HealthCare Global Enterprises Limited

Annual Report **2021-22**

adding life to years

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About the Report

HealthCare Global Enterprises Limited ("HCG") was a pioneer among hospitals to adopt the Integrated Reporting Framework in FY19 with the objective of improving qualitative and governance disclosures and enhancing stakeholder access and communication to the organisation. This year, we continue our integrated reporting journey by presenting our 4th Integrated Annual Report. The Annual Report for 2021 - 22 provides in-depth information and insight on HCG's care continuum and the positive impact we aspire to achieve across our values chain in healthcare.

This Integrated Annual Report for 2021- 22 provides insight into the process followed as we endeavour to deliver on its purpose. It provides a holistic assessment of our financial and non-financial performance. It illustrates to our stakeholders how we create value while we implement our strategy in conformity with our business model. As a responsible corporate member of the ecosystem, our future performance, plans, and strategies consider the nature, quality, and availability of resources, whether financial, social, environmental, technological, intellectual, or human.

About the cover

The cover denotes HCG's endeavour to define the future of cancer care in India by designing, building and managing cancer care centres with a steadfast focus on providing accurate diagnostic and cancer support and delivering the highest quality patient care with a patient-centric, technology-oriented and outcome-based approach.

HCG employs multidisciplinary approach for the disease diagnosis and treatment wherein specialists from multiple disciplines come together to accurately evaluate the patient information, standardise the treatment approach and create efficiencies that will eventually lead to effective disease management.

Reporting Scope and Period

The Integrated Report largely focuses on information from business operations of HCG'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 a comprehensive basis, unless otherwise stated. The Integrated Report considers the primary reporting period as April 01, 2021 to March 31, 2022. However, some of the sections of the report represent facts and figures of previous years, of our multispeciality and fertility operations, our subsidiaries, to provide as much comprehensive overview as possible for consumption of those who are part of journey of HCG, such as our patients, employees, investors and all other stakeholders.

Reporting Framework

The report follows some of the elements of the International Framework as developed by IIRC (www.integratedreporting.org) and 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. The report is divided into six capitals with adoption of an integrated reporting framework as laid out by the International Integrated Reporting Council (IIRC), followed by Board report and financial statements.

Financial Capital

Capital available, deployed and returns generated by HCG .

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 Board of Directors and management have reviewed the Integrated Report and have carried out the independent assurance on sustainability disclosures presented in the report. The statutory auditors BSR & Co. LLP have provided assurance on the financial statements and the 'Independent Auditor's Report' has 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.

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In recent years, cancer care has emerged as one of the critical challenges faced by both advanced and developing economies of the world. In India, the growing number of cases across age groups is also a matter of serious concern. At HCG, we have pledged to bring affordable cancer care to the doorstep of millions of Indian citizens.

We provide cancer care, tertiary care, infertility treatment and advanced screening and diagnostics with a patient-centric, technology-oriented and outcome-based approach. We practise value-based medicine with a core focus on providing accurate diagnostic support and delivering the highest quality patient care.

Our overriding focus continues to be on oncology. Over the years, we have built a reliable legacy as a world-class oncology institution and go-to-brand for oncological treatment and services across India. We are also in the process of strengthening our infertility hospitals as well as a few multispecialty hospitals.

Our multidisciplinary approach for disease diagnosis and treatment is supported by clinical talent, robust infrastructure, technology and timely upgradation. Our expertise and assets have enhanced our ability to deliver exceptional clinical outcomes and effective disease management.

Today, HCG is not only a health service provider, but has taken a lead role in research and academics. We have recently acquired next generation sequence in genomics which is a high-end sequencer and in the process of acquiring circulating tumour cell platform. We also strive to ensure that the benefits of our tech-enabled interventions reach the last-mile citizens across Tier II and Tier III cities of India.

The fiscal year saw us emerge as a more resilient organisation, on the back of a strong financial and operational performance. We have also onboarded during the year requisite expertise to effectively implement our strategy, going forward.

As we step into the future, we move ahead with greater ambition and optimism to achieve our purpose of solidifying our leadership position in oncology.

At the forefront of the battle against cancer

HealthCare Global Enterprises Limited (HCG) is one of the largest cancer care providers in India, providing comprehensive cancer diagnosis and treatment services including radiation therapy, medical oncology and surgery for more than three decades. It also focuses on tertiary care, infertility treatment and advanced screening and diagnostics.

At HCG, we have carved a niche as a cancer care destination of choice across all key areas of clinical, research and academic excellence, improving the lives of cancer patients. We deliver oncology care of the best calibre in India, while ensuring long-term value creation for all our stakeholders through operational and financial acumen.

We practise value-based medicine with our core focus on providing accurate diagnostic support and delivering the highest quality care. We have established ourselves as a trustworthy brand, earning the respect of the community and the trust of thousands of patients. We have the capacity to enhance the oncology care continuum, while establishing ourselves as a pioneer and a leader in oncology. This can be attributed to our focus on cutting-edge technology, our capacity to deliver exceptional clinical outcomes, and a team of committed specialists. We have also made nominal investments in services related to fertility and reproductive medicine, multi-speciality hospitals with tertiary care, and precision diagnostics.

At the forefront of the battle against cancer (Contd.)

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

HCG The Specialist in Cancer Care — adding life to years

HCG — adding life to years

milann The Fertility Specialists

Triesta Sciences

Key numbers

22 Comprehensive cancer centres

80 Operation theatres

400+ Specialists

4 Multi-speciality hospitals

7 Fertility facilities

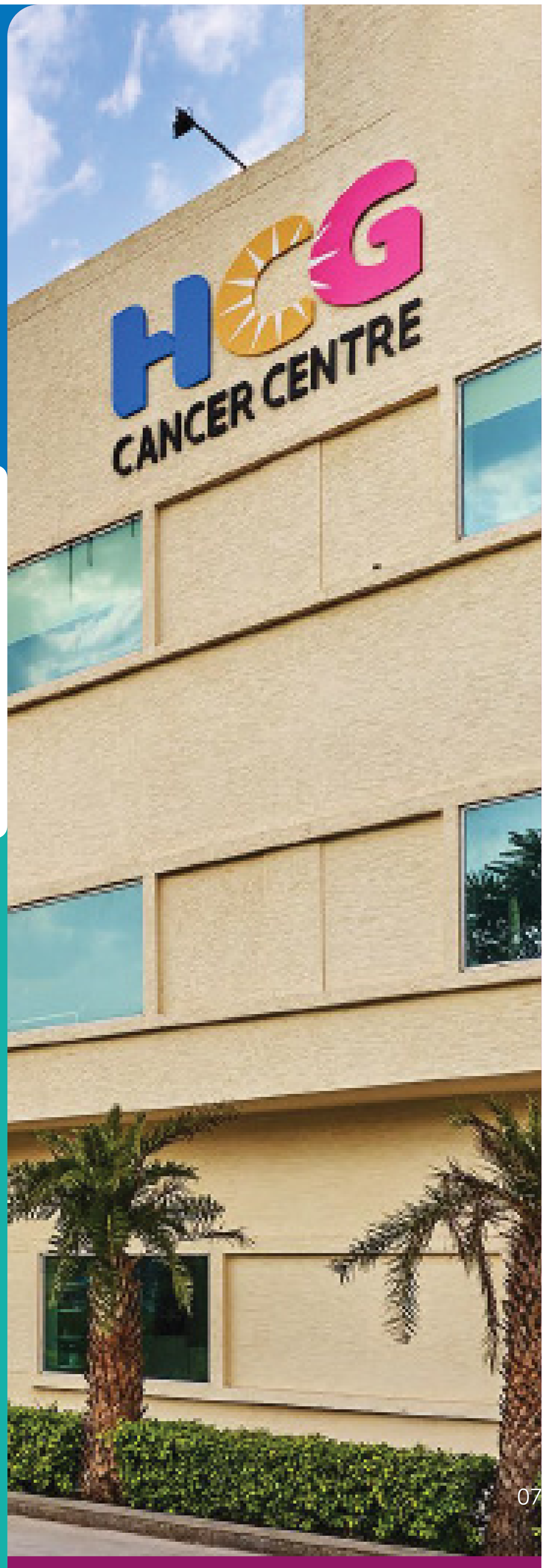
1,944 Capacity beds

17 PET-CT scanners

1,702 Operational beds

2 Freestanding diagnostic centres

31 Linear accelerators



As a leading oncology care provider, our consistent focus is to remain patient-centric, technology-oriented and outcome-based.

Ensuring excellence in patient centric care

As one of the largest providers of cancer care in India, we at HCG, provide personalised treatment plans to preserve the quality of life during and after the treatment. We consistently set high standards for healthcare with our extensive array of services.

For many years, we have been acknowledged as a pioneer and a provider of the highest quality care. We have also established ourselves as reproductive and precision medicine experts, ensuring excellence and success across our portfolio.

HCG - The cancer care specialist

As one of India's largest private cancer care providers, we provide comprehensive cancer diagnosis and treatment facilities for radiation therapy, medical oncology, and surgery. Over the years, thousands of patients have received high-quality care from our team of specialists in radiation, medical and surgical oncology, nuclear medicine, radiologists, pathologists, and other domain experts.

22
Comprehensive cancer centres*

9
States presence

1922
Nurses

300+
Oncologists

*Including cancer care centre in Nairobi, Kenya

Milann — The reproductive medicine specialist

Milann — our reproductive medicine segment — is one of the leaders in IVF services in India and provides a full range of fertility treatment solutions. Our team of highly skilled embryologists and fertility specialists offers a wide range of services for in-vitro fertilisation, gynaecological endoscopy and fertility preservation.

Our specialists offer therapeutic solutions for problems that need efficient and effective interventions. We maintain a leadership position in Bangalore and are expanding our presence. Milann is known as a top training facility for IVF in India and a prominent participant in clinical trials due to our emphasis on Research and Development as well as academics.

4,633
New couple registration

9
Embryologists

1,747
IVF cycles in FY22

27
IVF specialists

Triesta - Clinical Laboratory

Triesta Sciences, a unit of HCG is the state-of-the-art, one-stop solution for cancer diagnostics, genomics (next-generation sequencing-based diagnostics) biomarker and translational research, laboratory services and clinical research services. Based out of Bangalore, Triesta Sciences is an integration of laboratory services, research and development and clinical research with a focus on innovation, quality and accuracy for better diagnosis and prognosis of cancer. Triesta reference laboratory is the leading CAP & NABL accredited high-end oncology diagnostic laboratory service provider in the country offering a comprehensive range of routine to highly specialised diagnostic tests for hospitals, medical institutions within India and overseas.

The laboratory provides basic histopathology services, cytology, immunohistochemistry, frozen section, and digital pathology services. There are over 180 immunohistochemistry markers of diagnostics, prognostics, and therapeutic significance, including markers like ALK D5F3, PDL1, MSI etc., supporting the practice of precision oncology. The laboratory also provides LBC services.

The laboratory is the first 100% Digital Pathology laboratory in India for primary diagnosis and implementation of AIML based breast biomarker algorithm for clinical use. The laboratory supports national and international collaboration for remote reporting of histopathology cases.

80
Clinical trials

1500+
Genomic tests performed in FY 2021-22

26500
Specialised tests performed in FY 2021-22

7
Published citations

HCG - Multispecialty hospital

Our multispecialty hospitals are built to provide quality care in key healthcare specialities such as internal medicine, gastroenterology, urology, cardiology, and much more. Modern critical care facilities are also available for complex medical problems. In order to deliver high-quality care conveniently, we operate four multispecialty hospitals in Ahmedabad, Bhavnagar, Rajkot, and Hubli.

99
Doctors

491
Nurses

4
Multispecialty hospitals*

*Including Bhavnagar, which is also considered as a cancer centre

Chairman's Message

Dear Shareholders,

In yet another eventful year of cancer care, we present our Integrated annual report for 2021-22 which highlights our achievements. The successive waves of the pandemic posed a serious challenge for the healthcare sector in the last few years.

Having said that, we are happy that HCG stood tall throughout this rough span, successfully treating most of its cancer patients and countering the threat of Covid infections, both at the same time. Cancer incidence is definitely on the rise, across the globe and even in India. HCG is well positioned to lock horns with this onerous challenge in terms of skill, competence, and infrastructure required for large-scale cancer care.

In terms of the highest number of cancer cases, India ranks third in the world, and around 13 lakh people in the country suffer from cancer every year, as per the National Cancer Registry Programme report. Cancer incidence is expected to increase from 26.7 Mn in 2021 to 29.8 Mn in 2025, according to a report by the Indian Council for Medical Research titled 'Burden of cancers in India'. It highlights the enormity of the growing burden for the healthcare fraternity.

Our oncological care portfolio has added life to years for several patients, and has also opened new avenues of cancer treatment through advanced technology and genomics. Cancer has today become a highly personalised treatment and becoming a chronic disease. Cancer is relentless and HCG is fighting the disease relentlessly. The fight against cancer is one of the most daunting challenges faced by humankind all around the world, more so for developing nations like India which grapple with poor access to quality healthcare, especially in small towns and rural areas.

Today, HCG is considered as a leader in cancer care in emerging markets and our outcome is equal to the best oncological centres in the world. India as an emerging market has penetrated to Tier II and Tier III cities with access to quality healthcare being an issue, we are proud that HCG is delivering high quality of care with advanced technology providing cancer care to the masses making it accessible and affordable.

We all know tobacco in various forms is the main cause of several cancers and

We believe, Academics and Research go hand in hand with patient care and our capabilities in this regard make us the benchmark in cancer care. We are closely working on the development of vaccines for cancer patients by focusing on certain genes.

other diseases. HCG's social development initiatives include an alternate farming pilot project in a tobacco belt of Karnataka, to help erstwhile tobacco growers seamlessly switch to other crops, while protecting their livelihoods. It is only by attacking its root cause, which is tobacco, that we can win the war against cancer. In recent times, sedentary lifestyles, rise in obesity, consumption of pesticide laden vegetables, growing propensity of food adulteration, use of artificial food colours and harmful preservatives in packaged food have also been accounting for the growing incidence of cancer. HCG is creating better community awareness to help in early detection of cancer which is crucial for good and sustainable outcomes.

At HCG, we remain firmly committed to our brand promise – adding life to years – through our comprehensive range of offerings including cancer care, tertiary care, infertility treatment and advanced screening and diagnostics. We understand how burdensome cancer treatment can be, both financially and mentally, on patients as well as their families. Thus, we strive to deliver door-step quality care which is affordable and backed by innovation and technology.

In a short span of time, we have carved a niche as the cancer care destination of choice across all key areas of clinical, research, and academic excellence. We continue to expand our operations and strengthen our team with the endeavour to provide the right treatment, the very first time. During the year under review, we have added over 40 oncologists, taking the total number of doctors in our team to over 450, which is the largest in the Oncology space in India. We also invested in the latest and most advanced techniques of cancer diagnosis and treatment, enabling us to serve a greater number of patients. Through a pioneering industry initiative, we have brought healthcare training and medical education to the Metaverse by publishing 200+ hours of virtual reality content across multiple subspecialties.

HCG was incepted with a vision of developing a pan India network to make cancer care accessible and affordable to the community at large. We are happy that more than half of the population can access HCG centres today. We have brought in high-end technology including Linear Accelerators and Positron Emission Tomography to Tier II and Tier III cities and towns. We have been striving to make cancer a chronic disease. Even in advanced cases, we have extended the average life spans of patients to provide them with Quality of Life.

Lack of finance is always an issue for many Indians when it comes to cancer treatment. In India, we don't have an effective mechanism of universal care. The schemes for patients below poverty line unfortunately do not meet the standards of optimized quality care. Post pandemic, we are seeing a rise in the number of patients covered by some form of insurance which augurs well for making cancer care more accessible and affordable for the community going forward.

I am proud to say, HCG is not just providing cancer care, but actively pursuing cutting edge academic and research breakthroughs. We conduct weekly tumour boards where oncologists from all HCG centres collectively brainstorm on complex issues. This is a focused continuum of solution-centric conversations to reimagine the future of cancer care and cure across the globe. We conduct multi-disciplinary clinics involving the pathologists, radiologists, medical, surgical and radiation oncologists, and para medical staff to continue to improve our patient-centric quality of care translating into better outcomes.

Our focus has been on Oncology in conjunction with local partners in some areas, which has built a strong legacy as a World-class Oncology Institution and a go-to brand for oncological treatment and services across India. Our focus on strong clinical talent, good infrastructure, technology, and timely upgradation of the same has enhanced our ability to deliver exceptional clinical outcomes equal to or better than global standards. And in the very near future, we are putting together the data on Head & Neck and Breast Cancer on these outcomes. Recently, we have acquired Next Generation Sequencer and in the process of acquiring circulating tumour cells (CTC platform). These additions are already enhancing our capabilities in precision diagnosis leading to early detection of recurrent tumours and genomic guided therapy. We have a separate tumour board for this with relevant expertise. In addition, we have introduced Enterprise RIS PACS, in collaboration with Siemens for the first time in the country for AI based precision imaging which will enhance our research capabilities. Further, HCG is introducing first-of-its-kind in the country, AI enabled Adoptive Radiotherapy in our Centre of Excellence which will provide precision radiation oncology. We have partnered with Microsoft on a mixed reality platform to help the doctors in Tier II and Tier III perform complex surgeries effectively under the guidance of specialists from hub centres.

Under Clinical initiatives, we have achieved a sizeable scale in terms of case load and patient outcomes across centres and continue to enhance our in-house capabilities to increase the number of clinical trials carried out at present and work with pharma companies on drug discovery etc., backed with significant data. Talking of our environment-friendly initiatives, our 3.3 MWp solar plant, slated to be commissioned by September 2022.

Looking ahead, we will not only look at consolidation of our centres but will also look to incept new centres. Having said that, we will always remain patient-centric. Providing quality care to our patients is at the core of our operations. To improve the efficiency of our service, we continue to embrace state-of-the-art technologies for end-to-end patient engagement. We are leveraging our research and clinical capabilities to enhance our diagnostic capabilities and redefining precision medicine with an end-to-end expertise spanning bioinformatics, genomics and research. The data we study is an interesting mix of patient data – personal and family information, genetic profiles, and history and disease and disorder, as also statistical outliers.

Going forward, we plan to leverage our asset-light business model to connect all peripheral centres in Tier II and Tier III cities with the hubs located in metros. We will also continue to create awareness about cancer and propagate measures for cancer prevention. We believe, cancer can be prevented and fought only through collaboration between like-minded stakeholders of the fraternity. We will continue to make people aware of the importance of early cancer detection through successful therapeutic interventions by organising cancer detection camps etc.

Before I conclude, I would like to thank all HCGians for their commitment and courage amid challenging times. I would also like to extend my appreciation to our clinicians, shareholders, business partners, and above all our patients for the trust and confidence they have invested in us.

Regards,

Dr. B. S. Ajaikumar
Executive Chairman

Message from the CEO

Dear Shareholders,

It gives me immense pleasure to write to you yet again after a successful year. We are proud to report that amidst business complexities, uncertainties and challenges prevailing in the macro environment, we have visibly demonstrated strong underlying strategies and execution capabilities that have ensured sustainable growth. We will continue to focus relentlessly on exploration of new revenue streams, organic revenue growth and hunt for synergistic inorganic opportunities that ensure our success on a long-term sustainable basis.

Coming to our financial performance for FY 22, our revenue from operations grew by 38% YoY to ₹ 13,978 Mn, in comparison to ₹ 10,134 Mn in FY21. With our focused efforts and local marketing activities, we have been able to grow our new centres revenues by 65% as compared to FY21. Revenues from existing centres grew by 31% on Y-o-Y basis. We reported robust year-on-year growth with an all-time record revenue across all four quarters of the financial year.

Our operating EBITDA grew from ₹ 1,266 Mn in FY21 to ₹ 2,380 Mn, registering a phenomenal growth of 88% YoY. Our operating EBITDA from new centres stood at ₹ 72 Mn, as compared to a loss of ₹ (157) Mn in the previous year. During the year under review, we were able to register a profit of ₹ 537 Mn, against a loss of ₹ (1,935) Mn in the previous year. Alongside, we have also been working on strengthening our balance sheet and have been able to reduce our net debt from ₹ 2,882 Mn as on March 31, 2021, to ₹ 1,901 Mn as on March 31, 2022.

At HCG, we give utmost priority to patient care alongside our focus on providing best-in-class treatment for oncology services. Our focus on oncology in conjunction with local collaborations has built our strong legacy as a Premier Oncology Institution and a go-to brand for oncological treatment & services across India. Our focus on technology and its timely upgradation has sharpened our ability to deliver exceptional clinical outcomes over the years.

We are the largest player with Oncology focus in India with a cumulative operational bed capacity of 1,702 beds as on March 31, 2022. With 21 comprehensive cancer centres across 18 metro & non-metro cities in India, we enjoy leadership position in 13 of those locations.

We are the largest player with Oncology focus in India with a cumulative operational bed capacity of 1,702 beds as on March 31, 2022. With 21 comprehensive cancer centres across 18 metro & non-metro cities in India, we enjoy leadership position in 13 of those locations. We intend to further scale up our capacities across India to plug the gaps in the medical infrastructure with superior quality care for cancer treatment. Our ability to provide dedicated & 'Built-to-Suit' facilities along with end-to-end comprehensive care facilities under a single roof makes us the preferred provider for our patients.

In FY22, we acquired an additional 60.9% in Suchirayu Healthcare Solutions, Hubli, Karnataka, from our existing share of 17.7%, to become a majority stake owner. Through our focus on clinical excellence and patient outcomes, Suchirayu has become one of the leading hospitals in North Karnataka region within a very short span of time. We have also been able to double the revenue and deliver EBITDA margins over 20% from a single-digit margin at the onset of our operations. With this acquisition, we have strengthened our presence in Hubli, an emerging region with great potential for healthcare.

We have also acquired the oncology hospital labs and clinical trial business of Strand Life Sciences through a Business Transfer Agreement (BTA). These high-quality NABL/CAP accredited full-service labs, located across key hospitals and geographies, with comprehensive oncology focused test menu, including specialized histopathology, molecular diagnostics, and liquid biopsy capabilities, are a strategic fit for HCG's oncology care model. Integration of these labs in our ecosystem will augment quality of patient care and offer scaling-up and margin improvement opportunities over the long-term. It also gives us the opportunity to pursue in-house clinical trials, increasing treatment options to patients and adding diversity to our operations.

We have been working on multiple fronts to take HCG to greater heights by constantly improving holistic value that we offer to our patients and thus create value for the business in a sustainable manner. As we look to the future, we want to build a long-term relationship with our patients to be their trusted advisor over a lifetime. With that objective in mind, we have begun our digital transformation journey to create an Omni-channel end to end patient engagement platform with the help of digital technology. This will enable us to not only increase digitally influenced patient footfalls into our hospitals but also deliver patient experience that matches evolving consumer behaviour and expectations. We believe that this initiative combined with our differentiated clinical services will accelerate our growth in future and help HCG to solidify its leadership position in oncology.

At HCG, we are equally vigilant about our impact on the environment and the community at large. To ensure environmental sustainability, we are reducing our carbon footprint by installing solar rooftops, ensuring proper waste management and enabling optimal use of resources. We also remain committed of maintaining the highest standards of corporate governance, transparency and accountability across the organisation.

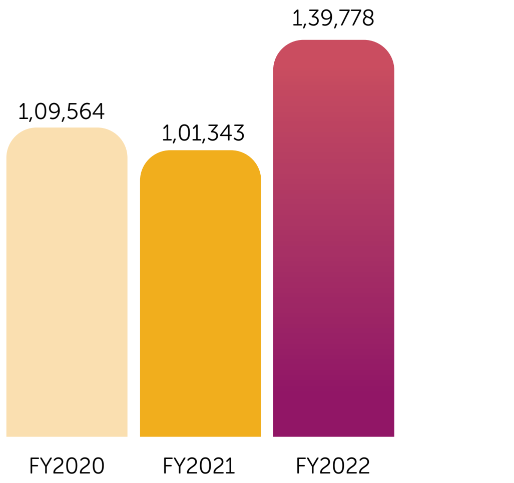
As we enter the fiscal year 2023, we have ballparked a greater set of ambitions and we firmly believe that the collective effort of our team will enable us to achieve our purpose of solidifying our leadership position in oncology and empower us to deliver superior care and value to our patients, shareholders and other stakeholders.

Regards,

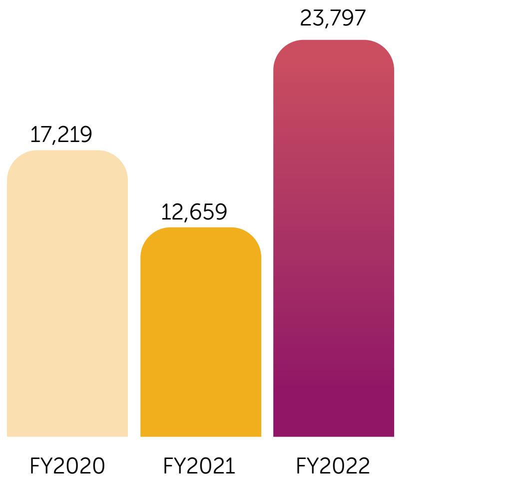
Raj Gore
Chief Executive Officer

Our financial and operational metrics

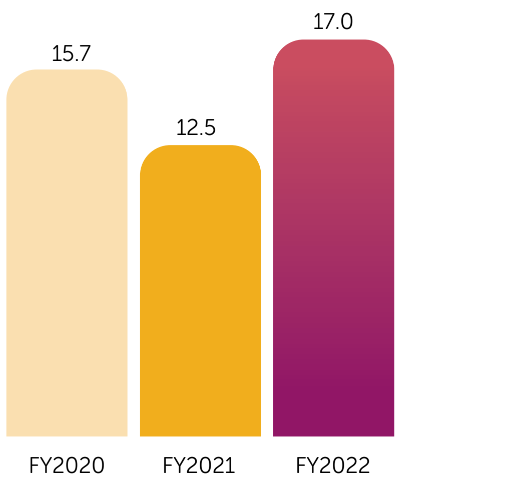
Revenue from Operations (₹ in lakhs)



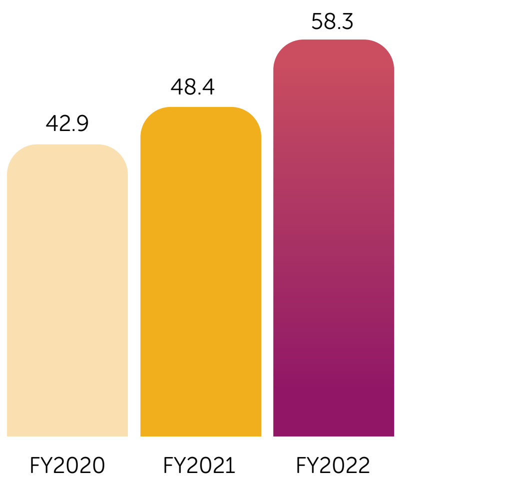
Operating EBITDA (₹ in lakhs)



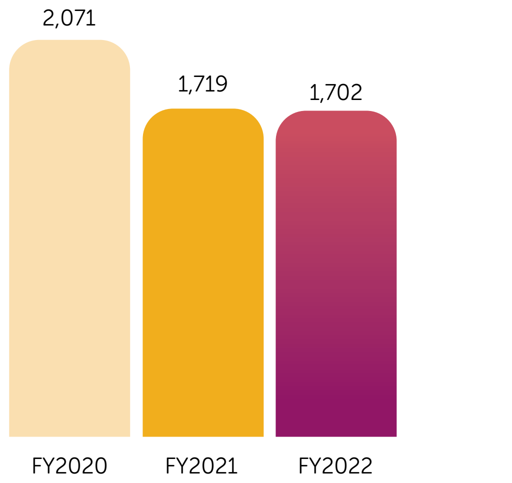
Operating EBITDA Margin (in %)



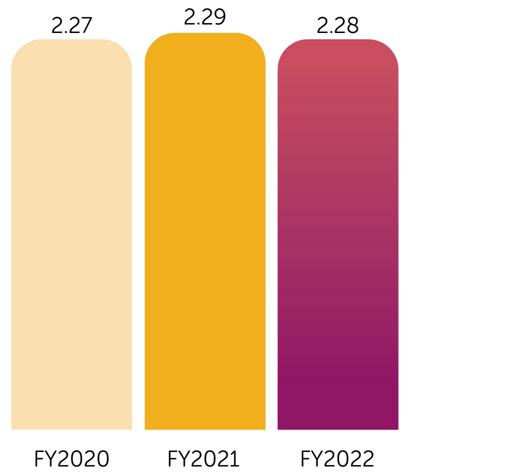
Average Occupancy Rate (in %)



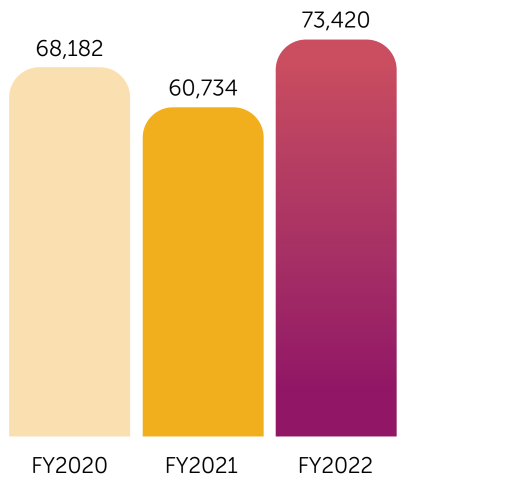
Beds (in numbers)



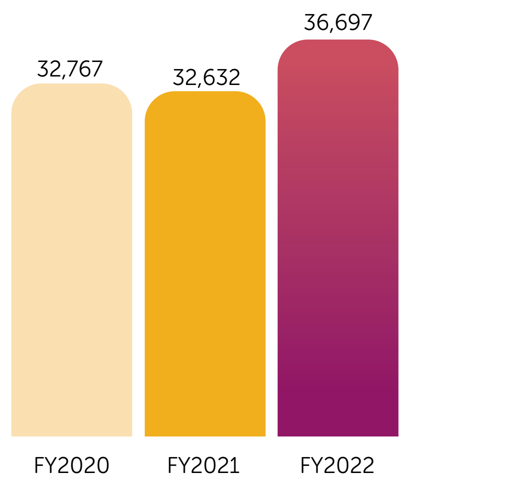
Average Length of Stays (ALOS) (in days)



New Patient Registration across Cancer Centres (in numbers)



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



Growth in cancer mortality, a cause of serious concern in India, needs focused intervention.

