 June 2021

Srinivasa Raghavan

Chief Financial Officer

Place: Bengaluru
Date: 17 June 2021

Meghraj Arvindrao Gore

Chief Executive Officer

Place: Bengaluru
Date: 17 June 2021

Sunu Manuel

Company Secretary

Place: Bengaluru
Date: 17 June 2021

Consolidated Statement of Profit and Loss for the years ended

(₹ in million)

Particulars	Note No.	31 March 2021	31 March 2020
I. INCOME			
Revenue from operations	22	10,091.85	10,923.40
Income from government grant	23	42.50	32.98
Other income	24	169.54	69.68
Total income (I)		10,303.89	11,026.06
II Expenses			
Purchases of medical and non-medical items		2,381.65	2,363.51
Changes in inventories	25	21.50	35.14
Employee benefits expense	26	1,959.38	2,080.29
Finance costs	27	1,191.69	1,376.45
Depreciation and amortisation expense	28	1,592.17	1,484.45
Other expenses	29	4,506.02	4,755.64
Total expenses (II)		11,652.41	12,095.48
III Loss before share of loss of an associate / joint venture, exceptional items and tax (I-II)		(1,348.52)	(1,069.42)
IV Share of loss of an associate / joint venture		(3.65)	(123.22)
V Loss before exceptional items and tax (III + IV)		(1,352.17)	(1,192.64)
VI Exceptional items	30	934.46	-
VII Loss before tax (V-VI)		(2,286.63)	(1,192.64)
VIII Tax expense			
(1) Current tax	31.1	47.10	24.55
(2) Deferred tax	31.1	(122.71)	37.34
Total tax (credit)/ expense		(75.61)	61.89
IX Loss for the year (VII-VIII)		(2,211.02)	(1,254.53)
X Other comprehensive income / (loss)			
(i) Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans	36.2	(4.72)	(11.06)
(b) Income tax effect on (i) above	31.2	1.69	3.95
(ii) Items that will be reclassified to profit or loss			
(a) Exchange differences on translation of financial statements of foreign operations		(20.21)	6.74
(b) Effective portion of gain/ (loss) on hedging instruments in a cash flow hedge	39	44.73	7.95
(c) Income tax on (ii) above	31.2	(15.63)	(2.78)
Other comprehensive income / loss for the year, net of tax		5.86	4.80
XI Total comprehensive loss for the year (IX+X)		(2,205.16)	(1,249.73)
Loss for the year attributable to:			
Owners of the Company		(1,934.61)	(1,066.95)
Non - controlling interests		(276.41)	(187.58)
		(2,211.02)	(1,254.53)
Other comprehensive income / (loss) for the year attributable to:			
Owners of the Company		6.85	5.14
Non-controlling interests.		(0.99)	(0.34)
		5.86	4.80
Total comprehensive losses for the year attributable to:			
Owners of the Company		(1,927.76)	(1,061.81)
Non controlling interests..		(277.40)	(187.92)
		(2,205.16)	(1,249.73)
Loss per share (equity share of Rs. 10/- each):			
Basic (in Rs.)	34.1	(17.02)	(12.05)
Diluted (in Rs.)	34.2	(17.02)	(12.05)
Significant accounting policies	3		

The accompanying notes are an integral part of these consolidated financial statements

As per our reports of even date attached

for B S R & Co. LLP

Chartered Accountants

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

Amit Somani

Partner

Membership number: 060154

Place: Bengaluru

Date: 17 June 2021

for and on behalf of the Board of Directors of

HealthCare Global Enterprises Limited

Dr. B.S. Ajai Kumar

Executive Chairman

DIN: 00713779

Place: Chicago

Date: 17 June 2021

Srinivasa Raghavan

Chief Financial Officer

Place: Bengaluru

Date: 17 June 2021

Meghraj Arvindrao Gore

Chief Executive Officer

Place: Bengaluru

Date: 17 June 2021

Sunu Manuel

Company Secretary

Place: Bengaluru

Date: 17 June 2021

Consolidated Cash flow statement for the years ended

(₹ in million)

Particulars	Note No.	31 March 2021	31 March 2020
Cash flows from operating activities			
Loss before tax		(2,286.63)	(1,192.64)
Adjustments for:			
Finance costs		1,191.69	1,376.45
Gain on investment revalued at FVTPL		(1.40)	(1.18)
Gain on sale of mutual fund		-	(0.54)
Loss/ (gain) on disposal of property, plant and equipment		0.52	(0.12)
Provision for bad and doubtful receivables		67.53	32.42
Provision for doubtful advances		8.70	8.80
Interest income		(156.11)	(42.41)
Trade receivable written off		-	25.39
Depreciation and amortisation expense		1,592.17	1,484.45
Payables no longer required written back		(0.01)	(0.13)
Income from government grant		(42.50)	(32.98)
Expense on employee stock option scheme		19.12	28.31
Net foreign exchange loss/ (gain)		1.48	(14.04)
Share of loss of equity accounted investees		3.65	123.22
Exceptional items: Non-cash expenditure	30	934.46	-
Movements in working capital:			
Changes in trade receivables		(78.48)	(325.83)
Changes in inventories		21.50	35.14
Changes in loans, financial assets and other assets		56.39	(140.74)
Changes in trade payables, financial liabilities and other liabilities		528.91	181.88
Changes in provisions		22.36	23.06
Cash generated from operations		825.53	1,568.51
Income taxes paid (net of refunds)		379.68	(267.12)
Net cash generated from operating activities (A)		1,205.21	1,301.39
Cash flows from investing activities			
Margin money deposits, net		-	21.25
Fixed deposits, earmarked against credit facility		(2,831.13)	-
Proceeds from margin money deposits		1,515.75	-
Proceeds from disposal of property, plant and equipment		0.61	4.20
Acquisition of property, plant and equipment		(354.24)	(1,078.11)
Payment towards contingent consideration		(64.00)	-
Interest received		71.46	18.02
Investment in associate		(52.48)	-
Proceeds from repayment of Inter-corporate deposits		3.00	-
Payment of share application money		-	(14.21)
Proceeds from sale of investment in mutual funds		-	35.01
Net cash (used in) investing activities (B)		1,711.04	(1,013.84)

Consolidated Cash flow statement for the years ended (contd..)

(₹ in million)

Particulars	Note No.	31 March 2021	31 March 2020
Cash flows from financing activities \$			
Proceeds from issue of equity shares	14 & 15	4,526.13	203.18
Proceeds from issue of share warrants	14 & 15	668.22	-
Share issue expenses	14 & 15	(232.35)	-
Amount received from minority shareholders in the subsidiaries		10.17	126.59
Loan from related parties		-	50.00
Repayment of loan from related parties		(31.23)	(19.08)
Payment towards settlement of put option exercised by the non-controlling interest in subsidiary	15	(662.78)	-
Proceeds from bills discounting		583.03	-
Bills discounted settled		(184.24)	-
Proceeds from long-term borrowings		140.58	665.45
Repayment of long-term borrowings		(2,416.27)	(343.17)
Repayment of principal portion of lease liability		(151.70)	(122.00)
Interest paid on lease liability		(573.17)	(557.01)
Interest and other borrowing cost paid		(553.99)	(588.21)
Net cash generated/ (used in) by financing activities (C)		1,122.40	(584.25)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		616.57	(296.70)
Cash and cash equivalents at the beginning of the year	13	(587.92)	(291.22)
Cash and cash equivalents at the end of the year	13	28.65	(587.92)

For the purpose of statement of cash flows, cash and cash equivalent comprises the followings:

(₹ in million)

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Cash on hand	9.54	23.83
(b) Cheques, drafts on hand	8.83	4.28
(c) Balance with bank		
In current accounts and EEFC accounts	278.66	289.34
In deposit accounts	2.98	-
Cash and cash equivalent as per balance sheet	300.01	317.45
Less : Bank overdrafts (refer note 17)	(271.36)	(905.37)
Cash and cash equivalents as per the consolidated statement of cash flows	28.65	(587.92)

Consolidated Cash flow statement for the years ended (contd..)

₹ Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

(₹ in million)

Particulars	Term loan and deferred payment obligation	Short term borrowing (other than bank overdraft)	Other borrowing cost	Total
Debt as at 1 April 2020	6,222.43	31.23	-	6,253.66
Interest accrued as at 1 April 2020	-	-	-	-
Cash flows including interest and other borrowing cost	(2,698.23)	367.56	(131.45)	(2,462.12)
- Interest and other borrowing cost*	424.52	-	131.45	555.97
- Non cash transactions	97.41	-	-	97.41
Debt as at 31 March 2021	4,046.13	398.79	-	4,444.92

*Interest and other borrowing cost include interest on Short term borrowings, bank charges measured at amortised cost etc

₹ Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

(₹ in million)

Particulars	Term loan and deferred payment obligation	Short term borrowing (other than bank overdraft)	Other borrowing cost	Total
Debt as at 1 April 2019	5,515.40	-	-	5,515.40
Interest accrued as at 1 April 2019	18.94	-	-	18.94
Cash flows including interest and other borrowing cost	(128.42)	30.93	(137.53)	(235.02)
- Interest and other borrowing cost*	600.81	0.30	179.20	780.31
- Non cash transactions	215.70	-	-	215.70
Interest accrued	-	-	(41.67)	(41.67)
Debt as at 31 March 2020	6,222.43	31.23	-	6,253.66

*Interest and other borrowing cost include interest on Short term borrowings, bank charges measured at amortised cost etc

Significant accounting policies

3

The accompanying notes are an integral part of these consolidated financial statements

As per our reports of even date attached

for B S R & Co. LLP

Chartered Accountants

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

Amit Somani

Partner

Membership number: 060154

Place: Bengaluru
Date: 17 June 2021

for and on behalf of the Board of Directors of

HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar

Executive Chairman

DIN: 00713779

Place: Chicago
Date: 17 June 2021

Srinivasa Raghavan

Chief Financial Officer

Place: Bengaluru
Date: 17 June 2021

Meghraj Arvindrao Gore

Chief Executive Officer

Place: Bengaluru
Date: 17 June 2021

Sunu Manuel

Company Secretary

Place: Bengaluru
Date: 17 June 2021

Consolidated Statement of changes in equity for the years ended 31 March 2021 and 31 March 2020

a. Equity share capital

Particulars	No of Shares	(₹ in million)
As at 01 April 2019		
(a) Issue of equity shares pursuant to preferential allotment (refer note 14.1)	87,919,033	879.19
(b) Issue of equity shares pursuant to exercise of employee share options under employee share option plan 2014 (refer note 37(c))	710,526	7.11
	61,070	0.61
Balance as at 31 March 2020	88,690,629	886.91
(a) Issue of equity shares pursuant to preferential allotment (refer note 14.1)	36,573,455	365.73
(b) Issue of equity shares pursuant to exercise of employee share options under employee share option plan 2014 (refer note 37(c))	95,200	0.95
Balance as at 31 March 2021	125,359,284	1,253.59

b. Other equity

Particulars	Note No.	Reserves and surplus			Items of other comprehensive income			Money received against share warrants	Equity attributable to share holders of the company	Non-controlling interests	Total other equity
		Capital reserve	Securities premium	Share options outstanding account (refer note 15.2)	Retained earnings	Foreign currency translation reserve	Remeasurements of the defined benefit plans				
Balance as at 01 April 2019		6.77	5,587.35	55.71	(1,732.11)	11.42	(0.07)	(41.79)	3,887.28	455.47	4,342.75
Loss for the year		-	-	-	(1,066.95)	-	-	-	(1,066.95)	(187.58)	(1,254.53)
Other comprehensive income for the year (net of tax)		-	-	-	-	6.74	(7.11)	5.17	4.80	(0.34)	4.46
Total comprehensive income		-	-	-	(1,066.95)	6.74	(7.11)	5.17	(1,062.15)	(187.92)	(1,250.07)
Transactions recorded directly in equity											
Premium received on shares issued during the year	15.1 & 15.2	-	195.46	-	-	-	-	-	195.46	-	195.46
Share issue expenses	15.1	-	(0.07)	-	-	-	-	-	(0.07)	-	(0.07)
Transferred to Securities premium account on exercise of ESOPs	15.2	-	13.51	(13.51)	-	-	-	-	-	-	-
Expense on employee stock option scheme	15.2	-	-	28.30	-	-	-	-	28.30	-	28.30
Change in fair value of gross obligations over written put options issued to the non-controlling interests	15.6	-	-	-	(129.09)	-	-	-	(129.09)	-	(129.09)
Adjustment on account of notional capital		-	-	-	5.91	-	-	-	5.91	-	5.91
Additional investments by non-controlling interests	16.0	-	-	-	-	-	-	-	-	117.59	117.59
Adjustment on account of common control transactions & change in holding (net)	15.6 & 16	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020		6.77	5,796.25	70.50	(2,922.24)	18.16	(7.18)	(36.62)	2,925.64	385.14	3,310.78
Loss for the year		-	-	-	(1,934.61)	-	-	-	(1,934.61)	(276.41)	(2,211.02)
Other comprehensive income for the year (net of tax)		-	-	-	-	(20.21)	(2.04)	29.10	6.85	(0.99)	5.86
Total comprehensive income		-	-	-	(1,934.61)	(20.21)	(2.04)	29.10	(1,927.76)	(277.40)	(2,205.16)
Transactions recorded directly in equity											
Premium received on shares issued during year	15.1 & 15.2	-	4,159.45	-	-	-	-	-	4,159.45	-	4,159.45
Share issue expenses	15.1	-	(232.35)	-	-	-	-	-	(232.35)	-	(232.35)
Transferred to Securities premium account on exercise of ESOPs	15.2	-	21.80	(21.80)	-	-	-	-	-	-	-
Expense on employee stock option scheme	15.2	-	-	19.12	-	-	-	-	19.12	-	19.12
Change in fair value of gross obligations over written put options issued to the non-controlling interests	15.6	-	-	-	111.91	-	-	-	111.91	-	111.91
Adjustment on settlement of written put options issued to the non-controlling interests	15.6	-	-	-	11.06	-	-	-	11.06	-	11.06
Additional investments by non-controlling interests	16	-	-	-	-	-	-	-	-	43.38	43.38
Adjustment on account of notional capital	15.6	-	-	-	(17.12)	-	-	-	(17.12)	17.12	-

(₹ in million)

Consolidated Statement of changes in equity for the years ended 31 March 2021 and 31 March 2020 (contd..)

(₹ in million)

Particulars	Note No.	Reserves and surplus			Items of other comprehensive income			Equity attributable to share holders of the company	Non-controlling interests	Total other equity
		Capital reserve	Securities premium	Share options outstanding account (refer note 15.2)	Retained earnings	Foreign currency translation reserve	Remeasurements of the defined benefit plans			
Money received against share warrants during the year (refer note 14.1(b) and (c))	15.8	-	-	-	-	-	-	668.22	-	668.22
Issue of shares pursuant to exercise of warrants (refer note 14.1(b))	15.8	-	229.36	-	-	-	-	(229.36)	-	-
Balance as at 31 March 2021		6.77	9,974.51	67.82	(4,751.00)	(2.05)	(9.22)	438.86	168.24	5,886.41

HealthCare Global Enterprises Limited
Consolidated Statement of changes in equity for the years ended 31 March 2021 and 31 March 2020 (continued)

Securities premium

Securities premium is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Share option outstanding Account

The Company has employee stock option plans for eligible employees of the Company and its group companies. Refer note 37 for further details on these plans. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Capital reserve

Capital reserve is created on acquisition of business of Central India Cancer Research Institute (CICRI) and transaction with Strand Life Sciences Pvt. Ltd by the Company. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company.

Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

Foreign currency translation reserve (FCTR)

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the FCTR. Exchange difference accumulated in the foreign currency translation reserve are reclassified to Statement of Profit and Loss on the disposal of the foreign operation.

Remeasurement of defined benefit plan

This represents the actuarial gain and losses on defined benefit plan.

Money received against share warrants

This represents the subscription amount received at the time of issue of warrants.

Significant accounting policies

The accompanying notes are an integral part of these consolidated financial statements

As per our reports of even date attached

for BSR & Co. LLP

Chartered Accountants

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

Amit Somani

Partner

Membership number: 060154

Place: Bengaluru

Date: 17 June 2021

for and on behalf of the Board of Directors of

HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar

Executive Chairman

DIN: 00713779

Place: Chicago

Date: 17 June 2021

Srinivasa Raghavan

Chief Financial Officer

Place: Bengaluru

Date: 17 June 2021

Meghraj Arvindrao Gore

Chief Executive Officer

Place: Bengaluru

Date: 17 June 2021

Sunu Manuel

Company Secretary

Place: Bengaluru

Date: 17 June 2021

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

1 HealthCare Global Enterprises Limited ('the Company') and its subsidiaries (collectively referred to as "the Group") its associate / joint venture is engaged in setting up and managing hospitals and medical diagnostic services including scientific testing and consultancy services in the pharmaceutical and medical sector. The Company is a public company incorporated and domiciled in India and has its registered office at #8, P. Kalinga Rao Road, Sampangi Ram Nagar, Bengaluru – 560 027.

The financial statements for the year ended 31 March 2021 were approved by the Board of Directors and authorised for issue on 17 June 2021."

2.1 Basis of preparation of the consolidated financial statements

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Impact of Covid-19

The number of new cases of Covid which had reached its lowest level in the first week of February 2021 increased in March 2021. The Group is taking necessary actions to secure the health and safety of its employees and extended ecosystem. Different forms of restrictions have been imposed by various state governments and local bodies to control this strong second wave of the pandemic but these restrictions are not as severe as the lockdown during first wave. The Group's operations are currently running at normal levels. However, the Group will continue to monitor changes to the future economic conditions for any material impact as the situation evolves including its new projects.

