

BSR & Co. LLP

Chartered Accountants

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Limited review report on unaudited quarterly standalone financial results and standalone year-to-date results of HealthCare Global Enterprises Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of HealthCare Global Enterprises Limited

We have reviewed the accompanying statement of unaudited standalone financial results ('Statement') of HealthCare Global Enterprises Limited ('the Company') for the quarter ended 30 September 2018 and the year-to-date results for the period from 1 April 2018 to 30 September 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

for BSR & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amit Somani

Amit Somani
Partner
Membership No. 060154

Place: Bengaluru
Date: 9 November 2018

HealthCare Global Enterprises Limited
CIN : L15200KA1998PLC023489

Regd. Office: HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka, India
Corp. Office: Tower Block, Unity Building Complex, No. 3, Mission Road, Bengaluru 560 027, Karnataka, India

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2018

(Rs. in Lakhs except share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the	Year to date	Year to date	Previous year
		30 September 2018	30 June 2018	months ended in the previous year 30 September 2017	figures for the current period ended 30 September 2018	figures for the previous period ended 30 September 2017	ended 31 March 2018
		Unaudited	Unaudited	Unaudited (Refer note 4)	Unaudited	Unaudited (Refer note 4)	Audited
1	Income						
	(a) Revenue from operations	16,152	15,401	15,032	31,553	28,752	58,627
	(b) Income from government grant	15	15	-	30	-	60
	(c) Other income	280	170	163	450	367	1,593
	Total income	16,447	15,586	15,195	32,033	29,119	60,280
2	Expenses						
	(a) Purchases of medical and non-medical items	4,005	3,893	3,948	7,898	8,184	15,782
	(b) Changes in inventories	(144)	(18)	(18)	(162)	(405)	(267)
	(c) Employee benefits expense	3,198	3,031	3,017	6,229	5,706	11,559
	(d) Finance costs	1,444	974	612	2,418	1,107	2,680
	(e) Depreciation and amortisation expense	1,172	1,064	1,073	2,236	2,116	4,392
	(f) Medical consultancy charges	2,919	2,814	2,729	5,733	5,303	10,340
	(g) Other expenses	3,686	3,313	3,113	6,999	5,886	12,400
	Total expenses	16,280	15,071	14,474	31,351	27,897	56,886
3	Profit before exceptional items and tax (1-2)	167	515	721	682	1,222	3,394
4	Exceptional items [refer note 3]	-	-	-	-	-	294
5	Profit before tax (3+4)	167	515	721	682	1,222	3,688
6	Tax expense						
	- Current tax	36	118	180	154	316	863
	- Deferred tax	22	66	44	88	100	335
	Total tax expense	58	184	224	242	416	1,198
7	Profit for the period / year (5-6)	109	331	497	440	806	2,490
8	Other comprehensive income / expense						
	(i) Items that will not be reclassified subsequently to profit or loss						
	- Remeasurements of the defined benefit plans	-	-	-	-	-	(30)
	- Income tax effect on above	-	-	-	-	-	10
	(ii) Items that will be reclassified to profit or loss						
	- Effective portion of loss on hedging instruments in a cash flow hedge	(400)	-	(29)	(400)	(29)	-
	- Income tax on (ii) above	140	-	10	140	10	-
	Other comprehensive expense for the period / year, net of tax	(260)	-	(19)	(260)	(19)	(20)
9	Total comprehensive income/(loss) for the period / year (7+8)	(151)	331	478	180	787	2,470
10	Paid-up equity share capital (Face value of Rs. 10 each)	8,786	8,786	8,571	8,786	8,571	8,690
11	Reserves, i.e., 'Other equity'						52,156
12	Earnings per equity share (face value of Rs. 10 each)	Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	Annualised
	(a) Basic	0.12	0.38	0.57	0.50	0.94	2.89
	(b) Diluted	0.12	0.38	0.57	0.50	0.94	2.89
	See accompanying notes to the Standalone Financial Results						



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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS AS AT 30 SEPTEMBER 2018