Responding to a dynamic operating environment

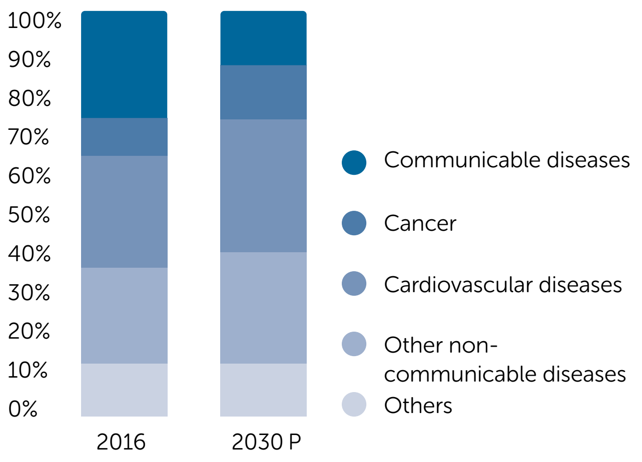
Oncology market is growing faster than overall healthcare market

Oncology is the most promising therapeutic area for innovation, when we take into consideration the following: volume of clinical trial activity; the number of companies investing in therapeutics; the size of the pipeline of therapies in clinical development; the introduction of novel active substances; and the amount of money spent on these drugs. With growing oncology mortality in India, the therapeutic area needs a focused intervention.

Our response

In order to maintain our position at the forefront of oncology care, we are committed to providing patient-centred care at reasonable costs. We have added more than 40 oncologists to our growing team this year, bringing the total number of doctors in our team to over 450, making us the largest oncology practice in the nation. In order to serve more patients and achieve a high-quality outcome, we continue to use the most cutting-edge cancer diagnosis and treatment methods.

Causes of deaths in India



Source: WHO global burden of diseases , India : Health of Nation's states, CRISIL research

Oncology incidences in India

With growing ageing population, the number of cases per year is expected to reach 1,50,000 to 3,50,000 annually. Tobacco use, alcohol consumption, use of processed food and air pollution are expected to further increase the cases from 3,50,000 to 4,50,000. Growing public emphasis on screening and a narrowing diagnostic gap are anticipated to lead to higher reported cancer rates. With all these factors catalysing the incidence growth, the new cancer cases are expected to grow to ~2 Mn cases by FY24.

Our response

Our network of 22 Cancer centres across 9 states and 19 cities provides wider coverage to meet cancer diagnostic and treatement needs of growing cancer patients. We are dedicated to providing patient care and treatment solutions at a low cost by guaranteeing hassle-free operations. We are able to provide services that meet a range of patient needs, owing to our transparent business practices and environmentally friendly solutions.

Technology intervention

Only a small number of Indian institutions currently have the advancement and cutting-edge facilities to handle complex cancer cases. The majority of establishments fall short of international care standards around the world. Adopting screening technologies based on artificial intelligence is challenging for hospitals. In addition to sharper focus on clinical research and studies for improving procedures and strategies to combat the disease, there is a need for large investments in preventative methods, immunizations, cancer awareness and screening. Modern innovations such as PET-CT and the cyclotron have been introduced to the Indian subcontinent. Researchers are actively using nanotechnology to target cancer cells specifically and improve the effectiveness of some treatments.

Our response

We continuously upgrade our medical infrastructure and make adjustments to increase its performance and efficiency in order to provide the highest quality care possible. By offering virtual OPD facilities, cutting-edge technological infrastructure, and more beds, we work to provide the best treatment options. We unveiled Microsoft HoloLens, a cutting-edge holographic device that will flourish in a new era of virtual reality at our company. By publishing more than 200 hours of virtual reality content across several subspecialties, we have pioneered an industry endeavour to bring healthcare training and medical education to Metaverse.

Reduced impacts from COVID-19

Hospitals were greatly impacted by the COVID-19 pandemic as fewer scheduled and unforeseen treatments were performed. However, occupancy rates in oncology increased once the lockdown limitations were gradually loosened. Chemotherapy, for example, resumed in August 2020 and lasted through the second wave, thus the impact on cancer services was less during the second wave, and compliance levels have now almost fully recovered. On the other hand, the lockdowns were local rather than national, minimising the effect on treatment.

Our response

The beginning of the pandemic had numerous effects on our operations, but the need to provide patient-centric care compelled us to implement specific strategies to redesign our business model and modify our procedures to satisfy patient needs. Therefore, in collaboration with Microsoft teams, we launched a virtual OPD app for online consultations to provide seamless access to healthcare and guarantee our patients receive high-quality care remotely.

Cost of care

Healthcare providers who strive to deliver quality care at reasonable costs are seeing their margins shrink as a result of the rising cost of care, which is predicted to become unsustainable for the vast majority of consumers. Numerous families suffer from the lack of high-quality care due to the excessively high financial costs of cancer treatment. Although government initiatives like Ayushman Bharat National Health Protection Mission attempt to provide universal health care, doing so across the entire nation is likely to be rather difficult.

Our response

We continue to rely on efficient resource use, centralised medicine distribution, and favourable purchasing terms to finance a variety of medical equipment in order to stay competitive. Our economies of scale enable us to ensure cost optimisation without compromising the quality of treatment.

IVF potential in India

In the past five years, the fertility market has increased by 20% in India. The market for IVF services in India was estimated to be worth USD 793.27 Mn in 2020 and is anticipated to grow to USD 3,721.99 Mn by 2030, with a CAGR of 16.45% between 2021 and 2030. Due to an increase in the rate of infertility, a rise in the trend of late pregnancies, a jump in the success rate of IVF, and an increase in disposable income in the area, the market for IVF services in India is projected to develop significantly.

Our response

Our Milann network of fertility clinics provides cutting-edge technology, a distinguished team of doctors, and highly individualised treatment regimens. Overall, we provide a perfect setting for healing, nurturing, and guiding couples toward parenting. As a result of our ongoing efforts on our digital campaign and with a focus on improving clinical talent across facilities, there was a significant improvement in digital traction. Moving forward, we would like to consolidate, concentrate on market leadership in Bangalore, and scale up our business in North India.

Delivering on our strategy

At HCG, we are dedicated to providing outstanding cancer care and maximising value generation for stakeholders by offering readily available, industry-leading services that are focused on the needs of the patient. As one of India's leading cancer treatment facilities, we work to create an expanding, cash-positive business that generates a good return on investment.

We aspire to deliver clinical excellence, while adhering to the values of responsibility and sustainability in order to generate long-term value creation for our stakeholders. We accomplish this by utilising our three-pronged strategy of: **Focus, Accelerate and Evolve.**

Focus

We put significant effort in strengthening our core competencies in order to manage operational complexities and reduce risks.

Strategic priority	Progress in FY 2021-22
Sustained value creation To accomplish our short- and long-term objectives through responsible financial risk management and active participation from all stakeholders.	• Robust year-on-year growth with an all-time record revenue across all four quarters of the financial year • Revenue from operations grew by 37.9% YoY to ₹ 13,978 Mn • Operating EBITDA increased by 88% year on year, from ₹ 1,266 Mn in FY21 to ₹ 2,380 Mn in FY22
Infrastructure capacity Cancer therapy is continually evolving, and we work hard to stay ahead of it by utilising cutting-edge technology and top-notch facilities. We relentlessly strive for better outcomes through quick investments in contemporary therapeutic practices and a constant eagerness to upgrade our services.	• Achieved a sizeable scale in terms of case load and patient outcomes across centres • Leveraged our asset-light business model to connect all peripheral centres
Employee strength Assembling a team of specialists, including professional doctors, qualified nurses, and specialists in oncology, to research, identify, and treat all types of cancers utilising evidence-based practises and cutting-edge technology.	• Added over 40 oncologists which resulted in an increase of total number of doctors in our team to over 450 • Multi-disciplinary clinics with pathologists, radiologists, medical, surgical and radiation oncologists, and para medical staff

Accelerate

We place a strong emphasis on growing our network, expanding into new realms and branching into other healthcare sectors, as we continue to grow and extend our business organically. We have been able to transform millions of lives owing to our tireless efforts.

Strategic priority	Progress in FY 2021-22
Geographic expansion To reach the maximum number of patients, we continue to extend our network in rural and non-metropolitan areas in an effort to close the gaps in healthcare services.	• Strong leadership position in more than 13 cities including metros and non-metros. • Increased footfall at our centres with an average occupancy rate of 58.3% • Network of 22 comprehensive cancer centres (including Kenya) • Cumulative bed capacity 1702
Strategic execution We can locate, establish, and construct additional centres around the nation owing to our strong execution capabilities.	• Providing dedicated and 'built-to-suit' facilities along with end-to-end comprehensive care facilities • Building a comprehensive HCG cancer moonshot program

Evolve

Cancer therapy is continuously changing, and we work hard to stay ahead of it by utilising cutting-edge technology and globally benchmarked facilities. We relentlessly strive for better outcomes through quick investments in contemporary therapeutic practices and a constant eagerness to upgrade our services.

Strategic priority	Progress in FY 2021-22
Adopting technological breakthroughs We keep utilising technological advancement and scientific innovation to bolster our capacities and produce exceptional results.	• Adopted high-end technology including Linear Accelerators and Positron Emission Tomography • Introduced AI enabled Adoptive Radiotherapy to provide precision radiation oncology • Acquired Next Generation Sequencer for early detection of recurrent tumours
Securing the future We are prepared for the future to handle a variety of issues owing to our investments in advanced technologies and our drive to enhance capabilities.	• Introduced Enterprise RIS PACS for AI based precision imaging which will enhance our research capabilities • Brought healthcare training and medical education to the Metaverse

Our Value Creation Model

Input

Financial capital
- ₹ **8,837 Mn** Total Shareholder Fund
- ₹ **3,629 Mn** Long-term borrowings
- ₹ **333 Mn** Equipment/Capex funded in the form of vendor finance
- Asset light investment approach
- Prudent financial management

Human capital
- **6,208** (5679 On roll Employees & 529 Fixed Consultants)
- **1,922** Nurses
- **170** Resident Doctors
- **1,287** Paramedical Staff
- **432** Oncologist, Radiologist, Pathologist & Other Specialist
- **32** Fellowship

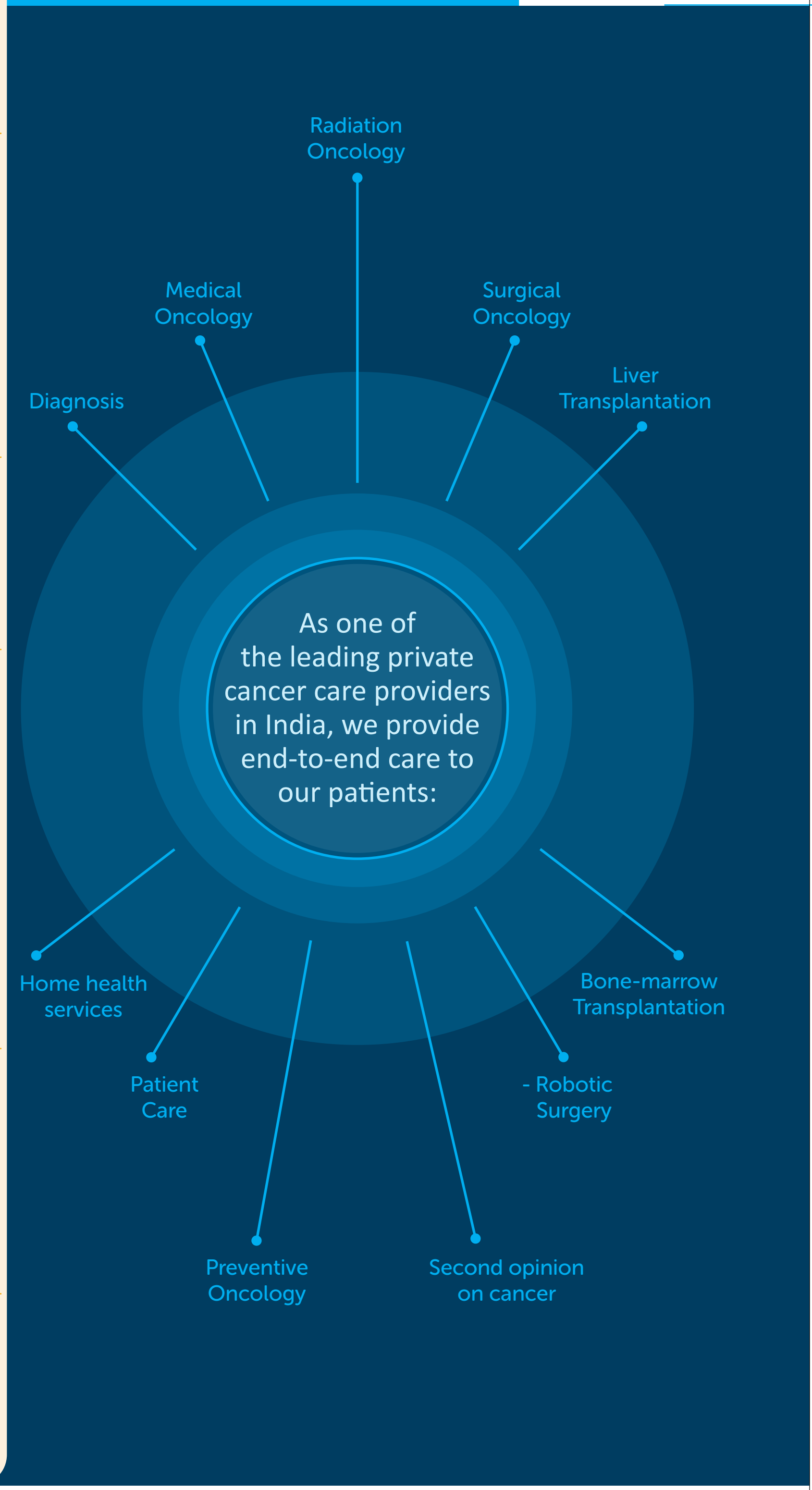
Intellectual capital
- **33** Years of expertise in oncology
- Strong clinical and operating processes, systems, protocols

Manufactured capital
- ₹ **704 Mn** Capex for FY 2021-22
- **22** Comprehensive Cancer Care Centres
- **1,702** Cumulative Bed Capacity (including multi-speciality beds)
- **9** States of presence
- **31** No. of LINACs (for radiation treatment)
- **17** No. of PET CTs (for staging and planning)
- Substantial footprint in metro, **Tier II** and **Tier III** cities.

Relationship capital
- **23,663** Shareholders
- **9** Centres with long-term collaborations
- **9** Joint Ventures /business partners

Natural capital
- **5473751 kwh** Electricity consumption
- **2,70,292 KL** Water Consumption

Value creation process



Output

Financial capital
- ₹ **1,3978 Mn** Revenue from operations
- ₹ **2,380 Mn** EBITDA
- ₹ **2,580 Mn** Pre-corporate EBITDA of existing oncology
- ₹ **304 Mn** Revenue generated from international patients
- **0.1x** Net Debt-Equity Ratio
- ₹ **537 Mn** PAT*

*Attributable to owners of the Company.

Human capital
- **90203 manhours** Training Hours completed during FY2021-22
- **38 %** Women leadership
- **51.7 %: 48.3 %** Male: Female ratio
- Pool of experts and domain specialists

Intellectual capital
- **16** Centres are NABH Accredited
- **4** Centres are NABH Certified
- **26 +** Clinical trials conducted across the network

Manufactured capital
- **58.3 %** Average occupancy rate **(%)**
- ₹ **36,697** Average Revenue per Occupied Bed (ARPOB) (₹/day)

Relationship capital
- Maintaing and enhancing relationship with all our stakeholders

Natural capital
- **1,593** KVA Capacity of solar rooftop

Outcomes

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

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

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

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

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

SDG's linked

- Financial capital: 8 Decent work and economic growth
- Human capital: 3 Good health and well-being; 5 Gender equality
- Intellectual capital: 12 Responsible consumption and production
- Relationship capital: 3 Good health and well-being; 17 Partnerships for the goals
- Natural capital: 6 Clean water and sanitation; 7 Affordable and clean energy; 13 Climate action

Stakeholder Engagement

At HCG, we interact with our stakeholders to better understand and address their needs and expectations. This offers insightful information that aids in the development of our priorities and approach. We have a well-defined process in place for identifying our key stakeholders according to their contribution to the organisation and level of involvement.

Stakeholders	Why they are important	Channels of communication	Frequency of engagement	Key concerns of our stakeholders	Capital linkage
Patients	Patients continue to be the focus of HCG's operations, and we prioritise their needs with a focus on enhancing quality of life via comprehensive treatment.	Customer Satisfaction Surveys • Seminars • HCG website • Social media campaigns • Patient care services	Regularly/ Event-based	• Delivering quality healthcare and superior services • Best possible clinical results • Affordable service • Ensure patient confidentiality and data security • World-class infrastructure to support patient care	Relationship Capital Financial Capital Intellectual Capital
Business Partners, Suppliers & Associates	We depend on our suppliers, business partners, and associates to provide the highest quality products and services that adhere to internal and external certification standards since they provide essential services that are critical enablers for HCG's success.	• 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	Event-based	• Fair and reasonable procurement of resources • Creating and maintaining long-standing relationships • Fair and transparent negotiations • Improved supply chain • Compliance with applicable regulatory requirements and quality standards	Relationship Capital Financial Capital Manufactured Capital
Employees	Employees are invaluable assets for us and are essential to providing top-notch care and treatment. We work to communicate well with them in order to comprehend their concerns.	• Employee performance review • Town hall meetings • Employee Engagement Survey • Focus group session • Staff wellness and recognition programmes	Regularly/ Event-based	• Positive work culture and a conducive workplace • Fair and equitable benefits • Employee well-being and safety • Training and upskilling programs for employees • Providing competitive remuneration	Human Capital
Medical Professionals	They affect patients' lives as internal stakeholders by delivering high-quality care and treatment.	• Conferences and seminar • Regular ongoing visits • Advisory board meeting	Regularly	• Clinical efficiency and higher quality of facilities • Doctor engagement/feedback sessions • Provision for advanced technologies and facilities • Revised contracts and agreements	Relationship Capital Intellectual Capital
Industry Regulatory Bodies	The range and depth of our operations are governed by several laws and regulations. To guarantee efficient operations, we maintain open lines of communication with regulatory agencies and adhere to all rules and regulations	• Participation in conferences • Formal correspondence and meetings	Event-based	• Supporting industry wide initiatives and proactively participating in industry meets • Healthy exchange of ideas to mutually benefit the industry • Responsible utilisation of resources and fair trade practices • Regulatory reforms related to operational aspects of the hospital	Relationship Capital Manufactured Capital
Government and regulators	Engage with them on policies which impact our operations and long term business objectives	• Return filings and other statutory documents • Conduct regular audits (financial and statutory) • Timely payment of taxes and levies to government • Adherence to environmental laws	Quarterly/ Annually	• Compliance with the laws and regulations of the land • Contributing towards upliftment of the economy • Generating employment • Enforcement of policies to ensure patient safety	Relationship Capital Financial Capital Natural Capital
Communities	We are committed to maintain long-term engagement with local communities and our focus is on creating shared value	• Health awareness initiatives • Sponsorships and donations • Partnership for CSR programmes	Event-based	• Understanding the social / development challenges / need of the local communities Improving accessibility to healthcare services • Funding community projects =Providing opportunities for the next generation of healthcare professionals	Social & Relationship Capital
Shareholders and investors	Providers of financial resources for sustainable business growth	• Financial Results • Analyst meetings • Conference calls • Earnings calls • Annual and quarterly reports and presentations • Press releases • Annual General Meeting (AGM) • Extraordinary General Meeting (EGM) • HCG website	Quarterly/ Annually	• Continued operational growth and financial sustainability • Clear and transparent reporting • Good corporate governance framework • Effective and timely shareholder communication	Relationship Capital Financial Capital

Profile of Board of Directors

Dr B. S. Ajaikumar,
Executive Chairman

Dr B. S. Ajaikumar is the Executive Chairman of HCG. Dr 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 the CEO from July 2006 to Jan 2021.

Dr Ajaikumar's contributions to the field of cancer care in India and his success as a first-generation physician entrepreneur have 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. Dr Ajaikumar is also the recipient of the Karnataka Rajyotsava Award.

Dr 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 Tumour Institute of the University of Texas, and his residency training in Oncology from the University of Virginia Hospital, Charlottesville. He received his MBBS from St. Johns Medical College, Bangalore.

Meghraj Arvindrao Gore,
Whole-time Director and CEO

Meghraj Arvindrao Gore ('Raj Gore') was appointed as the CEO of HCG effective from February 01, 2021 and as a whole-time director effective from February 10, 2022.

Raj Gore is a seasoned global professional with more than 21 years of diverse experience in business management in North America, Asia, & Africa. Having been in the healthcare industry for 17 years, he has led business transformation and financial turnaround of acquired healthcare companies in India, Mauritius, and Vietnam, and has created sustainable growth momentum and value for these organizations. Raj also has hands-on knowledge and experience of the M&A spectrum including, post-acquisition integration.

Previously, he has served as the Chief Executive Officer for the Southern Region of Apollo Hospitals and Chief Growth Officer and Chief Operating Officer (NCR) at Fortis Healthcare Limited. He has contributed to the phenomenal growth of these organizations by fulfilling various corporate, strategic, and operational roles.

Raj Gore holds a Bachelor of Chemical Engineering degree from Jawaharlal Nehru Engineering College, Maharashtra, Master of Science in Information Technology, and Master of Business Administration degrees from the University of Denver, USA. He has also completed Hospital Management Program from the Indian Institute of Management, Ahmedabad, and Singapore Management University, Singapore.

He has a keen interest in developing future leaders through coaching and mentoring as well as building high-performance teams and culture. Outside work, he is an avid sports fan and a nature enthusiast with a passion for wildlife photography.

Siddharth Patel,
Non-Executive Non-Independent Director

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 the 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,
Non-Executive Non-Independent Director

Amit is a Partner at CVC and joined CVC in 2017. Amit is a member of the CVC India team and based in Mumbai. 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 CitiusTech, a leading healthcare IT services provider and MedExpress, a leading chain of urgent care centres. Amit holds an MBA from Wharton and a Bachelor of Technology in Electrical Engineering from IIT Delhi.

Abhay Prabhakar Havaldar,
Non-Executive Independent Director

Abhay Prabhakar Havaldar is a non-executive, independent director of HCG. He holds a Bachelor's degree in Electrical Engineering from 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. Abhay 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.

Profile of Board of Directors (Contd.)

Anjali Ajaikumar Rossi,
Executive Director – Strategy

Anjali Ajaikumar Rossi is a seasoned professional and social entrepreneur with more than 12 years of experience in the healthcare sector with a focus on transforming the healthcare system through technological advancements. As the Vice President of Quality and Strategy for 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 Rossi has built talented teams and actively empowered her staff to pursue continuous advancements in the 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 Rossi 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 Rossi 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 a project leader and has also served as a consultant for the Global Tracheostomy Collaborative, an international NGO.

Geeta Mathur,
Non-Executive Independent Director

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 Wiring India Ltd, NIIT Limited, IIFL Group. She serves as a chairperson/member 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 to foster a powerful, trusted community of influential women corporate directors.

Rajagopalan Raghavan,
Non-Executive Independent Director

Rajagopalan Raghavan ("Raj Raghavan") 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.

Jeyandran Venugopal,
Non-Executive Independent Director

Jeyandran Venugopal (Jey) is an innovator and product thinker. His rich technology leadership experience spans more than two decades of pioneering work across both US and India in the consumer internet technology domain. Jey is currently the Chief Product and Technology officer for Flipkart. In his current role he leads a several thousand strong multi-disciplinary team spanning user research and design, product management, engineering, data science, corporate IT and information security. Jey has worked across several technology domains such as ecommerce, payments tech, cloud computing, search engineering, digital media platforms and others with companies such as Amazon, Yahoo and Myntra before his current role. Jey has also been a health tech entrepreneur and launched one of the earliest private telemedicine services in the country which was then subsequently sold to the largest epharmacy companies at that time.

Jey holds a Master's degree in computer science from the University of Illinois at Urbana Champaign (UIUC). Prior to that he did a Master's degree in Mechanical engineering with a focus on computational fluid dynamics from the same University. During his time at UIUC he held a research assistantship as a student consultant with the National Center for Supercomputing Applications (NCSA) where he had the opportunity to work on cutting edge supercomputing clusters and helping and advising research groups and commercial firms around the country who were using NCSA's compute facilities at that time. Jey did his Bachelor's degree in Engineering from the College of Engineering, Guindy.

Jey has a passion for all things technology and loves advising, mentoring and investing in deep technology and innovative startups.

Profile of Board of Directors (Contd.)

Pradip Kanakia,
Non-Executive Independent Director

Pradip Kanakia is a strong leader and governance oriented professional with expertise in strategy, transformation, performance management, accounting, auditing, reporting, controls, compliance and governance. As a qualified Chartered Accountant of both England and Wales and India, he has held leadership positions with Price Waterhouse and KPMG during a career spanning 35 years. As a lead audit partner, he has led and signed audits of several prestigious Indian and multinational companies, across various industry sectors for over 23 years.

Several of these companies have won prestigious awards for the Best Presented Annual Reports. As a leader in both Price Waterhouse and KPMG, he played a major role in transforming the businesses of both the firms leading to accelerated growth and profitability by demonstrating the ability to 'turn around' underperforming business units with strong strategic and execution skills. He has led several thousand people in both the firms and cultivated a culture of high performance, collaboration and teamwork. In Price Waterhouse, Pradip ran a flagship program for Non-Executive Directors and conducted more than 40 events for leading independent directors in both Mumbai and Delhi, covering the most relevant topics of corporate governance. Pradip enjoys strong relationships with leading Directors, CEOs, CFOs and other senior C suite professionals of companies across the country.

Pradip Kanakia is on the Boards of JM Financial Ltd, Camlin Fine Sciences Limited, Torrent Gas Private Limited, Viyash Life Sciences Private Limited, Stellar Value Chain Solutions Private Limited and Fable Fintech Private Limited.

Shanker Annaswamy,
Non-Executive Independent Director*

Shanker Annaswamy was appointed as a non-executive, independent director of the Company in 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.