The Group has incurred losses in the current year and as at the balance sheet date, the current liabilities exceed its current assets. Management believes that it has taken into account the possible impacts of known events arising from COVID-19 pandemic in the preparation of the consolidated financial statements including but not limited to its assessment of the Group's liquidity position and various estimates in relation to the consolidated financial statements captions upto the date of adoption of Statement by the Board of Directors. During the year, the Company has received funding from issue of Equity shares and Warrants of Rs. 5,193 million (refer note 14.1). Given the nature and duration of COVID-19, its impact on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

(c) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (Rs), which is also the Group's functional currency. All amounts are in Indian Rupees million except share data and per share data, unless otherwise stated. The functional currency of foreign subsidiary is the currency of the primary economic environment in which the entity operates.

(d) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement
Certain financial assets and liabilities	Fair Value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(e) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Application of accounting policies that require critical accounting estimates involving judgments and the use of assumptions in the consolidated financial statements have been disclosed below:

Judgements

- Note 6B - Leasing arrangements : Evaluation whether an arrangement qualifies to be a lease based on the requirements of the relevant standard.

Identification of a lease requires significant management judgment.

- Note 5 - Property, plant and equipment: Timing of capitalisation and nature of cost capitalised.

- Note 18 - Liability on written put options

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

- Note 18: Supplier factoring facility : Whether the arrangement is financing in nature.
- Note 46 - The Management has assessed whether or not the Group has control over the entities consolidated

Assumptions and estimation uncertainties

- Note 6B - Leasing arrangements : Determination of lease term and discount rate
- Note 5 - Estimation of useful life of property, plant and equipment
- Note 31 - Deferred tax balances (net) : Timing and level of future taxable profit
- Note 32 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 36 - Employee benefit plans: key actuarial assumptions.
- Note 6 - Goodwill impairment assessment : Key inputs considered i.e. discount rate, growth rate and profitability
- Note 40 - Impairment of financial assets : Key inputs considered i.e. discount rate, growth rate and profitability
- Note 40 and 12 - Expected credit loss : Forward adjustment to the collected trend
- Note 19 - Deferred government grant: Timing of meeting export obligations

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, goodwill, investments, allowance for trade receivables and the net realisable values of other assets. Refer note (b) above.

(f) Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurement, including level 3 fair values, and reports directly to the chief financial officer.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.2 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(b) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance

Put option over NCI is recorded as financial liability and the debit entry is to 'other' equity, any subsequent change in the carrying amount of the put liability is recognised in other equity. In case the put option expires unexercised, then the put liability is reversed against other equity.

(c) Loss of control

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

(d) Equity accounted investees

The Group's interests in equity accounted investees comprise interest in an associate and a joint venture.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than the rights to its assets and obligations for its liabilities.

Interests in associate and joint venture are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees until the date on which significant influence or joint control ceases.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 Summary of significant accounting policies

(a) Revenue recognition

Medical services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. As per Ind AS 115, "Revenue from contracts with customers", revenue from hospital services are recognized as and when services are performed, unless significant future uncertainties exist. The Group assess the distinct performance obligation in the contract and measures to at an amount that reflects the consideration it expects to

receive net of tax collected and remitted to Government and adjusted for discounts and concession. The Group based on contractual terms and past experience determines the performance obligation satisfaction over time. Unbilled revenue is recorded for the service rendered where the patients are not discharged and final invoice is not raised for the services.

Sale of medical and non-medical items

Pharmacy Sales are recognised when the control of the products being sold is transferred to the customer and no significant uncertainties exist regarding the amount of consideration that will be derived from the sale of goods as regarding its collection. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Other operating revenue

Other operating revenue comprises revenue from various ancillary revenue generating activities like facilitation of training programmes, operations and maintenance arrangements and research projects as per the management agreement with other entities. The service income is recognised only once the services are rendered, there is no unfulfilled performance obligation as per the terms of agreement and no significant future uncertainties exist.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The Group recognizes a deferred income (contract liability) if consideration has been received (or has become receivable) before the Group transfers the promised goods or services to the customer.

Disaggregation of revenue

The Group disaggregates revenue from hospital services (medical and healthcare services), sale of medical and non-medical items and other operating income. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Group's revenues and cash flows are affected by industry, market and other economic factors.

Dividend and interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognised when the Group's right to receive dividend is established."

(b) Leases

Group as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may

not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Group. Generally, the Group uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group has elected to apply the practical expedient of not assessing the rent concessions as a lease modification, as per the notification issued by the Ministry of Corporate Affairs dated 24 July 2020 on Ind AS 116 for all rent concessions which are granted due to COVID-19 pandemic.

(c) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group at the exchange rates at the dates of the transactions or an

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise except for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements of the Group for the period immediately before the beginning of the first Ind AS financial reporting period (prior to 01 April 2016), as per the previous GAAP, pursuant to the Group's choice of availing the exemption as permitted by Ind AS 101.

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

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

(d) Foreign currency translations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognised in FCTR is transferred to the statement of consolidated profit and loss as part of the profit or loss on disposal.

(e) Borrowing costs

Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method,
- (ii) finance charges in respect of finance leases, and
- (iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(f) Employee benefits

Defined benefit plan

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense'. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The net interest expense is recognised in the line item 'Finance costs'.

Defined contribution plan

A defined contribution plan is post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Group makes specified obligations towards employee provident fund and employee state insurance to Government administered provident fund scheme and ESI scheme which is a defined contribution plan. The Group's contributions are recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Compensated absences

The employees can carry-forward a portion of the

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Share-based payment transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and Group's estimate of equity instruments that will vest. That cost is recognised, together with a corresponding increase in share-options together with a corresponding increase in share-options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

(g) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the assets and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets

and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax in future years. Ind AS 12, Income Taxes defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

(h) Property, plant and equipment

Property, plant and equipment are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

beyond its previously assessed standard of performance. Cost includes expenditures directly attributable to the acquisition of the asset.

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

Asset category	Useful life as per the management	As per schedule II of Companies Act, 2013
Buildings	60 years	60 years
Plant and Medical Equipment	10-15 years	10-15 years
Data processing equipment	3-6 years	3-6 years
Electrical installations	10 years	10 years
Furniture and fixtures	10 years	10 years
Office equipment	5 years	5 years
Vehicles	8 years	8 years

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

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

Freehold land is not depreciated.

Effective 31 March 2021, the Group has reassessed the lease term for certain lease premises (refer note 6B). Considering this, the depreciation on Right of Use of Assets and interest on Lease Liabilities requires revision. Also, the related leasehold improvements will be depreciated over the shorter of the revised lease term or useful of the assets. The change in this accounting estimate is to be applied prospectively in accordance with Ind AS 8, "Accounting policies, changes in accounting estimate and errors" and has an impact on depreciation and amortisation expense and interest on lease liabilities. The financial impact due to the change in the estimate will be over the lease term and useful life determined of the leasehold improvements. For the year ending 31 March 2022, interest on lease liabilities will reduce by Rs.

92.30 Million and depreciation on right of use assets and leasehold improvements will increase by Rs. 5.34 Million and Rs. 10 Million respectively. For the period thereafter, in aggregate, interest on lease liabilities will reduce by Rs. 2,311.32 million and depreciation on right of use assets and leasehold improvements will decrease by Rs. 857.87 million and Rs. 10 million respectively. Given multiple years, each future year impact has not been disclosed separately.

(i) Intangible assets acquired separately

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset category	Useful Life
Computer software	3 years
Software for plant and machinery	13 years

(ii) Goodwill

Goodwill arising on a business combination is initially measured at excess of purchase consideration over fair value of identified net asset taken over. Subsequent measurement is at initial recognition less any accumulated impairment losses.

(i) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Group receive non-monetary grants, the asset and the grant are accounted at fair value and recognised in the consolidated statement of profit and loss over the expected useful life of the assets. If based on the estimate it is expected that conditions attached with government grant may not be fulfilled, then a financial liability is recognised for repayment along with interest, where applicable. The financial liability is created by first reversing the balance available in the deferred government grant and the balance as a charge to the consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

(j) Inventories

The Company enters into bill discounting transactions with banks as part of its cash credit facility wherein it has an obligation to settle the obligation on the specified due date irrespective of whether the underlying receivables have been collected or not. As the Company continues to retain substantially all risks and rewards of the receivables and control of the asset, such transactions are not eligible for derecognition from the financial statements of the Company. Amounts due in respect of invoice discounting are separately disclosed under short-term borrowings.

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

(l) Financial instruments

a. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue."

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

– e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.”

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group’s continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non- recourse features).”

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or

requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e. Invoice discounting facility

Invoice discounting facility: The Group uses this facility to draw down certain sales invoices as part of its cash credit facility with the Bank and has an obligation to settle the liability on the specified due date irrespective of whether the underlying receivables have been collected or not. As the Group continues to retain all risks and rewards of the receivables and control of the asset, the underlying receivables are not eligible for derecognition from the consolidated financial statements. Amounts due in respect of invoice discounting are separately disclosed under short-term borrowings.

f. Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

g. Cash flow hedge

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are

recognised in other comprehensive income and accumulated in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of profit and loss.

The Group designates only the changes in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contract ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity.

If the hedging instrument no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

(m) Impairment

(i) Financial assets (other than at fair value)

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 - Financial Instruments requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

Allowance for credit losses on receivables

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

economic conditions. The Group considered current and anticipated future economic conditions relating to industries the company deals with and the countries where it operates.

(ii) Non-financial assets

Tangible and Intangible assets

Property, plant and equipment, capital work-in-progress and intangible assets and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(n) Earnings / loss per share (EPS)

Basic earnings / loss per share are computed by dividing profit attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings / loss per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle

the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

(p) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / loss before tax is adjusted for the effects of transactions of a 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 segregate. Bank overdrafts and investment in liquid mutual funds are classified as cash and cash equivalents for the purpose of cash flow statement, as they form an integral part of an entity's cash management.

(q) Investment in subsidiaries and joint ventures

(i) Initial recognition

The acquired investment in subsidiaries and joint ventures are measured at acquisitions date fair value

(ii) Subsequent measurement

Investment in equity shares of subsidiaries and joint ventures are accounted either;

(a) at cost, or

(b) in accordance with IND AS 109, financial instruments

The Group has elected to account its subsidiaries and joint ventures at cost less accumulated impairment losses, if any.

(r) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

(s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman of the Group is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Group's performance and allocates resources on overall basis.

(t) Reverse factoring arrangement

Under this arrangement the vendors and suppliers of the Group discounts the invoices payable to them by Group. On maturity of the discounting period, the factor (underlying banker) debits the bank account of the Group. The related interest is borne by the vendors and suppliers and this arrangement is not a utilisation of the sanction limit available to the Group.

The invoices discounted by the vendor and due to be settled by the Group is shown separately from "Trade Payable" as "Supplier Factoring Facility".

The discounting of invoices by supplier and vendor is considered as non-cash transactions and settlement by the Group on due date as "operating activity".

(u) Business combinations

In accordance with Ind AS 103, "Business combinations" the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control and the net identifiable assets are acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the Statement of Profit or Loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation

to pay contingent consideration that meets the definition of financial instrument is classified as equity, then its not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

4 Recent Indian Accounting Standards (Ind AS)

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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

Description of assets	Property, Plant and Equipment										Capital work in progress	
	Freehold land	Buildings- Owned	Buildings- Leased	Leasehold Improvements	Plant and medical equipment - Owned	Plant and medical equipment - Leased	Office Equipment	Furniture and Fixtures	Data processing equipments	Electrical installation		Vehicles
I. Gross block												
Balance as at 01 April 2019	402.86	674.73	481.78	1,281.00	7,100.53	10.32	80.23	288.29	155.03	172.41	34.94	10,682.12
Transition impact of Ind As 116 (Refer note 6B)	-	-	(481.78)	-	-	(10.32)	-	-	-	-	-	(492.10)
Restated balances as on 01 April 2019	402.86	674.73	-	1,281.00	7,100.53	-	80.23	288.29	155.03	172.41	34.94	10,190.02
Additions*\$ (refer note 19)	-	98.95	-	596.51	1,323.72	-	10.69	46.78	25.80	37.29	1.67	2,141.41
Disposals	-	-	-	(0.01)	(9.13)	-	(2.50)	(0.81)	(0.22)	-	(1.10)	(13.77)
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	(1,919.75)
Written off	-	-	-	-	-	-	-	-	-	-	-	(37.18)
Exchange fluctuation	-	-	-	-	11.32	-	-	-	-	-	-	11.32
Balance as at 31 March 2020	402.86	773.68	-	1,877.50	8,426.44	-	88.42	334.26	180.61	209.70	35.51	12,328.99
Additions*\$ (refer note 19)	-	1.60	-	90.48	140.86	-	1.60	5.79	5.77	4.34	0.79	251.23
Disposals	-	-	-	-	(20.82)	-	(0.28)	(0.16)	-	-	-	(21.26)
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	(29.85)
Provision for impairment (refer note 30(ii))	-	-	-	-	-	-	-	-	-	-	-	(304.02)
Exchange fluctuation	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	402.86	775.28	-	1,967.98	8,546.48	-	89.74	339.89	186.38	214.04	36.30	12,558.95
II. Accumulated depreciation and impairment												
Balance as at 01 April 2019	-	59.06	70.18	271.84	1,505.84	0.39	48.63	91.22	76.49	34.47	8.56	2,166.68
Transition impact of Ind As 116 (Refer note 6B)	-	-	(70.18)	-	-	(0.39)	-	-	-	-	-	(70.57)
Restated balances as on 01 April 2019	-	59.06	-	271.84	1,505.84	-	48.63	91.22	76.49	34.47	8.56	2,096.11
Depreciation expense	-	14.99	-	138.99	704.35	-	19.07	34.93	36.93	19.89	4.26	973.41
Eliminated on disposal of assets	-	-	-	(1.67)	(6.04)	-	(2.13)	(1.20)	(0.08)	-	(0.53)	(11.65)
Balance as on 31 March 2020	-	74.05	-	409.16	2,204.15	-	65.57	124.95	113.34	54.36	12.29	3,057.88
Depreciation expense	-	17.56	-	162.86	707.45	-	15.17	32.63	29.99	19.82	4.48	989.96
Eliminated on disposal of assets	-	-	-	-	(19.72)	-	(0.25)	(0.16)	-	-	-	(20.13)
Balance as at 31 March 2021	-	91.61	-	572.02	2,891.88	-	80.49	157.42	143.33	74.18	16.77	4,027.70
Net block as at 31 March 2020	402.86	699.63	-	1,468.34	6,222.29	-	22.85	209.31	67.27	155.34	23.22	9,271.11
Net block as at 31 March 2021	402.86	683.67	-	1,395.96	5,654.60	-	9.25	182.47	43.05	139.86	19.53	8,531.25

Refer note 17 for details of charge created on property, plant and equipment.

* Directly attributable expenses capitalised of Rs. 82.14 million (31 March 20 Rs. 245.89 million). Total borrowing cost capitalised (included in directly attributable expenses) is Rs. 62.42 million (31 March 20 Rs. 106.84 million), of which Rs. 62.42 million relates to Lease Liability created as per Ind AS 116 (31 March 20 Rs. 94.20 million).

\$ Additions includes government grant recognised at fair value as per Ind As 20, accounting for government grants and disclosure of government assistance (refer note 19).

*Acquisition of Property, plant and equipment through deferred payment settlement scheme is Rs. Nil (31 March 20; Rs. 177 million).

Impact of covid-19 (global pandemic):

The Group has considered the impact of covid-19 while assessing the recoverable value of the property, plant and equipment. However, given the nature and duration of COVID-19, its impact on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

6 Goodwill and other intangible assets

(₹ in million)

Description of assets	Goodwill (refer note 6A below)	Other intangible assets			Total
		Computer software	Tenacy rights	Software for plant and machinery	
I. Cost					
Balance as at 01 April 2019	1,093.40	184.05	11.00	3.42	198.47
Additions	-	294.63	-	-	294.63
Balance as at 31 March 2020	1,093.40	478.68	11.00	3.42	493.10
Additions	-	15.06	-	-	15.06
Balance as at 31 March 2021	1,093.40	493.74	11.00	3.42	508.16
II. Accumulated amortisation					
Balance as at 01 April 2019	-	97.34	4.40	3.42	105.16
Amortisation expense for the year	-	61.26	6.60	-	67.86
Balance as at 31 March 2020	-	158.60	11.00	3.42	173.02
Amortisation expense for the year	-	120.28	-	-	120.28
Impairment loss for the year	130.00	-	-	-	-
Balance as at 31 March 2021	130.00	278.88	11.00	3.42	293.30
Net block as at 31 March 2020	1,093.40	320.08	-	-	320.08
Net block as at 31 March 2021	963.40	214.86	-	-	214.86

Refer note 17 for details of charge created on intangible asset.

6A Goodwill

The carrying amount of goodwill from business acquisition has been allocated to the Cash Generating Units (CGU) as given below:

(₹ in million)

Particulars	31 March 2021	31 March 2020
BACC Healthcare Private Limited (refer note a)	424.30	554.30
HCG Medi-Surge Hospitals Private Limited (Refer note a)	53.46	53.46
Niruja Product Development and Healthcare Research Private Limited	0.25	0.25
Malnad Hospital and Institute of Oncology Private Limited	0.87	0.87
City Cancer Center (CCC) (refer note b)	484.52	484.52
Total	963.40	1,093.40

(a) The key assumptions used in the estimation of the recoverable amount are set out below:

Assumptions	31 March 2021	31 March 2020
	Values in %	Values in %
Annual growth rate	-4% to 15%	-4% to 14%
Terminal growth rate	3% to 4%	3% to 5%
Discount rate	11% to 15%	11% to 14%

The values assigned to the key assumptions represent management's assessment of future trends and based on historical data from both external and internal sources. Discount rate reflects the current market assessment of the risks specific to a Cash Generating Unit (CGU) or group of CGUs. The discount rate is estimated based on the capital asset pricing method for respective CGU. The cash flow projections included specific estimates developed using internal forecasts. The planning horizon reflects the assumptions for short-to-midterm market developments. The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to materially exceed the aggregate recoverable amount of the cash generating unit.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

6 Goodwill and other intangible assets (Contd..)

Impact of COVID-19 (Global pandemic)

The financial projections basis which the future cash flows have been estimated consider the increase in uncertainties due to Covid-19, reassessment of the discount rates, revisiting the growth rates factored including terminal value and subjecting these variables to sensitivity analysis. Accordingly, in its impairment assessment as at 31 March 2021, the cash flow projections of BACC Healthcare Private Limited were tapered down further to reflect the adverse impact of Covid-19 pandemic on the fertility treatments and consequential impairment loss amounting Rs. 130 million has been recognised under exceptional items. In respect of other CGUs, the estimated recoverable amount on the basis of the above impairment assessment exceeded its carrying amount and hence impairment is not triggered. Further, an analysis of the sensitivity of the computation to the change in key parameters, did not identify any probable scenario in which the recoverable amount of the CGU would materially decrease below its carrying amount.