STANDALONE BALANCE SHEET		(Rs in Lakhs)	
		As at 30 September 2018	As at 31 March 2018
Particulars		Unaudited	Audited
A	ASSETS		
I	Non-current assets		
	(a) Property, plant and equipment	46,249	43,907
	(b) Capital work in progress	9,994	7,911
	(c) Goodwill	4,845	4,845
	(d) Other intangible assets	842	447
	(e) Financial assets		
	(i) Investments	27,465	21,885
	(ii) Loans	5,487	3,383
	(iii) Other financial assets	937	2,935
	(f) Deferred tax assets (net)	956	910
	(g) Income tax assets (net)	2,657	1,747
	(h) Other non-current assets	5,012	3,493
	Total non current assets	104,444	91,463
II	Current assets		
	(a) Inventories	1,870	1,710
	(b) Financial assets		
	(i) Trade receivables	17,292	12,621
	(ii) Cash and cash equivalents	981	1,531
	(iii) Bank balance other than cash and cash equivalents above	25	-
	(iv) Loans	325	292
	(v) Other financial assets	2,332	1,814
	(c) Other current assets	2,306	1,795
	Total current assets	25,131	19,763
	Total assets	129,575	111,226
B	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity share capital	8,786	8,690
	(b) Shares pending issuance (refer note 5)	-	2,998
	(c) Other equity	55,426	52,156
	Total equity	64,212	63,844
II	Liabilities		
1	Non-current liabilities		
	(a) Financials liabilities		
	(i) Borrowings	32,350	21,724
	(ii) Other financial liabilities	2,462	2,211
	(b) Provisions	416	373
	(c) Other non-current liabilities	1,033	1,002
	Total non - current liabilities	36,261	25,310
2	Current liabilities		
	(a) Financials liabilities		
	(i) Borrowings	6,274	174
	(ii) Trade payables	14,081	11,442
	(iii) Other financial liabilities	6,036	7,812
	(b) Provisions	564	520
	(c) Other current liabilities	2,147	2,124
	Total current liabilities	29,102	22,072
	Total equity and liabilities	129,575	111,226

See accompanying notes to the Standalone Financial Results



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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2018

Notes:

1 The statement of unaudited standalone financial results ('the Statement') of HealthCare Global Enterprises Limited ('the Company') for the quarter and six months ended 30 September 2018 has been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their meeting held on 9 November 2018. The Statement has been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015, as amended and in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015.

The Statement has been subjected to limited review by the statutory auditor of the Company. The review report of the auditor is unqualified.

2 The statement of category wise utilisation of net proceeds from Initial Public Offer is:

Category wise utilisation of net proceeds from Initial Public Offer	Amount proposed to be utilised	(Rs. in Lakhs)
		Actual utilisation upto 30 September 2018
Purchase of medical equipment	4,220	-
Investment in IT software, services and hardware	3,019	1,627
Pre-payment of debt	14,704	14,700
General corporate purposes	1,977	1,977
Total	23,920	18,304

Details of unutilised funds as on 30 September 2018	(Rs. in Lakhs)
Investment in fixed deposits	2,453
Amount parked in cash credit account	3,163
Total	5,616

3 Exceptional items:

a During the year ended 31 March 2018, the Company has entered into a business transfer agreement with Strand Life Sciences Private Limited ('Strand') dated 2 January 2018 for sale of its Triesta unit on slump sale basis for a lumpsum consideration of Rs. 2,400 lakhs for which the consideration is received in the form of 9,140,342 equity shares and 101,193 Series 1 Preference Shares of Strand resulting in a gain of Rs. 614 lakhs.

b During the year ended 31 March 2018, the Delhi unit of the Company became non-operational. Net charge on account of write off of receivables is Rs. 218 lakhs and the charge due to write off of net fixed assets is Rs. 546 lakhs. The total charge due to this unit closure is Rs. 764 lakhs.

c In accordance with the terms of share purchase agreement entered into with Regency Hospital Limited dated 28 March 2018, the Company sold its long-term investments in equity shares held in HCG Regency Oncology HealthCare Private Limited (HCG Regency) for a total consideration of Rs. 2,123 lakhs resulting in a gain of Rs. 444 lakhs. Pursuant to the above, HCG Regency has ceased to be subsidiary of the Company with effect from 29 March 2018.