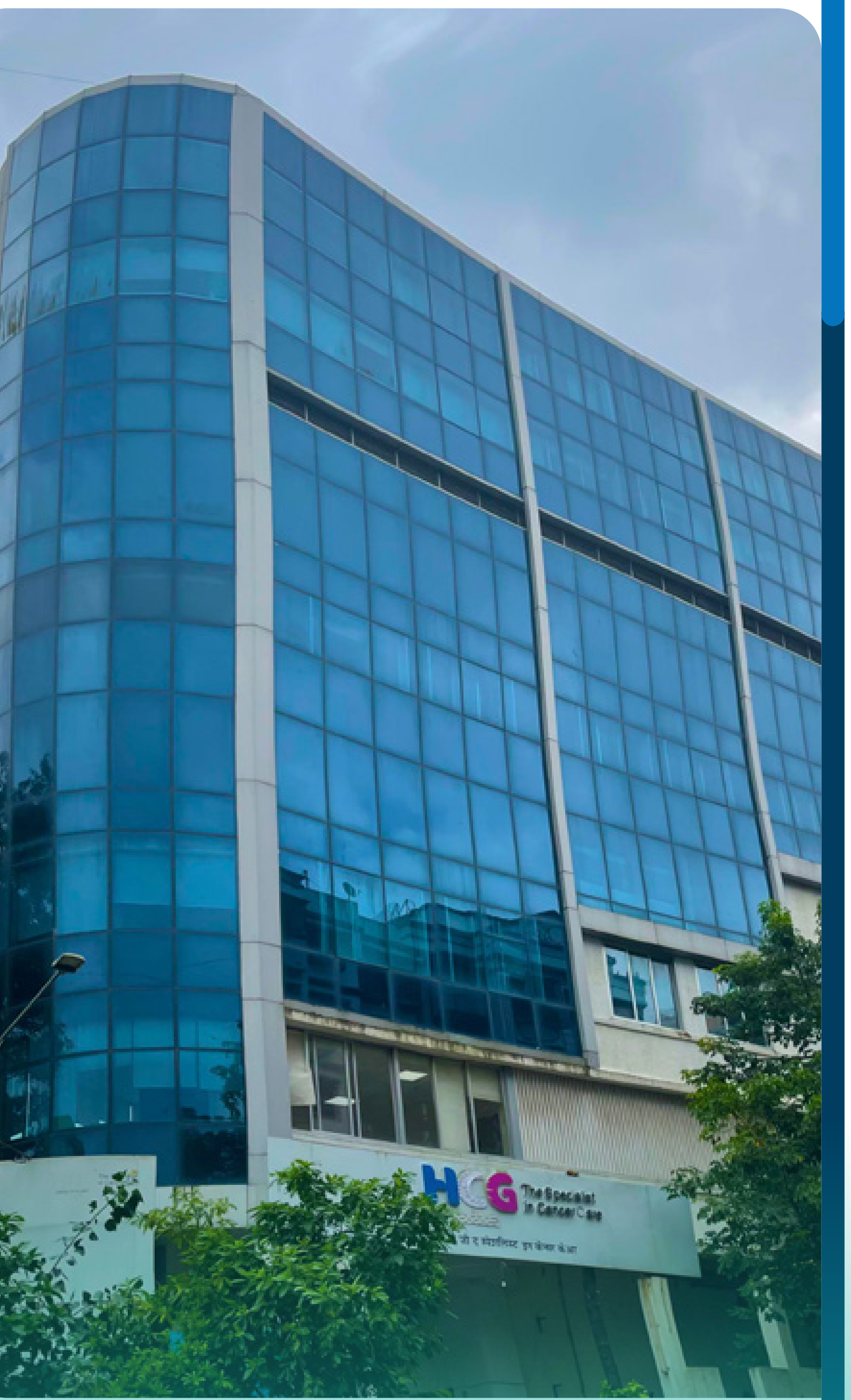
*Shanker Annaswamy has resigned as a Director of the Company w.e.f December 03, 2021.

Sudhakar Rao,
Non-Executive Independent Director*

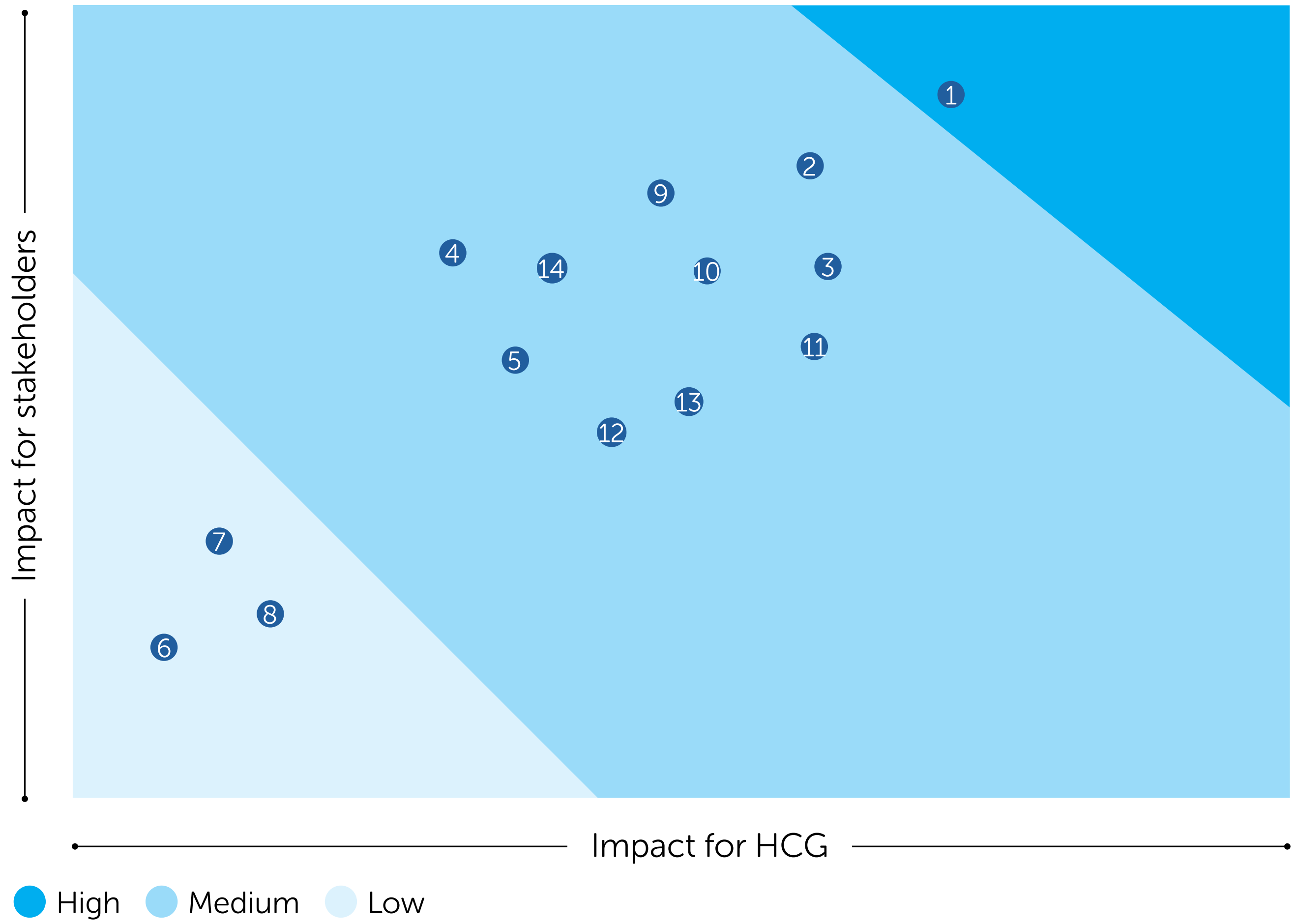
Sudhakar Rao was appointed as a non-executive, independent director of the Company in February 2015. He is a retired Indian Administrative Service Officer and has held several posts in the government including the post of the chief secretary to the government of Karnataka. He has previously been a director 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.

*Sudhakar Rao has resigned as a Director of the Company w.e.f December 21, 2021.

Materiality assessment



At HCG, we continue to place considerable emphasis on listening to our stakeholders' expectations and concerns. In order to fully understand the topics that are material to them, we have engaged periodically with our stakeholders over the years. Our thorough analysis allows us to take a more holistic approach to our future strategy and better determine where to invest our internal resources. This procedure also contributes to greater transparency and engagement with our stakeholders.



Our materiality assessment process

Identification of material issues through an in depth analysis

Prioritise issues

Review, assess and record the impact

Our materiality assessment results are summarised and plotted on the materiality matrix below, with their position relative to the degree of internal and external stakeholder interest and potential business impact.

Stakeholders	Material issues
Patients	1. Prioritising the needs of patients for enhancing their quality of life 2. Constant upgradation of process and technology 3. Ensuring availability of services
Government	4. Strengthening compliance and risk management 5. Anti-fraud and whistle-blower policy

Stakeholders	Tasks
Employees	6. Promote 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	12. Sustained financial returns
Society	13. Ensure sustainable community development 14. Resource optimisation and waste recycle

We are working on multiple fronts to improve the holistic value that we offer to our patients, and thus create long-term value for the business in a sustainable manner. Our capital allocation strategy reflects our continued commitment to patient care.

Financial Capital

We are on a growth trajectory that entails ongoing financial investments in creating sophisticated healthcare facilities and upgrading existing facilities to improve the standards of our holistic care. Our cashflows and accruals and a combination of debt and equity capital cumulatively represent our financial capital. As part of our strategic approach, we remain committed to harnessing growth and returns from emerging opportunities.

Asset-light model driving growth

We focus on optimising our costs across every aspect of operations without compromising the quality of services being rendered to strengthen our operating margins. We have shifted our investment strategy from equipment purchase to pay-per-use and the majority of our hospital facilities are leased. Along with this, we continue with our investment focus on medical equipment and technology.

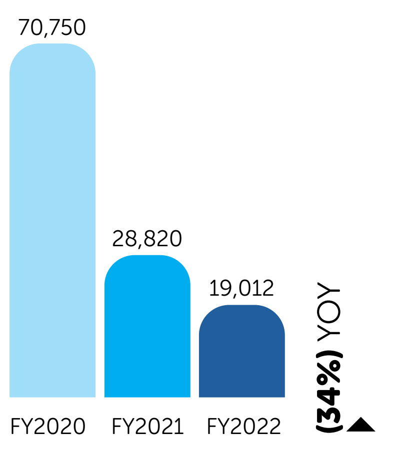
Inorganic growth

During the year, we acquired an additional 60.9% stake in Suchirayu Healthcare Solutions, Hubli, thereby increasing our stake from 17.7% to 78.6%. The additional stake was brought for a consideration of ₹33 crore.

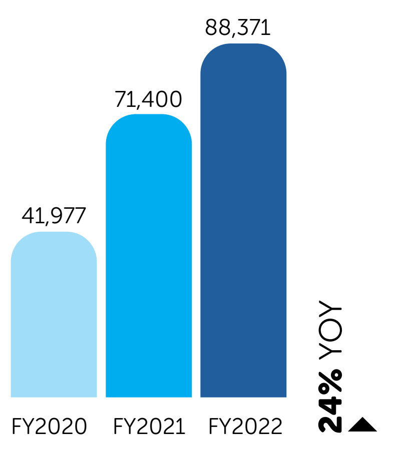
We received consideration of about ₹157 crore for sale of our ownership in Strand and acquired labs and clinical research business through a business transfer agreement (BTA) from Strand for a consideration of about ₹81 crore with a set-off of about ₹7 crore towards receivables. The transactions resulted in net cash inflow of ₹83 crore for HCG in addition to the takeover of the labs and clinical research business.

Inputs

Net Debt (₹ in lakhs)

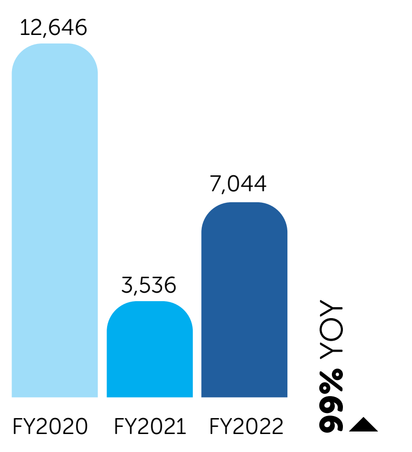


Equity Share Capital (₹ in lakhs)



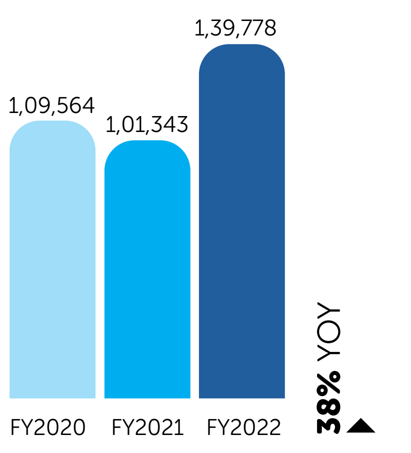
*excluding Capital leases

Capex (₹ in lakhs)

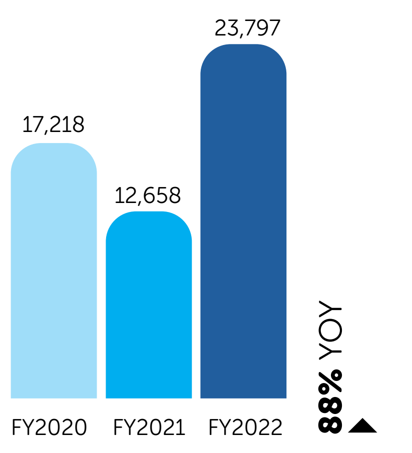


Outcomes

Revenue from Operations (₹ in lakhs)



Operating EBITDA (₹ in lakhs)



Pay Mix (%)

Cash	51
Government	25
Corporates/Institutes	24

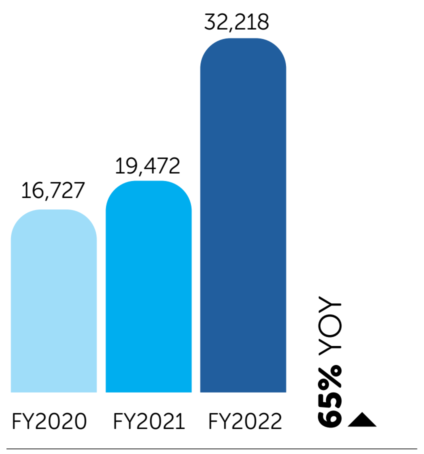
Financial Capital (Contd.)

Delivering a strong performance

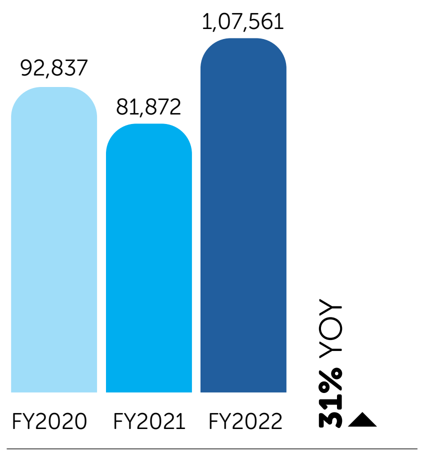
We witnessed a strong yearly revenue growth on the back of higher footfalls. Our Consolidated Income from Operations (Revenue) increased by 37.9% year-on-year to ₹13,978 Mn from ₹10,134 Mn in the prior year. With an operating EBITDA margin of 21.5%, our existing centres' operating EBITDA was ₹2,308 Mn.

A number of new centres had a turnaround in EBITDA (unit level) as they progressed on their scale-up trajectory. In contrast to the loss of ₹(157) Mn the previous year, our operating EBITDA from new centres was ₹72 Mn.

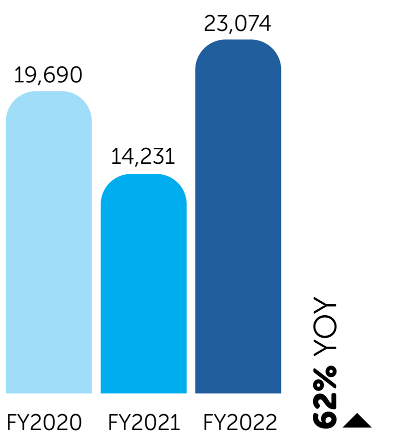
Revenue from new centres (₹ in lakhs)



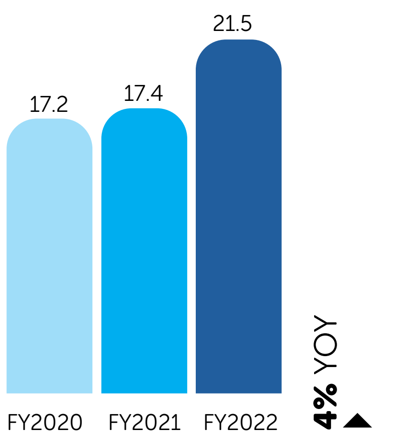
Revenue from existing centres (₹ in lakhs)



EBITDA from existing centres (₹ in lakhs)



EBITDA margin from existing centres (in %)



Robust performance across geographies

As the economy gradually opened up, several regions witnessed strong double-digit revenue growth annually. The Maharashtra upswing persisted across all centres and produced 41.6% year-on-year income growth. East India continued on its successful trajectory with a year-on-year revenue growth of 33.9%. Additionally, a high increase of 132.2% year-on-year was observed in North India.

Geographical Revenue Mix

FY 2021-22 (%)

	%
Gujarat	26
Maharashtra	17
East India	9
Andhra Pradesh	8
Tamil Nadu	2
North India	3
Karnataka	36

FY 2020-21 (%)

	%
Gujarat	28
Maharashtra	17
East India	9
Andhra Pradesh	8
Tamil Nadu	2
North India	2
Karnataka	35

Growth-oriented strategies

We continue to sustain laser-sharp focus on leadership in oncology, wherein we aim to penetrate key regions through organic as well as inorganic opportunities. By transforming processes and outcomes using technology, digital and data resources, we are delivering margin improvement, cashflow generation and high return on capital.

Our established capabilities, patient-centric business model, and streamlined operations enable us to develop long-term strategies. With ongoing market expansions for both the domestic and international markets, we continue to increase revenues. By leveraging our strategic alliances, we also hope to increase profitability through lean management, scalability and the adoption of new and innovative treatment approaches.

Value creation for our stakeholders

We invest towards building scale with sustainable competitive advantages and have a disciplined capital allocation strategy to drive long-term value creation for stakeholders.

Our unwavering commitment to providing high-quality treatment has enabled us to steadily scale up our capacity and develop a nationwide network of hospitals.

In order to raise our diagnostic standards and increase the quality of care, we have also invested in cutting-edge technology and medical equipment. With our demonstrated competence in the fields of fertility, precision diagnostics and oncology, we aim to build long-lasting value for all our stakeholders.

Sustainable business model

Our resilient and sustainable business strategy enable us to proactively respond to opportunities to enhance the spectrum of services that we offer through our network to patients. We are working towards achieving the following objectives for the future:

- 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

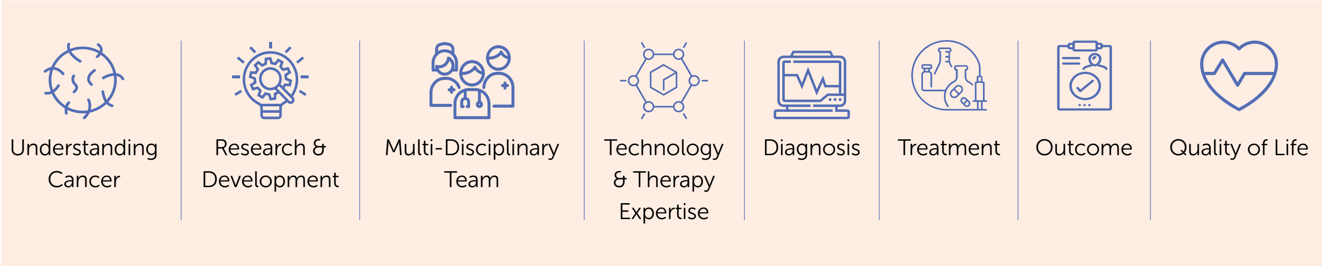
Manufactured Capital

We are working relentlessly to enhance the standard of care to become the most reputed and trusted cancer care provider. We remain committed to fulfilling and exceeding patient expectations by harnessing our vast network of state-of-the-art facilities in India and overseas.

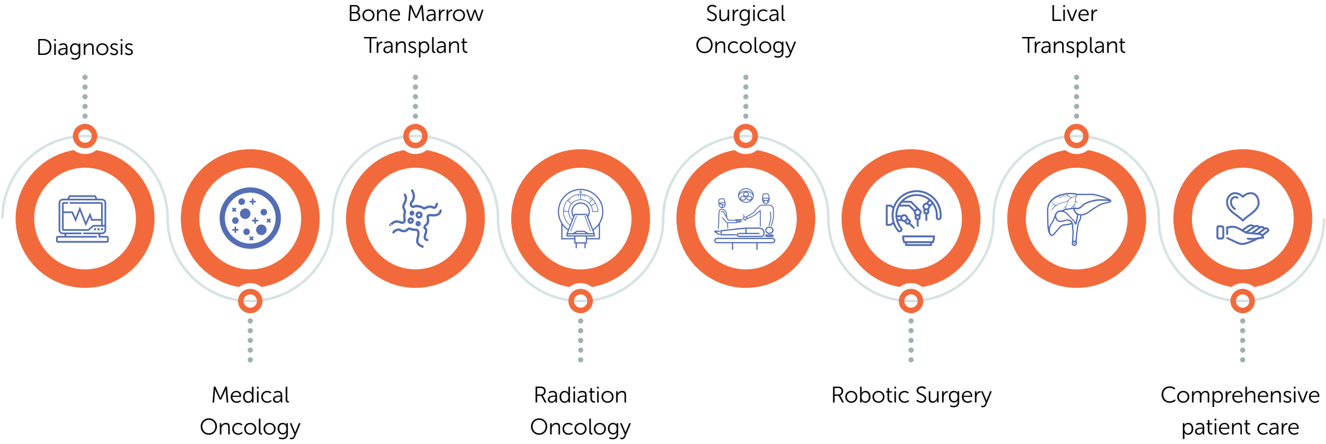
Our capabilities

We have established ourselves as a one-stop destination for cancer diagnosis, treatment, surgery, and radiation therapy. We employ cutting-edge technology, advanced diagnostic facilities and integrated healthcare procedures to elevate the standard of cancer care. We have made a number of ground-breaking technological and therapeutic advancements that enable us to offer cancer treatment and care with a holistic approach. Under the leadership of skilled oncologists, we have deployed our state-of-the-art infrastructure to build a comprehensive treatment portfolio.

Comprehensive strategy to combat cancer



All-inclusive services



Enhancing our capabilities and processes

We are continuously upgrading our systems, introducing new and modern medical equipment, and focusing on delivering improved diagnostic facilities in order to seamlessly adapt to a growing healthcare ecosystem. We have implemented the following strategies to achieve operational excellence:

Predictable services with consistent and uniform patient centric services.	Being a differentiator by establishing service delivery standards with measurable outcomes. Ensuring profitability and scalability by optimising resource utilisation.	Leadership positioning by adopting practices that are at par with the best in the industry.	Leveraging automation to increase overall efficiency, accuracy and reduce cost.

Manufactured Capital (Contd.)

Pioneering innovative technologies

At HCG, we continue to be at the forefront of adopting and leveraging technology that gives our patients comprehensive cancer care. We enhance our productivity and stay ahead of the curve with contemporary manufacturing techniques and technology. We improve our processes, invest in the best-of-breed technologies and procure state-of-the-art equipment regularly. We have been able to maintain our position as a leading provider of healthcare services owing to our consistent efforts to deliver automated and advanced treatments for oncology care.

Innovationv @ HCG

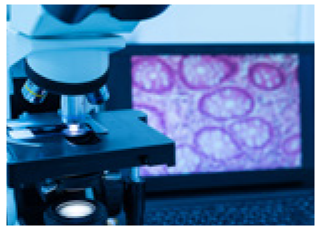
Life of a Laryngectomy person is marked by many problems including no voice box, breathing through a Trachea-stoma, absence of nasal breathing, unable to smell and altered taste and swallow. In order to aid their problems, we at HCG, supporting our In-house doctor/inventor, introduced Aum - Voice Box. It is an Innovative device made of Silicone, helping people to regain their voice at a fractional Cost.

Leadership across precision technologies and specialised procedures

Diagnostics

17 Total PET CTs

1 Digital PET CT



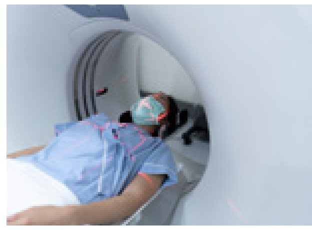
Digital Pathology: Across Network

Molecular/Genomics Laboratory

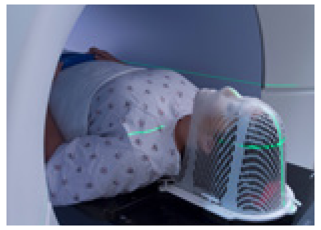
Radiotherapy

31 Total Linacs

2 Cyberknife



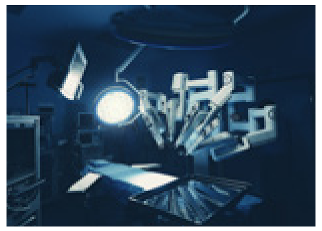
5 Versa HD



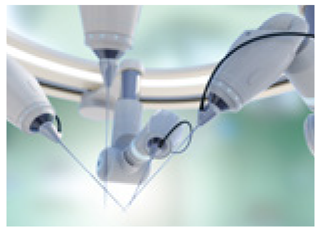
5 TomoTherapies

Medical/Surgical Oncology

3 Total Robots



2 Da Vinci Robots



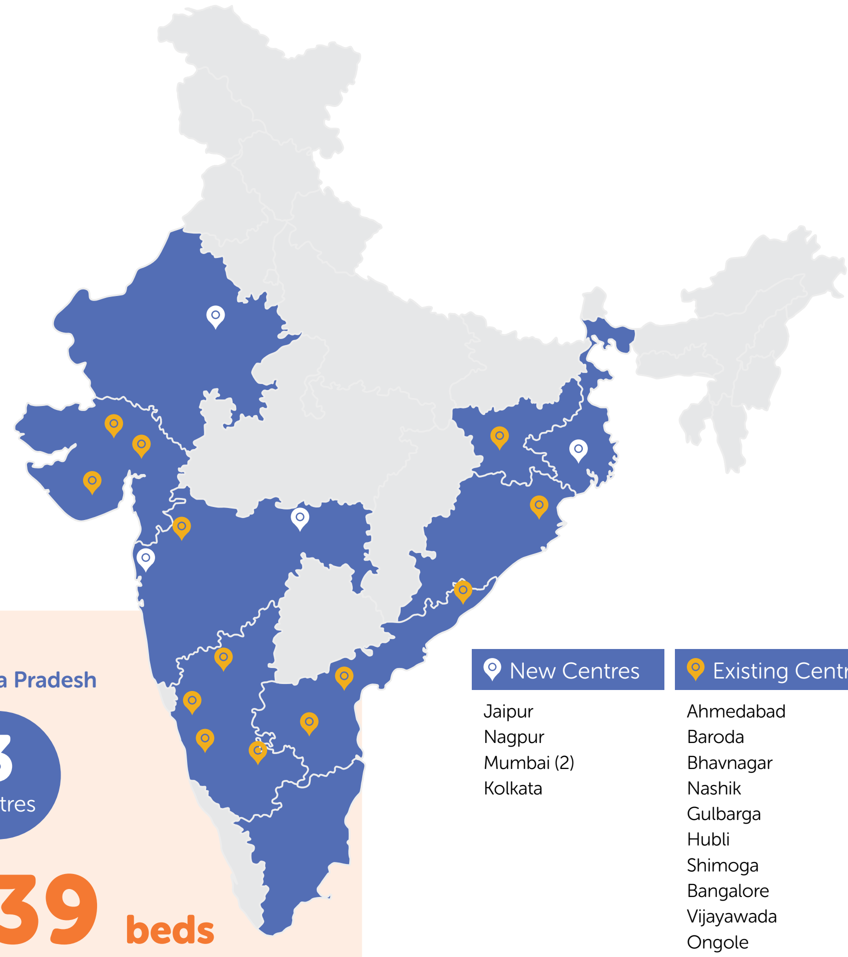
1 Versius Robot

8 Bone Marrow Transplants

Unmatched outreach of cancer care

India

We are gradually extending our network across the nation with a special focus on Tier II and Tier III cities in order to make high-quality cancer care commonly accessible to everyone in the country. Through our Centre of Excellence, Comprehensive Cancer Centre, Freestanding Diagnostic Centre, and Day Care Chemotherapy Centres, we provide unparalleled healthcare facilities.