- (b) The key assumptions used in the estimation of the recoverable amount of Goodwill allocated to City Cancer Center (CCC) are set out below:

During the year ended 31 March 2021 for the purpose of impairment testing, the recoverable amount of this CGU is determined based on fair value less cost of disposal. The fair value is computed as per the market approach using revenue and EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) multiples. The market approach considered is based on the external source of information and consistent with the Management experience and risk factor of the CGU and also considers peers of the Company.

With respect to previous year ended 31 March 2020, the values assigned to the key assumptions given in the table below represented management's assessment of future trends and based on historical data from both external and internal sources. Discount rate reflected the market assessment of the risks specific to a Cash Generating Unit (CGU). The discount rate was estimated based on the capital asset pricing method for the CGU. The cash flow projections included specific estimates developed using internal forecasts. The planning horizon reflected the assumptions for short-to-midterm market developments. The Company believed that any reasonably possible change in the key assumptions on which a recoverable amount was based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

Assumptions	31 March 2020
	Values in %
Annual growth rate	-4% to 14%
Terminal growth rate	5%
Discount rate	13.50%

The estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

Impact of COVID-19 (Global pandemic)

The recoverable value factors the increase in uncertainties due to Covid-19. The market comparable multiple already considers such uncertainties due to covid. In the previous year, reassessment of the discount rates, revisiting the growth rates including terminal value and subjecting these variables to sensitivity analysis factored uncertainties due to Covid-19.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

6B Leases

Right-of-use-assets

(₹ in million)

Description of assets	Buildings	Plant and medical equipment - Leased	Total
I. Gross block			
Balance as at 01 April 2019	481.78	10.32	492.10
Additions	5,735.67	102.99	5,838.66
At 31 March 2020	6,217.45	113.31	6,330.76
Additions	24.70	17.53	42.23
Remeasurement of lease liabilities and lease modification (refer notes (i) and (ii) below)	(1,202.50)	-	(1,202.50)
At 31 March 2021	5,039.66	130.84	5,170.49
II. Accumulated depreciation and impairment			
Balance as at 01 April 2019	70.18	0.39	70.57
Depreciation expense	476.50	7.50	484.00
At 31 March 2020	546.68	7.89	554.57
Depreciation expense	480.89	20.76	501.65
At 31 March 2021	1,027.57	28.65	1,056.22
Net block as at 31 March 2020	5,670.77	105.42	5,776.19
Net block as at 31 March 2021	4,012.08	102.19	4,114.27

The aggregate depreciation expense on ROU for the year amounting to Rs. 481.93 million (31 March 2020; 443.47 million) is included in the "Depreciation and Amortisation expense" in the Consolidated statement of Profit and Loss and Rs. 19.72 million (31 March 2020; Rs. 40.53 million) is capitalised to Capital work-in-progress.

Notes:

- (i) As on 1 January 2021, the Group negotiated lower lease rent for reduced space leading to Lease Modification. As a result of this modification, the Right-of-use asset and Lease Liability reduced by 344.23 million and 401.97 million respectively and there was also a gain on modification amounting to Rs. 57.74 million, recorded in Exceptional Items in the statement of Profit and Loss.
- (ii) As on 31 March 2021, the Group reassessed its lease term for certain leases, considering change in management plan, market condition in current pandemic and an option to leverage with the alternate premises post non-cancellable lease period. Accordingly, the Right-of use assets and Lease liabilities have reduced by Rs. 858.27 million and Rs. 808.03 million respectively.

The following is the break-up of current and non-current lease liabilities as at 31 March 2021 and 31 March 2020.

(₹ in million)

Particulars	31 March 2021	31 March 2020
Current lease liabilities	365.12	214.96
Non-current liabilities	4,693.12	6,091.68
Total	5,058.24	6,306.64

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 and 31 March 2020 on a discounted basis:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Less than one year	365.12	214.96
One to five years	1,143.94	822.58
More than five years	3,549.18	5,269.10

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

6B Leases (Contd..)

Amounts recognised in Statement of profit and loss

(₹ in million)

Particulars	31 March 2021	31 March 2020
Depreciation of right-of-use assets *	501.65	484.00
Interest on lease liabilities*	682.80	690.36
Rent expenses # (refer note 29)	53.84	70.53

* Interest and depreciation expenses capitalised amounting to Rs. 62.42 million (31 March 2020; Rs. 94.21 million) and Rs. 19.72 million (31 March 2020; Rs. 40.53 million).

The Group has incurred expenses amounting to ₹ 42.71 million (31 March 2020; ₹ 40.71 million) towards short-term leases and ₹ 11.13 million (31 March 2020; Rs. 29.82 million) expenses towards variable rent, net of rent concessions Rs. 17.55 million (31 March 2020: Nil).

Amounts recognised in Cash flow statement

(₹ in million)

Particulars	31 March 2021	31 March 2020
Repayment of principal portion of lease liability	151.70	122.00

Impact of COVID-19 (Global pandemic)

The Group does not foresee any large-scale contraction in demand which could result in significant down-sizing of its operations base rendering the physical infrastructure redundant. The leases that the Group has entered into with lessors for buildings are long term in nature and no changes in terms of those leases are expected due to the Covid-19, other than to the extent already considered.

Commitments for leases not yet commenced: The Group has committed to lease hospital building for its upcoming project. The potential future lease payments (on undiscounted basis) for this lease: Rs. 2,060 Million over the period of 18 years.

7(A) Investment in equity accounted investees

(₹ in million)

Particulars	31 March 2021	31 March 2020
Unquoted equity instruments & preference instruments		
In Associate		
Healthcare Global (Africa) Private Limited	124.65	219.04
160,659 ordinary shares of USD 1 each fully paid up & 837,548 Preferred A shares of USD 1 each (31 March 2020: 160,659 ordinary shares of USD 1 each fully paid up & 119,548 Preferred A shares of USD 1 each) [net of impairment Rs. 99.48 million (31 March 2020: Rs. Nil), refer note 30(i)]		
In Joint Venture		
Strand Life Sciences Private Limited	80.84	48.60
9,284,206 (31 March 2020: 9,183,013) equity shares of Rs. 10 each, fully paid up		
	205.49	267.64

Impact of COVID-19 Global pandemic:

The Group has considered the impact of COVID-19 while assessing the recoverable value of the Investments in associate and joint venture and recognised the resulting impairment charge under exceptional items [refer note 30(i)]. The financial projections which include future cashflow forecast and the revenue and EBITDA multiples basis which the recoverable values have been estimated, consider the increase in uncertainties due to COVID-19, reassessment of the discount rates and subjecting these variables to sensitivity analysis.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

7(B) Investments

(₹ in million)

Particulars	31 March 2021	31 March 2020
A) Non-current		
Investments carried at fair value through profit and loss (FVTPL)		
(i) Unquoted equity instruments		
Zoctr Health Private Limited (299 equity shares of Rs. 10/- each, fully paid up and 153 equity shares of Rs. 10/- each, fully paid up; (31-March-2020: 299 equity shares of Rs. 10/- each, fully paid up and 153 equity shares of Rs. 10/- each, fully paid up)	7.64	7.64
Less: Provision for diminution in value of investment (refer note 30(iv) and 47)	(7.64)	-
Net investment post diminution in value of investment	-	7.64
Suchirayu Healthcare Solutions Limited (2,055,000 equity shares of Rs. 10/- each, fully paid up; 31-March-2020: 2,055,000 equity shares of Rs. 10/- each, fully paid up) Refer note below	0.50	0.50
<i>Note: The Company has entered into a non-disposal undertaking of the its investment in Suchirayu Healthcare Solutions Limited (Suchirayu) until the closure of the loan by Suchirayu.</i>		
International Stemcell Services Limited (10,860 equity shares of Rs. 100/- each, fully paid up; 31 March 2020: International Stemcell Services Limited (10,860 equity shares of Rs. 100/- each, fully paid up)	5.61	5.61
Epigeneres Biotech Private Limited (79 equity shares of Rs. 10/- each, fully paid up); 31 March 2020: Epigeneres Biotech Private Limited (79 equity shares of Rs. 10/- each, fully paid up)	10.00	10.00
Less: Provision for diminution in value of investment (refer note 30(iv) and 47)	(10.00)	-
	-	10.00
Niramai Health Analytix Private Limited (10 equity shares of Re. 1/- fully paid up; 31 March 2020: (10 equity shares of Re. 1/- fully paid up)	0.07	0.07
(ii) In other companies - unquoted Preference shares		
Niramai Health Analytix Private Limited (4,881 series A preference shares of Rs. 10/- each, fully paid up; 31 March 2020: 4,881 series A preference shares of Rs. 10/- each, fully paid up)	35.79	35.79
(iii) Mutual funds (Quoted)		
Religare Invesco Short Term Fund- 3,922 units @ Rs 3,906.17 (31-March-2020: 3,922 units @ Rs 3,546.66)	15.32	13.91
Total Non current investments	57.29	73.52
Aggregate amount of quoted investments	15.32	13.91
Aggregate amount of market value of investments	15.32	13.91
Aggregate amount of unquoted investments	41.97	59.61

8 Loans (Unsecured)

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current*	Non Current	Current*
Considered good				
a) Advances to employees	-	30.35	-	26.73
b) Inter-corporate deposits (refer note 47)	93.00	9.00	105.00	-
c) Security deposits (refer note 44)	357.92	53.71	410.87	27.67
Considered doubtful				
Security deposits	20.64	-	-	-
Less : Provision for impairment [refer note 30(iv)]	(20.64)	-	-	-
Total	450.92	93.06	515.87	54.40

*Refer note 17 for details of charge created on current loans.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

9 Other financial assets

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current*	Non Current	Current*
Unbilled revenue (refer note 48)	-	151.86	-	155.70
Receivable from related parties (Refer note 44)	-	8.02	-	8.62
Share application money pending allotment (Refer note 44 and 47) ²	5.50	-	14.21	-
Term deposits (origination maturity more than 12 months) ¹	82.18	1,357.32	164.95	64.93
Right to equity [refer note 30(i)]	38.08	-	-	-
Interest accrued but not due on fixed deposits	11.82	19.97	17.01	2.32
Interest accrued on inter corporate deposit	30.13	9.00	26.05	3.00
Others	-	-	-	40.00
Considered doubtful				
Other receivables	-	8.80	-	8.80
Less : Allowance for bad and doubtful receivables	-	(8.80)	-	(8.80)
	167.71	1,546.17	222.22	274.57

Note:

1. Term deposits include margin money deposits with banks and deposits given as security for obtaining bank guarantees

(₹ in million)

2. Details of advances to directors and private companies in which any director is a director or a member	31 March 2021	31 March 2020
- HealthCare Global(Africa)Pvt Ltd	3.30	3.30

* Refer note 17 for details of charge created on other current financial assets.

10 Other assets

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current*	Non Current	Current*
Unsecured, considered good				
Capital advances	106.07	-	277.37	-
Prepaid expenses [net of provision for impairment Rs. 31.22 million (31 March 2020: Nil), refer note 30(iv)]	125.63	56.78	136.34	62.41
Advance to vendors (refer note 44)	-	84.64	-	183.88
Taxes paid under protest	-	52.56	-	-
Balance with revenue authorities	-	30.76	-	53.24
Unsecured, considered doubtful				
Capital advances	67.69	-	-	-
Less : Allowance for bad and doubtful advances (refer note 29)	(8.70)	-	-	-
Less : Provision for impairment [refer note 30(ii)]	(58.99)	-	-	-
Advance to vendors	-	55.76	-	27.13
Less : Allowance for bad and doubtful advances [refer note 30(iv)]	-	(55.76)	-	(27.13)
Total	231.70	224.74	413.71	299.53

* Refer note 17 for details of charge created on other current assets.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

11 Inventories (lower of cost and net realisable value)*

(₹ in million)

Particulars	31 March 2021	31 March 2020
Medical and non-medical items	211.08	232.58
	211.08	232.58

*Inventories are subject to charge to secure bank loans. There are nil provisions for written down to net realisable value.

12 Trade receivables (unsecured)

(₹ in million)

Particulars	31 March 2021	31 March 2020
Trade receivables (unsecured) consist of following		
a) Considered good	1,866.05	1,856.58
b) Considered doubtful	478.77	411.24
Less: Allowance for doubtful trade receivables (refer note 40)	(478.77)	(411.24)
	1,866.05	1,856.58

*Trade receivables are subject to charge to secure bank loans

Refer note 44 for trade receivables from related parties

13 Cash and cash equivalents

(₹ in million)

Particulars	31 March 2021	31 March 2020
(a) Cash on hand	9.54	23.83
(b) Cheques, drafts on hand	8.83	4.28
(c) Balance in bank		
In current accounts and in Exchange Earners Foreign Currency Account (EEFC) accounts (refer note 41)	278.66	289.34
In deposit accounts	2.98	-
	300.01	317.45

13.1 Bank balance other than cash and cash equivalents above

(₹ in million)

Particulars	31 March 2021	31 March 2020
(a) Other deposits*	108.50	2.74
Bank balance other than cash and cash equivalents above	108.50	2.74

* Other deposits include margin money deposits with banks and deposits given as security for obtaining bank guarantees. These deposits are restrictive.

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

(₹ in million)

Particulars	31 March 2021	31 March 2020
(a) Cash on hand	9.54	23.83
(b) Cheques, drafts on hand	8.83	4.28
(c) Balance with bank		
In current accounts and EEFC accounts	278.66	289.34
In deposit accounts	2.98	-
	300.01	317.45
Less: Bank overdrafts (Refer Note 17)	(271.36)	(905.37)
Cash and cash equivalents as per consolidated statement of cash flows	28.65	(587.92)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

14 Equity share capital

(₹ in million)

Particulars	31 March 2021	31 March 2020
Authorised share capital* :		
200,000,000 equity shares of Rs.10 each (as at 31 March 2020: 132,000,000 equity shares of Rs.10 each)	2,000.00	1,320.00
Issued, subscribed and paid up capital comprises:		
125,359,284 fully paid equity shares of Rs.10 each (as at 31 March 2020: 88,690,629)	1,253.59	886.91

* Pursuant to the approval of the shareholders of the Company received on 12 June 2020, the authorised share capital of the Company be and is hereby increased from Rs. 1,320 million divided into 132,000,000 equity shares of Rs. 10 each to Rs. 2,000 million divided into 200,000,000 equity Shares of Rs. 10 each.

14.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the year:

(₹ in million)

Particulars	Number of shares	Amount
Balance as at 01 April 2019	87,919,033	879.19
Increase during the year		
Issue of equity shares pursuant to preferential allotment (refer note (a) below)	710,526	7.11
Issue of equity shares pursuant to exercise of employee share options under employee share option plan 2014 (refer note 37(C))	61,070	0.61
Balance as at 31 March 2020	88,690,629	886.91
Increase during the year		
Issue of equity shares pursuant to preferential allotment (refer note (b) below)	36,573,455	365.73
Issue of equity shares pursuant to exercise of employee share options under employee share option plan 2014 (refer note 37(C))	95,200	0.95
Balance as at 31 March 2021	125,359,284	1,253.59

- The shareholders of the Company, vide resolution passed in Extra Ordinary general meeting, held on 24 June 2019, approved the allotment of 710,526 equity shares of Rs.10 each of the Company, at a price of Rs. 285 per share (including share premium of Rs. 275 per share), on Preferential Allotment basis, to Dr. Kunnathu Philipose Geevarghese. The same was approved by Board of Directors and allotted to Dr. Kunnathu Philipose Geevarghese on 25 June 2019.
- Pursuant to Investment Agreement ("Agreement") executed amongst the Company, Dr. B. S. Ajaikumar ("Promoter") and Aceso Company Pte. Ltd., Singapore ("Investor") on 04 June 2020 and approval of the shareholders of the Company received on 13 June 2020, preferential allotment of 29,516,260 Equity shares of the face value of Rs. 10 each, at a premium of Rs. 120 each (aggregating to Rs. 130 per equity share) and 18,560,663 Warrants, with a right to apply for and be allotted one equity share of the face value of Rs. 10 each at a premium of Rs. 120 each (aggregating to Rs. 130 per Warrant) were made to the Investor on 28 July 2020. The total consideration on issue of Equity shares and exercise of all Warrants aggregates to Rs. 6,250 Million.

As required under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"), Investor has remitted an amount Rs. 5,128 Million towards allotment of 29,516,260 equity shares at Rs. 130 per share (Rs. 3,837 Million), 100% consideration for allotment and subsequent exercise of 7,057,195 warrants at Rs. 130 per warrant (Rs. 917 Million) and 25% of the consideration for remaining 11,503,468 warrants at Rs. 130 per warrant (Rs. 374 Million). The remaining 75% of the consideration i.e. Rs. 1,122 Million shall be payable by the Investor on the exercise of the Warrant(s), in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of the warrants.