On account of a, b and c above, there is an exceptional gain of Rs.294 lakhs during the previous year ended 31 March 2018.

4 During the year ended 31 March 2018, HCG Pinnacle Oncology Private Limited, the wholly owned subsidiary of the Company ('Transferee Company'), has been merged with the Company ('Transferor Company') in accordance with the terms of a Scheme of Amalgamation approved by the Regional Director, Ministry of Corporate Affairs, Hyderabad dated 30 January 2018 ('the Scheme') with an appointed date of 1 April 2016. In line with Scheme and Ind AS 103, Business Combination requirement, the Company has considered the appointed date as 1 April 2016 and have considered the merger from the appointed date and accordingly have restated its results for the comparative quarters/periods including Earnings Per Share.

The impact of merger on the Statement are as follows:

Particulars	(Rs. in Lakhs)	
	for the quarter ended 30 September 2017	for the year to date period ended 30 September 2017
Revenue (including other income)	386	721
Total expenditure	440	859
Profit after tax	(8)	(80)
Basic earnings per share	(0.01)	(0.09)
Diluted earnings per share	(0.01)	(0.09)

5 During the year ended 31 March 2018, the Company entered into a business transfer agreement with Dr. Gopichand ('Seller') dated 28 February 2018 for purchase of business undertaking owned and operated by the Seller in the name of City Cancer Centre ('CCC') located in Vijayawada. The Company has purchased the business on a slump sale basis for a lump sum consideration of Rs.5,200 lakhs to be settled partially through issue of equity shares of the Company and partially through cash. Accordingly, 934,500 equity shares of Rs. 10 at premium of Rs. 311 per share has been allotted to Dr. Gopichand, during the preceding quarter ended 30 June 2018 on preferential basis.

6 During the quarter ended 30 September 2018, Apex Criticare LLP, holding 49.90% stake in one of the subsidiary of the Company, Apex HCG Oncology Hospitals LLP (Apex LLP) retired from Apex LLP. Pursuant to this, the Company along with its wholly owned subsidiary, Niruja Product Development and Healthcare Research Private Limited holds 100% interest in Apex LLP.

7 The Company has a single operating segment of 'setting up and managing hospitals and medical diagnostic services'.

8 Effective 1 April 2018 the Company has adopted Ind AS 115 - 'Revenue from Contracts with Customers' using the cumulative effect method. Accordingly, comparative periods were not restated. Based on the assessment, there is no material impact consequent to adoption of the standard.

Bengaluru, 9 November 2018



For and on behalf of the Board of Directors

Dr. B. S. Ajai Kumar
 Chairman and CEO



B S R & Co. LLP

Chartered Accountants

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Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results of HealthCare Global Enterprises Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of HealthCare Global Enterprises Limited

We have reviewed the accompanying statement of unaudited consolidated financial results ("Statement") of HealthCare Global Enterprises Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (collectively referred to as 'the Group'), its associate and its joint venture as listed in Annexure 1 for the quarter ended 30 September 2018 and the year-to-date results for the period from 1 April 2018 to 30 September 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these consolidated financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the consolidated financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We did not review the financial information of four subsidiaries and one step down subsidiary included in the statement of unaudited consolidated financial results and consolidated year-to-date financial results, whose unaudited financial information reflect total revenue (including other income) of Rs. 586 lakhs and Rs. 914 lakhs for the quarter ended 30 September 2018 and period from 1 April 2018 to 30 September 2018, respectively and total assets of Rs. 15,592 lakhs as at 30 September 2018. The consolidated financial results also include the Group's share of net loss (and other comprehensive income/expense) of Rs. 153 lakhs and Rs. 345 lakhs for the quarter ended 30 September 2018 and period from 1 April 2018 to 30 September 2018, respectively in respect of an associate and a joint venture whose financial information have not been reviewed by us. These unaudited financial information has been reviewed by other auditors whose reports have been furnished to us, and our opinion on the unaudited consolidated financial results and the year-to-date results, to the extent they have been derived from such unaudited financial information is based solely on the report of such other auditors

Our conclusion on the Statement is not modified with respect to the reports of the other auditors.