New Centres	Existing Centres
Jaipur	Ahmedabad
Nagpur	Baroda
Mumbai (2)	Bhavnagar
Kolkata	Nashik
	Gulbarga
	Hubli
	Shimoga
	Bangalore
	Vijayawada
	Ongole
	Vishakhapatanam
	Cuttack
	Ranchi

Karnataka
7 Centres
514 beds

Andhra Pradesh
3 Centres
239 beds

Gujarat
5 Centres
403 beds

East India (Odisha, Jharkhand, West Bengal)
3 Centres
155 beds

Maharashtra
4 Centres
321 beds

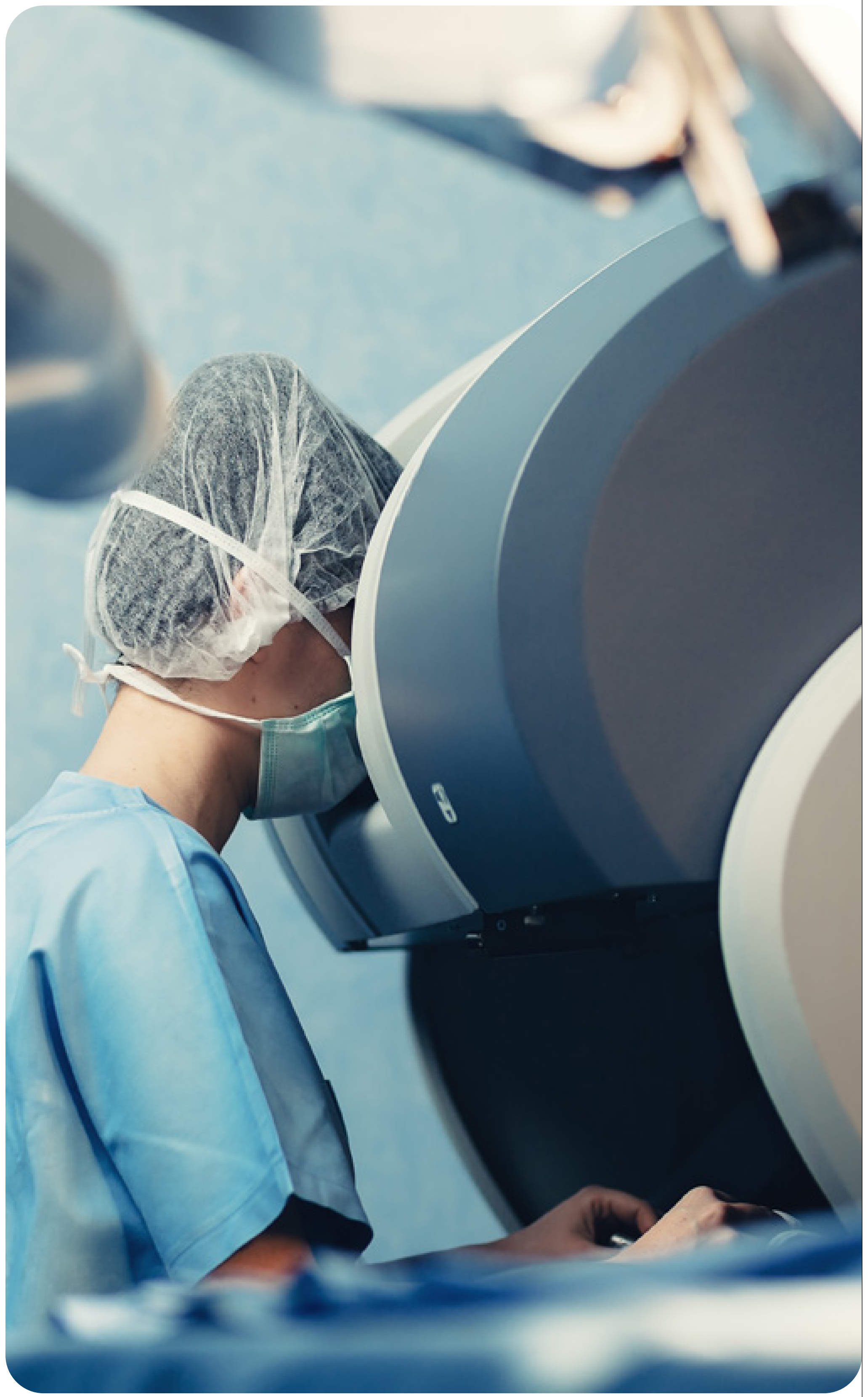
Others (Rajasthan and NCR)
1 Centres
65 beds

58.3%
Average occupancy rate

2.28
Average length of stay (days)

73420+
New patient registrations

Manufactured Capital (Contd.)



Expanding inorganically

Mergers and acquisitions have been a core part of our strategy, and we have demonstrated our capability to integrate acquisitions. The acquisition of a majority in Suchirayu was a prudent step in establishing our presence in the area after operating Suchirayu for the previous four years with positive patient outcomes and desired financial results.

Suchirayu owns a multi-speciality hospital in Hubli with an operational capacity of 110 beds and a potential to scale up to 250 beds. HCG also owns and operates a standalone Cancer Centre at Hubli, and the acquisition is expected to create synergetic benefits and market leadership in the geography.

HCG is continuing on its quest to optimise capital allocations around India's Cancer Care, and the acquisition of oncology hospital labs and clinical trials business from Strand Life Sciences is a step in that regard. The cornerstone of effective cancer treatment and outcomes is specialised diagnostics. To improve the standard of treatment for cancer patients, HCG was a pioneer in the introduction of PET CT scans, the holding of multidisciplinary tumour boards, and the provision of genomic testing.

Our collaboration with Strand was motivated by a shared desire to strengthen HCG's position as a pioneer in precision medicine. With the purchase of Strand's hospital labs and clinical research business, we are now able to improve our own diagnostic and research capabilities and offerings as well as increase network-wide adoption and awareness, which will positively impact a much larger patient population.

International

Through partnerships with leading healthcare organisations, we continue to expand our activities outside India in line with our objective of positively affecting millions of lives. We aim to accomplish our objective through collaborations with premier healthcare providers across geographies. In order to establish HCG Africa as a gateway for top-notch healthcare in sub-Saharan Africa, we have teamed up with prominent clinicians in Nairobi, Kenya's capital, to develop HCG - CCK (Cancer Care Kenya).

387+
New international patient registrations

₹312Mn
Share of revenue from medical tourism / international patients

Intellectual Capital

The evolving scenario of medical care require consistent upgradation/ innovation in terms of processes adopted, technologies deployed and treatment protocols suggested. Our intellectual capital enables us to devise new methods for securing a better life for our patients. We prioritise the needs and expectations of patients, which motivates us to continuously push the boundaries of innovation through state-of-the-art medical equipment and services.

Brand building

In order to fulfil our promise of 'Adding life to years,' we are devoted to providing the highest standards of care. We have been able to build a sturdy brand reputation that supports our credentials as the nation's leading cancer treatment centre. Our efforts help drive clinical and operational excellence and relieve patient suffering, so that everyone can receive high-quality care regularly.

#Together To Win

HCG's brand campaign #TogetherToWin was carried on across print, radio, and digital platforms to raise awareness for the brand and the difference it makes for cancer patients.

#World Cancer Day

On the occasion of World Cancer Day, we organised a bike rally in association with Hubballi Bicycle Club to create awareness about cancer with over 160 cyclists taking part in the rally.

#Break The Bias

We marked International Women's Day by felicitating ten female cancer survivors for their unwavering drive and sheer willpower in the face of cancer. On this occasion, a group of prominent oncologists and medical oncologists from HCG participated in a panel discussion on the year's theme, #Break The Bias.

Quality Care

At HCG, we understand how important it is to provide healthcare of the highest calibre, which is why we adhere to rigorous service standards. We implement a patient-centric strategy that continuously strives to improve the quality of life owing to the broad spectrum of our offerings and which includes operations, diagnostic services and treatment facilities.

Key objectives

- Understanding patient needs, both nationally and internationally to provide advanced therapy
- Elevating patient experience by continuously putting safety, prompt treatment, and effective monitoring first
- Responding to patient feedback as quickly as feasible
- Maintaining a safe and healthy workplace for patients, physicians, and staff to help achieve continual improvement
- Persistent drive to promote research and development
- Cross-departmental monitoring of the key quality indicators
- Imparting regular training to all employees

Quality department

At HCG, we have a designated quality department that undertakes rigorous procedures for monitoring a wide range of parameters that help to determine the standards of our service. It not only enables us to compare our methods to international norms, but it also offers the opportunity to examine the qualitative value of our systems and procedures.

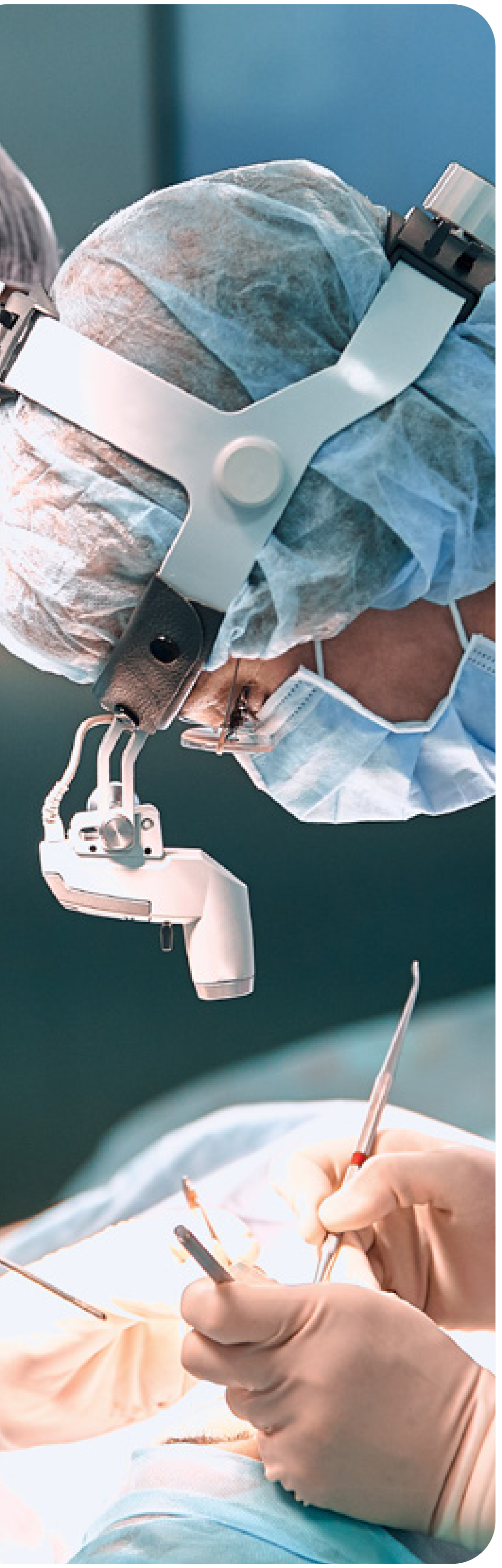
The quality department at HCG engages in the form of the following initiatives:

- 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

16
NABH Accredited Centres as on March 31, 2022

4
NABH Certified Centres as on March 31, 2022

Intellectual Capital (Contd.)



Study Finding | SEO Amsterdam Economics

"The quality indicators by HCG suggest that the experienced quality of care at HCG is high. The outpatient satisfaction ratio was 87.4% on an average during 2018, while the inpatient satisfaction ratio was similarly high at 86.5%. This is high when compared with, for example, the Overall (inpatient) Patient Experience Score of 76.2% for NHS hospitals in the UK during 2018-19"

*Patient satisfaction surveys are conducted only for Bangalore centre of excellence

Clinical audits

We conduct clinical audits in an effort to further enhance patient care and results by systematic evaluation of care facilities against predetermined criteria and the adoption of new procedures. It is carried out throughout all our units, based on recent emergencies and assessments of unexpected difficulties encountered during routine medical operations.

26
Clinical audits conducted as on March 31, 2022

Unique business model

We have developed a distinctive business strategy over the years to address the emerging issues surrounding cancer care. We strive to enhance cancer treatment procedures while simultaneously delivering high-quality, relatively affordable services.

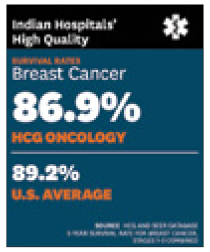
We can significantly improve healthcare quality and maintain a profitable business model since we emphasise cutting-edge healthcare procedures. We work to improve the effectiveness of clinical care with a group of skilled specialists, nurses, and other medical professionals.

We have built centres of excellence to strengthen our research and development capabilities and provide advanced treatment facilities as we recognise the need to reach patients in urban metro areas as well as small towns.

We are able to compete with the finest in the industry attributable to our persistent approach and drive to introduce new growth opportunities in the healthcare sector. Our care portfolio is provided momentum due to the robustness of our unique business model. Our business model is a topic of study in several business schools worldwide, and in 2012, **Harvard Business School** acknowledged our competence.

We have ensured the overall development of thousands of patients through our comprehensive oncology services. We periodically equip our hospitals, clinics, and diagnostic centres with state-of-the-art technology to maintain the highest standards of quality across the network, in addition to enabling last-mile access to high-quality care. Additionally, we have increased public awareness of cancer and educated people about the advantages of early detection, enabling individuals to live healthy and fulfilling lives.

In Herzlinger's book, Innovating in Healthcare: Creating Breakthrough Services, Products, and Business Models, HCG is portrayed as a fiscally sustainable organisation. The book explores the various parts of an organisation's business model, its involvement in strategic alignments, and the sort of innovation it has introduced to determine how effective it is.



Digitisation

We continue to rely on various digital solutions to enhance and improve the efficiency of our backend processes as well as to make healthcare more accessible to patients in order to stay abreast of a rapidly evolving digital landscape.

Virtual consultation

The pandemic has profoundly altered the way organisations operate and the healthcare sector was also significantly impacted by it. A virtual OPD app was created by HCG as a result to help patients. Patients could readily consult their doctors and easily supply information about their medical histories through the use of this app. With 160 oncologists on board, the treatment is provided in 24 centres. Therefore, HCG's digital transformation has given it the ability to provide prompt care to patients everywhere, at any time, living up to its vision of adding life to years by redefining healthcare.

Innovative digital platforms

With the assistance of DISHA-C (Digital Information Systems & Healthcare Analytics - Clinical), we have converted our Electronic Medical Record (EMR) to a digital format.

Elekta had unveiled a new cloud service (Axis Cloud) for OIS at HCG, our preferred provider, coupled with a comprehensive suite of software for enabling seamless Medical & Radiation Oncology services. It is the first Elekta Axis Platform installation in the TEMEA (Turkey, Europe, Middle East, and Africa) region, and it improves HCG's operational effectiveness.

Information Technology

LIMS (Laboratory Information Management System)

In order to increase efficiency and provide improved healthcare facilities, HCG is improving its IT system in response to contemporary demands for effective and advanced care. Strands has launched a project to automate the hospital laboratories and diagnostic facilities at HCG called the Enterprise Laboratory Information Management System (LIMS). With the use of this technology, HCG and Strand are able to enhance their service while also producing valuable data for analysis and future planning. ITDOSE, a partner in HCG's IT infrastructure, assisted in the deployment of this programme.

In 18 hospital laboratories and a few of its sample collecting facilities, HCG has implemented LIMS. The following are some of the main advantages of installing LIMS:

- Improved patient safety
- Enhanced ability to collaborate with regional healthcare organisations
- Seamless access to crucial data
- Improved customer loyalty

Human Capital

Our culture and people at HCG are crucial enablers for delivering value to our stakeholders. Our dynamic talent pool provides us the ability to relentlessly pursue our purpose of transforming ideas into reality and significantly improving the lives of people.

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 potential

Our people are the foundation of HCG's success. We are able to explore new avenues of healthcare owing to their steadfast commitment to ensuring exceptional care. Therefore, our HR policies are finetuned to serve a diverse and positive workplace. We strive to promote high-quality care with effectiveness through a team of expert oncologists, radiation oncologists, onco-radiologists, surgical oncologists, oncopathologists, nuclear medicine experts, and immunotherapists. In order to build a collaborative environment that is capable of adapting to changes in the healthcare ecosystem, we also endeavour to retain and recruit the best talent in the industry.

6,208
Employees across our network

1,922
Nurses

170
Resident doctors

43%
Voluntary attrition rate

33 years
Average age of employees

2,365
Support staff

3.2 years
Average experience of employees working with HCG (years)

Diversity and inclusiveness

Our capacity to cultivate a broad and inclusive pool of talented people is paramount to HCG's success. Irrespective of differences in age, gender, marital status, race, colour, religious affiliation, ethnic origin, country, sexual orientation, or socioeconomic status, we aspire to provide an environment where our employees feel respected and appreciated.

Every employee at HCG is expected to treat one another with dignity and respect. We place a strong emphasis on hiring women for various positions throughout the organisation in order to support women empowerment.

38%
Of women in leadership team / top management

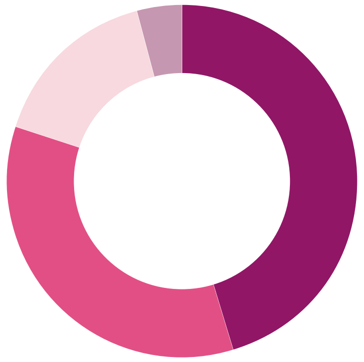
2,998
Women employees

48.3: 51.7
Women: Men ratio

10
Specially-abled employees

Human Capital (Contd.)

Age Mix - % of total Employees



●	Between 18 & 30 Years	46
●	Between 30 & 40 Years	35
●	Between 40 & 50 Years	16
●	Above 50 Years	4

Talent attraction and retention

To ensure long-term corporate success, it is critical to attract and retain a talented workforce. Our employees are flexible, results-oriented and responsive to our dynamic operating environment. We are committed to fostering a positive workplace environment, where every person has the chance to succeed professionally. To ensure optimal efficiency, we offer merit-based recruiting and promotion as a top priority. Our recruiting decisions are therefore based on an applicant's potential for fostering positive change inside the organisation in addition to their professional skills and talents.

2,814
Employees recruited during the year under review

Caring for our employees

We continue to implement numerous programmes and hold various health and safety training as part of our commitment to upholding the health and welfare of our personnel.

5,183 manhours
Hours of health and safety training conducted FY 2021-22

(Manhours)
90,203
Training Hours completed during FY 2021-22

Building capability

We believe that a talented and skilled workforce is critical to the growth and transformation of an organisation. We heavily invest in training programmes to fulfil the high standards of medical excellence set by our organisation and to adapt to the constantly evolving needs of cancer care. It also enables our employees to improve their efficiency, key competencies, and relevance in an ever-changing environment.

For the purpose of enhancing patient care, our nurses are offered the opportunity to enrol in a variety of skill-development programmes and practical training. Nurses are given a platform to communicate with other nursing staff from across the group, to share ideas and best practices used at separate centres, in addition to regular unit level training.

Fellowship programs

For oncology nurses who operate in specialised fields, these programmes are especially curated to help them hone their abilities and increase their theoretical and practical competence.

Academics @ HCG

We consider education to be an ongoing process that all individuals should have access to in order to advance their knowledge and abilities. Employees at HCG have the chance to enrol in a variety of academic programmes that are approved by prestigious institutions and national boards. We encourage our employees to continuously improve their skills and foster proficiencies for future growth in order to maintain a leading position in the industry.

40+
Courses offered

HCG Centre for Academics and Research

The HCG Centre for Research and Academics builds on the vast clinical experience of its Doctors, clinical data and research capabilities to generate knowledge useful for students and for enhancing practice, therapies and patient outcomes.

Human Capital (Contd.)

HCG Centre for Academics and Research (HCG Academics in short) is the Academics and Research division of HCG Hospitals. HCG Hospitals comprises of chain of Hospitals and Clinics offering specialized services in the field of Oncology (Cancer care).

The HCG Centre for Research and Academics builds on the vast clinical experience of its Doctors, clinical data and research capabilities (in house and in collaboration with other Institutions) to generate knowledge useful for students and for enhancing practice, therapies and patient outcomes.

HCG Academics select Undergraduate courses, Post Graduate Courses and Fellowships in various sub-specialties of Oncology. It has a student base of more than 200 students. The Centre curates, develops and delivers several CME courses, organizes seminars, conferences and conclaves on various topics of interest to serve the community of Oncologists and Nurses in India and abroad.

737
Total Publications

32
Total Number of Courses (DrNB, DNB, Fellowship, Nursing Bachelors Allied Health Science Programs)

242
Total number of students (Clinical, Nursing, Allied Health Science)

HCG Institute Ethics Committee

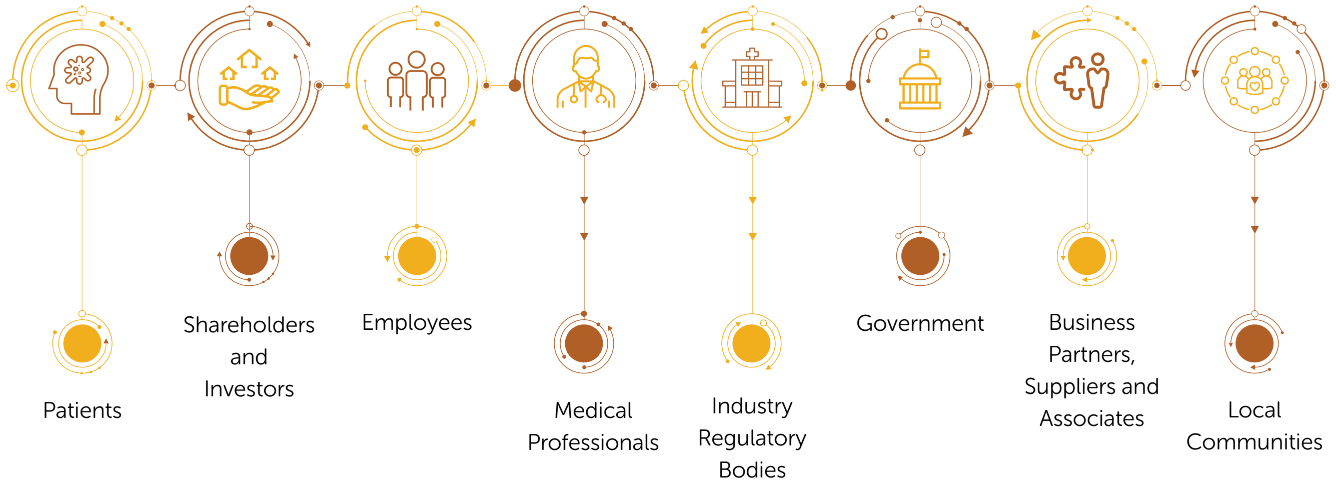
In accordance with the 'New Drugs and Clinical Trials Rules 2019,' which were announced by The Ministry of Health and Family Welfare (Department of Health and Family Welfare), the HCG Institute Ethics Committee was established in 2020. According to the guidelines provided by the Indian Council of Medical Research (ICMR), it requires any entity undertaking biomedical and health research involving human participants to have an ethical committee for monitoring and supervising the conduct of the research.

In accordance with these standards, a team of institutional and non-institutional specialists was constituted in January 2021 under the auspices of the HCG Institute Ethics Committee, and it is also NABH Accredited.

Relationship Capital

We have developed and cultivated strong relationships with our stakeholders including patients, communities, business partners, regulatory bodies, and shareholders. Our patient-centric service excellence, commitment to inclusive growth, and ethical and transparent operations have earned us their trust and support. Our business strategy is guided by our focus on nurturing these relationships and delivering shared value.

Our stakeholders



Relationship with patients

At HCG, we strive to improve the patient experience, which consistently drives us to improve the quality of treatment and services provided at our facilities.

We seek to increase cancer care standards by meeting the demands of modern oncological treatment on a regular basis and by implementing technologically advanced diagnostic and treatment processes. We continually pursue initiatives to achieve cost optimization throughout the organisation in order to make cancer care accessible and affordable. Additionally, we have deployed linear accelerators and treatment planning software at HCG to facilitate precise and efficient cancer treatment.

Our extensive global network aids in delivering cancer treatment to our patients. It not only takes into account their specific needs, but it also helps us achieve our goal of providing a higher quality of life to those suffering through it.

Enhancing the patient experience

Our objective at HCG is to aid patients in living longer and better lives. We actively seek out new approaches to fulfil patient expectations and address patient needs in order to achieve this objective. We also rely on patient feedback to improve our service offerings. It enables us to learn more about their experiences, increase patient involvement, and bridge any service quality gaps. Reliable processes including Medical Record Department (MRD) and quality review, patient experience calculator, mortality review, and tumour boards are used to gauge patient experience as well. We endeavour to improve the quality of care in response to feedback.

Through our call centre, we also hope to improve our offerings and interactions with patients. To answer patient concerns and alleviate issues, we have 1 centralised and 5 unit-based call centres. We intend to continue extending services to each of our units.

5.42 Lakhs

Calls handled in FY 2021-22

Improving the patient experience

- 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

Relationship Capital (Contd.)

What our patients have to say about us..

#Testimonial 1

My son was diagnosed with Lymphoblastic Leukaemia. Initially, we were worried and shattered about our child's health but the team of doctors, including Dr. Intezar Mehdi, Dr. Amit Galgali, Dr. Suma TL, and Dr. Smitha Shekar at HCG assured us that our son's condition was curable with proper treatment and care. With each passing day, my son is doing better, and we are relieved now as he is getting the best care. We would like to thank the entire paediatric team at HCG.

#Testimonial 2

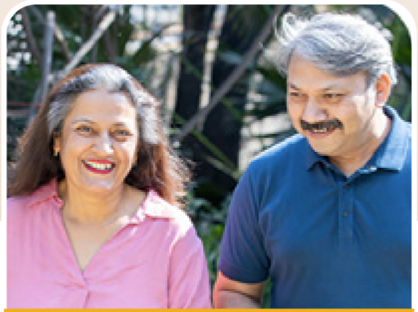
Our experience at HCG, Care has been exceedingly good. Each member of the staff, right from the doctors to the cleaning staff have gone out of their way to help us in every possible way. Special mention must be made of the sisters who cared for my husband, Bhavani Shankar Pani tirelessly after his surgery. Another person I would like to mention is Vishal who delivered food from the canteen everyday for us. I can't mention all the people by name but their combined efforts have made this place a home away from home. Thank you HCG Care!

#Testimonial 3

My father has been taking chemo and immunotherapy treatment at HCG for many months now. The service at the hospital has been very good. We are regular visitors to the oncology day care room.

Ms. Nethra, the nurse in charge, is professional and very competent. She is always smiling and kind. Dr Patil is a very well-respected and sought-after Oncologist and interactions with him have been exemplary. We are very grateful to him and his team for the treatment received so far.

Heeramani Mohanta
(Mother of the patient)



Rose Pani
(Wife of a Cancer Champion)

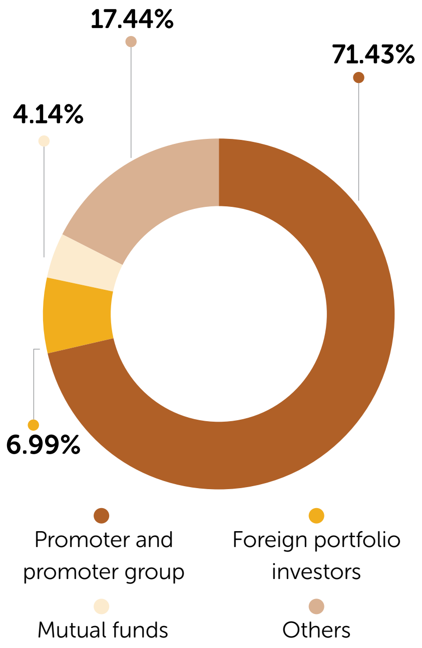
Umeed Mistry
(Son of a Cancer Champion)

Relationship with shareholders

At HCG, we communicate with our shareholders on a regular basis to learn about their perspectives, solicit suggestions, and identify issues that are important to them. Our stakeholder involvement is based on open communication, empathy, and a value-creation mindset.

We establish open channels of communication and, as a result, maintain constant communication with our stakeholders through various modes of engagement, including earning calls, presentations, conferences, and meetings. Our efforts to uphold a stringent code of conduct have helped us establish ourselves as a respectable organisation, and through frequent engagements, we keep our stakeholders informed of the most recent organisational developments. We are always eager to interact with our stakeholders, and the investor relations department takes the initiative to proactively respond to investor and analyst questions.

23,663
Number of shareholders as on March 31, 2022



CVC Capital - our majority shareholder and co-promoter

- Stakes in more than 50 companies worldwide, employing around 300,000 people and generating annual sales of over USD 100 Bn
- 34+ years of proven record of Private Equity investment success
- 300+ investments since 1981 with global offices leading buyout deals 180+ investment professionals from over 31 nations
- USD 85 Bn funds committed generating compelling returns across sector, geography and cycles with a loyal & diversified investor base
- Marquee current and prior investments in healthcare services including PTSiloam (Indonesia), Afinity Health (Australia), Metropolitan Hospital (Greece), General Healthcare Group(UK), Medivet (UK), VitaliaHome (Spain), Mehilainen (Finland), Elsan (France) and Hitowa Holdings (Japan)

Relationship with regulatory bodies

To ensure local regulations are adhered to in accordance with the highest governance practices, we interact with the government on a range of regulatory and policy concerns. We ensure complete adherence to regulatory authorities' rules, regulations, and applicable laws. We continue to promote growth in the healthcare sector and contribute to the overall development of the country owing to our competent and state-of-the-art healthcare infrastructure. In order to uphold transparency and accountability in our corporate governance policies, we strive to raise the standard for our services and sustain a proactive approach. We also significantly contribute to government initiatives that aim to improve people's quality of lives.

Relationship with the masses

In the age of technology, we have been successful in forging close links with our patients via social media platforms. Our public relations team engages with the media to ensure appropriate engagement in order to achieve the widest possible reach and awareness of the brand "HCG." Additionally, we have developed a one-of-a-kind portal where cancer survivors can share inspiring tales about their battle with the disease. This has encouraged and had a profound impact on millions of cancer patients and their families, instilling hope and optimism in unique ways. Thousands of people have benefited from our efforts, which have transcended age, gender, and geographic lines to encourage them to live happy and healthy lives.