- The Board of Directors of the Company on 26 June 2020, pursuant to the approval of the shareholders of the Company received on June 12, 2020, has made a preferential allotment of 20,00,000, Series B Warrants, to Dr. B.S. Ajaikumar, Promoter ("Promoter") with a right to apply for and be allotted 1 Equity Share of the face value of Rs. 10 each of the Company, at a premium of Rs. 120 for each Series B Warrant.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

As required under the provisions of the ICDR Regulations, the Promotor has remitted an amount equivalent to 25% of the Consideration i.e. Rs. 65 Million on issue of series B Warrant and the remaining 75% of the consideration i.e. Rs. 195 Million shall be payable by him on the exercise of the Series B Warrant(s), in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of the Series B Warrants.

14.2 Rights, preferences and restrictions attached to equity shares

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends. 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.

14.3 Details of shareholder holding more than 5% shares of equity shares

Particulars	31 March 2021		31 March 2020	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
ACESO COMPANY PTE. LTD.	67,305,110	53.69%	-	-
Dr B.S Ajaikumar	17,824,215	14.22%	17,680,921	19.94%
Sundaram Mutual Fund	3,648,092	2.91%	7,694,537	8.68%
V Sciences Investments Pte. Limited	-	-	8,320,805	9.38%

14.4 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 years ended 31 March 2021 and 31 March 2020

Particulars	Aggregate number of shares as at	
	31 March 2021	31 March 2020
(a) Issue of shares pursuant to mergers	-	1,531,562
(b) Issue of shares pursuant to Business acquisition	934,500	934,500

14.5 Number of equity shares of ₹ 10/- each reserved for issuance

Particulars	31 March 2021	31 March 2020
a) to eligible employees under Employee Stock Option Scheme (also, refer note 37)	2,706,773	2,801,973
b) to Aceso Company Pte. Ltd., Singapore, pursuant to outstanding share warrants	11,503,468	-
c) to Dr. B. S Ajaikumar pursuant to outstanding share warrants	2,000,000	-

15 Other equity

(₹ in million)

Particulars	Note No.	31 March 2021	31 March 2020
Securities premium	15.1	9,974.51	5,796.25
Share options outstanding account	15.2	67.82	70.50
Capital reserve	15.3	6.77	6.77
Foreign currency translation reserve	15.4	(2.05)	18.16
Remeasurements of defined benefit plan	15.5	(9.22)	(7.18)
Retained earnings	15.6	(4,751.00)	(2,922.24)
Effective portion of loss on designated portion of hedging instrument in a cashflow hedge"	15.7	(7.52)	(36.62)
Money received against share warrants	15.8	438.86	-
		5,718.17	2,925.64

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

15 Other equity (Contd..)

15.1 Securities premium

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at beginning of year.	5,796.25	5,587.35
Premium on shares issued during year	4,410.61	208.97
Share issue expenses *	(232.35)	(0.07)
Balance at end of year	9,974.51	5,796.25

* Share issue expenses of Rs. 232.35 million towards preferential allotment of 36,573,455 shares during the year has been debited to securities premium (31 March 2020 Share issue expenses of Rs. 0.07 million towards preferential allotment of 710,526 shares during the year has been debited to securities premium).

15.2 Share options outstanding account

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	70.50	55.71
Transferred to Securities premium account on exercise of ESOPs	(21.80)	(13.51)
Deferred stock compensation expense for the year (refer note 26)	19.12	28.30
Balance at end of year	67.82	70.50

Refer note 37.

15.3 Capital reserve

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at beginning of year	6.77	6.77
On equity accounted investee	-	-
Balance at end of year	6.77	6.77

15.4 Foreign currency translation reserve

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at beginning of year....	18.16	11.42
Other comprehensive income arising from exchange differences on translating the foreign operations	(20.21)	6.74
Balance at end of year	(2.05)	18.16

15.5 Remeasurements of the defined benefit liabilities / (asset)

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at beginning of year.....	(7.18)	(0.07)
Other comprehensive (loss)/ income arising from remeasurement of defined benefit plan (net of income tax)	(2.04)	(7.11)
Balance at end of year	(9.22)	(7.18)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

16 Other equity (Contd..)

15.6 Retained earnings

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at beginning of year	(2,922.24)	(1,732.11)
Loss attributable to owners of the Company	(1,934.61)	(1,066.95)
Change in fair value of gross obligations over written put options issued to the non-controlling interests (refer note (i) below)	111.91	(129.09)
Adjustment on settlement of put option issued to the non-controlling interests (refer note (ii) below)	11.06	-
Adjustment on account of notional capital	(17.12)	5.91
Balance at end of year	(4,751.00)	(2,922.24)

- (i) The Company has issued written put option to non-controlling interests in HCG Medi-surge Hospitals Private Limited. In accordance with the terms of underlying shareholders agreement, should the option be exercised by non-controlling interests, the Company has to settle such liability by payment of cash. In the prior years, the Company had also issued written put option to non-controlling interests in BACC Healthcare Private Limited, which has been settled during the current year. Refer note (ii) below for details.
- (ii) In accordance with the terms of the shareholders' agreement dated 22 March 2013 ("SHA") entered amongst the Company, BACC HealthCare Private Limited ("BACC") and the minority shareholder in BACC, the Company was required to acquire the remaining 49.9% share capital of BACC from the minority shareholder as per the SHA.

The consideration of ₹ 694.42 million was determined as per the terms of the SHA to be settled within the period as mutually agreed between the Company and the minority shareholder. Accordingly, the non-controlling interest attributed to the minority shareholder amounting to ₹ 196.64 million was reversed to retained earnings. Further, ₹ 41.56 million was accrued in respect of interest payable during the year ended 31 March 2020 and a sum of ₹ 735.98 million has been classified as payable for share purchase as on 31 March 2020 (Refer note 18).

In the current year, pursuant to the Share Purchase agreement dated 27 November 2020 entered amongst the Company, BACC and the minority shareholders in BACC, the Company has acquired the remaining 49.9% share capital of BACC from the minority shareholders. The consideration amounting to ₹ 683.36 million has been paid in full settlement during the current year. Accordingly, the Company derecognised liability towards payable for such share purchase amounting ₹ 52.62 million, credited finance cost by ₹ 41.46 million which was accrued as interest in the previous year and credited retained earnings by ₹ 11.06 million.

15.7 Effective portion of loss on designated portion of hedging instrument in a cashflow hedge

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at beginning of year.....	(36.62)	(41.79)
Other comprehensive income arising from remeasurement of hedging instrument in a cashflow hedge (net of income tax)	29.10	5.17
Balance at end of year (refer note 39)	(7.52)	(36.62)

15.8 Money received against share warrants

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at beginning of year	-	-
Money received against share warrants during the year (refer notes 14.1(b) and (c) above)	668.22	-
Issue of shares pursuant to exercise of warrants (refer note 14.1(b) above)	(229.36)	-
Balance at end of year	438.86	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

16 Non-controlling interests

(₹ in million)

Particulars	31 March 2021	31 March 2020
Balance at the beginning of the year	385.14	455.47
Loss for the year	(276.41)	(187.58)
Other comprehensive (losses)/ income for the year (net of tax)	(0.99)	(0.34)
Additional investments by non-controlling interests	43.38	117.59
Adjustment on account of change in notional capital	17.12	-
Balance at the end of the year	168.24	385.14

(i) Details of non-wholly owned subsidiaries that have material non-controlling interests

There are no non-wholly owned subsidiaries that have material non-controlling interests. The management has set materiality at ten percent of the annual consolidated turnover, as per the last audited financial statements of the Company.

17 Borrowings

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current	Non Current	Current
Secured - at amortised cost				
(i) Term loans*				
from banks (Refer note 17.1.1)	1,977.37	166.31	3,221.86	216.94
from other parties (Refer note 17.1.2)	1,253.89	140.11	1,599.60	10.65
(ii) Vehicle loans (Refer note 17.1.3)	0.47	1.89	2.14	1.92
(iii) Loans repayable on demand*				
- from Banks (bank overdraft) (Refer note 17.1.6)	-	271.36	-	905.37
(iv) Other short-term loans from Banks (Refer note 17.1.7)	-	398.79	-	-
Unsecured - at amortised cost				
(i) Deferred payment liabilities (Refer note 17.1.5)	198.06	254.79	431.96	685.95
(ii) Loans from others (Refer note 17.1.4)	31.94	21.30	40.54	10.87
(iii) Loans from related party (Refer note 17.1.8) *	-	-	-	31.23
Less: Amount included under "Other financial liabilities" (refer note 18)	-	(584.40)	-	(926.33)
Total	3,461.73	670.15	5,296.10	936.60

* Includes interest accrued amounting to Rs. NIL (March 2020: Rs. 8 million) relating to loans repayable on demand, Rs. 0.85 million (March 2020; 7.87 million) relating to term loan others, Rs. 9.39 million (March 2020; Rs. 27.94 million) relating to term loan from banks, Rs. 1.8 million (31 March 2020: Nil) relating to other short-term loan from banks and Rs. NIL (March 2020; Rs.0.3 million) relating to related party, which is clubbed under the respective loans outstanding as on 31 March 2021 and 31 March 2020.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

17.1 Summary of borrowing arrangements

Details of security and terms of repayment of term loans and other loans (except loans repayable on demand) are stated below.

(₹ in million)

Terms of repayment and security	31 March 2021	31 March 2020
17.1.1 Term loans from banks - Secured		
Facility-1		
Non-current portion	1,845.94	3,106.01
Amounts included under current maturities of long-term debt	156.74	212.84
- Secured by exclusive charge on equipments purchased from these loans, first charge on immovable fixed assets (land and building / structures there upon) and movable fixed assets (both present and future, not charged exclusively to any other lender) and second pari-passu charge on all current assets and receivables (both present and future) of the Company, HCG Medi-Surge Hospitals Private Limited, HCG Oncology LLP, APEX HCG Oncology Hospitals LLP, HCG NCHRI Oncology LLP, HCG EKO Oncology LLP and HCG Manavata Oncology LLP.		
- Rate of interest: bank's 6 months MCRL + Spread rate (i.e. 0.70% to 1.25% p.a.)		
- Repayable in installments over a period of 6 to 10 years after 1 to 3 year moratorium from the date of borrowing.		
The Group has availed moratorium facility as announced by the Reserve Bank of India due to Covid-19 for its interest part for the period March 2020 to August 2020, which was paid in September 2020.		
* Non-current portion of bank debt as disclosed herein is gross of Rs. 35.54 million towards unamortised loan processing charges, which is netted below (31 March 2020 of Rs. 60.37 million)."		
Facility-2		
Non-current portion	0.66	1.15
Amounts included under current maturities of long-term debt	0.51	0.47
- Security: Term loan is secured by hypothecation against medical equipment of Malnad Hospital & Institute of Oncology Private Limited purchased out of finance		
- Rate of interest: Bank's base rate + 2.75% to 2.85% p.a		
- Payable in 57 monthly installments commencing from the date of borrowing after moratorium period of 3 months. (Refer note 40)		
Facility-3		
Non-current portion	168.61	177.67
Amounts included under current maturities of long-term debt	9.06	3.63
- Secured by first charge on current assets including stock and book debts & first charge on the movable and immovable fixed assets of HCG Sun Hospitals LLP both present & future		
- Rate of interest: 12 months MCLR		
- Repayable in installments over a period of 10 years after 2 years moratorium from the date of borrowing.		
- Non-current portion of bank debt includes an amount of Rs. 2.30 millions towards unamortised loan processing charges set off against loan (31 March 2020 Rs. 2.60 millions)"		
Less: Unamortised loan processing charges	(37.84)	(62.97)
Total of term loans from bank - secured	2,143.68	3,438.80
Less: Amounts included under current maturities of long-term debt	(166.31)	(216.94)
Non-current portion of bank borrowings	1,977.37	3,221.86

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

(₹ in million)

Terms of repayment and security	31 March 2021	31 March 2020
17.1.2 Term loans from other parties - Secured		
Facility -1		
Non-current portion	1,253.89	1,599.60
Amounts included under current maturities of long-term debt	137.33	7.87
Details of security and terms of repayment for the amounts borrowed during the current year:		
- Secured by a first pari-passu mortgage, charge and by way of hypothecation of entire immovable and movable properties of the Company, HCG Medi-Surge Hospitals Private Limited and HCG Oncology LLP; both present and future. A second pari-passu charge on the entire current assets, cashflow, receivables, book debts and revenue of the Company, HCG Medi-Surge Hospitals Private Limited and HCG Oncology LLP, including Trust & Retention Account / Escrow Account, of whatsoever nature and arising both present & future. First pari-passu charge on entire intangible assets of all the Company, HCG Medi-Surge Hospitals Private Limited and HCG Oncology LLP, including but not limited to, goodwill and uncalled capital, intellectual property, intangible assets, both present and future.		
- Rate of interest: IDFCs benchmark rate prevailing on the date of disbursement (8.7% p.a.) + spread rate @ 1.05 p.a.		
- Repayable in installments over a period of 12 years after 5 year moratorium from the date of borrowing.		
The Group has availed moratorium facility as announced by the Reserve Bank of India due to Covid-19 for its interest part for the period March 2020 to August 2020, which was paid in September 2020.		
Facility -2		
Non-current portion	-	-
Amounts included under current maturities of long-term debt	2.78	2.78
- Secured by equipment of the company purchased out of amount financed		
- Rate of Interest 4.64% to 14.05% p.a.		
- Repayment varies between 48 to 84 monthly installments (Refer note 40)		
Term loans from other parties - Secured	1,394.00	1,610.25
Less: Amounts included under current maturities of long-term debt	(140.11)	(10.65)
Non-current portion from other parties	1,253.89	1,599.60
17.1.3 Vehicle loan from bank - Secured		
Facility-1		
Non-current portion	0.47	2.14
Amounts included under current maturities of long-term debt	1.89	1.85
- Secured by hypothecation of vehicles of the parent company purchased out of finance		
- Rate of Interest 8% - 11.25% p.a.		
- Repayable in 18 to 60 monthly installments from the date of borrowing. (Refer note 40)		
Facility-2		
Non-current portion	-	-
Amounts included under current maturities of long-term debt	-	0.07
- Secured by hypothecation of vehicle of Malnad Hospital & Institute of Oncology Private Limited purchased out of finance.		
- Rate of Interest 10.75% p.a.		
- Repayable in 84 monthly installments from commencing from the October 2014. (Refer note 40)		
Total of vehicle loans from bank - secured	2.36	4.06
Non-current portion	0.47	2.14
Amounts included under current maturities of long-term debt	1.89	1.92

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

(₹ in million)

Terms of repayment	31 March 2021	31 March 2020
17.1.4 Term loans from others - Unsecured		
Non-current portion	6.41	6.41
Amounts included under current maturities of long-term debt		
- Interest free loan repayable as and when funds are available.		
Non-current portion	25.53	34.13
Amounts included under current maturities of long-term debt	21.30	10.87
- Rate of interest: 10.6% p.a		
- Repayable in installments over a period of 3 years.		
17.1.5 Deferred payment liabilities - Unsecured		
Non-current portion	198.06	431.96
Amounts included under current maturities of long-term debt	254.79	685.95
- Rate of interest 3% p.a		
- Repayable over the period of 1 to 3 years . (refer note 40)		
Details of security and terms of repayment for the short-term borrowings:		

Details of security and terms of repayment for the short-term borrowings:

(₹ in million)

Terms of repayment and security	31 March 2021	31 March 2020
17.1.6 Secured loan repayable on demand from banks:	271.36	905.37
Facility-1		
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) of the parent Company.		
Rate of interest 3 months MCLR + 0.8% (spread rate)		
The Group has availed moratorium facility as announced by the Reserve Bank of India due to Covid-19 for its interest part for the period March 2020 to August 2020, which was paid in September 2020.		
17.1.7 Secured loans - other short-term loans from banks:	398.79	-
Sales invoice financing facility availed from banks repayable on due date.		
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) of the parent Company.		
Rate of interest 1 months MCLR + 1.0% (spread rate)		
17.1.8 Unsecured loan from related party:	-	31.23
- Rate of Interest @ 11%		
- It is repayable on demand		

Impact of COVID-19 (Global pandemic)

The Group has availed of moratorium facility as announced by the Reserve Bank of India due to Covid-19 on payment of interest and principal installment from March 2020 till August 2020. Further, given the primary equity raise during the current year (refer note 14.1(i) above), the Group does not expect any liquidity risk with regard to its borrowing arrangements and these obligations would be met as and when they fall due. The interest of Rs. 27.94 million which was accrued and not paid as on 31 March 2020 due to the above moratorium has been paid in the current financial year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

18 Other financial liabilities

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current	Non Current	Current
Current maturities of long-term debt and vehicle loans*	-	329.61	-	240.38
Current maturity of deferred payment obligations *	-	254.79	-	685.95
Book overdraft	-	4.48	-	-
Liability on written put options #	-	537.08	610.87	-
Creditors for capital goods	-	33.23	-	116.03
Derivative liability	-	18.83	12.87	65.39
Payable balance towards supplier factoring facility ^	-	17.69	-	443.50
Payable for share purchase [refer note 15.6 (ii)]	-	-	-	735.98
Payable on acquisition of business	-	-	-	69.26
Accrued salaries and benefits	-	232.67	-	269.12
Payable towards deposit received	-	-	-	28.00
Total	-	1,428.38	623.74	2,653.61

* The details of interest rates, repayment and other terms are disclosed under note 17 above.

The Company's exposure to liquidity risk are disclosed in note 40.

Includes liability for put option issued to non-controlling interest in HCG Medi-surge Hospitals Private Limited Rs. 499 million (as at 31 March 2020: Rs. 610.87 million) and liability to settle put option issued to the other shareholder in the Group's Associate - Healthcare Global (Africa) Pvt Ltd (HCG Africa) Rs. 38.08 million (as at 31 March 2020: Rs. Nil). Refer note 15.6 (i) and note 30(i) for details.