Limited review report on unaudited quarterly consolidated financial results and consolidated year-to-date results of HealthCare Global Enterprises Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Amit Somani

Amit Somani
Partner
Membership No. 060154

Place: Bengaluru
Date: 9 November 2018

HealthCare Global Enterprises Limited

Annexure 1: List of entities consolidated as at 30 September 2018

Sl. No.	Name of the Entity	Subsidiary/ Associate/ Joint Venture	Country of incorporation
1	BACC Healthcare Private Limited	Subsidiary	India
2	HCG Medi-Surge Hospitals Private Limited	Subsidiary	India
3	HCG Oncology LLP	Subsidiary	India
4	HealthCare Diwan Chand Imaging LLP	Subsidiary	India
5	HCG NCHRI Oncology LLP	Subsidiary	India
6	HCG EKO Oncology LLP	Subsidiary	India
7	APEX HCG Oncology Hospitals LLP	Subsidiary	India
8	HCG Manavata Oncology LLP	Subsidiary	India
9	Niruja Product Development & Healthcare Research Private Limited (formerly known as MIMS HCG Oncology Private Limited)	Subsidiary	India
10	HealthCare Global Senthil Multi Specialty Private Limited	Subsidiary	India
11	Malnad Hospital & Institute of Oncology Private Limited	Subsidiary	India
12	HCG Sun Hospitals LLP	Subsidiary	India
13	HCG (Mauritius) Private Limited	Step-down subsidiary	Mauritius
14	HealthCare Global (Africa) Private Limited Group (subsidiary till 30 June 2017)	Associate	Mauritius
15	Strand Life Sciences Private Limited (from 7 February 2018)	Joint Venture	India

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2018

(Rs. in Lakhs except share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous year ended
		30 September 2018	30 June 2018	30 September 2017	30 September 2018	30 September 2017	31 March 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	24,474	22,598	21,107	47,072	40,217	82,879
	(b) Income from government grant	58	58	-	116	-	190
	(c) Other income	226	94	190	320	432	1,280
	Total income	24,758	22,750	21,297	47,508	40,649	84,349
2	Expenses						
	(a) Purchases of medical and non-medical items	5,829	5,079	4,678	10,908	10,102	19,664
	(b) Changes in inventories	(311)	(102)	139	(413)	(737)	(693)
	(c) Employee benefits expense	4,490	4,228	4,093	8,718	7,609	15,771
	(d) Finance costs	2,387	1,754	1,045	4,141	1,741	4,235
	(e) Depreciation and amortisation expense	2,063	1,973	1,670	4,036	3,194	7,146
	(f) Medical consultancy charges	5,107	4,795	4,460	9,902	8,524	17,422
	(g) Other expenses	6,067	5,601	4,630	11,668	8,662	19,023
	Total expenses	25,632	23,328	20,715	48,960	39,095	82,568
3	Profit/ (loss) before share of loss of an associate / joint venture, exceptional items and tax (1-2)	(874)	(578)	582	(1,452)	1,554	1,781
4	Share of loss of an associate / joint venture, net of taxes	(153)	(192)	(39)	(345)	(39)	(140)
5	Profit / (loss) before exceptional items and tax (3+4)	(1,027)	(770)	543	(1,797)	1,515	1,641
6	Exceptional items [refer note 3]	-	-	640	-	640	1,077
7	Profit/(loss) before tax (5+6)	(1,027)	(770)	1,183	(1,797)	2,155	2,718
8	Tax expense						
	- Current tax	84	124	272	208	516	1,355
	- Deferred tax	(347)	(261)	(71)	(608)	49	(331)
	Total tax expense	(263)	(137)	201	(400)	565	1,024
9	Profit / (loss) for the period / year (7-8)	(764)	(633)	982	(1,397)	1,590	1,694
10	Other comprehensive income / expense						
	(i) Items that will not be reclassified subsequently to profit or loss						
	- Remeasurements of the defined benefit plans	-	-	-	-	-	(25)
	- Exchange differences on translation of financial statements of foreign operations	209	-	-	209	-	-
	- Income tax effect on above	-	-	-	-	-	10
	(ii) Items that will be reclassified to profit or loss						
	- Effective portion of loss on hedging instruments in a cash flow hedge	(400)	-	(29)	(400)	(29)	-
	- Income tax on (ii) above	140	-	10	140	10	-
	Other comprehensive expense for the period / year, net of taxes	(51)	-	(19)	(51)	(19)	(15)
11	Total comprehensive loss for the period / year (9+10)	(815)	(633)	963	(1,448)	1,571	1,679
	Profit / (loss) for the period / year attributable to:						
	Equity holders of the Company	(647)	(341)	1,001	(988)	1,474	2,052
	Non-controlling interests	(117)	(292)	(19)	(409)	116	(358)
	Other comprehensive income / (loss) for the period / year attributable to						
	Equity holders of the Company	(51)	-	(19)	(51)	(19)	(18)
	Non-controlling interests	-	-	-	-	-	3
	Total comprehensive income / (loss) for the period / year attributable to						
	Equity holders of the Company	(698)	(341)	982	(1,039)	1,455	2,034
	Non-controlling interests	(117)	(292)	(19)	(409)	116	(355)
12	Paid-up equity share capital (Face value of Rs. 10 each)	8,786	8,786	8,571	8,786	8,571	8,690
13	Reserves, i.e., 'Other equity'						39,822
14	Earnings per share (face value of Rs. 10 each)	Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	Annualised
	(a) Basic	(0.74)	(0.39)	1.17	(1.12)	1.72	2.38
	(b) Diluted	(0.74)	(0.39)	1.17	(1.12)	1.72	2.38
	See accompanying notes to the Consolidated Financial Results						