1300+
The impression for PR
[TOI, Hindu Business Line, ET, NDTV, Daily Hunt, Business World]

Relationship with industry institutions

We seek to strengthen our relationships with associations and regulatory bodies in the healthcare industry. Regular interaction with industry organisations helps us build relationships with external stakeholders, provides us the opportunity to participate in regulatory decisions that affect policy development, and ensures that people have access to care facilities that are both affordable and of high quality.

To get a comprehensive understanding of how policy developments will affect our business and to adjust our strategy as necessary, we maintain regular communication with our key stakeholders. We constantly exchange ideas and take part in efforts to design policies that will ensure the industry's commitment to accessibility and affordability of high-quality care.

Relationship with business partners

To improve our patient services and offerings, we are collaborating with the partners across geographies. We work closely with a number of partners in the healthcare industry to provide patients with services that are efficient and effective. We are able to deliver better services to our patients and ensure sustainable growth owing to our long-term agreements with technology vendors, suppliers, Third Party Administrators (TPAs) and insurance companies, pharmaceutical firms, hospital infrastructure providers, and specialised doctors. In order to ensure top-notch care, we also strengthen our ties with regional medical professionals.

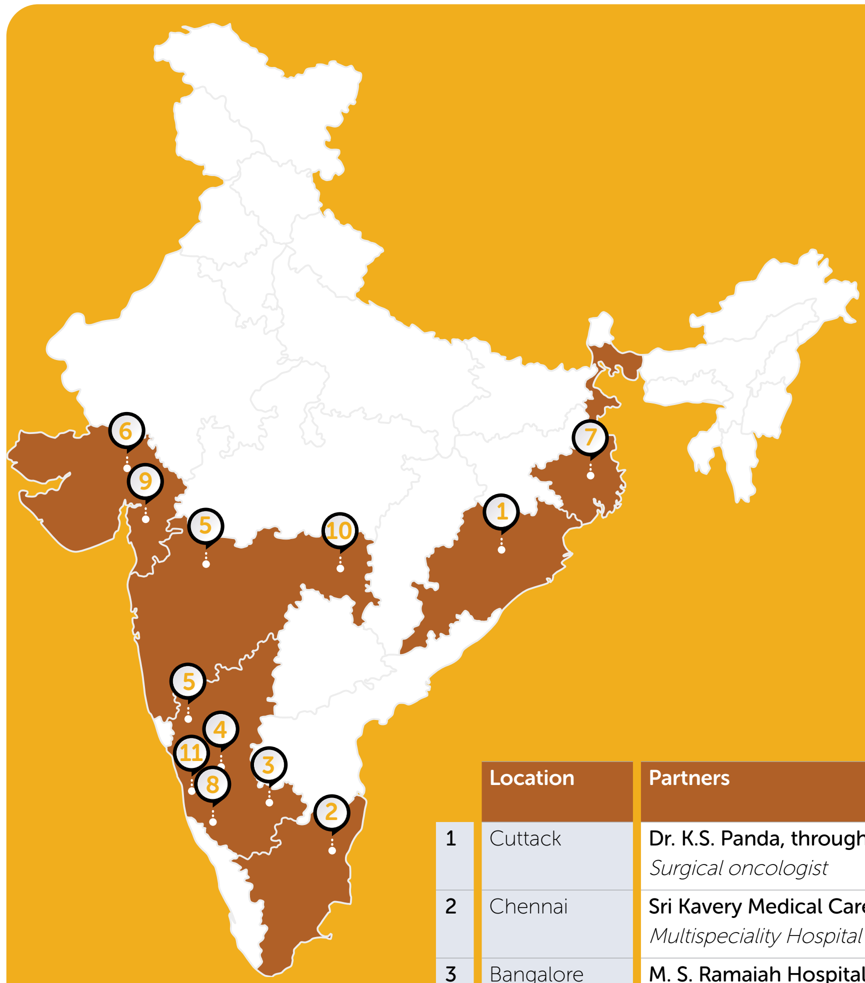
We place a high value on our partners' knowledge, reputation, and ethical values when choosing to collaborate with them. It enables us to establish cooperative links with regional organisations and empowers local populations to look for more effective healthcare options. Our ongoing interactions strengthen our bonds, reaffirm our commitment to our business partners, and assist us in ensuring the uninterrupted operation of our value chain.

Vendors

Elekta
ACCURAY
varian
SIEMENS
PHILIPS

Relationship Capital (Contd.)

Relationship with shareholders



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

Relationship with communities

We believe in building stronger relationships with communities. Our collaboration with The Times of India for their 'Happy Street' project, is one such example. The project encourages people to use non-motorised transportation and come out on the street to socialise through various activities such as jogging, walking, or simply strolling.

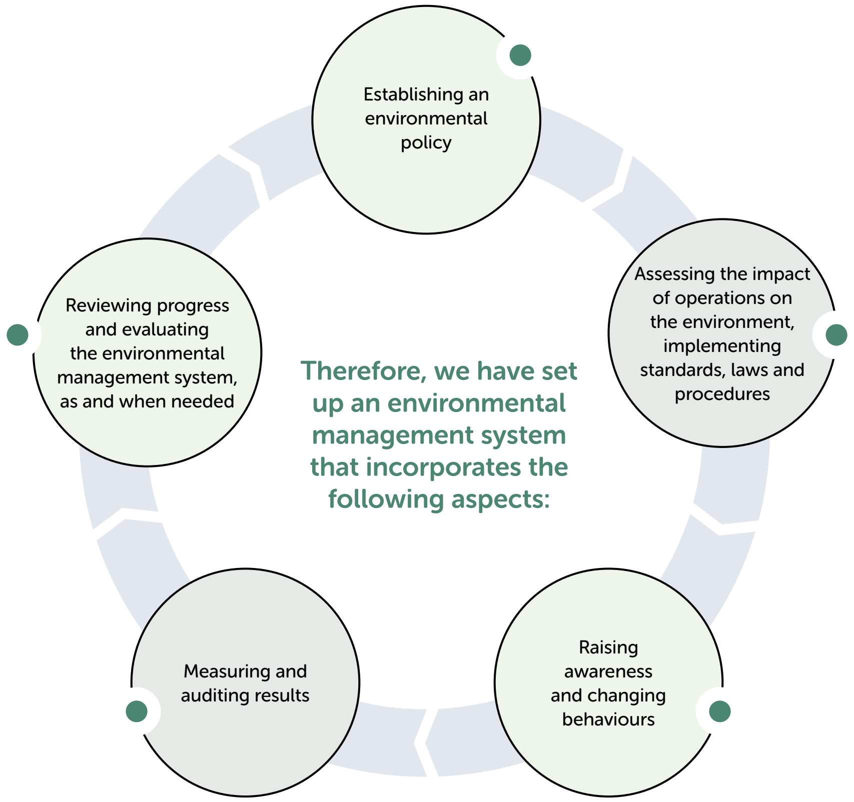
CSR activities

HCG, as a part of its CSR activities has identified IHDUA, a non-profit organization based in Mysuru, established in 1991, which works locally to design programs that address community-identified development needs. The Company during the year has made contributions to IHDUA, as a part of its CSR activities for underrating projects which has social impact, and some of the projects are:

- Rural Education by supporting Vinayaka Gnana Vidya Shale Mullur and Adarsha Academy near KRS Dam in Mysuru, which together provides quality education to ~ 450 students in rural area per year; and providing them experiential learning by integrating a host of immersive physical and mental activities on a daily basis.
- Women Empowerment by setting up a leadership school for women which will groom hundreds of women self-help group, and to provide them technology-based training aimed at transforming women to take leadership role not just in their homes but also for their community.
- Creating a model village in the Gundlupet area with the women at the forefront, where there is access to modern school education, universal healthcare, better infrastructure like roads, solar electricity and regenerating water resources.
- Tree Planting to achieve and strengthen sustainable oxygen and climate change awareness.

Natural Capital

We put significant emphasis on the conservation and preservation of natural capital and align ourselves to be a greener and more environmentally sustainable organisation. We are steadily working to leave a greener footprint across all our operations. We ensure responsible management of our environmental footprint.



Through conscious steps towards clean energy transition as well as adopting water and waste circularity, we continue to demonstrate our strong commitment to sustainable economic development.

Increasing our renewable energy mix

An essential component of our operational strategy is managing our energy demands. We continuously track and record our energy consumption across all operations to enable effective energy management, and we set thresholds to ensure consumption stays within an acceptable range. We strive to shift away from fossil fuels to an energy mix dominated by low-carbon sources of energy. We have installed solar roof tops as part of our effort to transition to sustainable energy, and we have installed LED lights to further minimise our carbon footprint.

1593 KWH
Capacity of solar rooftop

5,473,751 kWh
Electricity consumption in FY 2021-22

Natural Capital (Contd.)

Managing our waste effectively

Reducing waste at the source is a key component of our waste management strategy, and at HCG, we take proactive steps to improve our recycling efforts. We produce a variety of hazardous and nonhazardous waste through our operations, including biomedical waste, DG set oil waste, and general waste.

Our waste generation includes a substantial amount of hazardous waste. At HCG, we make sure that waste is handled and disposed of properly, sustainably, and in accordance with all laws and regulations that may be in effect. The State Pollution Control Board-approved Common Bio Medical Waste Treatment Facility receives the bio medical waste generated in our facilities to ensure proper disposal. Following the best waste management practises, DG set oil waste is also given to a vendor authorised by the State Pollution Control Board.

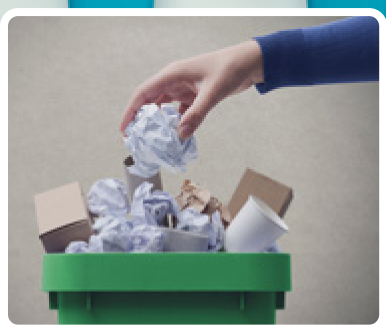
36,481 Kgs
General Waste generated (in kgs per year)

756 Kgs
E-Waste generated (in kgs per year)

296,000 Kgs
Bio Medical Waste generated (in kgs per year)

Cutting down on paper consumption

Reducing paper consumption helps to reduce the harm to the environment caused by the cutting down of trees and the resulting millions of tonnes of waste that is dumped in landfills. In order to achieve paperless operations in the future, we at HCG strive to reduce the amount of paper that is consumed within the organisation.



40%
reduction compared to previous year (Independent verifiable data not available with CPD or units)

Optimising utilisation of water

Water is consumed extensively throughout our operations, including hospitals and healthcare facilities. Therefore, one of the most crucial components of our sustainability strategy is the efficient use of water.

We regulate and monitor our water usage by taking every precautionary step possible. Through the installation of water metres at discharge sites, we proactively monitor water consumption levels. This enables us to reuse waste water for a variety of uses and aids in measuring the amount of water emitted. Our ongoing efforts have enabled us to establish improved regulations for the optimal use of water and have equipped us to adopt cutting-edge techniques for recycling and reusing water. We are committed to improving water management practices and continuously promote recycling and reusing.

270,292 KL
Total water consumption in FY 2021-22

Board's Report

Dear Members,

Your Directors are pleased to present the Twenty Fourth 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, 2022.

1. Financial Highlights:

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

(₹ in million)

Consolidated	2021-22	2020-21
Income from operations including income from Govt. Grants	13,977.83	10,134.35
Total Expenditure excluding Depreciation, Interest cost, tax and exceptional items	11,598.14	8,868.55
Profit including income from Govt. Grant and before other income, depreciation, interest cost, tax and exceptional items	2,379.69	1,265.80
Other income	126.67	169.54
Depreciation, Finance Charges and Exceptional items	1,614.39	3718.32
Share of Profit/(loss) of equity accounted investees	(14.25)	(3.65)
Profit/(Loss) before tax	877.72	(2,286.63)
Profit/(Loss) after tax attributable to the owners of the Company	537.33	(1,934.61)
Standalone		
Income from operations including income from Govt. Grants	8,519.61	6,110.28
Total Expenditure excluding Depreciation, interest cost, tax and exceptional items	7,029.61	5,353.96
Profit including income from Govt. Grants and before other income, depreciation, interest cost, tax and exceptional items	1,490.00	756.32
Other income	102.85	218.50
Depreciation, Finance Charges and exceptional items	782.44	3,025.39
Profit/(Loss) before tax	810.41	(2,050.57)
Profit/(Loss) after tax	382.53	(1,915.47)

2. Performance Overview:

The standalone and consolidated financial statements for the financial year ended March 31, 2022, forming part of this Annual Report, have been prepared in compliance with applicable provisions of the Companies Act, 2013 ('the Act"), Indian Accounting Standards ("Ind-AS") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Consolidated Operations:

The consolidated income from operations including income from government grant for FY 2021-22 was INR 13,977.8 million as compared to INR 10,134.4 million in the previous fiscal year, reflecting an increase of 3,843.4 million with year-on-year increase of 38%. EBITDA in FY 2021-22 was INR 2,379.7 million as compared to INR 1,265.8 million in FY 2020-21, reflecting year-on-year increase of INR 1,113.9 million. EBITDA margin for the year was 17.0% as compared to 12.5% in FY 2020-21, reflecting an increase of 4.5% year-on-year. After considering exceptional gain and loss in current year and previous year respectively, profit after tax in the current fiscal year was INR 537.3 million as compared to loss of INR 1,934.6 million in FY 2020-21.

Standalone Operations:

The standalone income from operations including government grants for FY 2021-22 was INR 8,519.6 million as compared to INR 6,110.30 million for the previous financial year, reflecting an increase of 39.4%. Our EBITDA before exceptional items for FY 2021-22 was INR 1,490.0 million with EBITDA margin of 17.5% as against INR 756.3 million for FY 2020-21 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 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 (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 enable us to decide upon the appropriate course of treatment for each patient. We also utilise targeted nuclear medicine therapies as well as advanced radiation treatments to minimise side effects and improve the outcome of treatments. By ensuring that we adopt these diagnostic and treatment technologies throughout our HCG network, we are able to provide consistent quality of care to all patients.

Given the large number of patient cases treated across our HCG network, we believe that we are able to efficiently utilise our equipment, technologies and human resources, thereby deriving economies of scale. 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, 2022, our HCG network consisted of 22 comprehensive cancer centres (including Kenya), and 4 multispecialty hospitals across India. HCG's comprehensive cancer centres provide expertise and advanced technologies for the effective diagnosis and treatment of cancer under one roof. Under the "Milann" brand, HCG operates 7 fertility centres. 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: Our strategy, includes, inter alia:

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

We plan to expand our network in India by establishing 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 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 our focus is to continue 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), 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 "Listing 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 movements in 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 and opportunities in terms of growth and it is therefore imperative that the Company focuses on 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 our foremost objective.

Keeping in view the aggressive growth strategy of the Company, the Board of Directors of your Company ("Board") 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 Listing 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://www.hcgoncology.com/policies-and-guidelines/.

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 been 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, 2022, 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, 2022
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%

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, 2022
5	BACC Health Care Private Limited	India	Fertility	100.00%
6	Suchirayu Health Care Solutions Limited	India	Multi Speciality	78.60%
7	HealthCare Diwan Chand Imaging LLP	India	Radiology/ Imaging	75.00%
8	APEX HCG Oncology Hospitals LLP	India	Cancer Care	100.00 %
9	HCG NCHRI Oncology LLP	India	Cancer Care	76.00%
10	HCG Oncology LLP	India	Cancer Care	74.00%
11	HCG EKO Oncology LLP	India	Cancer Care	50.50%
12	HCG Manavata Oncology LLP	India	Cancer Care	51.00%
13	HCG SUN Hospitals LLP	India	Health Care Services (Multi-Specialty)	74.00%
14	HCG (Mauritius) Pvt. Ltd. (along with the shareholding of Niruja Product Development and Healthcare Research Private Limited)	Mauritius	Health Care Services	100%
15	Healthcare Global (Africa) Pvt. Ltd.	Mauritius	Health Care Services	100%
16	HealthCare Global (Uganda) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Uganda	Cancer care	100%
17	HealthCare Global (Kenya) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Kenya	Cancer care	100%
18	HealthCare Global (Tanzania) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Tanzania	Cancer care	100%
19	Cancer Care Kenya Limited (Subsidiary of HealthCare Global (Kenya) Private Limited)	Kenya	Cancer care	78.51%
20	Advanced Molecular Imaging Limited (HealthCare Global (Kenya) Private Limited holds 50% of the share capital)	Kenya	Production of Fluro Deoxi Glucose (FDG)	50%

As on March 31, 2022, none of the companies other than HCG Medi-Surge Hospitals Private Limited is a Material Subsidiary, within the meaning of Material Subsidiary as defined under the Listing Regulations, as amended from time to time. The Company has also formulated a policy for determining material subsidiaries. The said policy is also available on the website of the Company at: https://www.hcgoncology.com/policies-and-guidelines/.

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://www.hcgoncology.com/annual-reports/.

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://www.hcgoncology.com/annual-reports/.

10. Acquisitions, Divestments, Investments

During the year, the Company has made the following acquisitions/investments and divestments:

(i). In November 2021, the Company has acquired 3,30,00,000 (Three Crore Thirty Lakh) equity shares of Suchirayu Health Care Solutions Limited (Suchirayu), aggregating to 60.88% of the share capital of Suchirayu, by way of fresh allotment of equity shares to the Company in Suchirayu, for an amount aggregating to INR 33,00,00,000 (Indian Rupees Thirty-Three

Crore only). Suchirayu owns a multi-specialty hospital in Hubli with an operational capacity of 110 beds and a potential to scale up to 250 beds. Prior to this acquisition, the Company was holding 17.72% of shares in Suchirayu. With this acquisition, Suchirayu has become a subsidiary of the Company, and the Company as on date holds 78.60% shares in Suchirayu.

(ii). In September 2021, the Company through its wholly owned subsidiary HCG (Mauritius) Pvt. Ltd. ("HCG Mauritius"), has acquired 86,568 Preferred B Shares ("Sale Shares") of Healthcare Global (Africa) Pvt. Ltd. ("HCG Africa") from CDC Group PLC ("CDC"), for an aggregate purchase consideration of USD 554,600 (US Dollars Five Hundred Fifty-Four Thousand and Six hundred only). In this regard, HCG Mauritius, HCG Africa, CDC and the Company (jointly referred to as "Parties") have entered into an Exit Agreement on September 30, 2021 ("Exit Agreement"), for the transfer of Sale Shares from CDC to HCG Mauritius, to be effective from October 01, 2021. Pursuant to the completion of acquisition of Sale Shares from CDC, HCG Africa has become a wholly owned subsidiary of HCG Mauritius, effective from October 01, 2021. Prior to this acquisition, HCG Mauritius was holding 92% in HCG Africa. In terms of the Exit Agreement, all the Parties have been fully released from their respective rights and obligations, as provided for in the Shareholders' Agreement executed by and between the Parties on July 21, 2015.

(iii). In October 2021, the Company has acquired 26% stake from Shiv-Sun Medical Services LLP ("Shiv-Sun"), minority partners of HCG Sun Hospitals LLP, ("LLP") effective from October 01, 2021 ("Effective Date"). In this regard, the Company has executed a Deed of Retirement with Shiv –Sun and the LLP, on September 30, 2021. From the Effective Date, the LLP has become a wholly owned subsidiary of the Company.

(iv). In September 2021, the Company has divested its entire equity holding of 34.5% (on a fully diluted basis) of the share capital in Strand Life Sciences Private Limited ("Strand") an associate of the Company to Reliance Strategic Business Ventures Limited ("RSBVL") pursuant to a Share Purchase Agreement executed by the Company on September 03, 2021 ("SPA") for a cash consideration of INR 157,77,57,968 (Indian Rupees One Hundred Fifty-Seven Crore, Seventy-Seven Lakh, Fifty-Seven Thousand, Nine Hundred and Sixty-Eight Only). Apart from the SPA, the Company has also entered into Business Transfer Arrangement with Strand on September 03, 2021 ("BTA") of the Hospital Lab Management (HLM) and Clinical Research Site Management (SMO) units back to HCG from Strand Life Sciences, for a gross cash consideration of INR 80,80,00,000 (Indian Rupees Eighty Crores, Eighty Lakhs Only). Strand has ceased to be an associate company of the Company, post completion of this transaction.

There were no other entities that became subsidiaries, associates during the Financial Year.

11. Public deposits:

Your Company has not accepted any deposits from public in terms of Section 73 and 74 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.

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 Listing Regulations, disclosure on particulars relating to Loans/advances given, guarantees provided and investments made are provided as part of standalone financial statements of the Company.

13. Related party transactions:

In line with the requirements of the Companies Act, 2013 and Listing 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 entered in the ordinary course of business. All related party transactions entered during the year were in the ordinary course of business and at arm's length basis. No material related party transactions 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://www.hcgoncology.com/policiesandguideline/ in terms of the Listing 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 Listing 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 18,560,663 warrants (convertible to equal number of equity shares) of the Company at INR 130 per equity share, aggregating to INR 625 Crore. 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.

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.

The details of equity shares and warrants allotted to the Investors during the year, under the Investment Agreement is provided under Sl. No. 15.

15. Share Capital as on March 31, 2022:

15.1 Authorized Share Capital: As on the date of this report, the authorized share capital of the Company is INR 200,00,00,000 consisting of 20,00,00,000 equity shares of INR 10 each.

15.2 Issued, Subscribed and Paid-up capital:

The Issued, Subscribed and Paid-up Share Capital of the Company has increased form INR 125,35,92,840 consisting of 12,53,59,284 equity shares as on March 31, 2021 to INR 139,01,19,920 consisting of 13,90,11,992 equity shares, on account of the following allotments of securities made by the Board of Directors of the Company during the year.

(a) Allotment of 1,15,03,468 equity shares of INR 10 each of the Company, at a price per share of INR 130 (including share premium of INR 120 per share) upon exercise of 1,15,03,468 Series A Warrants by Aceso Company Pte Ltd, upon receipt of INR 112,15,88,130 towards 75% of the consideration for conversion of 1,15,03,468 Series A Warrants to Equity. With this, Aceso Company Pte. Ltd has completed its investment as per the Investment Agreement.

(b) Allotment of 20,00,000 equity shares of INR 10 each of the Company, at a price per share of INR 130 (including share premium of INR 120 per share) upon exercise of 20,00,000 Series B Warrants by Dr. B. S. Ajaikumar, upon receipt of INR 19,50,00,000 towards 75% of the consideration for conversion of 20,00,000 Series B Warrants to Equity.

(c) The Board of Directors of the Company has allotted 35,000 equity shares on June 17, 2021, 22,540 equity shares on August 12, 2021, 72,800 equity shares on November 11, 2021 and 18,900 equity shares on February 10, 2022, upon exercise of ESOPs by the employees as per HCG ESOS 2014.

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

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

During the financial year ended March 31, 2021, 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 Listing Regulations as amended and 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 Listing 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.

17. 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 Listing 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. In the opinion of the Board, Independent Directors fulfil the conditions specified in Companies Act, 2013 read with the Schedules and Rules made thereunder as well as in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent from the management.

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.

18. Annual Return:

The Annual Return of your Company as on March 31, 2022, in Form MGT- 7 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 is available on the website of the Company at https://hcgoncology.com/corporate/investor-relations/.

19. 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, 2022, the Board comprised of 5 (five) Independent Non-Executive Directors, 2 (two) Non-Executive Nominee Directors representing Aceso Company Pte. Ltd, Promoter and 3 (three) Executive Directors/Whole-time Directors, which includes Dr. B.S. Ajaikumar, Promoter and Executive Chairman.

All 5 (five) 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 Listing Regulations. The Company has 2 (two) woman Directors on the Board, one of whom is an Independent Non-Executive Director and one is a Whole-time Director. The profiles of these Directors forms part of the Annual Report.

19.1 Directors appointed during the financial year:

(i) Mrs. Anjali Ajaikumar has been appointed as an Executive Director – Strategy, on February 11, 2021, with effect from April 01, 2021 for a term of 2 (two) years.

(ii) Mrs. Geeta Mathur has been appointed as an Independent Director on the Board of the Company on June 17, 2021 for a term of 3 (three) years.

(iii) Mr. Rajagopalan Raghavan has been appointed as an Independent Director on the Board of the Company on August 12, 2021, for a term of 3 (three) years.

(iv) Mr. Jeyandran Venugopal has been appointed as an Independent Director on November 11, 2021, for a term of 3 (three) years.

(v) Mr. Pradip Manilal Kanakia has been appointed as an Independent Director on the Board of the Company on February 10, 2022, for a term of 3 (three) years.

(vi) Mr. Meghraj Arvindrao Gore, CEO has been appointed as a Whole-time Director on the Board of the Company on February 10, 2022, for a term of 3 (three) years.

The shareholders of the Company have approved the appointment of all the directors.

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

(i) Dr. Amit Varma, Non-Independent Non-Executive Director has resigned from the Board of the Company with effect from April 01, 2021. He has served as a director on the Board from November 10, 2016.

(ii) Mrs. Bhushani Kumar, Independent Non-Executive Director, has ceased to be an Independent Director of the Company, effective from May 28, 2021, on account of the completion of her second term as an Independent Director of the Company. She has served as an Independent Director on the Board from May 29, 2015.

(iii) Mr. Shanker Annaswamy, Independent Non-Executive Director has resigned from the Board of the Company with effect from December 03, 2021. He has served as an Independent Director on the Board from February 25, 2015.

(iv) Dr. Sudhakar Rao, Independent Non-Executive Director has resigned from the Board of the Company with effect from December 21, 2021. He has served as an Independent Director on the Board from February 25, 2015.

Members of the Board placed on record their appreciation for the remarkable support and guidance provided by Dr. Amit Varma, Ms. Bhushani Kumar, Mr. Shanker Annaswamy and Dr. Sudhakar Rao during their tenure as Directors, and for their active participation in all the decision making processes of the Board.

19.3: Retirement by rotation:

Mr. Siddharth Tapaswin Patel (DIN: 07803802), Non-Executive Director of the Company and Ms. Anjali Aaikumar

Rossi, Executive Director – Strategy (DIN: 08057112), are liable to retire by rotation at the ensuing Annual General Meeting ("AGM") pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offer themselves for reappointment.

Appropriate resolution for their re-appointment is being placed for the approval of the shareholders of the Company at the ensuing AGM. A brief profile of Mr. Siddharth Tapaswin Patel and Ms. Anjali Aaikumar Rossi and other related information is detailed in the Notice convening the 24th AGM of your Company.

The Board considered the said re-appointments in the larger interest of the Company and hence recommends the same to the shareholders for approval.

20. Number of meetings of the Board:

The Board met 4 (four) times during the financial year 2021-22 viz., on June 17, 2021, August 12, 2021, November 11, 2021 and February 10, 2022. 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 the Board's Report.

21. Key Managerial personnel:

In accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following were the Key Managerial Personnel of the Company as on March 31, 2022

a) Dr. B.S.Ajaikumar – Executive Chairman,

b) Mr. Meghraj Arvindrao Gore – Whole-time Director and Chief Executive Officer,

c) Mr. Srinivasa V Raghavan – Chief Financial Officer and

d) Ms. Sunu Manuel – Company Secretary

22. Committees of the Board and their constitution:

During the financial year, the Board had the following six 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 Committee;

B. Nomination and Remuneration Committee;

C. Stakeholders' Relationship Committee;

D. Corporate Social Responsibility Committee;

E. Strategy Committee; and

F. Risk Management Committee.

Keeping in view the requirements of the Companies Act, 2013 and Listing 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 Committee

The Audit 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 Committee is in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of Listing Regulations, and have been detailed in the Corporate Governance Report, forming part of this Annual Report.

Audit Committee met 4 (four) times during the financial year 2021-22. The meetings were held on June 16, 2021, August 10, 2021, November 10, 2021 and February 09, 2022. All recommendations made by the Audit Committee have been accepted by the Board of Directors.

The composition of the Audit Committee during FY 2021-22 and the attendance at the committee meetings are given in the below table.

Name	Position	Number of meetings attended
Ms. Geeta Mathur	Chairperson	1
Mr. Rajagopalan Raghavan	Member	1
Mr. Amit Soni	Member	4
Mrs. Bhushani Kumar	Member till May 28, 2021	0
Dr. Sudhakar Rao	Chairperson till December 21, 2021	3
Mr. Shanker Annaswamy	Member till December 03, 2021	3

Notes:

(i) *Mrs. Bhushani Kumar, Independent Director, was appointed as a member of the Audit Committee effective from June 12, 2020 and had continued to be a member of the Committee till May 28, 2021.*

(ii) *Dr. Sudhakar Rao has ceased to be a member of the Committee effective from December 21, 2021.*

(iii) *Mr. Shanker Annaswamy has ceased to be a member of the Committee effective from December 03, 2021.*

(iv) *Ms. Geeta Mathur, Independent Director was appointed as a member of the Audit Committee effective from November 11, 2021 and then was appointed as the Chairperson of Audit Committee effective from December 29, 2021. Prior to this, Dr. Sudhakar Rao was the Chairperson of the Audit* Committee.

(v) Mr. Rajagopalan Raghavan, Independent Director was appointed as Member of Audit Committee effective from December 21, 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 Listing Regulations.

Nomination and Remuneration Committee of the Board has met four times during the financial year 2021-22. The meetings were held on June 11, 2021, August 11, 2021, November 09, 2021 and February 10, 2022.