^ This represents invoices discounted by the various vendors wherein as per the terms of the arrangement on maturity these amount will be directly debited to the Group's bank account.

19 Other liabilities

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current	Non Current	Current
Advance from customers (refer note 48)	-	203.60	-	154.71
Balance due to statutory/government authorities	-	64.52	-	109.14
Deferred government grant (refer note (i) below)	279.84	30.71	422.34	40.64
Provision for contingency for customs duty (refer note (i) below)	-	327.12	-	-
Total	279.84	625.95	422.34	304.49

Note (i):

The Group imports medical equipments under Export Promotion Capital Goods (EPCG) scheme. Under the Scheme, as the Group is expected to meet the specified criteria, it is exempt from paying customs duty on imports which is recognised as a government grant. Fair value of the government grant is capitalised along with the equipment. Deferred income is amortised over the useful life of the equipment it has been procured. Additional deferred government grant recognised during the year ended 31 March 2021 is ₹ 3.09 million (31 March 2020: ₹ 156.01 million). EPCG income recognised during the year is ₹ 42.50 million (31 March 2020: ₹ 32.98 million). As at 31 March 2021, for certain licenses there is unfulfilled condition with respect to government grant recognized (refer note 32).

Impact of Covid-19 pandemic:

For certain subsidiaries, the exports are not in line with the projections and due to Covid-19, restrictions on foreign travel, there has been substantial decrease in export revenue. During the year ended 31 March 2021, the Group has estimated shortfall in meeting such export obligations and has accordingly, de-recognised the deferred government grant amounting to ₹ 113.03 million and has also made an additional provision towards estimated custom duties amounting to ₹ 214.09 million under exceptional items (refer note 30). In respect of remaining deferred grant, while the international business has been impacted due to Covid-19, the Group basis its assessment, believes that it will be able to meet its export obligations.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

20 Provisions

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Non Current	Current	Non Current	Current
Employee benefits				
Gratuity (Refer note 36.2)	86.21	45.18	72.84	42.59
Compensated absences	-	58.98	-	47.86
Total	86.21	104.16	72.84	90.45

21 Trade payables*

(₹ in million)

Particulars	31 March 2021	31 March 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 42)	3.09	0.06
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,452.09	1,535.64
Total	1,455.18	1,535.70

* for details related to payable to related parties - refer note 44

22 Revenue from operations (refer note 48)

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Income from medical services	9,417.51	10,076.29
(b) Sale of medical and non-medical items	622.61	729.70
(c) Other operating revenues	51.73	117.41
Total	10,091.85	10,923.40

Impact of COVID-19 (Global pandemic)

The lockdown was first announced in India from 25 March 2020, but disruption in operations of the Group were experienced from around middle of March 2020 onwards. Revenue has reduced significantly during early part of FY 2020-21 on account of delay, postponement and/or cancellation of oncology, multi-specialty procedures and fertility procedures. The Group also took various cost rationalization measures during this period. Following the easing of lockdown restrictions and pursuant to various measures taken by the management to adapt to the changing circumstances, the Group was able to recover from the adverse impact. The management is also continuously monitoring the present circumstances on account of resurgence of Covid infections from March 2021 and has been taking appropriate measures to address the situation as it evolves.

23 Income from government grant

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
EPCG Income	42.50	32.98
	42.50	32.98

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

24 Other income

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income (refer note below)	147.57	35.41
Interest on financial assets at amortised cost	8.54	7.00
Net foreign exchange gains	0.14	14.05
Net gain on sale property, plant and equipment	0.01	0.12
Net gain on sale of investments in mutual funds	-	0.54
Net gain on financial assets designated at fair value through profit and loss	1.40	1.18
Payables no longer required written-back	0.01	0.13
Miscellaneous income	11.87	11.25
	169.54	69.68
Note:		
Interest income comprise:		
Interest on bank deposits	80.92	18.88
Interest on income tax refund	53.57	2.70
Interest on inter-corporate deposit	13.08	13.83
Total	147.57	35.41

25 Changes in inventories

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the beginning of the year	232.58	267.72
Inventories at the end of the year	211.08	232.58
Changes in inventories	21.50	35.14

26 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages (refer note 5)	1,726.65	1,865.84
Contribution to provident and other funds (Refer note 36)	146.00	137.80
Expense on employee stock option scheme (Refer note 15.2 and 37)	19.12	28.31
Staff welfare expenses	67.61	48.34
	1,959.38	2,080.29

27 Finance costs

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Interest costs on :		
Interest on term loans from banks and others	424.52	474.61
Interest on finance liability measured at amortised cost [refer note 15.6(ii)]	(41.56)	41.56
Interest on bank overdraft	69.13	83.12
Interest on deferred payment obligations	22.65	39.16
Interest expense on lease liabilities (Gross)	682.80	690.36
Less; Capitalised in capital work-in-progress	(62.42)	(94.22)
Interest expense on lease liabilities (net)	620.38	596.14
Interest on defined benefit obligations	7.89	7.88
Net loss on foreign currency transactions and translations to the extent regarded as borrowing costs	26.36	87.34
(b) Other borrowing costs	62.32	46.64
	1,191.69	1,376.45

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

28 Depreciation and amortisation expense

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 5)	989.96	973.41
Depreciation of right-of-use assets, Gross (refer note 6B)	501.65	484.00
Less; Capitalised	(19.72)	(40.53)
Depreciation of right-of-use assets, net (refer note 6B)	481.93	443.47
Amortisation of intangible assets (refer note 6)	120.28	67.86
Total depreciation and amortisation expense	1,592.17	1,484.74

29 Other expenses

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Medical consultancy charges	2,217.49	2,450.73
Lab charges (refer note 44)	377.88	385.03
Power and fuel & water charges	317.46	332.64
House keeping expenses	238.29	281.86
Rent (refer note 6B)	53.84	70.53
Repairs and maintenance		
Building	17.59	22.57
Machinery	316.30	236.31
Office maintenance & Others	156.07	90.10
Insurance	19.41	17.90
Rates and taxes	139.21	129.55
Printing & stationery	28.77	34.88
Advertisement, publicity & marketing	135.74	193.26
Travelling & conveyance	65.32	113.49
Legal & professional fees	206.61	183.04
Payment to auditors	18.58	13.71
Telephone expenses	31.65	35.21
Trade receivable written off	-	25.39
Allowance for doubtful trade receivables	67.53	32.42
Allowance for doubtful capital advances	8.70	8.80
Loss on disposal of property, plant and equipment	0.52	-
Expenditure towards share of profit	40.50	48.42
Miscellaneous expenses	48.56	49.80
	4,506.02	4,755.64

29.1 Corporate social responsibility

Consequent to the requirements of Section 135 of the Companies Act 2013, the group has provided for as stated below. The same is in line with activities specified in Schedule VII of the Companies Act, 2013.

- (a) Gross amount required to be spent by the group during the year is Rs. 0.87 million (2019-20: Rs 7.80 million)
- (b) Amount spent on corporate social responsibility activities :

(₹ in million)

Particulars	31 March 2021	31 March 2020
Construction/acquisition of any asset	-	-
On purposes other than above	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

30 Exceptional items

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Impairment of Goodwill (refer note 6)	130.00	-
Provision for diminution in value of investment		
Healthcare Global (Africa) Pvt. Ltd (refer note (i) below)	99.48	-
Zoctr Health Private Limited (refer note (iv) below)	7.64	-
Epigeneres Biotech Private Limited (refer note (iv) below)	10.00	-
Project cost written off / impairment		
Privat project (refer note (ii) below)	363.01	-
Cochin project (refer note (iii) below)	87.49	-
Others (refer note (iv) below)	80.49	-
Gain on account of Lease Modification (refer note 6B)	(57.74)	-
Provision for contingencies for customs duty [refer note 19(i)]	214.09	-
Total	934.46	-

- (i) During the current year, CDC Group PLC, (CDC), the other investor in Healthcare Global (Africa) Pvt Ltd, has exercised put option to sell its shares in accordance with the terms of Shareholders Agreement. The parties have appointed an independent valuer who is in the process of ascertaining the fair value of such put option shares. Pending such valuation, the Group has assessed the value of put option by using its best estimate based on future cashflow projections and recognised liability of Rs. 38.08 million. The Group performed impairment assessment, as a result of which the recoverable amount of investment was estimated to be lower than carrying value. Accordingly, this resulted into a impairment charge of Rs. 99.48 million of its investment in Healthcare Global (Africa) Pvt Ltd.
- (ii) During the year ended 31 March 2021, the Group has assessed the recoverable value of its investment made in the upcoming greenfield project in Gurgaon. The assessment was made considering significant change in scope, delays in project due to changes in management plan, market conditions including the outbreak of COVID-19 pandemic. The recoverable amount of this project (considering the future cash flows discounted to present value using the discount rate of 14%) was estimated to be lower than carrying value, resulting into an impairment charge of ₹ 363.01 million (comprising impairment of capital work-in progress ₹ 304.02 million and capital advances of ₹ 58.99 million).
- (iii) During the year, due to changes in business environment and weaker project viability due to COVID-19, the Cochin project has been abandoned. The Management has assessed and estimated that the related assets may not be recoverable. Hence, an amount of ₹ 48 million of capital advances and ₹ 39.49 million of security deposit have been written off.
- (iv) During the year ended 31 March 2021, due to COVID-19, the Group assessed the recoverable amount of certain class of assets /investments in other parties and by recognised resulting impairment charge of ₹ 17.64 million towards non-current investments, ₹ 49.27 million in respect of certain security deposits and advance to vendors and ₹ 31.22 million relating to other assets under exceptional items.

31 Income tax expense

31.1 Income tax recognised in the Statement of profit and loss

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax		
Current tax	47.10	24.55
	47.10	24.55
Deferred tax		
- MAT	-	17.69
- Others	(122.71)	19.65
	(122.71)	37.34
Total income tax expense recognised in the Statement of profit and loss	(75.61)	61.89

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

The reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Loss before tax	(2,286.63)	(1,192.64)
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	(799.04)	(416.76)
Effect of:		
Permanent differences	67.63	55.56
Share of loss from subsidiaries/ associate/ joint venture on which deferred tax asset is not recognised	299.65	257.52
Differences of tax rates in subsidiaries	(3.28)	8.11
Impairment provision on which deferred tax asset not recognised	237.18	-
Reversal of deferred tax asset recognised earlier	47.24	153.84
Impact of suspension of depreciation claim on goodwill *	86.12	-
Others	(11.11)	3.62
	(75.61)	61.89

* Depreciation on goodwill is not available from 1 April 2020 as per the Finance Act, 2021. Deferred tax expense for the year ended 31 March 2021 includes Rs. 86.12 million being the Deferred Tax Liability recognized by the Company on difference between book base and tax base of goodwill consequent to Finance Act, 2021.

31.2 Income tax recognised in other comprehensive income

(₹ in million)

Particulars	31 March 2021	31 March 2020
Income tax arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	1.69	3.95
Effective portion of loss on hedging instruments in a cash flow hedge	(15.63)	(2.78)
Total income tax recognised in other comprehensive income	(13.94)	1.17

31.3 Net deferred tax Assets and liabilities

(₹ in million)

Deferred tax balances	31 March 2021	31 March 2020
Deferred tax assets	343.10	261.40
Deferred tax liabilities	(42.77)	(69.84)
Net	300.33	191.56

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2021 are as follows:

(₹ in million)

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment and intangible assets	(873.86)	91.05	-	(782.81)
Goodwill	(83.43)	(86.12)	-	(169.55)
MAT credit entitlement	132.43	12.82	-	145.25
Sec 43B items	62.17	11.50	1.69	75.36
Provision for doubtful debts/advances	227.59	(42.90)	-	184.69
Tax losses	476.60	(54.41)	-	422.19
Ind AS 116 impact	162.89	76.92	-	239.81
Others	87.17	113.85	(15.63)	185.39
Total	191.56	122.71	(13.94)	300.33

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2020 are As follows:

(₹ in million)

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment and intangible assets	(681.68)	(192.18)	-	(873.86)
Goodwill	(55.61)	(27.82)	-	(83.43)
MAT credit entitlement	160.73	(28.30)	-	132.43
Sec 43B items	52.29	5.93	3.95	62.17
Provision for doubtful debts/advances	212.89	14.70	-	227.59
Tax losses	515.54	(38.94)	-	476.60
Ind AS 116 impact	-	162.89	-	162.89
Others	24.74	66.38	(2.78)	87.17
Total	228.90	(37.34)	1.17	191.56

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax ('MAT') if the tax payable under normal provisions is less than tax payable under MAT. Excess tax paid under MAT over tax under normal provision can be carried forward for a period of 15 years and can be set off against the future tax liabilities. Unabsorbed business losses expire 8 years after the year in which they originate and unabsorbed depreciation can be carried forward indefinitely unless there is a substantial change in the ownership. Tax benefits on unabsorbed business losses, unabsorbed depreciation and MAT credit entitlement have been recognised as deferred tax asset as it is more probable than not that the future economic benefits associated with the asset will be realised.

31.4 Current tax Assets, (Net)

(₹ in million)

Particulars	31 March 2021	31 March 2020
Advance tax (net of provision)	426.42	553.90
	426.42	553.90

31.5 Current tax liabilities

(₹ in million)

Particulars	31 March 2021	31 March 2020
Provision for tax (net of advance tax)	3.52	0.34

32 Contingent liabilities

(₹ in million)

Particulars	31 March 2021	31 March 2020
a) Corporate guarantees given (refer note 47)	412.00	432.73
b) Other guarantees given	-	89.00
c) Other money for which the company is contingently liable		
Customs duty (Refer note (i) below)	4.48	4.48
Excise and service tax (Refer note (ii) below)	31.72	31.72
Value added tax (Refer note (iii) below)	65.81	49.03
Income tax (Refer note (iv) below)	2.74	2.74
Sales tax (Refer note (iii) below)	26.00	18.87
Duties and taxes in respect of EPCG licenses (Refer note (v) below)	385.99	-
d) Bonus to employees pursuant to retrospective Amendment to the Payment of Bonus Act, 1965 (Refer note (vi) below)	9.98	9.98

Notes:

- (i) HCG Medisurge Hospitals Private Limited imported (HCG Medisurge) radiation equipment, Linear Accelerator-True Beam with standard accessories in two consignments. First consignment with main Linear Accelerator equipment was cleared by paying CVD @ 5% and second consignment was cleared as accessories of the medical equipment

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

with Nil rate of CVD by claiming benefit under Notification No.06/2006 dated 01.03.2006. The Commissioner of Customs has passed the order against the import of the second consignment as ""Accessories/spare parts of Linear Accelerator"" which attracts CVD @ 5% and declined the benefit of Notification No. 06/2006 and levied duty of Rs. 2.24 million and penalty of Rs. 2.24 million along with applicable interest.

The HCG Medisurge has appealed before Customs, Excise & Service Tax Appellate Tribunal, Mumbai and is positive of claiming benefit under said notification."

- (ii) (a) Excise Commissionerate-III, Bengaluru has passed Order against the Company adjudicating that the product Fluro-deoxy-glucose ('FDG') is excisable and levied excise duty for the period under scrutiny from April 2009 to March 2014 of ₹ 6.80 million, interest on duty amount, penalty of ₹ 6.80 million, redemption fine of ₹ 0.6 million in lieu of confiscation of goods not available. The order also imposed a penalty of Rs. 1 million on Dr. B.S.Ajaikumar, Chairman & CEO of the Company. The Company has filed an appeal before CESTAT by paying Central Excise Duty of ₹ 0.6 million.

Additional Commissionerate of Central Excise, Chennai, has passed the Order confirming the excisability on sale of FDG for the period March 2013 to June 2015 levying excise duty of ₹ 6.57 million, interest on duty amount and penalty of ₹ 6.57 million.

If it is excisable the same has to be classified under Chapter 30 which attracts excise duty at 6% and valuation of captively consumed FDG will reduce the demand. The Group is positive of winning the case on the ground that FDG is not excisable as there is no specific entry in the Central Excise Tariff Act 1985. "

- (ii) (b) HealthCare Global Senthil Multispecialty Hospitals Private Limited (HCG-Senthil), has undergone service tax audit for the period 2008-09 to 2012-13 and noted that during the period Jul 2010 to April 2011, medical services provided to TPA are chargeable to service tax for which a demand of ₹ 2.09 million is raised for short payment of service tax. Also purchase volume discount has been classified as business auxiliary services for which a demand of ₹ 1.29 million has been raised by Joint Commissioner, Salem. HCG-Senthil appealed before Commissioner of Central Excise (Appeals) where the order was passed in favour of Revenue. Subsequently, the Company has filed an appeal before CESTAT, Chennai.

The HCG-Senthil has served to the patients under Tamil Nadu Government Scheme and the settlement is done by TPA, which is exempt from Service tax and purchase volume discount has been wrongly categorised as business auxiliary service which is out of the ambit of Service tax. Hence the HCG-Senthil believes there would be no service tax liability."

- (iii) a) HealthCare Global Vijay Oncology Private Limited is merged with Company effective from 1 April 2015, has undergone departmental VAT audit for the period from 2011-12 to 2014-15 and noted that the Company has not charged and paid VAT on supply of food to patients and raised a AP-VAT demand of ₹ 2 million. Further, the Deputy Commercial Tax Officer, Vijayawada has passed the penalty order for ₹ 0.5 million against the above AP-VAT audit order. The Company has filed an writ petition before Andhra Pradesh High Court by paying ₹ 0.4 million VAT amount to department.

The Company is positive of winning the case on the ground that various High Courts in India have ruled that the supply of food to patient is pursuant to provision of medical service and is not sale of goods."