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CONSOLIDATED BALANCE SHEET		(Rs in Lakhs)	
Particulars		As at	As at
		30 September 2018	31 March 2018
		Unaudited	Audited
A	ASSETS		
I	Non-current assets		
	(a) Property, plant and equipment	80,264	71,257
	(b) Capital work in progress	14,395	17,397
	(c) Goodwill	10,934	10,934
	(d) Other intangible assets	955	581
	(e) Investment in equity accounted investee	4,693	4,804
	(f) Financial assets		
	(i) Investments	677	513
	(ii) Loans	4,762	986
	(iii) Other financial assets	1,956	4,960
	(g) Deferred tax assets (net)	3,106	2,310
	(h) Income tax assets (net)	3,065	2,111
	(i) Other non-current assets	7,416	6,504
	Total non current assets	132,223	122,357
II	Current assets		
	(a) Inventories	2,854	2,403
	(b) Financial assets		
	(i) Trade receivables	16,457	12,844
	(ii) Cash and cash equivalents	2,799	2,880
	(iii) Bank balance other than cash and cash equivalents above	439	-
	(iv) Loans	395	312
	(v) Other financial assets	2,107	1,406
	(c) Other current assets	2,878	2,165
	Total current assets	27,929	22,010
	Total assets	160,152	144,367
B	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity share capital	8,786	8,690
	(b) Shares pending issuance (refer note 4)	-	2,998
	(c) Other equity	39,328	39,822
	Equity attributable to equity holders of the Company	48,114	51,510
	Non- controlling interests	6,189	6,392
	Total equity	54,303	57,902
II	Liabilities		
1	Non-current liabilities		
	(a) Financials Liabilities		
	(i) Borrowings	46,659	37,243
	(ii) Other financial liabilities	2,019	9,157
	(b) Provisions	561	510
	(c) Deferred tax liabilities (net)	432	377
	(d) Other non-current liabilities	3,180	3,300
	Total non - current liabilities	52,851	50,587
2	Current liabilities		
	(a) Financials liabilities		
	(i) Borrowings	6,484	174
	(ii) Trade payables	16,826	14,249
	(iii) Other financial liabilities	25,567	17,644
	(b) Provisions	630	560
	(c) Income tax liabilities (net)	122	398
	(d) Other current liabilities	3,369	2,853
	Total current liabilities	52,998	35,878
	Total equity and liabilities	160,152	144,367
See accompanying notes to the Consolidated Financial Results			



BSR & Co.



STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2018

Notes:

- 1 The statement of unaudited consolidated financial results ('the Statement') of HealthCare Global Enterprises Limited ('the Company'), its subsidiaries (collectively referred to as 'the Group'), its associate and its joint venture, for the quarter and six months ended 30 September 2018, has been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their meeting held on 9 November 2018. The Statement has been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015, as amended and in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015.