The composition of the Nomination and Remuneration Committee and the attendance at the committee meetings during FY 2021-22 are given in the below table.

Name	Position	Number of meetings attended
Mr. Shanker Annaswamy	Chairperson till December 03, 2021	3
Mr. Rajagopalan Raghavan	Chairperson	1
Mr. Siddharth Patel	Member	4
Dr. B. S. Ajaikumar	Member	4
Mr. Abhay Prabhakar Havaldar	Member	4
Ms. Geeta Mathur	Member	1
Mr. Jeyandran Venugopal	Member	1

Notes:

(i) *Mr. Shanker Annaswamy has ceased to be a member of the Committee effective from December 03, 2021.*

(ii) *Mr. Rajagopalan Raghavan, Independent Director was appointed as a member of the Nomination and Remuneration Committee effective from November 11, 2021 and then was appointed as the Chairperson of the Committee effective from December 29, 2021. Prior to this, Mr. Shanker Annaswamy was the Chairman of the Nomination and Remuneration Committee.*

(iii) *Effective from April 01, 2021, Mr. Abhay Havaldar, Independent Director and Dr. B. S. Ajaikumar, Executive Chairman have been appointed as members of the Committee.*

(iv) *Effective from December 29, 2021, Ms. Geeta Mathur and Mr. Jeyandran Venugopal, Independent Directors 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 Listing Regulations as Stakeholders' Relationship Committee.

Stakeholders' Relationship Committee of the Board has met once during the financial year 2021-22. The meeting was held on March 24, 2022. The Chairman of the Committee, Mr. Amit Soni is a non-executive director.

The composition of the Stakeholders Relationship Committee and the attendance at the Committee meetings during FY 2021-22 are given in the below table.

Name	Position	Number of meetings attended
Mr. Amit Soni	Chairman	1
Dr. B. S. Ajaikumar	Member	1
Mr. Abhay Havaldar	Member	1

Notes:

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

(D). Corporate Social Responsibility Committee

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

The Committee has met two times during the financial year 2021-22. The meetings were held on June 10, 2021 and March 17, 2022.

The composition of the Corporate Social Responsibility Committee and the attendance at the Committee meetings during FY 2021-22 are given in the below table:

Name	Position	Number of meetings attended
Dr. B. S. Ajaikumar	Chairman	2
Dr. Sudhakar Rao	Member till December 21, 2021	1
Mrs. Bhushani Kumar	Member till May 28, 2021	Nil
Mr. Siddharth Patel	Member	2
Mr. Jeyandran Venugopal	Member	1

Notes:

(i) *Mrs. Bhushani Kumar has ceased to be a member of the Committee effective from May 28, 2021.*

(ii) *Dr. Sudhakar Rao has ceased to be a member of the Committee effective from December 21, 2021.*

(iii) *Mr. Jeyandran Venugopal, Independent Director was appointed as member of the Committee effective from December 21, 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 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 Committee has met four times during the financial year 2021-22. The meetings were held on May 10, 2021, August 05, 2021, November 10, 2021 and February 03, 2022.

The composition of the Committee and the attendance at the Committee meetings during FY 2021-22 are given in the below table:

Name	Position	Number of meetings attended
Dr. B. S. Ajaikumar	Chairman	4
Mr. Siddharth Patel	Member	4
Mr. Amit Soni	Member	4
Ms. Anjali Ajaikumar Rossi	Member effective from April 01, 2021	4

(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 Committee has met two times during the financial year 2021-22. The meetings were held on December 03, 2021 and March 18, 2022.

The composition of the Risk Management Committee and the attendance at the committee meetings during FY 2021-22 are given in the below table:

Name	Position	Number of meetings attended
Dr. B. S. Ajaikumar	Chairman	2
Mrs Geetha Mathur.	Member	2
Mr. Raj Gore	Member	2

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.

23. Board Evaluation:

In terms of the requirement of the Companies Act, 2013 and the Listing 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 Listing 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, where the Board has carried out annual evaluation of (i) its own performance; (ii) directors' performance on an individual basis; (iii) Chairman of the Board; and (iv) performance of all committees of the board for the Financial Year 2021-22.

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, Board culture, various aspects of the Board's functioning, execution and performance of specific duties, obligations and governance 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, level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The process also covered separate evaluation of Chairperson of the Board, Executive Directors, Non- Executive Directors and Independent Directors.

Evaluation of committees were based on criteria such as adequate independence of each of the committees, 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 the 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 2021-22, given the changing external environment, some areas have been identified for the Board to engage itself with and these will be acted upon.

The Directors expressed their satisfaction with the evaluation process. Further, the evaluation process confirms that the Board and its committees continue to operate effectively and the performance of the Directors and the Chair is satisfactory.

24. Risk Management and Enterprise Risk Management Policy:

Pursuant to Regulation 21 of Listing 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 Risk Management Committee periodically reviews the risk management process.

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

25. Policy on Board Diversity

The Nomination and Remuneration Committee has framed a policy for Board Diversity, which lays down the criteria for appointment of Directors on the Board of your Company and guides organization's approach to Board Diversity.

Your Company believes that Board diversity, basis the gender, race, age will help build diversity of thought and will set the tone at the top. A mix of individuals representing different industry experience, qualification and skill set will bring in different perspectives and help the organization grow. The Board of Directors is responsible for review of the policy from time to time. The policy on Board Diversity has been placed on the Company's website at https://www.hcgoncology.com/policiesandguidelines/.

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 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 thorough 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://www.hcgoncology.com/policies-and-guidelines/.

The composition of CSR committee and disclosure as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is attached herewith as **Annexure-6** and forms an integral part of this Annual Report.

28. Internal Audit:

Your Company has continued its engagement with M/s. Ernst & Young LLP, 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 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 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 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 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. Whistle Blower/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 whistle blower 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 Committee periodically reviews the functioning of this mechanism. No individual in the Company has been denied access to the Audit 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://www.hcgoncology.com/policies-and-guidelines/.

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://www.hcgoncology.com/policies-and-guidelines/.

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

The Nomination and 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://www.hcgoncology.com/policies-and-guidelines/. 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, 2022 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 INR 102 Lakhs or more, employees employed for part of the year and in receipt of INR 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 were no material or significant orders passed by the Regulators/Courts/Tribunals which would have an impact on the going concern status and operations of the Company in future.

35. Statutory Auditors:

The shareholders at the 19th (nineteenth) Annual General Meeting of the Company held on August 10, 2017, had 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 (five) years commencing from the conclusion of the said Annual General Meeting of the Company, till the conclusion of the Annual General Meeting to be held in the year 2022.

Since the first term of M/s. B S R & Co. LLP, Chartered Accountants, as Statutory Auditors is coming to an end at the ensuing Annual General Meeting, the Board of Directors of the Company at their meeting held on May 26, 2022, on the recommendation of the Audit Committee have approved the reappointment of M/s. B S R & Co., LLP, Chartered Accountants as Statutory Auditors, for a second term of 5 (five) consecutive years commencing from financial year 2022-23 and ending with financial year 2026-27, subject to the approval of shareholders. The recommendation of the Board for the appointment of Statutory Auditors for the second term would be paced at the Annual General Meeting.

M/s. B S R & Co. LLP, have further, confirmed that the said re-appointment, if made, will be in accordance with the provisions as prescribed under Sections 139 and 141 of Companies Act, 2013.

M/s. B S R & Co. LLP, have also confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

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, 2022. The Auditors' Report being self-explanatory does not call for any further comments from the Board of Directors.

Further, the Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

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:

No material changes and commitments, other than disclosed as part of this report, affecting the financial position of the Company have occurred between March 31, 2022 and the date of the 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, 2022. The said Report of the Secretarial Audit in Form MR 3 is annexed herewith as **Annexure 1** and forms part of the report.

The Secretarial Auditors, in their report for the financial year ended March 31, 2022, have observed that "there was a delay of 10 days by the Company in filing the listing application for the allotment of 20,00,000 Equity Shares of INR 10 each, which were allotted on December 08, 2021. Both BSE and NSE have advised the Company to pay fine of INR 2,00,000 each. Since the Company has paid the fine to both the exchanges and got the approvals for listing, we have no further comments on the same".

In this regard, Board of Directors would like to inform that the Company could not file the requisite application on time due to dependency on external parties for certifications and other documentation, and this was purely unintentional. However, the Company, as advised by the stock exchanges have paid necessary penalties and have completed the listing of those shares with the exchanges.

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 01, 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.

In compliance with the requirements of Listing Regulations, Secretarial Audit Report of Material Subsidiary Company viz., HCG Medi-Surge Hospitals Private Limited is also attached herewith as **Annexure-8** and forms an integral part of this Annual Report. The Secretarial Audit Report of HCG Medi-Surge Hospitals Private Limited is self- explanatory and does not contain any qualification, reservation or adverse remark.

39. Cost Records and Cost Auditor:

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year. Accordingly, such accounts and records were made and maintained for the financial year 2021-22.

The board of Directors on the basis of the recommendations from Audit Committee has appointed M/s. Rao, Murthy & Associates (Firm Registration No. 00065), Costs Accountants as the Cost Auditors of the Company for FY 2022-23 at a remuneration of INR 1,75,000 (Rupees One Lakh Seventy-Five Thousand Only) (exclusive of taxes and re-imbursement of actual out-of-pocket expenses, if any, subject to the ratification of the said fees by the shareholders at the ensuing AGM.

The remuneration of M/s. Rao, Murthy & Associates, Cost Auditors of the Company for FY 2021-22, amounting to INR 1,75,000 (Rupees One Lakh Seventy-Five Thousand Only) (exclusive of taxes and re-imbursement of actual out-of-pocket expenses) in connection with the cost audit for FY 2021-22 has been ratified by the shareholders, at the AGM held on September 29, 2021.

Cost Audit Report for the financial year ended March 31, 2021 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. Internal Complaints Committees have 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 conducts sessions for employees to build awareness amongst employees about the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act. The Company's process ensures complete anonymity and confidentiality of information.

The below table provides details of complaints received/ disposed during the financial year 2021-22.

Number of complaints pending at the beginning of the financial year	1
No. of complaints filed during the financial year	4
No. of complaints disposed during the financial year	5
No. of complaints pending at the end of the financial year	0

42. Green initiative:

All agenda papers for the Board and committee meetings are disseminated electronically on a real-time basis.

The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The Annual Reports for FY 2021-22 are being sent in electronic mode, to all members who have registered their email ids for the purpose of receiving documents / communication in electronic mode with the Company and/or Depository Participants. The Annual Reports are also available in the "Investor Relations" section on the Company's website https://www.hcgoncology.com/annual-reports/.

The General Circular No. 14/ 2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated December 13, 2020, the General Circular No. 10/2021 dated June 23, 2021 and the General Circular No. 20/2021 dated December 08, 2021 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.

The Company had during FY 2021-22 sent various communications including Annual Reports, by email to those shareholders whose email addresses were registered with the Company/Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, on a real-time basis without any delay.

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 and Sweat Equity) Regulations, 2021, the applicable disclosures as on March 31, 2022 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.

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 issuance 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 can grant 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 INR 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, while in employment.

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. Upon HCG ESOS 2021 coming into force, it has been decided that no future grants shall be made under HCG ESOS 2014.

The cost is determined by the fair value at the date when the grant is made using an appropriate valuation model and management's estimate of equity instruments that will vest. That cost is recognised over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. Total stock compensation cost for the year ended March 31, 2022 is INR 28.33 million (FY 2020-21: INR 18.45 million).

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.

The stock option plans are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and there have been no material changes to these plans 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 httpsf://www.hcgel.com/investors/.

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:

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

b) 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;

c) 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;

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

e) 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.

f) 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 2021-22.

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 Listing Regulations including Certificate from CEO and CFO as per Regulation 17 of Listing 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 Listing Regulations is attached to this report.

46. Business Responsibility and Sustainability Report

SEBI vide its notification dated May 5, 2021 mandated top 1000 listed companies (by market capitalization) to submit a new report on ESG parameters namely Business Responsibility and Sustainability Report ("BRSR"). The report submission is optional for Financial Year 2021-22 and mandatory from Financial Year 2022-23, onwards.

Your Company has, on a voluntary basis, opted for the BRSR report for Financial Year 2021-22, which is provided as a separate section and forms an integral part of this Annual Report.

47. Disclosure related to Insolvency and Bankruptcy.

During the financial year under review, there are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

There were no instances where your Company required the valuation for one-time settlement or while taking the loan from the Banks or Financial institutions.

48. 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 Listing Regulations. A declaration signed by Dr. B. S. Ajaikumar, Executive Chairman and Mr. Raj Gore, Whole-time Director and CEO of the Company affirming the compliance with the Code of Conduct of the Company for the financial year 2021-22 has been annexed as part of this Report.

49. 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 10, 2022
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, Whole-time Director and 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, 2022.

For and on behalf of the Board of Directors

Date: August 10, 2022
Place: Bengaluru

Dr. B. S. Ajaikumar
Executive Chairman

Raj Gore
Whole-time Director &
Chief Executive Officer

Annexure 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2022

[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
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 our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2022 (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 was no External Commercial Borrowing by the Company 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 and Sweat Equity) Regulations, 2021;

  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, 2021 (**Not Applicable to the Company during the Audit Period**);

  h. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not Applicable to the Company during the Audit Period**);

  i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable to the Company during the Audit Period**); and

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

(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 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 Meetings.

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

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

(a) The following are the details of actions taken against listed entity by Recognised Stock Exchanges under aforesaid Acts / Regulations and circulars/guidelines issued thereunder:

Sl No	Action taken by SEBI / Stock Exchanges	Details of violation	Details of action taken e.g., fines, warning letter, debarment etc.,	Observations/ remarks of the Practicing Company Secretary if any
1.	There was a delay of 10 days by the Company in filing the listing application for the allotment of 20,00,000 Equity Shares of INR 10/- each, which were allotted on December 08, 2021. Both BSE and NSE have advised the Company to pay fine of INR 2,00,000/- each.	Delay of 10 days in filing listing application pursuant to the provisions of clause No. 4(3) of SEBI Circular No. SEBI / HO / CFD / DIL2 / CIR / P / 2019 / 94 dated August 19, 2019 read with para 2 of heading "Application for Listing" provided under Schedule XIX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.	The Company has paid the fine of INR 2,00,000 each to BSE and NSE.	Since the Company has paid the fine to both the exchanges and got the approvals for listing, we have no further comments on the same.

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.

We further report that:

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

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

As per the minutes of the meetings duly recorded and signed by the Chairperson, 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.

The following events/actions were having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc., during the audit period:

a. The Company has completed the investment of INR 33,00,00,000 (Indian Rupees Thirty-Three Crore) in the equity shares of Suchirayu Health Care Solutions Limited aggregating to 78.6% of the share capital of Suchirayu. Prior to this acquisition, the Company was holding 17.7% of the share capital of Suchirayu

b. The Company has divested its entire equity holding of 34.5% (on a fully diluted basis) of the share capital in Strand Life Sciences Private Limited ("Strand") an associate of the Company for a cash consideration of INR 157,77,57,968 (Indian Rupees One Hundred Fifty-Seven Crore, Seventy-Seven Lakh, Fifty-Seven Thousand, Nine Hundred and Sixty-Eight Only).

   Apart from the SPA, the Company has also entered into Business Transfer Arrangement with Strand on September 03, 2021 ("BTA") of the Hospital Lab Management (HLM) and Clinical Research Site Management (SMO) units back to HCG from Strand Life Sciences for a gross cash consideration of INR 80,80,00,000 (Indian Rupees Eighty Crores, Eighty Lakhs Only).

c. Warrants granted to Aceso Company Pte Ltd and Dr. B.S Ajaikumar, Promoters of the Company were exercised, and Equity shares of INR 10/- each were allotted on December 06, 2021 and December 08, 2021.

d. Mr. Meghraj Arvindrao Gore (DIN: 07505123) was appointed as the CEO of the Company w.e.f February 10, 2022.

e. HCG (Mauritius) Pvt. Ltd., a subsidiary of the Company, has acquired 86,568 Preferred B Shares of Healthcare Global (Africa) Pvt. Ltd. from CDC Group PLC for an aggregate purchase consideration of USD 554,600 (US Dollars Five Hundred Fifty-Four Thousand and Six hundred only).

For V. SREEDHARAN & ASSOCIATES

V. Sreedharan
Partner
FCS: 2347; CP No. 833
UDIN number: F002347D000770774

Place: Bengaluru
Date: August 10, 2022
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 - 560027

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.

For V. SREEDHARAN & ASSOCIATES

V. Sreedharan
Partner
FCS: 2347; CP No. 833
UDIN number: F002347D000770774
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: August 10, 2022

Annexure 2

a) Employee Share Option Plans of the Company

(i) ESOP 2014

Pursuant to the approval received from the shareholders of the Company, at 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. Under the HCG ESOP 2014, a maximum of 36,04,923 (Thirty-Six Lakh Four Thousand Nine Hundred Twenty Three) Options could be granted exercisable into 36,04,923 (Thirty-Six Lakh Four Thousand Nine Hundred Twenty Three) Equity Shares of face value of INR 10/- (Rupees Ten only) each. 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.

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

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 INR 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 2014	ESOP 2014	ESOP 2014
Date of grant	24-Jun-14	10-Nov-16	10-Nov-16
Fair market value of option at grant date (INR)	73.34	232.48	156.93
Fair market value of share at grant date (INR)	78.95	240.15	240.15
Exercise price (INR)	10.00	10.00	110.68
No. of options	1,10,100	1,65,400	30,000

Particulars	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	01-Apr-17	01-Apr-17	11-Aug-17
Fair market value of option at grant date (INR)	221.80	120.08	261.61
Fair market value of share at grant date (INR)	229.45	229.45	269.35
Exercise price (INR)	10.00	150.00	10.00
No. of options	25,000	35,000	1,01,000

Particulars	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	06-Nov-17	22-May-18	09-Nov-18
Fair market value of option at grant date (INR)	269.27	298.55	220.74
Fair market value of share at grant date (INR)	276.95	306.81	231.85
Exercise price (INR)	10.00	10.00	10.00
No. of options	53,000	55,000	25,000

Particulars	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	07-Feb-19	8-Aug-19	8-Aug-19
Fair market value of option at grant date (INR)	181.62	48.45	94.94
Fair market value of share at grant date (INR)	187.00	102.35	102.35
Exercise price (INR)	10.00	110.68	10.00
No. of options	47,000	30,000	1,41,800

Particulars	ESOP 2021	ESOP 2021	ESOP 2021
Date of grant	11-Jun-21	11-Jun-21	09-Nov-2021
Vesting basis	Time based	Performance based	Time based
Fair market value of option at grant date (INR)	108.77	46.04	169.57
Fair market value of share at grant date (INR)	197.65	197.65	261.85
Exercise price (INR)	130.00	130.00	130.00
No. of options	7,80,000	18,20,000	1,38,000

Particulars	ESOP 2021	ESOP 2021	ESOP 2021
Date of grant	09-Nov-2021	10-Feb-22	10-Feb-22
Vesting basis	Performance based	Time based	Performance based
Fair market value of option at grant date (INR)	76.02	160.10	95.06
Fair market value of share at grant date (INR)	261.85	249.70	249.70
Exercise price (INR)	130.00	130.00	130.00
No. of options	322,000	73,500	1,71,500

(ii) The assumptions used for calculating fair value of the ESOPs granted during the year are as below:

Time based options

The Black-Scholes option pricing model has been used for computing the weighted average fair value considering the following inputs:

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	**11-Jun-21**	**9-Nov-21**	**10-Feb-22**
Risk free interest rate	5.35% to 5.94%	5.34% to 5.97%	5.82% to 6.73%
Expected life (years)	1 to 6	1 to 6	1 to 6
Expected annual volatility of shares	34.07%-36.65%	34.78%-39.09%	34.26%-38.60%
Expected dividend yield	0.00%	0.00%	0.00%

Performance based options

The Monte Carlo Simulation model has been used for computing the weighted average fair value considering the following inputs:

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	11-Jun-21	9-Nov-21	10-Feb-22
Volume weighted average price of stock as on grant date	157.77	206.52	222.62
Risk free interest rate	5.71%	5.75%	6.17%
Expected life (years)	5.14	5.56	4.89
Expected annual volatility of shares	34.96%	34.07%	36.44%

There were no ESOPs granted during the previous year ended March 31, 2021.

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

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Options (Numbers)	Weighted average exercise price per option (INR in Million)	Options (Numbers)	Weighted average exercise price per option (INR in Million)
Option outstanding at the beginning of the year:				
- ESOP 2014	5,38,390	27.26	6,33,590	27.26
- ESOP 2021	-	-	-	-
Granted during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
- ESOP 2021	33,05,000	130.00	-	-
Vested during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	86,080	17.02	1,61,646	31.47
- ESOP 2021	-	-	-	-
Forfeited during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
- ESOP 2021	-	-	-	-
Exercised during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	1,49,240	30.24	95,200	10.00
- ESOP 2021	-	-	-	-
Lapsed during the year:				
- ESOP 2014	2,69,270	28.42	-	-
- ESOP 2021	1,52,000	130.00	-	-
Options outstanding at the end of the year:				
- ESOP 2014	1,19,880	35.20	5,38,390	27.26
- ESOP 2021	31,53,000	130.00	-	-
Options exercisable at the end of the year:				
- ESOP 2010	-	-	5,877	10.00
- ESOP 2014	12,750	81.07	2,33,270	45.25
- ESOP 2021	-	-	-	-

* Options available for grant are as under:
- ESOP 2021: 2,962,000 as at March 31, 2022 (March 31, 2021: Nil)
- ESOP 2014: Nil as at March 31, 2022 (March 31, 2021: 21,62,506).
No further grants would 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, 2022 is INR 247.97 (March 31, 2021: INR 123.24).

The options outstanding at the end of the reporting period has exercise price in the range of INR 10 to INR 130 (March 31, 2021: INR 10 to INR 150) and weighted average remaining contractual life of 6.34 years (March 31, 2021: 6.79 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 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 31-Mar-22	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-18
2.83	(16.85)	(6.02)	0.82	2.89

(f) Variation in terms of options

Year ended 31-Mar-22	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-18
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 using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options	The cost is determined by the fair value at the date when the grant is made using an appropriate valuation model and management's estimate of equity instruments that will vest. That cost is recognised over the period in which the performance and/ or service conditions are fulfilled in employee benefits expense.

(h)

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	The Company has accounted for cost of options as prescribed under Ind AS. The cost of Employee Stock Options is recognised based on the fair value of the options as at the grant date.

(i)

Money realized by exercise of options (INR), if scheme is implemented directly by the Company	**2021-22:** INR 45,12,800 **2020-21:** INR 9,52,000 **2019-20:** INR 6,10,700

(j)

Loan repaid by the Trust during the year from exercise price received	Not Applicable

(k) Employee wise details of options granted during the year

a) Senior Management Personnel:

Name of Senior Management personnel	Designation	No. of options granted	Exercise price (INR)
Meghraj Arvind Rao Gore	Chief Executive Officer	10,00,000	130
Srinivasa V. Raghavan	Chief Financial Officer	2,00,000	130
Dr. Bharat S. Gadhavi	Regional Director – Gujarat	2,00,000	130
Sunu Manuel	Company Secretary	50,000	130
Vineesh Ghei	Senior VP – Sales	2,00,000	130
Deepti Gautam Tewari	VP – HR	1,00,000	130
Sudeep Dey	Chief Information Officer	1,00,000	130
Madan Kumar Sampath	AVP - Supply Chain Management	70,000	130

b) Other than Senior Management Personnel:

Employees who have received a grant in any one year of options amounting to 5% or more of options granted during that year.	Nil
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.	Nil

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 2021-22

Name of the Executive Director	Designation	Remuneration for FY 2020-21 (INR in Mn.)	Remuneration for FY 2021-22 (INR in Mn.)	% increase in Remuneration	Median Remuneration of employees (INR in Mn.)	Ratio[11] Remuneration of employees
Dr. B. S. Ajaikumar [1]	Executive Chairman	25.88	25.90	NA	0.24	89.17:1
Mr. Meghraj Arvindrao Gore [2]	Whole-time Director and CEO	3.83	50.25	NA	0.24	87.50:1
Ms. Anjali Ajaikumar Rossi [3]	Executive Director- Strategy	NA	7.98	NA	0.24	33.33:1
Ms. Bhushani Kumar [4]	Independent Director	0.83	Nil	NA		
Dr. Sudhakar Rao [5]	Independent Director	1.18	0.65	Nil		
Mr. Shanker Annaswamy [6]	Independent Director	0.93	0.71	Nil		
Mr. Abhay Havaldar	Independent Director	0.13	0.77	Nil		
Ms. Geeta Mathur [7]	Independent Director	NA	0.59	NA		
Mr. Rajagoplan Raghavan [8]	Independent Director	NA	0.47	NA		
Mr. Jeyandran Venugopal [9]	Independent Director	NA	Nil	NA		
Mr. Pradip Kanakia [10]	Independent Director	NA	Nil	NA		

1. Remuneration of Dr. B.S. Ajaikumar for FY 2020-21 includes variable pay of INR. 6.23 Mn. Further, fixed compensation for approx. two months was waived-off during the previous year. Remuneration for FY 2021-22 includes variable pay of INR. 5 Mn.
2. Mr. Meghraj Arvindrao Gore was appointed as CEO of the Company effective from February 01, 2021. The remuneration for FY 2020-21 is for the period February 01, 2021 to March 31, 2021 and there was no Share Based Payment for the period. He has been appointed as a Whole-time Director effective from February 10, 2022. Remuneration for FY 2021-22 includes INR. 30.98 Mn. as fixed compensation (including variable pay) and INR. 19.27 Mn as Share Based Payment.
3. Ms. Anjali Ajaikumar Rossi was appointed as a director on the Board - designated as an Executive Director - Strategy, effective from April 01, 2021. Remuneration includes variable pay of INR 0.8 Mn.
4. Bhushani Kumar has ceased to be an Independent Director of the Company effective from May 29, 2021.
5. Dr. Sudhakar Rao has ceased to be an Independent Director of the Company effective from December 21, 2021.
6. Mr. Shanker Annaswamy has ceased to be an Independent Director of the Company effective from December 03, 2021.
7. Ms. Geeta Mathur has been appointed as an Independent Director of the Company effective from June 17, 2021.
8. Mr. Raj Raghavan has been appointed as an Independent Director of the Company effective from August 12, 2021.
9. Mr. Jeyandran Venugopal has been appointed as an Independent Director of the Company effective from November 11, 2021.
10. Mr. Pradip M Kanakia has been appointed as an Independent Director of the Company effective from February 10, 2022.
11. Based on actual remuneration paid/payable for FY 2021-22.

Sitting fee paid to independent Directors is excluding tax (GST).

There is no increase in the sitting fees paid to independent Directors for attending the Board and Committee meetings. The change in the sitting fees is on account of number of meetings attended by them.

Mr. Amit Soni, Mr. Siddharth Tapaswin Patel, Nominee Directors representing Aceso Company Pte Ltd have not been paid any remuneration/fees.

Appointment of Mr. Jeyandran Venugopal, Independent Director is on a pro-bono basis, till such time Mr. Jeyandran Venugopal communicates otherwise to the Company.

(b) The percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, during the financial year 2021-22

Name of the Director/ KMP	Designation	Remuneration for FY 2020-21 (INR in Mn.)	Remuneration for FY 2021-22 (INR in Mn.)	% increase in Remuneration*
Mr. Meghraj Arvindrao Gore	Chief Executive officer	3.83	30.98	Not Applicable
Mr. Srinivasa V. Raghavan	Chief Financial Officer	10.58	12.74	20.43%
Ms. Sunu Manuel	Company Secretary	4.07	4.77	17.20%

* % increase in remuneration includes fixed and variable pay and excludes share based payments.

Notes:

Mr. Meghraj Arvindrao Gore has been appointed as CEO of the Company effective from February 01, 2021. The remuneration for FY 2020-21 is from February 01, 2021 to March 31, 2021 and there was no Share Based Payment for the period. He has been appointed as a Whole-time Director effective from February 10, 2022.

For FY 2020-21, Mr. Srinivasa V Raghavan has been paid a remuneration of INR 10.58 Mn and Share Based Payment of INR 1.19 Mn. During the FY 2021-22, he has been paid a remuneration of INR 12.74 Mn.

For FY 2020-21, Ms. Sunu Manuel has been paid remuneration of INR 4.07 Mn and Share Based Payment of INR 0.33 Mn. During the FY 2021-22, she has been paid a remuneration of INR 4.77 Mn.

The share based payments made to the KMPs for the FY 2021-22 is as under:

Name of the Director/ KMP	Designation	Share Based Payment for FY 2021-22 (INR in Mn.)
Mr. Meghraj Arvindrao Gore	Chief Executive officer	19.27
Mr. Srinivasa V. Raghavan	Chief Financial Officer	4.74
Ms. Sunu Manuel	Company Secretary	0.96

(c) The percentage increase in the median remuneration of employees during the financial year 2021-22 is 4.35%.