- (iii) (b) HCG Medisurge Hospitals Private Limited's (HCG Medisurge) VAT Assessment has been done for FY 2011-12 and noted that the Company has not paid VAT totalling Rs.9.49 million on goods which the Company claimed as Exempted goods. The AO has levied interest of Rs. 4.56 million and penalty of Rs. 1.64 million by wrongly assessing service income as a taxable item and levying VAT on cafeteria which was offered by the Company to VAT under different VAT registration.

The Company has filed an appeal before the Joint Commissioner of Commercial Taxes producing the relevant supporting documents for supply of exempted goods, provision of medical Services and offering of cafeteria sales under different VAT registration number. The Company believes that the VAT demand will be dropped and no adverse effect on financial statement.

The Company's VAT Assessment has been done for FY 2014-15 and 2015-16 wherein demand of Rs. 1.18 Million and Rs. 0.48 Million has been raised. The only issue in the order is that ITC is being disallowed.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

The Company has filed an appeal before the Joint Commissioner of Commercial Taxes which is pending. The Company has all the relevant documents to substantiate its claim for ITC. The Company believes that the VAT demand will be dropped and no adverse effect on financial statement.”

- (iii) (c) Healthcare Global Enterprises Limited assessment for Karnataka Value Added Tax (VAT) has been done for FY 2013-14 to FY 2016-17 wherein demand of Rs. 33.02 million has been raised. The demand has mainly arisen on account of differential rate of tax on canteen income, denial of input credit, wrongly taxing other income and ignoring the details of sales / sales returns. Presently, appeals for FY 2013-14 and FY 2014-15 is pending before the Appellate Tribunal. Whereas, for FY 2015-16 and FY 2016-17, the appeals are pending before first appellate authority. Further, entire demand for has been recovered from the Company. The Company believes that the VAT demand will be dropped and there would be no adverse impact in the financial statements.

Also, Gujarat Value Added Tax (VAT) assessment has been closed for FY 2014-15, FY 2015-16 and FY 2016-17 wherein demand of ₹ 7.84 Million, ₹ 3.58 million and ₹ 1.52 million have been raised. The Company being aggrieved, has filed an appeal for both the years on the ground that Sales Tax is not applicable on IP sales and there is no mismatch in ITC taken by the Company. The Company has paid ₹ 1.30 million as pre-deposit against these orders. Currently, the appeal against the order is pending before the first appellate authority.

- (iii) (d) Healthcare Global Enterprises Limited assessment for Central Sales Tax (CST) has been done for FY 2014-15, FY 2015-16 and FY 2016-17 wherein demand of ₹ 9.46 million was raised. The demand has mainly arisen on account of non-submission of 'F' Forms before the AO. Though, demand has arisen, it is to be noted that the transactions has been reported correctly and it is mere a procedural challenge leading to the demand. Entire demand has been recovered from the Company. Currently, the cases are pending before the first appellate authority. The Group does not expect any adverse impact on the consolidated financial statements.

Assessment for Central Sales Tax (CST) was done for FY 2011-12 and 2013-14 for HCG Medi-surge Hospitals (P) Ltd. wherein demand of ₹ 15.60 million and ₹ 0.94 million was raised. Though, demand has arisen, it is to be noted that the transactions has been reported correctly and it is mere a procedural challenge leading to the demand. Entire demand has been recovered from the Company. Currently, the cases are pending before the first appellate authority. The Group does not expect any adverse impact on the consolidated financial statements.

- (iv) During the Financial Year 2011-12, HCG Medisurge Hospitals Private Limited (HCG Medisurge) had made payment to Aastha Oncology Private Limited towards their medical/professional consultancy services after deducting TDS @ 2% (Sec 197 certificate issued for ₹ 31 Million) and there after @ 10% under Section 194J. However, the AO has erred in arriving at the total amount paid/payable to Aastha Oncology Private Limited due to not considering the revised quarterly e-TDS return amount while making TDS assessment and has levied short payment of TDS of Rs. 1.51 million and interest of ₹ 1.23 million.

HCG Medisurge has produced the supporting documents during appeal and also accepted a short payment of TDS after considering all transactions with Aastha Oncology Private Limited during the previous year amounting to Rs. 0.02 million.

- (v) The Group has availed benefit of custom duty payable on imported assets through Export Promotion and Capital Goods (EPCG) licenses wherein it has to achieve certain level of exports as per Customs Rules. Further, demand of Rs. 31.3 million plus interest as applicable and 100% penalty equal to demand amount was raised on HCG NCHRI Oncology LLP for wrong classification and wrong availment of duty in Bill of Entries. Personal penalty was also imposed on certain employees aggregating to Rs. 1.25 million. Appeal has been filed before the appellate authority. Further, considering that the Group has also re-assessed the classification in the Bill of Entry, enhanced the EPCG license and the differential duty has been debited to the EPCG license, no adverse impact of this dispute is expected on the consolidated financial statements.
- (vi) The Payment of Bonus (Amendment) Act, 2015 has been enacted on 31 December 2015 with the retrospective effect from 01 April 2014.

The Group has taken a position that the stay granted by the two High Courts of India on the retrospective application of the amendment would have a persuasive effect even outside the boundaries of the relevant states and accordingly no provision for the year ended 31 March 2015 of Rs. 9.98 million is required.

- (vii) The Hon'ble Supreme Court has, in a recent decision dated 28 February 2019, ruled that special allowance would form part of wages for computing the Provident Fund (PF) contribution. The Group keeps a close watch on further clarifications and directions from the respective department based on which suitable action would be initiated, if any.
- (viii) The Group is involved in other disputes, law suits and other claims including commercial matters which arise from time to time in the ordinary course of business. The Group believes that there are no such pending matters that are expected to have any material adverse effect on the consolidated financial statements

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

33 Commitments

(₹ in million)

Particulars	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	145.32	878.67

34 Loss per share (Rs. in million unless otherwise stated)

The calculations of loss attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic loss and diluted loss per share calculations are as follows:

34.1 Basic loss per share

The calculations of loss attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic loss and diluted loss per share calculations are as follows:

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Loss for the year attributable to owners	(1,934.61)	(1,066.95)
The loss used in the calculation of basic loss per share	(1,934.61)	(1,066.95)
Weighted average number of equity shares for the purposes of basic loss per share	113,648,953	88,549,647
Basic loss per equity share of Rs. 10 each (Amount in Rs.)	(17.02)	(12.05)

34.2 Diluted loss per share

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
The loss used in the calculation of diluted loss per share are as follows:		
Loss used in the calculation of basic loss per share	(1,934.61)	(1,066.95)
Loss used in the calculation of diluted loss per share	(1,934.61)	(1,066.95)
Weighted average number of equity shares used in the calculation of diluted loss per share	113,648,953	88,549,647
Diluted loss per equity share of Rs. 10 each (Amount in Rs.)	(17.02)	(12.06)
The weighted average number of equity shares for the purpose of diluted loss per share reconciles to the weighted average number of equity shares used in the calculation of basic loss per share as follows:		
Weighted average number of equity shares used in the calculation of basic loss per share	113,648,953	88,549,647
Shares deemed to be issued for no consideration in respect of employee stock options and warrants	-	-
Weighted average number of equity shares used in the calculation of diluted loss per share	113,648,953	88,549,647

Since there is a loss for the year ended 31 March 2021 and 31 March 2020, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

35 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis. The Company's sole operating segment is therefore 'Medical and Healthcare Services'. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

Geographical information

Geographical information analyses the company's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets.

(i) Revenue from operations

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
India	10,091.85	10,923.40
Total	10,091.85	10,923.40

(ii) Non current assets*

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
India	14,987.51	18,420.86
Total	14,987.51	18,420.86

*Non-current assets exclude financial assets and deferred tax assets.

36 Employee benefit plans

36.1 Defined contribution plans

The Group has defined contribution plan in form of Provident Fund and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Group Companies contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below:

(₹ in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contribution to Provident Fund included under contribution to provident and other funds	127.29	121.22
Contribution to Employee State Insurance Scheme, included under staff welfare expenses	11.20	19.91
	138.49	141.13

36.2 Defined benefit plans

The Group offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

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

(₹ in million)

Particulars	31 March 2021	31 March 2020
-------------	---------------	---------------

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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

Service cost recognised in employee benefits expense in note 26	18.71	16.58
Net interest expense recognised in finance costs in note 27	7.89	7.88
Components of defined benefit costs recognised in the Statement of profit and loss	26.60	24.46
Service cost recognised in employee benefits expense in Note 26	18.71	16.58
Net interest expense recognised in finance costs in Note 27	7.89	7.88
Remeasurement of the net defined benefit plan:		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(0.92)
Actuarial (gains) / losses arising from changes in financial assumptions	8.52	3.16
Actuarial (gains) / losses arising from experience adjustments	(3.80)	8.82
Remeasurement of the net defined benefit plan recognised in other comprehensive income	4.72	11.06

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

Particulars	(₹ in million)	
	31 March 2021	31 March 2020
Present value of funded defined benefit obligation	132.73	116.68
Fair value of plan assets	1.34	1.25
Unfunded status	131.39	115.43
Net liability arising from defined benefit obligation	131.39	115.43
Non-current (refer note 20)	86.21	72.84
Current (refer note 20)	45.18	42.59

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

Particulars	(₹ in million)	
	31 March 2021	31 March 2020
Opening defined benefit obligation	116.68	89.28
Current service cost	18.71	16.58
Interest cost	7.89	7.88
Remeasurement (gains)/losses:		
Actuarial gains arising from changes in demographic assumptions	-	(0.92)
Actuarial losses arising from changes in financial assumptions	8.52	3.16
Actuarial (gains) / losses arising from experience adjustments	(3.80)	8.82
Benefits paid	15.27	(8.12)
Closing defined benefit obligation	132.73	116.68

Movements in the fair value of the plan assets are as follows.

Particulars	(₹ in million)	
	31 March 2021	31 March 2020
Opening fair value of plan assets	1.25	1.16
Interest income	0.08	0.08
Benefit payments from the fund	(0.02)	-
Excess return over interest income on plan assets	0.03	0.01
Closing fair value of plan assets	1.34	1.25

The fair value of the plan assets at the end of the reporting period for each category, are as follows

(₹ in million)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

Particulars	Fair value of plan assets as at	
	31 March 2021	31 March 2020
Insurer-managed funds	1.34	1.25
Total	1.34	1.25

Plan assets consists of assets held in a 'long-term benefit fund' for the sole purpose of making future benefit payments when they fall due. Plan assets include qualifying insurance policies and are not quoted in the market.

The actual return on plan assets was Rs. 0.08 Million (for the year ended 31 March 2020: Rs. 0.08 Million).

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in million)

Particulars	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.91)	3.07	(2.36)	2.48
Future salary increase (1% movement)	6.72	(6.23)	5.63	(5.23)
Attrition rate (10% movement)	(3.38)	3.83	(2.02)	2.19

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation at 31 March 2021 is 3.56 years (as at 31 March 2020 is 5.48 years).

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	31 March 2021	31 March 2020
Discount rate(s)	5% to 6.30%	5.90% to 6.50%
Expected rate(s) of salary increase	5.00% to 7.50%	5.00% to 6.50%
Rate of return on plan assets	5.89% to 7%	6.00% to 6.50%
Mortality table	IALM 2012-14	IALM 2012-14
Employee turnover rate	13.40% to 45.00%	13.40% to 45.00%

Maturity profile of defined benefit obligation:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Within 1 year	46.45	44.04
1-2 year	31.88	28.02
2-3 year	39.40	19.74
3-4 year	16.11	13.94
4-5 year	10.68	9.39
5-10 year	18.23	14.62
> 10 years	3.91	2.88

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

37 Share-based payments

A Employee share option plan of the Company

(a) ESOP 2010

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. 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) ESOP 2014

Pursuant to the shareholders' approval in the extraordinary general meeting held on 28 March 2014, 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 ESOP 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.

Subsequent to 31 March 2021, pursuant to the shareholders' approval vide their special resolution passed through postal ballot, the Board of Directors have formulated the Scheme titled "Employee Stock Option Scheme 2021" (ESOP 2021). Upon ESOP 2021 becoming effective, no further stock option grants will be made under ESOP 2014. However, all the employee stock options already granted under this Scheme shall be eligible for being vested and exercised as per the terms of ESOP 2014.

Employee stock options will be settled by delivery of shares

B (i) The detail of fair market value and the exercise price is as given below:

Particulars	ESOP 2010	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	16-Jun-10	24-Jun-14	10-Nov-16	10-Nov-16	1-Apr-17
Fair market value of option at grant date (Rs.)	23.10	73.34	232.48	156.93	221.80
Fair market value of share at grant date (Rs.)	29.18	78.95	240.15	240.15	229.45
Exercise price (Rs.)	10.00	10.00	10.00	110.68	10.00
No. of options	1,294,800	110,100	165,400	30,000	25,000

Particulars	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	01-Apr-17	11-Aug-17	6-Nov-17	22-May-18
Fair market value of option at grant date (Rs.)	120.08	261.61	269.27	298.55
Fair market value of share at grant date (Rs.)	229.45	269.35	276.95	306.81
Exercise price (Rs.)	150.00	10.00	10.00	10.00
No. of options	35,000	101,000	53,000	55,000

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

Particulars	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	9-Nov-18	7-Feb-19	8-Aug-19	8-Aug-19
Fair market value of option at grant date (Rs.)	220.74	181.62	94.94	48.45
Fair market value of share at grant date (Rs.)	231.85	187.00	102.35	102.35
Exercise price (Rs.)	10.00	10.00	10.00	110.68
No. of options	25,000	47,000	141,800	30,000

(ii) There were no ESOPs granted during the year ended 31 March 2021. The assumptions used for calculating fair value of the ESOPs granted during the previous year are as below:

Assumptions	Grant Date: 08 August 2019 (ESOP 2014)			
	Vest 1 08 Aug 20	Vest 2 08 Aug 21	Vest 3 08 Aug 22	Vest 4 08 Aug 23
Variables	10%	20%	30%	40%
Risk free interest rate	7.29%	7.44%	7.55%	7.64%
Expected life	5.50	6.00	6.50	7.00
Expected annual volatility of shares	33.68%	33.68%	33.68%	33.68%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

Assumptions	Grant Date: 08 August 2019 (ESOP 2014)			
	Vest 1 08 Aug 20	Vest 2 08 Aug 21	Vest 3 08 Aug 22	Vest 4 08 Aug 23
Variables	10%	20%	30%	40%
Risk free interest rate	7.29%	7.44%	7.55%	7.64%
Expected life	2.00	3.00	4.00	5.00
Expected annual volatility of shares	33.68%	33.68%	33.68%	33.68%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

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

Particulars	31 March 2021		31 March 2020	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
- ESOP 2010	5,877	10.00	7,827	10.00
- ESOP 2014	633,590	27.26	520,910	25.20
Granted during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	171,800	27.58
Forfeited during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
Exercised during the year:				
- ESOP 2010	-	-	1,950	10.00
- ESOP 2014	95,200	10.00	59,120	10.00
Lapsed during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
Options outstanding at the end of the year:				
- ESOP 2010	5,877	10.00	5,877	10.00
- ESOP 2014	538,390	27.26	633,590	27.26
Options exercisable at the end of the year:				
- ESOP 2010	5,877	10.00	5,877	10.00
- ESOP 2014	233,270	45.25	119,530	36.17

* Options available for grant under ESOP 2014 Scheme are 2,162,506 (31 March 2020: 2,162,506). However, as mentioned above, subsequent to March 31, 2021, upon ESOP 2021 becoming effective, no further stock option grants will be made under ESOP 2014.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2021 is Rs. 123.24 (31 March 2020: Rs. 118.80).

The options outstanding at the end of the reporting period has exercise price in the range of Rs. 10 to Rs.150 (31 March 2020: Rs. 10 to Rs.150) and weighted average remaining contractual life of 6.79 years (31 March 2020: 7.7 years).

- D For details of expense recognised in statement of profit and loss please refer note 26 and for details of movement in share options outstanding account refer note 15.2.

38 Financial instruments

A Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at 31 March 2021 and 31 March 2020 are as follows:

(₹ in million)

Particulars	Carrying value as at	
	31 March 2021	31 March 2020
Financial assets		
Amortised cost		
Loans (including current and non-current)	543.98	570.27
Trade receivable	1,866.05	1,856.58
Cash and cash equivalents (including other bank balances)	408.51	320.19
Other financial assets	1,713.88	496.79
FVTPL		
Investments in unquoted equity instruments	41.97	59.61
Investments in mutual fund (quoted)	15.32	13.91
Total assets	4,589.71	3,317.35
Financial liabilities		
Amortised cost		
Loans and borrowings (including current maturities and short term borrowings)	4,716.28	7,159.03
Lease liabilities (including current and non-current)	5,058.24	6,306.64
Trade payables	1,477.19	1,535.70
Other financial liabilities (includes current and non-current)	825.15	1,467.52
Payable on acquisition of business	-	69.26
Payable for share purchase	-	735.98
Hedging instruments		
Derivative liability (includes current and non-current)	18.83	78.26
Total liabilities	12,073.68	17,352.39

The management assessed that the carrying value of above financial assets and liabilities approximates the fair value.

Refer note 17 for details related to pledge of financial assets

39 Fair value hierarchy - Measurement of fair values

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March 2021 and 31 March 2020:

(₹ in million)

Quantitative disclosures fair value measurement hierarchy	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value as at 31 March 2021				
Investment in mutual funds (quoted)	15.32	15.32	-	-
Investments in unquoted equity instruments	41.97	-	-	41.97
Financial liabilities measured at fair value as at 31 March 2021				
Derivative liability	18.83	-	18.83	-
Financial assets measured at fair value as at 31 March 2020				
Investment in mutual funds (quoted)	13.91	13.91	-	-
Investments in unquoted equity instruments	59.61	-	-	59.61
Financial liabilities measured at fair value as at 31 March 2020				
Derivative liability	78.26	-	78.26	-

There have been no transfers among Level 1, Level 2 and Level 3 during each of the years presented above.