The Statement has been subjected to limited review by the statutory auditors of the Company. The review report of the auditor is unqualified.

- 2 The statement of category wise utilisation of net proceeds from Initial Public Offer is:

Category wise utilisation of net proceeds from Initial Public Offer	(Rs. in Lakhs)	
	Amount proposed to be utilised	Actual utilisation upto 30 September 2018
Purchase of medical equipment	4,220	-
Investment in IT software, services and hardware	3,019	1,627
Pre-payment of debt	14,704	14,700
General corporate purposes	1,977	1,977
Total	23,920	18,304

Details of unutilised funds as on 30 Sep 2018	(Rs. in Lakhs)
Investment in fixed deposits	2,453
Amount parked in cash credit account	3,163
Total	5,616

- 3 Exceptional items :

- a During the quarter ended 30 September 2017, investment in HealthCare Global (Africa) Private Limited, is accounted under equity method as per Ind AS 28 'Investment in Associates and Joint Ventures' on account of change in control and the resultant gain of Rs. 640 lakhs is shown under exceptional items.
- b During the year ended 31 March 2018, the Company has entered into a business transfer agreement with Strand Life Sciences Private Limited ('Strand') dated 2 January 2018 for sale of its Triesta unit on slump sale basis for a lumpsum consideration of Rs. 2,400 lakhs for which the consideration is received in the form of 9,140,342 equity shares and 101,193 Series 1 Preference Shares of Strand. Pursuant to the same, Strand has become an Associate of the Company effective 7 February 2018. The gain on slump-sale (after eliminating inter-company gain) is Rs. 380 lakhs.
- c During the year ended 31 March 2018, the Delhi unit of the Company became non-operational. Net charge on account of write off of receivables is Rs. 218 lakhs and the charge due to write off of net fixed assets is Rs. 546 lakhs. The total charge due to this unit closure is Rs. 764 lakhs.
- d During the year ended 31 March 2018, in accordance with the terms of share purchase agreement entered into with Regency Hospital Limited dated 28 March 2018, the Company sold its long-term investments in equity shares held in its subsidiary, HCG Regency Oncology Healthcare Private Limited ('HCG Regency') for a total consideration of Rs. 2,123 lakhs resulting in a gain of Rs. 821 lakhs. Pursuant to the above, HCG Regency has ceased to be subsidiary of the Company.

On account of a,b,c and d above, there is an exceptional gain of Rs. 640 lakhs during the quarter ended 30 September 2017 and Rs. 1,077 lakhs during the previous year ended 31 March 2018

- 4 During the year ended 31 March 2018, the Company has entered into a business transfer agreement with Dr. Gopichand ('Seller') dated 28 February 2018 for purchase of business undertaking owned and operated by the Seller in the name of City Cancer Centre ('CCC') located in Vijayawada. The Company has purchased the business on a slump sale basis for a sum consideration of Rs. 5,200 lakhs by issue of equity shares of the Company for Rs. 2,998 lakhs and the balance through cash. Accordingly, 934,500 equity shares of Rs. 10 at premium of Rs. 311 per share has been allotted to Dr. Gopichand, during the preceding quarter ended 30 June 2018 on preferential basis.
- 5 During the quarter ended 30 September 2018, Apex Criticare LLP, holding 49.90% stake in one of the subsidiary of the Company, Apex HCG Oncology Hospitals LLP (Apex LLP) retired from Apex LLP. Pursuant to this, the Company along with its wholly owned subsidiary, Niruja Product Development and Healthcare Research Private Limited holds 100% interest in Apex LLP.
- 6 The Group has a single operating segment of 'setting up and managing hospitals and medical diagnostic services'.
- 7 Effective 1 April 2018 the Group has adopted Ind AS 115 - 'Revenue from Contracts with Customers' using the cumulative effect method. Accordingly, comparative periods were not restated. Based on the assessment, there is no material impact consequent to adoption of the standard.

Bengaluru, 9 November 2018



For and on behalf of the Board of Directors

Dr. B. S. Ajaikumar
Chairman and CEO