(d) The number of permanent employees on the rolls of Company as of March 31, 2022 was 5,679.

(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 2021-22
(A) Average percentile increase already made in the salaries of employees other than the managerial personnel	7.45%
(B) Percentile increase in the managerial remuneration	2%
Comparison of (A) and (B)	Percentile increase of B is less 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	Age (in Years)	Experience (in Years)	Remuneration received in INR in Million	No and % of Equity Shares held in the Company		Relationship with Directors/ Manager
									Number of shares	% of Equity Shares	
1	Dr. B S Ajaikumar	Executive Chairman	MBBS,MD	Not Applicable	7-Mar-00	71	22.5	25.90	19,824,215	14.26%	Father of Ms. Anjali Ajaikumar Rossi, Executive Director - Strategy
2	Meghraj Arvindrao Gore	Whole-time Director & Chief Executive Officer	BE Chemical, M.Sc.IT, MBA and HMP from IMA and Singapore	Apollo Hospitals	1-Feb-21	47	1.5	30.98	Nil	Nil	
3	Srinivasa V. Raghavan	Chief Financial Officer	B.Com., Chartered Accountancy, Cost Accountancy	CSC Technologies India Private Limited	27-Jul-18	56	4.1	12.74	15,000	0.01%	
4	Vineesh Kumar Ghei	Senior Vice President-Sales	PGBMS & BE in Electronics	Apollo Hospitals	16-Aug-21	49	1.0	8.36	Nil	Nil	
5	Sudeep Dey	Chief Information Officer	PG in System management & PGDBA	Fortis Healthcare Ltd	10-Dec-21	43	0.7	2.30	Nil	Nil	

SL No	Name of the Employee	Designation	Qualification	Previous employment	Date of joining	Age (in Years)	Experience (in Years)	Remuneration received in INR in Million	No and % of Equity Shares held in the Company		Relationship with Directors/ Manager
									Number of shares	% of Equity Shares	
6	Dr. Bharat S. Gadhavi	Regional Director	MS- General Surgery	Sterling Hospital	15-Jan-08	58	14.6	10.03	83,106	0.06%	
7	Anjali Ajaikumar Rossi	Executive Director-Strategy	MBA	Clarkston Consulting	10-Aug-09	35	13.0	7.62	1,000	Nil	Daughter of Dr. B.S. Ajaikumar, Executive Chairman
8	Surinder Dang	Regional-COO	B.Sc, PGM	Cloudnine Hospitals	5-Dec-19	56	2.7	6.38	Nil	Nil	
9	Manisha Kumar	Cluster-Chief Operating Officer	PGPM	Columbia Asia Hospital Pvt Ltd	12-Nov-21	35	0.8	2.61	Nil	Nil	
10	Shailesh Guntu	CEO-Milann & Director - Healthcare Service	BHM, Executive MBA	Narayana Hrudayalaya	22-Aug-16	35	6.0	7.87	Nil	Nil	

* This is the actual remuneration paid during the FY 2021-22 from the date of joining the Company.

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

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

For HealthCare Global Enterprises Limited

Date: August 10 2022
Place: Bengaluru

Dr. B. S. Ajaikumar
Executive Chairman

Annexure 4

From 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

INR in million

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	31-03-2022	INR	100.00%	0.94	282.33	537.57	254.30	-	620.77	13.72	-34.65	48.37
HCG Medi-Surge Hospitals Private Limited	31-03-2022	INR	74.00%	55.69	274.63	1,405.63	1,075.31	-	1,479.60	158.69	35.37	123.32
Malnad Hospital & Institute of Oncology Private Limited	31-03-2022	INR	70.25%	9.50	44.55	83.68	29.62	-	96.88	15.57	4.21	11.36
Niruja Product Development and Healthcare Research Private Limited	31-03-2022	INR	100%	0.50	-279.96	39.49	318.94	39.00	-	-	-	-
HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	31-03-2022	INR	100%	9.30	-39.00	1.04	30.74	-	-	-	-	-
HealthCare Diwan Chand Imaging LLP	31-03-2022	INR	75.00%	32.72	-8.74	30.77	6.78	-	-	-0.27	-	-0.27
HCG Oncology LLP	31-03-2022	INR	74.00%	151.99	-319.62	544.87	712.50	-	524.10	-45.32	-	-45.32
HCG (Mauritius) Pvt Ltd	31-03-2022	INR	100.00%	457.54	-156.20	562.68	204.91	76.38	26.60	40.03	0.45	39.58
	31-03-2022	USD	100.00%	6.03	-2.06	7.41	2.70	1.04	0.35	0.53	0.01	0.52
APEX HCG Oncology Hospitals LLP	31-03-2022	INR	100.00%	1,427.92	-1,119.37	1,503.45	1,194.93	-	557.06	-164.43	-	-164.43
HCG NCHRI Oncology LLP	31-03-2022	INR	76.00%	545.58	-493.94	680.42	628.82	-	481.62	-67.31	-	-67.31
HCG Manavata Oncology LLP	31-03-2022	INR	51.00%	656.84	-128.18	1,929.34	1,400.67	-	998.77	-60.49	-1.06	-59.43
HCG EKO Oncology LLP	31-03-2022	INR	50.50%	660.19	-601.14	694.25	635.24	-	255.20	-250.46	-	-250.46
HCG SUN Hospitals LLP	31-03-2022	INR	100.00%	380.35	-299.88	483.73	403.24	-	308.53	-73.95	3.83	-77.78
Suchirayu Health Care Solutions Limited	31-03-2022	INR	78.60%	446.00	-577.82	1,140.43	1,272.28	-	281.66	44.25	-	44.25
As on 31.03.2022: 1 US$ = Rs. 75.9092												

Revenue number is only considered revenue from operations

Part B: Associates and Joint Ventures

Sl. No.	Name of associates/Joint Ventures	Advanced Moluculer Imaging Limited *
1	Latest audited Balance Sheet Date	31-Dec-21
2	Date on which the associate or joint venture was associated or acquired	07-Jun-19
3	Shares of Associate/Joint Ventures held by the company on the year end	
	a) No. of shares:	5,000 ordinary shares
	b) Amount of investment in associate / Joint venture:	Rs. 30.13 million
	c) Extend of holding % :	50%
4	Description of how there is significant influence	More than 20% shareholding
5	Reason why the associate/joint venture is not consolidated	No control and hence equity method followed in consolidation
6	Net worth attributable to shareholding as per latest audited Balance Sheet	INR 30.13 million
7	Profit/Loss for the year	
	Considered in consolidation	Loss: Rs. 0.63 million
	Not considered in consolidation	Loss: Rs. 0.63 million

Names of associates or joint ventures which are yet to commence operations: None

Names of associates or joint ventures which have been liquidated or sold during the year.

Joint venture sold during the year - Strand Life Sciences Private Limited

No Associates were sold during the year. However, the following entities which were associates have become subsidiaries w.e.f 30 September 2021:

- Healthcare Global (Africa) Private Limited
- Healthcare Global (Uganda) Private Limited
- Healthcare Global (Kenya) Private Limited
- Cancer Care Kenya Limited
- Healthcare Global (Tanzania) Private Limited

for and on behalf of the Board of Directors of
HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar
Executive Chairman
DIN: 00713779

Place : Bengaluru
Date : August 10, 2022

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 (INR 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	0.13	Not applicable	NIL
Sada Sarada Tumor & Research Institute	Company with Common Director			4.33		
HCG Oncology LLP	LLP/Subsidiary			5.04		
HCG NCHRI Oncology LLP	LLP/Subsidiary			3.81		
HCG EKO Oncology LLP	LLP/Subsidiary			3.45		
HCG SUN Hospitals LLP	LLP/Subsidiary			3.45		
Suchirayu Health Care Solutions Limited	Subsidiary Company/ Common Director			14.70		
HCG Manavata Oncology LLP	LLP/Subsidiary			15.54		
BACC Healthcare Private Limited	Subsidiary Company/ Common Director			24.97		
Apex HCG Oncology Hospitals LLP	LLP/Subsidiary			35.85		
JSS Bharath Charitable Trust	Trust/Director of the Company is a trustee	Providing of services		-		
HCG Foundation	Trust/Director of the Company is a trustee			3.91		
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/ Common Director			30.05		
Malnad Hospital & Institute of Oncology Private Limited	Subsidiary Company/ Common Director			0.95		
BACC Healthcare Private Limited	Subsidiary Company/ Common Director			0.15		
Apex HCG Oncology Hospitals LLP	LLP/Subsidiary			8.64		
HCG EKO Oncology LLP	LLP/Subsidiary			8.40		
HCG NCHRI Oncology LLP	LLP/Subsidiary			0.01		
Suchirayu Health Care Solutions Limited	Subsidiary Company/ Common Director			17.25		
Sada Sarada Tumor & Research Institute	Company with common Director			4.48		
Sada Sarada Tumor & Research Institute	Company with common Director	Rent expenses		0.63		
Strand Life Sciences Private Limited	Company with common Director/ Associate	Lab charges		89.96		

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 (INR in million) if any	Date of approval by the Board, if any	Amount paid as advances, if any
BACC Healthcare Private Limited	Subsidiary Company/Common Director	Capital expenditure cross charged	FY 2021-22	17.92		
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/Common Director	Corporate Guarantee Commission Income		14.67		
HCG Oncology LLP	LLP/Subsidiary			10.39		
HCG NCHRI Oncology LLP	LLP/Subsidiary			2.53		
HCG Manavata Oncology LLP	LLP/Subsidiary			2.62		
Apex HCG Oncology Hospitals LLP	LLP/Subsidiary			9.49		
HCG EKO Oncology LLP	LLP/Subsidiary			2.65		
HCG SUN Hospitals LLP	LLP/Subsidiary			4.73		
HCG SUN Hospitals LLP	LLP/Subsidiary	Interest Income		3.39		
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/Common Director	Employee stock option scheme cross charged by the Company		1.42		
HCG Oncology LLP	LLP/Subsidiary			0.40		
HCG SUN Hospitals LLP	LLP/Subsidiary			0.04		
HCG NCHRI Oncology LLP	LLP/Subsidiary			0.48		
HCG EKO Oncology LLP	LLP/Subsidiary			0.36		
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/Common Director	Reimbursement of capital expenditure/ revenue expenditure cross charged by the Company	Ongoing	152.21	Not applicable	NIL
HCG Oncology LLP	LLP/Subsidiary			66.99		
BACC Healthcare Private Limited	Subsidiary Company/Common Director			0.67		
Malnad Hospital & Institute of Oncology Private Limited	Subsidiary Company/Common Director			14.94		
HCG SUN Hospitals LLP	LLP/Subsidiary			12.58		
HCG NCHRI Oncology LLP	LLP/Subsidiary			1.40		
HCG EKO Oncology LLP	LLP/Subsidiary			1.53		
HCG Manavata Oncology LLP	LLP/Subsidiary			0.07		
Healthcare Global Senthil Multi-Specialty Hospitals Private Limited	Subsidiary Company/Common Director			0.01		
Niruja Product Development and Research Private Limited	Subsidiary Company/Common Director			0.05		
APEX HCG Oncology Hospitals LLP	LLP/Subsidiary			52.35		
Suchirayu Health Care Solutions Limited	Subsidiary Company/Common Director			12.79		
Healthcare Global (Kenya) Private Limited	Subsidiary Company/Common Director			0.12		
HCG Foundation	Trust/Director of the Company is a trustee			0.10		
Sada Sarada Tumor & Research Institute	Trust/Director of the Company is a trustee			4.15		
HCG NCHRI Oncology LLP	LLP/Subsidiary	Payment to vendor on behalf of following subsidiaries		16.45		
Malnad Hospital & Institute of Oncology Private Limited	Subsidiary Company/Common Director			0.46		
APEX HCG Oncology Hospitals LLP	LLP/Subsidiary			16.66		
HCG SUN Hospitals LLP	LLP/Subsidiary			7.26		
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/Common Director			12.79		
HCG EKO Oncology LLP	LLP/Subsidiary			13.61		
BACC Healthcare Private Limited	Subsidiary Company/Common Director			0.08		
HCG Oncology LLP	LLP/Subsidiary			0.57		
HCG Manavata Oncology LLP	LLP/Subsidiary			0.06		

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 (INR in million) if any	Date of approval by the Board, if any	Amount paid as advances, if any
APEX HCG Oncology Hospitals LLP	LLP/Subsidiary	Investment made during the year other than corporate guarantee	Ongoing	358.69	Approved from time to time and the last approval of the Board was on November 11, 2021	NIL
HCG EKO Oncology LLP	LLP/Subsidiary			140.28		
HCG NCHRI Oncology LLP	LLP/Subsidiary			58.95		
HCG SUN Hospitals LLP	LLP/Subsidiary			112.93		
HCG Oncology LLP	LLP/Subsidiary			38.31		
HCG (Mauritius) Pvt Ltd	Subsidiary Company/Common Director			148.10		
HCG Manavata Oncology LLP	LLP/Subsidiary	Investment made during the year through corporate guarantee		3.64	Not Applicable	
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/Common Director			13.63		
APEX HCG Oncology Hospitals LLP	LLP/Subsidiary			0.79		
HCG SUN Hospitals LLP	LLP/Subsidiary			9.94		
HCG Oncology LLP	LLP/Subsidiary			9.62		
Dr. B.S. Ajaikumar	Whole-time director and Exeutive Chairman	Proceeds from issue of share warrants		195.00		
Aceso Company Pte Ltd	Holding Company			1,121.59		
Shanker Annaswamy	Independent Non-Executive Director	Directors Sitting fees	April 01, 2021 to December 03, 2021	0.71		
Dr. Sudhakar Rao	Independent Non-Executive Director		April 01, 2021 to December 21, 2021	0.65		
Abhay Prabhakar Havaldar	Independent Director		Ongoing	0.77		
Geeta Mathur	Independent Director			0.59		
Rajagopalan Raghavan	Independent Director			0.47		
Dr. B.S. Ajaikumar	Whole-time director and Exeutive Chairman	Remuneration	Employment Contract	25.90		
Ms. Anjali Ajaikumar	Whole-time director and daughter of Dr. B S Ajaikumar			7.98		
Meghraj Arvindrao Gore	CEO-KMP			30.98		
Srinivasa Raghavan	CFO-KMP			12.74		
Sunu Manuel	CS-KMP			4.77		

* 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 Policy on Related Party Transactions of the Company and approvals received from the Audit Committee.

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

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

Date : August 10, 2022
Place: Bengaluru

Dr. B. S. Ajaikumar
Executive Chairman

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://www.hcgoncology.com/policies-and-guidelines/

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 students 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, 2022 were:

(i) Dr. B. S. Ajai Kumar; Chairman with effect from June 12, 2020;

(ii) Mr. Siddharth Patel, Member.

(iii) Mr. Jeyandran Venugopal, Member.

Corporate Social Responsibility Committee of the Board was reconstituted due to cessation of term of Ms. Bhushani Kumar on May 28, 2021 and resignation of Mr. Sudhakar Rao with effect from December 21, 2021. Mr. Jeyandran Venugopal was appointed as member of the Committee with effect from December 21, 2021.

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

Average net loss: INR 227.31 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:

a) Total amount to be spent for the financial year: The total amount to be spent for the financial year is Nil.

b) Manner in which the amount is spent during the financial year:

Pursuant to General Circular no. 14/2021 dated August 25, 2021 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors of the Company, at the recommendation of the Corporate Social Responsibility Committee, have approved certain projects/activities of International Human Development and Upliftment Academy ("IHDUA" or "the Trust"), a trust based in Mysore, out of the unspent CSR amount of financial years prior to FY 2020 -21. The details of the same are as under:

Sl. No.	CSR project or activities identified	Sector in which the project is covered	Projects or Programs 1) Local area or other, 2) specify the state and district where the project or programmes are undertaken	Amount Outlay (Budget) Project or Program Wise (Amount in INR)	Amount spent on the Projects or Programs (Amount in INR)	Amount spent on projects or programmes Sub-heads: (Direct Expenditure on projects or programmes) (Amount in INR)	Cumulative expenditure upto the reporting period (Amount in INR)	Amount spent: Direct or through implementing agency
1	Women leadership	Empowering women	IHDUA, Mysore, Karnataka.	15,19,642	15,19,642	15,19,642	15,19,642	Direct
2	Model Village at Gundlupet Taluk	Promoting education	IHDUA, Mysore, Karnataka.	19,91,548	19,91,548	19,91,548	19,91,548	Direct
3	Experiential Learning for Students (Mullur School, Adarsh Academy Mysore)	Rural development	IHDUA, Mysore, Karnataka.	15,68,845	15,68,845	15,68,845	15,68,845	Direct
4	Teachers training	Promoting education	IHDUA, Mysore, Karnataka.	14,95,790	14,95,790	14,95,790	14,95,790	Direct
5	Skill Development	Rural development	IHDUA, Mysore, Karnataka.	20,91,793	20,91,793	20,91,793	20,91,793	Direct
6	Tree Planting (Bangalore, Ahmedabad)	Ensuring environmental sustainability	IHDUA, Mysore, Karnataka.	3,91,368	3,91,368	3,91,368	3,91,368	Direct
7	Bus Stand Upgrade & Maintenance (Ongole, Ranchi)	Rural development	IHDUA, Mysore, Karnataka.	11,70,000	11,70,000	11,70,000	11,70,000	Direct

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:

Not applicable

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.

Dr. B.S. Ajaikumar
Executive Chairman & Chairman of CSR Committee
DIN: 00713779

Place: Bengaluru
Date: August 10, 2022

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 equipments. The Company has reduced the internal energy consumption through the following initiatives:

- 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.
- Improving overall efficiency of Utility by replacing older technology machines by newer technology. The Company has achieved conservation of energy by replacement of older technology boiler with energy efficient electric heat pump, cooling tower, pump, modification and optimization of chilled water line for building & LED lights at various units.

Plan for conservation of energy (2022-23)

- Utilizing alternate sources of energy.
- The Company proposes to set up 2.25MW Solar Power Plant in Davanagere District, Karnataka ("Solar Project"), along with its subsidiary - Suchirayu Health Care Solutions Limited ("Suchirayu"), for optimizing the group captive power usage, and obtain maximum benefits for the Company and its subsidiaries. The Solar Project, if sanctioned by the appropriate authorities, could be commissioned by Q3 FY2023.
- Energy monitoring system to ensure efficient energy management.

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 always been at the forefront of the fight against cancer. An area of such intensity requires groundbreaking treatment protocols and the introduction of industry-changing technologies, which shall be beneficial to both the patients and the specialist treating them.

Oncology or cancer care is one such area that demands more serious work, and we aim to rise to that challenge. In the last 30 years, HCG has led the march against cancer and has set numerous benchmarks in the industry by introducing many new-age technologies, which have had a positive impact on the treatment precision and the overall treatment response shown by the patients. These technologies have been helpful for the specialists in understanding cancer as a disease and treating it the way it should be treated – the right way, the first time.

Cancer surgery and radiation therapy are important areas of cancer management and we aim to lead these areas 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) Agility Synergy Linear Accelerator: Agility Synergy is the advanced linear accelerator that is made capable to meet modern radiation therapy demands. Agility Synergy delivers radiation with enhanced precision whilst prioritising the patient's comfort and safety. HCG was the first hospital in India to have the Agility Synergy linear accelerator. This linear accelerator comes with 3D image guidance, which helps the radiologists visualise and target the tumour precisely, along with its movement during and between the radiation fractions.

(ii) Artiste Linear Accelerator: Artiste Linear Accelerator is a radiation therapy platform specially designed for Adaptive Radiation Therapy (ART). This platform is an amalgamation of integrated imaging and workflow solutions and offers comprehensive radiation therapy solutions. Artiste's 2D and 3D imaging feature helps radiologists confirm the tumour location right before every session to ensure that radiation therapy is more focussed and precise. This feature also helps radiologists to spare healthy tissues close to the tumour. Artiste can treat both superficial and inoperable tumours with superior precision and better clinical outcomes.

(iii) **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.

(iv) **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.

(v) **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.

(vi) **Skyra 3 Tesla:** This piece of cutting-edge technoloy 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.

(vii) **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.

(viii) **The Da Vinci Surgical System:** Da Vinci Surgical System is an advanced surgery platform, which helps surgeons perform complex surgical procedures with superior precision, enhanced flexibility and better control. This surgical system comes with robotic arms that support higher degree dexterity, which in turn helps surgeons access hard-to-reach areas in the body and perform surgeries seamlessly. These robotic arms function with the unique and intuitive EndoWrist technology that is responsible for intricate movements of the arms in the surgical site. These robotic arms are controlled by surgeons through a special console. One of the robotic arms carries a camera that supports 3D imaging of the surgical site and the surgeon moves the arms based on information received from the highly detailed, magnified images. da Vinci Surgical System uses tiny incisions instead of larger incisions; this translates to numerous advantages like reduced blood loss, less pain and scarring, fewer treatment-related complications, etc.. The equipment was imported in 2016 and the technology has been fully absorbed.

(ix) **Mixed reality technology with Microsoft HoloLens 2:** With the introduction of Mixed Reality Technology using Microsoft HoloLens 2, HCG is taking a significant step towards closing the gaps that exist in cancer care. This latest addition to HCG's ever-expanding healthcare expertise is interactive, seamless, and collaborative. This technology empowers doctors to make the greatest clinical decisions and provide the best care to cancer patients. This technology leverages HCG's proven experience and expertise in delivering superior precision cancer care solutions. Mixed Reality Technology with Microsoft HoloLens 2 benefits patients in the following ways: (a) collaboration between specialists across the network (hubs, tier 2 and tier 3 cities) for better patient care; (b) Seamless interaction on immersive 3-D platforms to offer the best possible treatment; (c) Reduced time-to-care for patients by empowering healthcare teams to work independently; (d) Enhanced support in surgical planning; (e) Positive impact on the diagnosis and treatment precision and (f) Positive impact on the overall patient experience

(x) **Automated Breast Volume Scanner – Latest Breast Cancer Screening Technology:** Automated Breast Volume Scanner, or ABVS, is the latest cancer screening technology for breast cancer detection among women with dense breast tissues. It is an ultrasound system that captures clearer, more detailed images of the breast tissues. Therefore, it is also called Breast Ultrasound. During mammography, dense breast tissues appear white, just like the cancer tissues. Therefore, it is easy for the mammography to miss the tumours in women with dense breast tissues or lead to false positives. In these cases, ABVS serves as the best option and supports early detection of breast cancer.

(xi) **VitalBeam – Radiation Therapy Supported by Intelligent Automation:** VitalBeam is an advanced radiation delivery platform designed to treat tumours through intelligent automation that not only helps target the tumour precisely but also reduces the overall treatment duration. VitalBeam brings the best of both worlds by combining intensity-modulated radiation therapy (IMRT) and image-guided radiation therapy (IGRT) for optimum image guidance and precise radiation delivery. The platform is smart enough to synchronise multiple parameters that are associated with precision, namely imaging, patient positioning, motion management, radiation beam shaping and dose delivery along with accuracy assessment every ten milliseconds. This way, VitalBeam supports superior precision radiation delivery while minimising damage to the surrounding healthy tissues. This platform is mainly used to treat the cancers of the breast, head and neck, spine, lung and prostate along with other regions.

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 ensures 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.

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, Triesta – unit of HCG, 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 during the year ended March 31, 2022 vis-a-vis during the year ended March 31, 2021 is as under:

Particulars	For the year ended INR	
	March 31, 2022	March 31, 2021
Foreign Exchange Earnings	21,78,49,117	19,63,56,135
Foreign Exchange Expenditure	6,86,86,471	1,91,32,119

Annexure 8

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2022

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

To,
The Members,
HCG MEDI-SURGE HOSPITALS PRIVATE LIMITED
Medi-surge hospitals, 1 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 31-March-2022 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 31-March-2022, 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 2021-22:

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 and Handling) Rules, 1998 ("BMW Rules")

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

t. Batteries (Management and Handling) Rules, 2001 ("Batteries Rules")

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

d) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as prescribed, 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.

h) The Company has created, modified and satisfied charges and reported the same to the Registrar of Companies through filing applicable e-forms.

i) As per the information provided by the Company, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company for the financial year ended 31st March 2022.

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.

K. L. JAYAKRISHNA
Company Secretary in Practice
FCS No. 7297, CP No. 14890
UDIN: F007297D000775966

Date : August 10, 2022
Place : Bangalore

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, where the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

Corporate governance at HCG is implemented through strong Board governance processes, internal control systems and processes, and audit mechanisms. These are articulated through the Company's corporate governance policies and guidelines, charters of various Committees of the Board and Code of Conduct. HCG's corporate governance practices can be described through the following four layers:

a) Governance by Shareholders;

b) Governance by Board of Directors;

c) Governance by Committees of Board; and

d) Governance through management process.

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.

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

The Board of Directors is the apex body constituted by shareholders, for overseeing the Company's overall functioning. It provides strategic direction, leadership and guidance to the Company's management as also monitors the performance of the Company with the objective of creating long-term value for the Company's stakeholders. 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.

A. Composition of Board

As of March 31, 2022, the Board comprised of 5 (five) Independent Non-Executive Directors, 2 (two) Non-Executive Nominee Directors, and 3 (three) Executive Directors/Whole-time Directors. Dr. B. S. Ajaikumar, Whole-time Director is the Executive Chairman of the Board. All 5 (five) 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 2 (two) woman Directors on the Board, 1 Independent and Non-Executive Director and 1 Executive Director. The profiles of our Directors forms part of the Annual Report.

During the year, the composition of Board has undergone the following changes:

(a) Dr. Amit Varma, Non-Independent Non-Executive Director has resigned from the Board of the Company with effect from April 01, 2021.

(b) Mrs. Anjali Ajaikumar has been appointed as an Executive Director – Strategy with effect from April 01, 2021 for a period of 2 (two) years.

(c) Mrs. Bhushani Kumar, Independent Non-Executive Director, has completed two terms as Independent Director of the Company, and the tenure of Mrs. Bhushani Kumar, as an Independent Director of the Company has come to an end on May 28, 2021.

(d) Ms. Geeta Mathur, has been appointed as Independent Non-Executive Director of the Company with effect from June 17, 2021, for a period of 3 (three) years.

(e) Mr. Rajagopalan Raghavan has been appointed as Independent Non-Executive Director with effect from August 12, 2021, for a period of 3 (three) years.

(f) Mr. Jeyandran Venugopal has been appointed as Independent Non-Executive Director of the Company with effect from November 11, 2021, for a period of 3 (three) years.

(g) Mr. Shanker Annaswamy, Independent Non-Executive Director has resigned from the Board of the Company with effect from December 03, 2021 due to restructuring of the Board, consequent to the change in the controlling stake of the Company. The Director has confirmed that there are no material reasons other than the same.

(h) Dr. Sudhakar Rao, Independent Non-Executive Director and Lead Independent Director has resigned from the Board of the Company with effect from December 21, 2021 due to transition to new Board and Management team, consequent to transition to new Board and Management team, consequent to change in the ownership structure of the Company. The Director has confirmed that there are no material reasons other than the same.

(i) Mr. Pradip Manilal Kanakia has been appointed as Independent Non-Executive Director of the

Company with effect from February 10, 2022, for a period of 3 (three) years.

(j) Mr. Meghraj Arvindrao Gore, CEO of the Company has been appointed as Whole-time Director with effect from February 10, 2022 for a period of 3 (three) years.

The Company has received necessary approvals from the shareholders for the appointment of all the directors.

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 Strategy Committee of the Board for their review and inputs, and present the same for the consideration and approval of the Board. 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.

Post the Board meeting, we have a formal system for follow-up, review and reporting on actions taken by the management on the decisions of the Board and Committees of the Board.

C. Board Meetings

To enable the Board to use its time most effectively, it maintains a scheduled forward programme of 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 four times during the financial year 2021-22 viz., on June 17, 2021, August 12, 2021, November 11, 2021 and February 10, 2022. The gap between two meetings did not exceed 120 days and 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.

The Company uses the facility of video conferencing, permitted under Section 173(2) of the Act read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014. Due to the exceptional circumstances caused by the COVID-19 Pandemic and consequent relaxations granted by MCA and SEBI, all meetings in FY2021-22 were held through Video Conferencing ('VC').

The attendance of the Directors at the Board Meetings for the year ended March 31, 2022 is provided in the below table:

Sl. No.	Name	Position	Number of Board Meetings attended
1.	Dr. B. S. Ajaikumar	Chairman	4
2.	Dr. Sudhakar Rao	Member	3*
3.	Mr. Shanker Annaswamy	Member	3*
4.	Mrs. Bhushani Kumar	Member	0*
5.	Dr. Amit Varma	Member	0*
6.	Mr. Abhay Prabhakar Havaldar	Member	4
7.	Mr. Siddharth Patel	Member	4
8.	Mr. Amit Soni	Member	4
9.	Ms. Anjali Ajaikumar Rossi	Member	4**
10.	Ms. Geeta Mathur	Member	3**
11.	Mr. Rajagopalan Raghavan	Member	3**
12.	Mr. Jeyandran Venugopal	Member	2**
13.	Mr. Pradip Manilal Kanakia	Member	0**
14.	Mr. Meghraj Arvindrao Gore	Member	1**

* Ceased to be directors during the financial year 2021 – 2022

**Appointed as directors during the financial year 2021 – 2022

D. Appointment of Directors

In terms of Section 149 of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation at the Annual General Meeting. The Board of Directors of the Company have adopted a Policy for Appointment of Independent Directors and for determining their independence, in conformity with the provisions of the Companies Act, 2013 and Listing Regulations, which sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Independent Directors, determining their independence, tenure and criteria for making suitable recommendations to the Board for their appointment. 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://www.hcgoncology.com/policies-and-guidelines/.