(₹ in million)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted equity instruments	Recent completed transaction in the underlying investment	1. Price per share 2. Qualitative factors on operating performance vis a vis budgets 3. Regulatory factors	Not applicable
Derivative Instruments	The fair value is estimated using valuation techniques with observable market inputs including currency spot and forward rates, interest rate curves, currency volatility, etc.	Not applicable	Not applicable

Details of assets and liabilities considered under Level 3 classification

(₹ in million)

Particulars	Investment in equity instruments
Balance as at 1 April 2019	59.61
Additions	-
Gain/(loss) recognised in other comprehensive income and statement of profit and loss	-
Balance as at 31 March 2020	59.61
Balance as at 1 April 2020	59.61
Additions	-
Loss recognised in statement of profit and loss	(17.64)
Gain/(loss) recognised in other comprehensive income	-
Balance as at 31 March 2021	41.97

As at 31 March 2021 and 31 March 2020, a one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets does not have a significant impact in its value.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

Derivative financial instruments (assets and liabilities): The Group is exposed to foreign currency fluctuations on foreign currency assets and liabilities, net investment in foreign operations and forecasted cashflows denominated in foreign currency.

The Group limits the effect of foreign exchange rate fluctuations by following an established risk management policies including the use of derivatives. The Group enters into derivative financial instruments where the counter party is primarily bank.

Derivatives are recognised and measured at fair value. Attributable transaction costs are recognised in the consolidated statement of profit and loss as cost. Subsequent to initial recognition, derivative financial instruments are measured as described below:

- A. Cashflow hedges: Changes in fair value of the derivative hedging instrument is designated as a cash flow hedge are recognised in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognised in the statement of profit and loss.
- B. Others: Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results from operating activities.

Derivatives valued using valuation techniques with market observable inputs are mainly foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing from counter parties. As at 31 March 2021, the changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

The following table presents the aggregate contracted principal amounts of the Company's derivative contracts outstanding:

Particulars	As at			
	31 March 2021		31 March 2020	
	Notional	Fair value	Notional	Fair value
Designated derivatives instruments				
Buy: Forward contracts	USD 1.05 million	₹ 18.83 million	USD 8.02 million	₹ 78.26 million
Weighted Average forward strike Price	₹ 82.48	₹ 82.48	₹ 80.10	₹ 80.10

The following table summarises activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

(₹ in million)

Particulars	As at	
	31 March 2021	31 March 2020
	Balance as at the beginning of the year	(36.62)
Cost of hedging transferred to the consolidated statement of Profit and Loss	12.61	23.74
(Gain)/loss reclassified to statement of profit and loss on occurrence of hedged transactions	32.12	(15.79)
Net gain/(loss) on cash flow hedging derivatives, net	44.73	7.95
Balance as at the end of the year	8.11	(33.84)
Deferred tax thereon	(15.63)	(2.78)
Balance as at the end of the year, net of deferred tax (refer note 15.7)	(7.52)	(36.62)

The related hedge transactions for balance in cash flow hedging reserves as at 31 March 2021 are expected to occur and be reclassified to the statement of profit and loss over a period of one year (31 March 2020: The related hedge transactions for balance in cash flow hedging reserves as at 31 March 2020 are expected to occur and be reclassified to the statement of profit and loss over a period of two years).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

40 Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risks which may adversely impact the fair value of its financial instruments.

(i) Risk management framework

The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to the credit risk from its trade receivables, unbilled revenue, security deposit, investments, cash and cash equivalents, bank deposits and loans. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

a) Trade and other receivables

Trade receivables are unsecured comprise a widespread customer base. Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information wherever required. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as derived as per the trend of trade receivable ageing of previous years.

- The Provision matrix at the end of the reporting period is as follows:-

Category	31 March 2021	31 March 2020
Less than 1 year	4% to 26%	3% to 26%
1-2 years	26% to 57%	26% to 59%
2-3 years	58% to 100%	60% to 100%
More than 3 years	100%	100%

- The provision details of the trade receivable is given below.

Movement in the expected credit loss allowance

(₹ in million)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at beginning of the year	411.24	378.82
Additional provision during the year (refer note 29)	67.53	32.42
Balance at end of the year (refer note 12)	478.77	411.24

No single customer accounted for more than 10% of the revenue as of 31 March 2021 & 31 March 2020. There is no significant concentration of credit risk.

Impact of COVID-19 (Global pandemic)

Trade receivables forms a significant part of the financial assets carried at amortized cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, the Group has evaluated the likelihood of increased credit risk and consequential default considering emerging Covid-19

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

situation. This assessment considers the current collection pattern across various customers. The Group is closely monitoring the developments across various customers and states. Basis this assessment, provision made towards ECL is considered adequate.

Details of geographic concentration of revenue is included in note 35 to the financial statements

b) Investments and cash deposits

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors. Pursuant to the impact of Covid-19, the Group has assessed the counterparty credit risk and concluded the carrying / fair value, as applicable, of the financial instruments and deposits with banks to be appropriate.

c) Derivatives

The Group enters into derivative financial instruments with counter-parties, primarily, banks with investment grade credit ratings.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Also refer note 49.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020.

(₹ in million)

Particulars	31 March 2021					
	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings	4,716.28	1,254.55	579.89	497.96	542.71	1,841.17
Lease liabilities	5,058.24	365.12	268.37	289.16	265.20	3,870.39
Trade payables (including supplier credit facility)	1,455.19	1,455.19	-	-	-	-
Other financial liabilities	825.15	825.15	-	-	-	-
Derivative liability	18.83	18.83	-	-	-	-

(₹ in million)

Particulars	31 March 2020					
	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings	7,159.03	1,862.93	780.57	786.80	593.25	3,135.48
Lease liabilities	6,306.64	214.96	198.18	194.53	204.89	5,494.08
Trade payables (including supplier credit facility)	1,535.70	1,535.70	-	-	-	-
Other financial liabilities	1,467.52	856.65	610.87	-	-	-
Derivative liability	78.26	65.39	12.87	-	-	-
Payable from Share purchase	735.98	735.98	-	-	-	-
Payable on acquisition of business	69.26	69.26	-	-	-	-

(iv) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

(a) Foreign currency risk

The Group's exchange risk arises mainly from its foreign currency borrowings. As a result, depreciation of Indian rupee relative to these foreign currencies will have a significant impact on the financial performance of the Group. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

(i) The following table presents unhedged foreign currency risk from financial instruments as of 31 March 2021 and 31 March 2020

As at 31 March 2021

(₹ in million)

Particulars	Rupee equivalent of foreign currency amounts		
	US \$	Euro	Total
Assets			
Cash and cash equivalents	-	-	-
Trade receivables	93.04	-	93.04
Unbilled revenue	9.70	-	9.70
Liabilities			
Borrowings	113.33	340.24	453.57
Trade payable	0.89	5.50	6.39
Net assets/liabilities	(11.48)	(345.74)	(357.22)
Forward exchange contracts	76.86	-	76.86
Net exposure	65.38	(345.74)	(280.36)

As at 31 March 2020

(₹ in million)

Particulars	Rupee equivalent of foreign currency amounts		
	US \$	Euro	Total
Assets			
Cash and cash equivalents	-	-	-
Trade receivables	149.30	-	149.30
Liabilities			
Borrowings	834.00	339.36	1,173.36
Creditors for capital goods	2.17	8.22	10.39
Trade payable	12.54	-	12.54
Net assets/liabilities	(699.41)	(347.58)	(1,046.99)
Forward exchange contracts	601.85	-	601.85
Net exposure	(97.56)	(347.58)	(445.14)

(ii) Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments

(₹ in million)

Particulars	Impact on profit or (loss) before tax	
	31 March 2021	31 March 2020
USD Sensitivity		
₹/USD - Increase by 1%	(3.57)	(10.42)
₹/USD - Decrease by 1%	3.57	10.42

(b) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates and investments. Such risks are overseen by the Group's corporate treasury department as well as senior management.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

(i) *Interest rate risk exposure*

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Variable rate long term borrowings including current maturities	3,534.90	4,368.89
Total borrowings		

(ii) *Sensitivity analysis*

Every 1% increase or decrease in MCLR rate does not have material impact to statement of profit and loss and other components of equity

(₹ in million)

Particulars	Impact on profit or (loss) before tax	
	31 March 2021	31 March 2020
Sensitivity		
1% increase in MCLR rate	(35.35)	(43.69)
1% decrease in MCLR rate	35.35	43.69

41 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances) and total equity of the Group. Also refer note 49.

The capital structure is as follows:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Total equity attributable to the equity share holders of the Group	6,971.76	3,812.55
As percentage of total capital	61%	36%
Total loans and borrowings	4,716.28	7,159.03
Cash and cash equivalents	300.01	317.45
Net loans & borrowings	4,416.27	6,841.58
As a percentage of total capital	39%	64%
Total capital (loans and borrowings and equity)	11,388.03	10,654.13

42 Due to Micro, Small and Medium Enterprises (refer note 21)

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 and 31 March 2020 have been made in the financial statements based on information received and available with the group. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The group has not received any claim for interest from any supplier.

(₹ in million)

Particulars	31 March 2021	31 March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year	3.09	0.06
Principal	3.09	0.06
Interest	-	-
The amount of interest paid by the buyer under MSMED Act	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	-	-

All trade payables are 'current.' The Group's exposure to currency and liquidity risks related to trade payable is disclosed in note 41.

43. Related Party Disclosures

A. Details of related parties:

Description of relationship	Names of related parties
Key management personnel (KMP)	Whole-time director
	Dr. B S Ajaikumar - Chief Executive Officer till 31 January 2021 and Executive Chairman from 1 February 2021
	Executive Director
	Dr. B S Ramesh *
	Non-executive directors
	Amit Soni - <i>Appointed with effect from 28 July 2020</i>
	Siddharth Patel - <i>Appointed with effect from 28 July 2020</i>
	Gangadhara Ganapati - <i>Resigned with effect from 11 August 2020</i>
	Dr. Amit Varma- <i>Resigned with effect from 1 April 2021</i>
	Independent directors
	Sampath T Ramesh - <i>Ceased to be Director with effect from 29 May 2020</i>
	Dr. Sudhakar Rao
	Suresh C Senapaty- <i>Ceased to be Director with effect from 29 May 2020</i>
	Bhushani Kumar - <i>Ceased to be Director with effect from 29 May 2021</i>
	Shanker Annaswamy
Abhay Havaladar- <i>Appointed with effect from 20 August 2020</i>	
Key Managerial Personnel	
Meghraj Arvindrao Gore - <i>Chief Executive Officer with effect from 1 February 2021</i>	
Srinivasa V. Raghavan- Chief Financial Officer	
Sunu Manuel- Company Secretary	
Joint venture	Strand Life Sciences Private Limited
Shareholder holding more than 20% of the share capital	Aceso Company Pte Ltd
Associate of HCG (Mauritius) Private Limited (WOS of the Company)	HealthCare Global (Africa) Private Limited
Relatives of KMP	Ms. Anjali Ajaikumar (Daughter of Dr. B S Ajaikumar) (also Whole-time Director from 1 April 2021)
Company / entity in which KMP / Relatives of KMP can exercise significant influence	JSS Bharath Charitable Trust
	Sada Sarada Tumor & Research Institute
	Wipro GE Healthcare Private Limited **
	B.C.C.H.I Trust
	HCG Foundation
	GHA Global Healthcare Academy Private Limited
	Gutti Malnad Hospital LLP

* Dr B S Ramesh has completed his term as Executive Director on 21 May 2020. Thereafter, he continued to be on the Board as a Non Executive Director till 30 June 2020.

** Wipro GE Healthcare Private Limited was a Related Party till 28 May 2020.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

43 Related Party Disclosures (contd..)

Transactions and balances between the company and its subsidiaries which are related parties of the company, have been eliminated and are not disclosed.

Details of related party transactions during the year:

(₹ in million)

Particulars	31 March 2021	31 March 2020
Sale of medical and non-medical items		
- Sada Sarada Tumor & Research Institute	3.46	6.92
- Strand Life Sciences Private Limited	-	0.92
Income from medical services		
- JSS Bharath Charitable Trust	9.41	7.82
- HCG Foundation	2.22	5.69
- Sada Sarada Tumor & Research Institute	3.30	3.60
Purchase of pharmacy products and consumables		
- Strand Life Sciences Private Limited	-	1.68
Purchase of Fixed Assets		
- Strand Life Sciences Private Limited	5.54	5.70
Lab charges		
- Strand Life Sciences Private Limited	215.83	257.57
- Sada Sarada Tumor & Research Institute	0.23	-
Rent charges		
- Sada Sarada Tumor & Research Institute	0.87	0.84
Investment made during the year in		
- HealthCare Global (Africa) Private Limited	61.66	8.71
Loan received		
- Dr. B S Ajaikumar	-	50.00
Loan repaid		
- Dr. B S Ajaikumar	30.92	19.08
Repairs and maintenance -Annual Maintenance charges (AMC)		
Wipro GE Healthcare Pvt Ltd **	0.53	18.20
Interest expenses		
- Dr. B S Ajaikumar	0.98	0.30
Promotion and Marketing of Offline and Online courses		
- GHA Global Healthcare Academy Private Limited	2.50	-
Reimbursement of capital expenditure/ revenue expenditure cross charged by the Group		
- HCG Foundation	0.93	0.13
- Sada Sarada Tumor & Research Institute	0.29	0.09
- JSS Bharath Charitable Trust	3.17	3.51
- Strand Life Sciences Private Limited	1.79	3.93
Other advances given		
- Strand Life Sciences Private Limited	-	50.00
- Sada Sarada Tumor & Research Institute	1.53	0.09
Other advances received		
- JSS Bharath Charitable Trust	40.00	20.00
- Sada Sarada Tumor & Research Institute	-	31.00
- B. C. C. H. I. Trust	-	0.07
Other advances repaid		
- JSS Bharath Charitable Trust	40.00	20.00
- Sada Sarada Tumor & Research Institute	-	31.00
Short-term employee benefits to:		
- Dr. B S Ajaikumar (refer note 45) *	25.88	20.83
- Meghraj Arvindrao Gore	3.83	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

43 Related Party Disclosures (contd..)

(₹ in million)

Particulars	31 March 2021	31 March 2020
- Ms. Anjali Ajaikumar	5.00	5.32
- Dr. B S Ramesh (refer note 45)	1.44	8.03
- Srinivasa Raghavan	10.58	10.01
- Sunu Manuel	4.07	3.61
The above compensation excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.		
* Fixed compensation for approx. two months has been waived-off during the year. Fixed compensation for two months was waived-off during previous year.		
Share based payments to:		
- Srinivasa Raghavan	1.19	1.57
- Sunu Manuel	0.33	0.67
Proceeds from issue of share warrants to:		
- Dr. B S Ajaikumar (Refer note 14) *	65.00	-
Sitting fees to Directors		
- Shanker Annaswamy	0.93	0.95
- Sampath T Ramesh	0.10	0.70
- Dr. Sudhakar Rao	1.18	0.70
- Suresh C Senapaty	0.10	0.73
- Bhushani Kumar	0.83	0.65
- Abhay Prabhakar Havaladar	0.13	-
Transactions and balances between the company and its subsidiaries which are related parties of the company, have been eliminated and are not disclosed		

44 Details of related party balances outstanding:

(₹ in million)

Balances outstanding as at	31 March 2021	31 March 2020
Trade receivables		
- JSS Bharath Charitable Trust	-	1.44
- Sada Sarada Tumor & Research Institute	0.16	8.94
- B.C.C.H.I. Trust	0.01	0.01
- HCG Foundation	4.52	9.96
- Gutti Malnad LLP	2.03	2.02
Receivable from related parties - Other Financial Assets (current)		
- Sada Sarada Tumor & Research Institute	4.72	3.22
- B.C.C.H.I. Trust	-	0.07
- HealthCare Global (Africa) Pvt Ltd	3.30	3.30
- Wipro Ge Healthcare Pvt Ltd **	-	2.02
Share application money pending allotment - Other Financial Assets (Non-current)		
- HealthCare Global (Africa) Private Limited	-	8.71
Advance to vendors - Other Assets		
- Strand Life Sciences Private Limited	-	50.00
Loan from related parties- short term borrowings		
- Dr. B S Ajaikumar	-	31.23
(including interest accrued on loan)		
Security deposits (refundable) with		
- Gutti Malnad LLP	3.50	3.50

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

44 Related Party Disclosures (contd..)

(₹ in million)

Balances outstanding as at	31 March 2021	31 March 2020
Accrued employee benefits - Other financial liabilities (current)		
- Dr. B S Ajaikumar	6.65	6.23
- Meghraj Arvindrao Gore	1.19	-
- Ms. Anjali Ajaikumar	0.82	0.50
- Dr. B S Ramesh	-	0.52
- Srinivasa Raghavan	1.88	1.67
- Sunu Manuel	0.54	0.52
Trade payables		
- Sada Sarada Tumor & Research Institute	0.01	0.01
- Gutti Malnad LLP	-	0.02
- Wipro GE India Pvt Ltd **	-	8.25
- Strand Life Sciences Private Limited*	69.75	105.07
- HCG Foundation	0.09	0.04

* Outstanding at 31 March 2021 and 31 March 2020 includes invoices due by the Group and discounted by Strand Life Sciences Private Limited. This has been disclosed as "Supplier factoring facility" under "other financial liability". On the maturity date, the account of the Company will be debited by the factoring bank.

** Wipro GE Healthcare Pvt Ltd was a Related Party till 28 May 2020, Transactions upto 28 May 2020 included. Closing balances as on 31 March 2021 not included.

All transactions with the related parties are priced at arm's length basis and resulting outstanding balances are to be settled as per the terms agreed. None of the balances are secured.

45 Managerial remuneration:

For the financial year ended 31 March 2021

The remuneration to Dr. B S Ajaikumar for the year ended 31 March 2021 and Dr. B S Ramesh from 1 April 2020 to 21 May 2020 amounts to Rs. 25.88 million (net off fixed salary waiver for approx two months) and Rs.1.44 million respectively. This has been approved by the Nomination and Remuneration Committee, the Board of Directors and is in accordance with the limits prescribed under Section 197 read with Schedule V to the Companies Act, 2013 considering the approval of the Shareholders of the Company through special resolution obtained on 26 September 2019 and the special resolution obtained on 23 May 2021 for the remuneration to Dr. B S Ajaikumar for the period from 1 February 2021 considering the change in his role from "Chief Executive Officer" till 31 January 2021 to "Executive Chairman" from 1 February 2021..

For the financial year ended 31 March 2020

The remuneration of Chairman & CEO and the Executive director of the Company for the year ended 31 March 2020 amounts to Rs. 20.83 million (net off fixed salary waiver for two months) and Rs.8.03 million respectively. This has been approved by the Nomination and Remuneration Committee, the Board of Directors and is in accordance with the limits prescribed under Section 197 read with Schedule V to the Companies Act, 2013 considering the approval of the Shareholders of the Company through special resolution obtained on 26 September 2019.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

46 Subsidiaries, Associate & Joint venture

Details of the Group's subsidiaries at the end of the reporting period are as follows

Name of the subsidiary	Place of Incorporation and Operation	Proportion of ownership interest and Voting Power Held By The Group	
		31 March 2021	31 March 2020
HCG Medi-Surge Hospitals Private Limited	India	74.00%	74.00%
Malnad Hospital & Institute of Oncology Private Limited	India	70.25%	70.25%
HealthCare Global Senthil Multi Specialty Hospital Private Limited	India	100.00%	100.00%
Niruja Product Development and Research Private Limited (formerly known as MIMS HCG Oncology Private Limited)	India	100.00%	100.00%
BACC Healthcare Private Limited	India	100.00%	Refer note a
HealthCare Diwan Chand Imaging LLP	India	75.00%	75.00%
Apex HCG Oncology Hospitals LLP	India	100.00%	100.00%
HCG Oncology LLP	India	74.00%	74.00%
HCG NCHRI Oncology LLP	India	76.00%	76.00%
HCG Manavata Oncology LLP*	India	51.00%	51.00%
HCG EKO Oncology LLP*	India	50.50%	50.50%
HCG (Mauritius) Private Limited	Mauritius	100.00%	100.00%
HCG SUN Hospitals LLP	India	74.00%	74.00%

The principal activity of all the above mentioned subsidiaries is providing Healthcare services.

Note a: In accordance with the terms of the shareholders' agreement dated 22 March 2013 ("SHA") entered amongst the Company, BACC HealthCare Private Limited ("BACC") and the minority shareholder in BACC, during FY 2018-19, the Company had agreed to acquire the remaining 49.9% share capital of BACC from the minority shareholder for a consideration determined as per the terms of SHA. In the current year, pursuant to the Share Purchase agreement dated 27 November 2020 entered amongst the Company, BACC and the minority shareholders in BACC, the Company has acquired the remaining 49.9% share capital of BACC from the minority shareholder.

* The directors of the Company assessed whether or not the Group has control over the above mentioned entities based on whether the Group has the practical ability to direct the relevant activities of such entities unilaterally. Based on such assessment, the directors concluded that the Group has sufficient management rights to unilaterally direct the relevant activities of such entities and therefore the Group has control.

Details of Associate company at the end of the reporting period are as follows:

Name of the subsidiary	Place of Incorporation	Proportion of ownership interest and Voting Power Held By The Group	
		31 March 2021	31 March 2020
Healthcare Global (Africa) Private Limited (Refer note)*	Mauritius	92.02%	76.73%

Note: Investments in Healthcare Global (Africa) Private Limited is held by a subsidiary HCG (Mauritius) Private Limited which is incorporated in Mauritius

The principal activity of the Associate is to provide Healthcare services in African region.

*HCG (Mauritius) Private Limited lost control on 21 June 2017, on account of contractual arrangement with CDC Group PLC, over HealthCare Global (Africa) Private Limited consequent to which HealthCare Global (Africa) Private Limited and its subsidiaries HealthCare Global (Uganda) Private Limited, HealthCare Global (Kenya) Private Limited and HealthCare Global (Tanzania) Private Limited became Associate of HCG (Mauritius) Private Limited. Also, as explained in note 30(i), during the current financial year, CDC Group PLC, (CDC), the other investor in Healthcare Global (Africa) Pvt Ltd, has exercised put option to sell its shares in accordance with the terms of Shareholders Agreement. The parties have appointed an independent valuer who is in the process of ascertaining the fair value of such put option shares. Upon conclusion of such valuation and acquisition of shares from CDC, HealthCare Global (Africa) Private Limited and its subsidiaries will become subsidiaries of the Group.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

46 Subsidiaries, Associate & Joint venture (Contd..)

Details of the Joint Venture at the end of the reporting period are as follows:

Name of the subsidiary	Place of Incorporation	Proportion of ownership interest and Voting Power Held By The Group	
		31 March 2021	31 March 2020
Strand Life Sciences Private Limited (Joint Venture)	India	38.20%	38.20%

The principal activity of the Joint Venture is to provide Healthcare services.

The management has set materiality at ten percent of the annual consolidated turnover, as per the last audited financial statements of the Company. Based on the materiality, set by the management, none of the equity accounted investees cross the materiality and hence summarised financial information of equity accounted investees are not presented.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

46 Subsidiaries, Associate & Joint venture (Contd..)

46.1 Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interest for the year ended 31 March 2021

Name of the entity	Net assets (total assets minus total liabilities) as at 31 March 2021		Share in profit or loss		Share in other comprehensive income		Share of total comprehensive income	
	As % of consolidated net assets	₹ Million	As % of consolidated net assets	₹ Million	As % of consolidated net assets	₹ Million	As % of consolidated net assets	₹ Million
1) Parent								
HealthCare Global Enterprises Limited *	86.05%	9,237.82	51.92%	(1,915.47)	474.06%	27.78	51.25%	(1,887.69)
2) Subsidiaries								
a) Indian								
HCG Medi-Surge Hospitals Private Limited	1.80%	192.98	2.11%	(77.87)	(10.07%)	(0.59)	2.13%	(78.46)
HCG NCHRI Oncology LLP	0.56%	60.06	2.50%	(92.15)	(0.34%)	(0.02)	2.50%	(92.17)
Niruja Product Development and Research Private Limited (formerly known as MIMS HCG Oncology Private Limited)	(2.60%)	(279.46)	5.58%	(205.70)	0.00%	-	5.58%	(205.70)
Mahmad Hospital & Institute of Oncology Private Limited	0.40%	43.06	(0.37%)	13.75	(0.85%)	(0.05)	(0.37%)	13.70
HealthCare Global Senthil Multi Specialty Hospital Private Limited	(0.28%)	(29.70)	0.00%	(0.12)	0.00%	-	0.00%	(0.12)
Healthcare Diwan Chand Imaging LLP	0.23%	24.19	0.12%	(4.32)	0.00%	-	0.12%	(4.32)
BACC Healthcare Private Limited	2.18%	234.04	3.41%	(125.68)	6.83%	0.40	3.40%	(125.28)
Apex HCG Oncology Hospitals LLP	1.06%	113.40	5.75%	(212.28)	3.58%	0.21	5.76%	(212.07)
HCG Oncology LLP	(1.59%)	(170.60)	3.47%	(128.19)	(3.92%)	(0.23)	3.49%	(128.42)
HCG EKO Oncology LLP	1.58%	169.32	6.26%	(231.12)	0.00%	-	6.27%	(231.12)
HCG Manavata Oncology LLP	5.44%	584.30	3.66%	(134.85)	(24.91%)	(1.46)	3.70%	(136.31)
HCG SUN Hospitals LLP	0.56%	60.62	2.54%	(93.77)	0.51%	0.03	2.54%	(93.74)
b) Foreign								
HCG (Mauritius) Pvt. Ltd	1.13%	121.82	5.79%	(213.54)	(121.67%)	(7.13)	5.99%	(220.67)
c) Associate								
HealthCare Global (Africa) Private Limited	1.16%	124.65	0.65%	(23.80)	(206.31%)	(12.09)	0.97%	(35.89)
d) Joint venture								
Strand Life Sciences Private Limited	0.75%	80.84	(0.87%)	32.24	0.00%	-	(0.88%)	32.24
e) Non-controlling interest	1.57%	168.24	7.49%	(276.41)	(16.89%)	(0.99)	7.53%	(277.40)
Total	100.00%	10,735.58	100.00%	(3,689.28)	100.00%	5.86	100.00%	(3,683.42)
Adjustment arising on consolidation		3,595.58		1,478.26		-		1,478.26
Total		7,140.00		2,211.02		5.86		2,205.16

* before consolidation adjustments

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

46 Subsidiaries, Associate & Joint venture (Contd..)

46.2 Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interest:

Name of the entity	Net assets (total assets minus total liabilities) as at 31 March 2020		Share of profit or loss for the year ended 31 March 2020		Other Comprehensive Income		Share of total comprehensive income for the year ended 31 March 2020	
	As % of consolidated net assets	₹ Million	As % of consolidated net assets	₹ Million	As % of consolidated net assets	₹ Million	As % of consolidated net assets	₹ Million
1) Parent								
HealthCare Global Enterprises Limited *	69.71%	6,145.06	30.29%	(532.97)	(11.87%)	(0.57)	30.40%	(533.54)
2) Subsidiaries								
a) Indian								
HCG Medi-Surge Hospitals Private Limited	3.05%	268.58	(1.12%)	19.77	(7.91%)	(0.38)	(1.11%)	19.39
HCG NCHRI Oncology LLP	0.81%	71.05	11.86%	(208.70)	(2.29%)	(0.11)	11.90%	(208.81)
Niruja Product Development and Research Private Limited (formerly known as MIMS HCG Oncology Private Limited)	(0.84%)	(73.76)	1.56%	(27.50)	0.00%	-	1.57%	(27.50)
Mahmad Hospital & Institute of Oncology Private Limited	0.34%	30.15	(0.66%)	11.57	(4.55%)	(0.22)	(0.65%)	11.35
HealthCare Global Senthil Multi Specialty Hospital Private Limited	(0.34%)	(29.57)	0.01%	(0.12)	0.00%	-	0.01%	(0.12)
Healthcare Diwan Chand Imaging LLP	0.32%	28.51	(0.23%)	3.96	0.00%	-	(0.23%)	3.96
BACC Healthcare Private Limited	4.10%	361.49	1.08%	(19.09)	(19.16%)	(0.92)	1.14%	(20.01)
Apex HCG Oncology Hospitals LLP	1.77%	155.96	19.78%	(348.13)	6.04%	0.29	19.82%	(347.84)
HCG Oncology LLP	(0.48%)	(42.74)	2.63%	(46.35)	0.00%	-	2.64%	(46.35)
HCG EKO Oncology LLP	2.85%	251.51	7.71%	(135.59)	1.04%	0.05	7.72%	(135.54)
HCG Manavata Oncology LLP	6.96%	613.49	5.40%	(95.01)	(5.00%)	(0.24)	5.43%	(95.25)
HCG SUN Hospitals LLP	1.05%	92.85	4.83%	(84.94)	3.33%	0.16	4.83%	(84.78)
b) Foreign								
HCG (Mauritius) Pvt. Ltd	3.29%	289.80	0.04%	(0.65)	458.39%	22.01	(1.22%)	21.36
c) Associate								
Healthcare Global (Africa) Pvt. Ltd	2.48%	219.04	0.98%	(17.17)	(310.94%)	(14.93)	1.83%	(32.10)
d) Joint venture								
Strand Life Sciences Private Limited	0.55%	48.60	5.18%	(91.12)	0.00%	-	5.19%	(91.12)
e) Non-controlling interest	4.37%	385.14	10.66%	(187.59)	(7.08%)	(0.34)	10.71%	(187.93)
Total	100%	8,815.16	100.00%	(1,759.63)	100.00%	4.80	100.00%	(1,754.83)
Adjustment arising on consolidation		(4,617.47)		505.10		-		505.10
Total		4,197.69		(1,254.53)		4.80		(1,249.73)

* before consolidation adjustments

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

47 Investments, loans, guarantees and security

(a) The Company has made investment in the following companies

(₹ in million)

Investment in equity instruments *	31 March 2020	Invested during the year	Sold during the year	31 March 2021
Investment in other companies				
Zoctr Health Private Limited *	7.64	-	-	7.64
Suchirayu Healthcare Solutions Limited	0.50	-	-	0.50
International Stemcell Services Limited	5.61	-	-	5.61
Epigeneres Biotech Private Limited *	10.00	-	-	10.00
Niramai Health Analytix Private Limited	35.86	-	-	35.86
Anthill Venture Capital Advisors LLP #	5.50	-	-	5.50
Investment in joint venture (Equity & preference shares)				
Strand Life Sciences Private Limited	245.33	-	-	245.33

* The Group has provided for permanent diminution in investment (refer note 30).

Rs. 5.50 million to Anthill Venture Capital Advisors LLP, for which shares are yet to be allotted. This has been disclosed under "Share application money pending allotment" in "Other Financial Assets" in the Balance Sheet.

(b) The Group has given inter-corporate deposits to its following companies

(₹ in million)

Entity	31 March 2020	Movement	31 March 2021	Purpose of the deposits
Suchirayu Healthcare Solutions Limited	105.00	(3.00)	102.00	This loan has been given for operational requirements of the entity.

(c) The Group has provided the guarantees to the following entities

(₹ in million)

Entity	31 March 2020	Movement	31 March 2021	Purpose of the guarantee
NCHRI Private Limited	432.73	(20.73)	412.00	Corporate guarantee given to bank for term loan
Total	432.73	(20.73)	412.00	

Note: The above does not include corporate guarantee given by the Group for bank guarantee and cash credit facility. This represents only corporate guarantee given for the term loan facility of the respective entities.

(d) The Group has made investment in the following companies during the year ended 31 March 2020

(₹ in million)

Investment in equity instruments *	31 March 2019	Invested during the year	Sold during the year	31 March 2020
Investment in other companies				
Zoctr Health Private Limited	7.64	-	-	7.64
Suchirayu Healthcare Solutions Limited	0.50	-	-	0.50
International Stemcell Services Limited	5.61	-	-	5.61
Epigeneres Biotech Private Limited	10.00	-	-	10.00
Niramai Health Analytix Private Limited	35.86	-	-	35.86
Anthill Venture Capital Advisors LLP	-	5.50	-	5.50
Investment in joint venture (Equity & preference shares)				
Strand Life Sciences Private Limited	245.33	-	-	245.33

a) During the year ended 31 March 2020, the Company paid an amount of Rs. 5.50 million to Anthill Venture Capital Advisors LLP, for which shares are yet to be allotted. This has been disclosed under "Share application money pending allotment" in "Other Financial Assets" in the Balance Sheet.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

(e) The Group has given inter-corporate deposits to its following companies during the year ended 31 March 2020

(₹ in million)

Entity	31 March 2019	Movement	31 March 2020	Purpose of the deposits
Suchirayu Healthcare Solutions Limited	105.00	-	105.00	These loans have been given for operational requirements of the respective entities

(f) The Group has provided the guarantees to the following entities during the year ended 31 March 2020

(₹ in million)

Entity	31 March 2019	Movement	31 March 2020	Purpose of the guarantee
NCHRI Private Limited	458.00	(25.27)	432.73	Corporate guarantee given to bank for towards term loan
Total	458.00	(25.27)	432.73	

Note: The above does not include corporate guarantee given by the Group for bank guarantee and cash credit facility. This represents only corporate guarantee given for the term loan facility of the respective entities.

48 Ind AS 115 - Revenue from contract

Contract balances

(₹ in million)

Particulars	31 March 2021	31 March 2020
(a) Receivables		
i) Trade receivables: Refer note 12	1,866.05	1,856.58
ii) Unbilled revenue : Refer note 9	151.86	155.70
b) The Group does not have any contract asset as at 31 March 2021 and 31 March 2020.		
c) The contract liability amount from contracts with customers is given below :		
Advance from customers : Refer note 19	203.60	154.71
Revenue recognised in the reporting period that was included in the contract liability balance	114.18	148.01
d) Revenue dis-aggregation as per the industry vertical and geographies has been included in note 22, revenue from operations.		

49 The Code on Social Security 2020 ('Code'), which received the Presidential Assent on 28 September 2020, subsumes nine regulations relating to social security, retirement, and employee benefits. The Code will have an impact on the contributions towards gratuity and provident fund made by the Group. The Ministry of Labour and Employment ('Ministry') has released draft rules for the Code on 13 November 2020. The effective date of the Code has not yet been notified and the related rules to ascertain the financial impact are yet to be finalized and notified. The Group will assess the impact once the subject rules are notified and will give appropriate impact in its consolidated financial statements in the period in which, the Code becomes effective.

The accompanying notes are an integral part of these consolidated financial statements

As per our reports of even date attached

for B S R & Co. LLP

Chartered Accountants

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

Amit Somani

Partner

Membership number: 060154

Place: Bengaluru

Date: 17 June 2021

for and on behalf of the Board of Directors of

HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar

Executive Chairman

DIN: 00713779

Place: Chicago

Date: 17 June 2021

Srinivasa Raghavan

Chief Financial Officer

Place: Bengaluru

Date: 17 June 2021

Meghraj Arvindrao Gore

Chief Executive Officer

Place: Bengaluru

Date: 17 June 2021

Sunu Manuel

Company Secretary

Place: Bengaluru

Date: 17 June 2021



HealthCare Global Enterprises Ltd

CIN: L15200KA1998PLC023489

Registered office: HCG Tower, # 8,
P. Kalinga Rao Road,
Sampangi Ram Nagar,
Bangalore – 560 027