Details of Directors proposed for re-appointment at the ensuing Annual General Meeting is provided in the Notice convening the Annual General Meeting.

E. 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://www.hcgoncology.com/policies-and-guidelines/. 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.

F. Criteria of selection of Directors

To ensure that a transparent Board nomination process is in place, that encourages diversity of thought, experience, knowledge, perspective, age and gender, the Board has adopted a Diversity Policy, formulated by the Nomination and Remuneration Committee, wherein it is expected that the Board has an appropriate blend of functional and industry expertise. Whilst recommending the appointment of a director, the Nomination and Remuneration Committee considers the manner in which, the function and domain expertise of the individual, could contribute to the overall skill-domain mix of the Board and is supported by the Group Human Resources in this regard.

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.

Key Competencies	Brief Description
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, 2022:

Name of the Director	Skills/Expertise/Competencies						
	Corporate Governance	Business/ Management Leadership Experience*	Personal values	Information Technology*	Functional and managerial Experience*	Industry/ Sector Knowledge*	Diversity
Dr. B. S. Ajaikumar	✓	✓	✓	✓	✓	✓	✓
Mr. Amit Soni	✓	✓	✓	✓	✓	✓	✓
Mr. Siddharth Patel	✓	✓	✓	✓	✓	✓	✓
Mr. Abhay Prabhakar Havaldar	✓	✓	✓	✓	✓	✓	✓
Ms. Anjali Ajaikumar Rossi	✓	✓	✓	✓	✓	✓	✓
Ms. Geeta Mathur	✓	✓	✓	✓	✓	✓	✓
Mr. Rajagopalan Raghavan	✓	✓	✓	✓	✓	✓	✓
Mr. Jeyandran Venugopal	✓	✓	✓	✓	✓	✓	✓
Mr. Pradip Manilal Kanakia	✓	✓	✓	✓	✓	✓	✓
Mr. Meghraj Arvindrao Gore	✓	✓	✓	✓	✓	✓	✓

* 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 above mentioned 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.

G. 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 June 11, 2021.

H. 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://hcgoncolgy.com/corporate/investor-relations/.

I. 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:

a) 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.

b) reimbursement of expenses for participation in Board/Committee meetings.

c) Independent Directors are not entitled to participate in the stock option schemes of the Company.

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

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

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

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

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

e) 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 signed an agreement containing the terms and conditions of employment, including their remuneration which includes both fixed and variable 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 and the period of notice to be given by or to the employee director, would depend upon the Cause due to which the employment agreement is terminated.

We also indemnify our directors and officers for claims brought under any rule of law to the fullest extent permitted by applicable law. Among other things, we agree to indemnify our directors and officers for certain expenses, judgements, fines and settlement amounts incurred by any such person in any action or proceeding, including any action by or in the right of the Company, arising out of such person's services as our director or officer, including claims which are covered by the Director's and Officer's Liability Insurance policy taken by the Company.

J. 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 2021-22. No stock options were granted to any of the Independent Directors and Promoter Directors during the year 2021-22. 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 2021-22:

(Rs. in Million)

Name of the Director	Dr. B. S. Ajaikumar	Ms. Anjali Ajaikumar Rossi	Mr. Meghraj Arvindrao Gore	Sudhakar Rao	Shanker Annaswamy	Abhay Prabhakar Havaldar	Amit Soni	Siddharth Patel	Geeta Mathur	Rajagopalan Raghavan	Jeyandran Venugopal	Pradip Manilal Kanakia
Salary	Fixed: 20.90 *Performance based: 05.00	Fixed: 7.18 *Performance based: 0.8	Fixed: 21.00 *Performance based: 10.00	Nil	Nil	Nil	Nil	Nil	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	Nil	0.65	0.71	0.77	Nil	Nil	0.59	0.47	Nil	Nil
Retirals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stock options (number of options)	Nil	Nil	10,00,000 (Stock Options have been granted in June 2021)	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.

*The performance criteria for the amount of variable incentive paid to Executive Directors is achievement of on-target performance metrics which shall be defined by the Board/NRC at their sole discretion and would be in accordance with the provisions of the Employment Agreement.

Note:

During the year, there were no loans and advances in the nature of loans to firms/companies in which Directors are interested and hence there is no disclosure in this regard.

There is no severance fees payable to any of the Directors.

K. Key Information pertaining to Directors as on March 31, 2022 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, 2021	No. of shares held as on March 31, 2022	Directorship in other listed entities **
1.	Dr. B. S. Ajaikumar DIN: 00713779	Promoter, Executive Director	07/03/2000	11	Nil	1	Yes	1,98,24,215	Nil
2.	Mr. Amit Soni DIN: 05111144	Non- Executive Nominee Director	28/07/2020	2	1	2	Yes	Nil	Nil
3.	Mr. Siddharth Patel DIN:07803802	Non- Executive Nominee Director	28/07/2020	2	Nil	Nil	No	Nil	Nil
4.	Mr. Abhay Havaldar DIN: 00118280	Independent Director	20/08/2020	2	Nil	2	No	Nil	Jubilant Foodworks Limited
5.	Ms. Anjali Ajaikumar Rossi DIN: 08057112	Executive Director	01/04/2021	2	Nil	Nil	Yes	1,000	Nil
6	Mrs. Geeta Mathur DIN: 02139552	Independent Director	17/06/2021	11	5	9	Yes	Nil	1. Motherson Sumi Wiring India Limited 2.Onmobile Global Limited 3.IIFL Finance Limited 4.IIFL Wealth Management Limited 5.NIIT Limited 6.Info Edge (India) Limited
7.	Mr. Rajagopalan Raghavan DIN: 03627923	Independent Director	12/08/2021	1	Nil	1	Yes	Nil	Nil
8.	Mr. Jeyandran Venugopal DIN: 07085479	Independent Director	11/11/2021	2	Nil	Nil	NA	Nil	Nil
9.	Mr. Pradip Manilal Kanakia DIN: 00770347	Independent Director	10/02/2022	8	1	1	NA	Nil	1. JM Financial Limited 2.Camlin Fine Sciences Limited
10.	Mr. Meghraj Arvindrao Gore DIN: 07505123	Executive Director	10/02/2022	2	Nil	Nil	NA	Nil	Nil

* 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.

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 six sub-committees of the Board as at March 31, 2022.

A. Audit Committee;

B. Risk Management Committee;

C. Nomination and Remuneration Committee;

D. Stakeholders' Relationship Committee;

E. Corporate Social Responsibility Committee; and

F. 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 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 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 INR 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://www.hcgoncology.com/charters-of-committees/.

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

As on March 31, 2022, all the members of our Audit Committee are Non-Executive Directors, of whom one Director is nominee Director and the remaining two are Independent Directors. The Chairman of Audit Committee has the accounting and financial management related expertise. Statutory Auditors as well as Internal Auditors hold independent meetings with the Audit Committee.

Audit Committee met four times during the year, i.e., June 16, 2021, August 10, 2021, November 10, 2021 and February 09, 2022.

The composition of the Audit Committee as on March 31, 2022 and the attendance at the committee meetings are given in the below table.

Name	Position	Number of meetings attended
Ms. Geeta Mathur	Chairperson*	1
Mr. Rajagopalan Raghavan	Member	1
Mr. Amit Soni	Member	4
Dr. Sudhakar Rao*	Chairman till December 21, 2021	3
Mr. Shanker Annaswamy*	Member till December 03, 2021	3

* Notes:

(i) Mrs. Bhushani Kumar, Independent Director was appointed as a member of the Audit Committee effective from June 12, 2020 and had continued to be a member of the Committee till May 28, 2021.

(ii) Dr. Sudhakar Rao has ceased to be a member of the Committee effective from December 21, 2021.

(iii) Mr. Shanker Annaswamy has ceased to be a member of the Committee effective from December 03, 2021.

(iv) Ms. Geeta Mathur, Independent Director, member of the Audit Committee was appointed as the Chairperson of Audit Committee effective from December 29, 2021. Prior to this, Dr. Sudhakar Rao was the Chairman of the Audit Committee.

(v) Mr. Rajagopalan Raghavan, Independent Director was appointed as Member of Audit Committee effective from December 21, 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) 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.

i) formulate criteria for evaluation of independent directors and the Board and carry out evaluation of every director's performance.

j) 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.

k) 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.

l) 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.

m) the Committee shall disclose the criteria for performance evaluation, as laid down by the Nomination and Remuneration Committee, in Company's Annual Report.

n) develop and recommend a policy on Board diversity.

The detailed charter of the Committee is available on our website at https://www.hcgoncology.com/charters-of-committees/.

The Nomination and Remuneration Committee works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience, within the organization and the Board, in an endeavor to introduce new perspectives, whilst maintaining experience and continuity.

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 financial year 2021-22. The meetings were held on June 11, 2021, August 11, 2021, November 09, 2021 and February 10, 2022.

The composition of the Nomination and Remuneration Committee and the attendance at the committee meetings during FY 2021-22 are given in the below table.

Name	Position	Number of meetings attended
Mr. Shanker Annaswamy	Chairman till December 03, 2021	3
Mr. Rajagopalan Raghavan*	Chairman	1
Mr. Siddharth Patel*	Member	4
Dr. B. S. Ajaikumar	Member	4
Mr. Abhay Prabhakar Havaldar	Member	4
Ms. Geeta Mathur	Member	1
Mr. Jeyandran Venugopal	Member	1

* Notes:

(i) Mr. Shanker Annaswamy has ceased to be a member of the Committee effective from December 03, 2021.

(ii) Effective from April 01, 2021, Mr. Abhay Prabhakar Havaldar, Independent Director and Dr. B. S. Ajaikumar, Executive Chairman were appointed as members of the Committee.

(iii) Effective from November 11, 2021, Mr. Rajagopalan Raghavan, Independent Director was appointed as member of the Committee and effective from December 29, 2021, Mr. Rajagopalan Raghavan was appointed as Chairman of the Committee.

(iv) Effective from December 29, 2021, Mrs. Geeta Mathur and Mr. Jeyandran Venugopal, Independent Directors have been appointed as members of the Committee.

C. Stakeholders' Relationship Committee

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

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

a) 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 share certificates, general meetings, etc.;

b) approve issue of duplicate certificates and new certificates on split / consolidation / renewal etc.;

c) approve transfer/transmission, dematerialization and rematerialization of equity shares in a timely manner;

d) 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;

e) review of cases for refusal of transfer / transmission of shares and debentures;

f) advice, guide and oversee the activities of the internal investor relations department;

g) review movement in shareholdings and ownership structure;

h) review of measures taken for effective exercise of voting rights by the shareholders;

i) 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;

j) 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;

k) perform any other function as required under (i) Securities and Exchange Board of India (Listing Obligations & 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;

l) perform and review investor satisfaction surveys;

m) consult with other committees of the Board, if required, while discharging its responsibilities; and

n) 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://www.hcgoncology.com/charters-of-committees/.

Stakeholders' Relationship Committee of the Board has met once during the year 2021-22, i.e., March 24, 2022.

The composition of the Stakeholders Relationship Committee and the attendance at the committee meetings during FY 2021-22 are given in the below table.

Name	Position	Number of meetings attended
Mr. Amit Soni	Chairman	1
Dr. B. S. Ajaikumar	Member	1
Mr. Abhay Havaldar*	Member	1

* Notes:

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

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, 2022 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 Committee has met twice during the financial year 2021-22 i.e., on June 10, 2021 and March 17, 2022.

The composition of the Corporate Social Responsibility Committee and the attendance at the committee meetings during FY 2021-22 are given in the below table:

Name	Position	Number of meetings attended
Dr. B. S. Ajaikumar	Chairman	2
Dr. Sudhakar Rao*	Member	1
Mrs. Bhushani Kumar*	Member	Nil
Mr. Siddharth Patel	Member	2
Mr. Jeyandran Venugopal*	Member	1

* Notes:

(i) Mrs. Bhushani Kumar has ceased to be a member of the Committee effective from May 28, 2021.

(ii) Dr. Sudhakar Rao has ceased to be a member of the Committee effective from December 21, 2021.

(iii) Effective from December 21, 2021, Mr. Jeyandran Venugopal, Independent Director was appointed as member of the Committee.

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 Committee has met four times during the financial year 2021-22. The meetings were held on May 10, 2021, August 05, 2021, November 10, 2021 and February 03 & 04, 2022.

The composition of the Committee and the attendance at the committee meetings during FY 2021-22 are given in the below table:

Name	Position	Number of meetings attended
Dr. B. S. Ajaikumar	Chairman	4
Mr. Siddharth Patel	Member	4
Mr. Amit Soni	Member	4
Ms. Anjali Ajaikumar Rossi	Member effective from April 01, 2021	4

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 composition of the Risk Management Committee and the attendance at the committee meetings during FY 2021-22 are given in the below table:

Name	Position	Number of meetings attended
Dr. B. S. Ajaikumar	Chairman	2
Mrs Geetha Mathur	Member	2
Mr. Raj Gore	Member	2

The Committee has met two times during the financial year 2021-22. The meetings were held on December 03, 2021 and March 18, 2022.

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.

(o) To oversee the incident management processes, procedures and actions to be taken to respond to and resolve critical incidents.

IV. Governance Through Management process

A. Code for Prevention of Insider Trading:

On December 31, 2018, Securities and Exchange Board of India amended the Securities and Exchange Board of India (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://www.hcgoncology.com/policies-and-guidelines/.

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://www.hcgoncology.com/policies-and-guidelines/. 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:

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.

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://www.hcgoncology.com/policies-and-guidelines/. 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 Listing Regulations.

D. Policy for Preservation of Documents:

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

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

Your Company has constituted an Internal Complaints Committee, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has a policy and framework for employees to report sexual harassment cases at workplace. The Company's process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization. The below table provides details of complaints received/disposed during the financial year 2021-22.

Number of complaints pending at the beginning of the financial year	1
No. of complaints filed during the financial year	4
No. of complaints disposed during the financial year	5
No. of complaints pending at the end of the financial year	0

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://www.hcgoncology.com/policies-and-guidelines/.

None of the Directors have 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 2021-22, 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. However, there was a delay of 10 days by the Company in filing the listing application for the allotment of equity shares on December 08, 2021. In this regard, both BSE and NSE have advised the Company to pay fine of Rs. 2,00,000 each excluding GST. Other than this, the Company has not been imposed with any penalty/fines in respect of non-compliance with regulations by Stock Exchanges 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 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 Private 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://www.hcgoncology.com/policies-and-guidelines/.

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 shares in respect of which dividend entitlements remained unclaimed for seven consecutive years and transferred from the Unclaimed Suspense Account to the IEPF: Nil

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

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

vi. 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.

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 clauses C and E therein.

I. The Company has not provided security and advances in the nature of loans to firms, limited liability partnerships, companies in which directors are interested or any other parties during the year.

J. Certificate by Practicing 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.

K. 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://www.hcgoncology.com/policies-and-guidelines/

L. 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, 2022.

Place: Bengaluru
Date: August 10, 2022

Dr. B. S. Ajaikumar
Executive Chairman

Raj Gore
Whole-time Director & Chief Executive Officer

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

The Day, date and time : Thursday, the 29th day of September 2022 at 4.00 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, 2021 – Twenty third AGM	September 29, 2021 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, 2020 – Twenty second AGM	September 29, 2020 at 3.00 PM		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	1. 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. 2. To approve increase in remuneration of Ms. Anjali Ajaikumar, VP – Strategy and Quality, relative of Dr. B. S. Ajaikumar, Whole-Time Director & CEO.

ii. Details of Special Resolutions passed in Extraordinary General Meetings/Postal Ballots during the last three years:

Date	Agenda
Extraordinary General Meeting held on June 24, 2019	Issue of equity shares on Preferential allotment/Private placement basis to Dr Kunnathu Philipose Geevarghese, for cash consideration
Postal Ballot completed on February 20, 2020	Re-appointment of Dr. Sudhakar Rao as an Independent Director of the Company
	Re-appointment of Mr. Shanker Annaswamy as an Independent Director of the Company
Postal Ballot completed on June 12, 2020	Increase of Authorized Share Capital of the Company and alteration of the Capital Clause of the Memorandum of Association of the Company
	Issue of equity shares on preferential allotment/private placement basis to Investors other than Promoters
	Issue of Warrants on preferential allotment/private placement basis to Investors other than Promoters
	Issuance of Warrants convertible into Equity Shares to Dr. B.S. Ajaikumar, Promoter on Preferential basis

Date	Agenda
Postal Ballot completed on September 25, 2020	Re-appointment of Ms. Bhushani Kumar (DIN:07195076) as an Independent Director of the Company
	Appointment of Mr. Amit Soni (DIN:05111144) as Non-Independent Non-Executive Director, nominee of Aceso Company Pte Ltd (Ordinary Resolution)
	Appointment of Mr. Siddharth Patel (DIN:07803802) as Non-Independent Non-Executive Director, nominee of Aceso Company Pte Ltd (Ordinary Resolution)
	Adoption of amended and restated Articles of Association
Postal Ballot completed on January 14, 2021	Reclassification of certain individuals from Promoters/Promoter Group category to public category

iii. Details of resolutions passed through postal ballot during Financial Year 2021-22 and details of the voting pattern:

The Company sought the approval of shareholders through notice of postal ballot during the Financial Year 2021-22 as detailed below:

Date of Postal Ballot Notice	Special/ Ordinary Resolution	Agenda	Date of announcement of results of Postal ballot
April 22, 2021	Special	Approval of HCG Employee Stock Option Scheme – 2021	May 24, 2021
	Special	Approval of grant of stock options to the employees of holding company and subsidiary company (ies) under HCG Employee Stock Option Scheme – 2021	
	Special	Amendment to the terms of employment, including remuneration of Dr. B.S. Ajaikumar, as a Whole-time Director, considering the change in role as Executive Chairman, effective from February 01, 2021 till June 30, 2023	
	Special	Appointment of Ms. Anjali Ajaikumar Rossi (DIN: 08057112) as Executive Director - Strategy of the Company	

Mr. V. Sreedharan, Partner of V Sreedharan & Associates, Practicing Company Secretaries, was appointed as the Scrutinizer 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	Approval of HCG Employee Stock Option Scheme – 2021	10,05,29,267	9,24,42,750	80,86,517	91.96	8.04
2	Approval of grant of stock options to the employees of holding company and subsidiary company (ies) under HCG Employee Stock Option Scheme – 2021	10,05,29,267	9,24,47,120	80,82,147	91.96	8.04
3	Amend the terms of employment, including remuneration of Dr. B.S. Ajaikumar, as a Whole-time Director, considering the change in role as Executive Chairman, effective from February 01, 2021 till June 30, 2023	8,21,28,006	8,17,15,566	4,12,440	99.50	0.50
4	Appointment of Ms. Anjali Ajaikumar Rossi (DIN: 08057112) as Executive Director - Strategy of the Company	8,21,28,006	8,17,10,420	4,17,586	99.49	0.51

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. The postal ballot notice is sent to shareholders as per the permitted mode wherever applicable. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013. After completion of scrutiny of votes, the scrutinizer submits his report to the Chairman and the results of voting by postal ballot are announced within 2 working days of conclusion of the voting period. The results are displayed on the website of the Company and communicated to the Stock Exchanges, Depositories, and Registrar and Share Transfer Agents. The resolutions, if passed by the requisite majority, are deemed to have been passed on the last date specified for receipt of duly completed postal ballot forms or e-voting. 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://hcgoncology.com/corporate/investor-relations.

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 Reports 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://hcgoncology.com/corporate/investor-relations.

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, 2021 to March 31, 2022. The company got its securities listed on BSE Limited and National Stock Exchange of India Limited on 30th March 2016.

E. Dividend

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

F. Unclaimed Dividends

The Company has not declared dividend in the previous years and hence no amount was due for transfer of 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

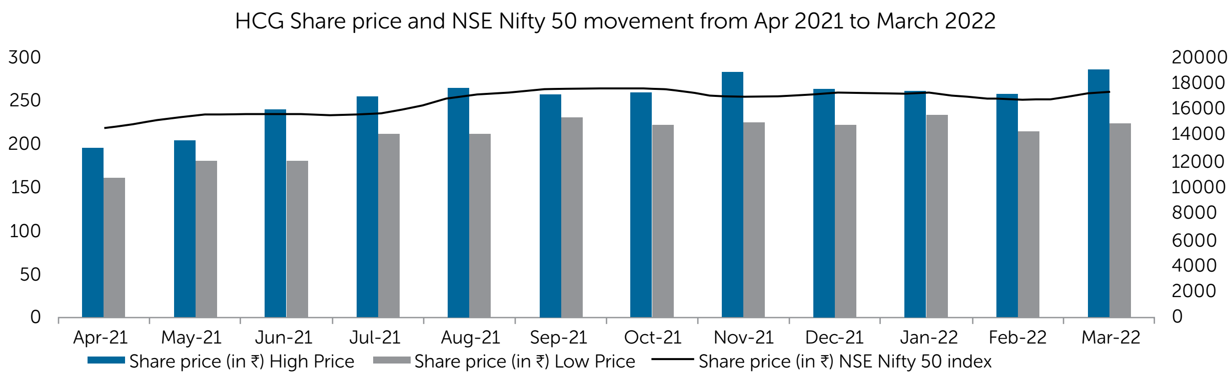
Distribution of shareholding as on March 31, 2022

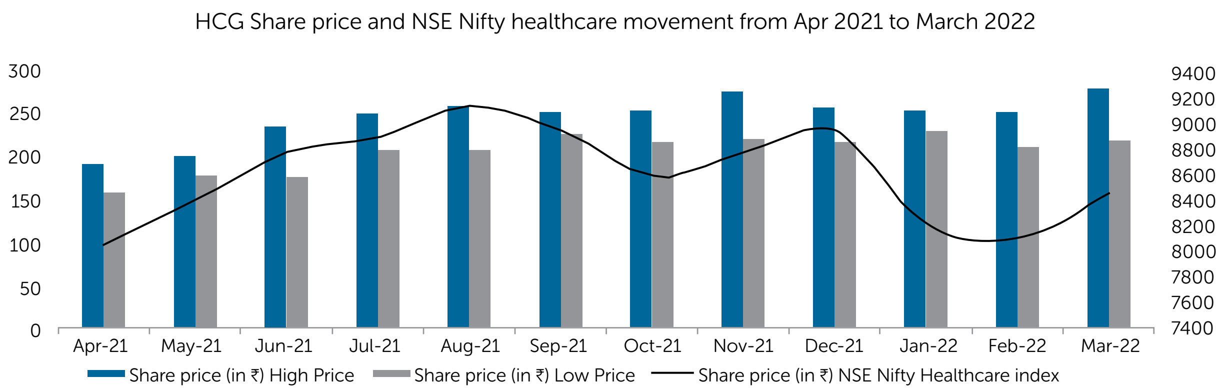
Sl No	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 – 500	2,936	88.48	1,842,400	1.33
2	501 – 1000	1,189	5.02	920,391	0.66
3	1001 – 2000	667	2.82	991,902	0.71
4	2001 – 3000	226	0.96	574,523	0.41
5	3001 – 4000	126	0.53	444,150	0.32
6	4001 – 5000	82	0.35	380,393	0.27
7	5001 – 10000	172	0.73	1,228,634	0.88
8	10001 and above	265	1.12	132,629,599	95.41
	TOTAL:	**23,663**	**100.00**	**139,011,992**	**100.00**

J. Share Price Data

i. National Stock Exchange of India Limited

Month	Share Price (INR)				Turnover (INR Million)
	Open Price	High Price	Low Price	Close Price	
Apr-21	192.4	195.0	161.3	177.6	318.3
May-21	182.0	204.6	180.9	182.8	426.0
Jun-21	187.0	240.0	180.6	226.7	1011.8
Jul-21	226.5	255.6	212.4	250.2	1806.3
Aug-21	257.0	264.8	212.5	239.5	1632.5
Sep-21	241.0	258.0	230.7	247.4	1241.6
Oct-21	245.9	259.5	222.3	225.6	574.6
Nov-21	225.5	282.4	225.5	253.1	1173.5
Dec-21	251.1	264.0	222.3	239.1	672.5
Jan-22	246.9	260.0	234.5	248.0	766.2
Feb-22	250.5	257.5	214.9	228.2	567.3
Mar-22	231.0	285.7	224.3	269.9	1285.2

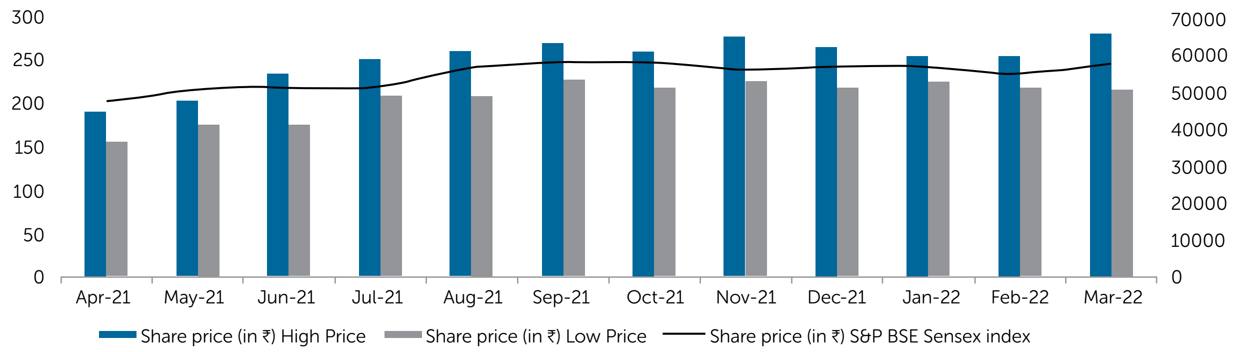




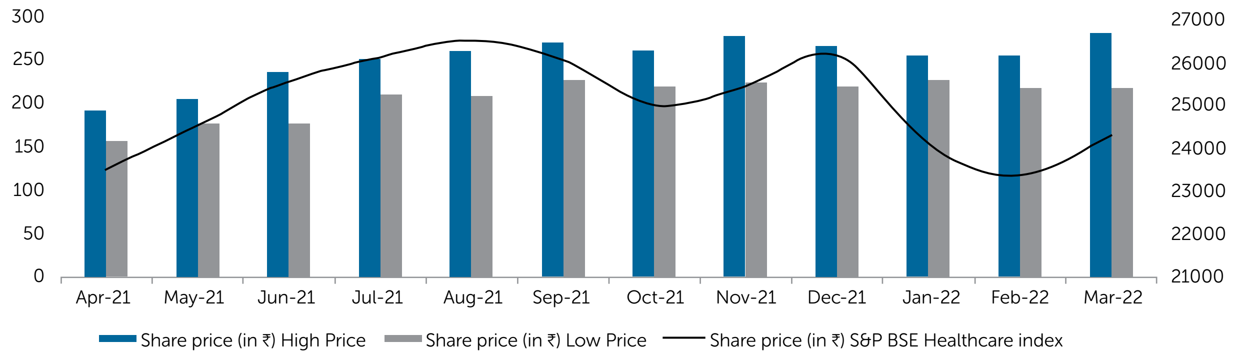
ii. **BSE Limited**

Month	Share Price (In INR)				Turnover (INR Million)
	Open Price	High Price	Low Price	Close Price	
Apr-21	192.4	195.0	159.2	176.8	30.7
May-21	180.0	208.0	180.0	182.6	43.2
Jun-21	184.3	239.9	179.7	223.6	87.3
Jul-21	225.4	255.6	213.0	250.0	129.4
Aug-21	255.0	264.8	212.8	240.1	93.3
Sep-21	241.1	274.5	231.2	246.6	80.7
Oct-21	255.0	265.0	223.2	224.7	95.2
Nov-21	231.6	282.6	229.4	253.2	105.2
Dec-21	255.0	270.0	223.2	239.1	63.3
Jan-22	246.7	259.5	230.0	247.7	58.0
Feb-22	248.0	260.0	221.8	228.4	78.1
Mar-22	221.1	285.1	221.1	269.9	97.4

HCG Share price and BSE sensex movement from Apr 2021 to March 2022



HCG Share price and BSE healthcare movement from Apr 2021 to March 2022



K. Shareholding pattern – Physical Vs DEMAT

The pattern of shareholding in physical and in DEMAT mode as on March 31, 2022 is as under:

Sl No	Description	Shares	% Equity
1	PHYSICAL	526,898	0.38
2	NSDL	129,351,523	93.05
3	CDSL	9,133,571	6.57
	Total:	**139,011,992**	**100.00**

L. Registrar and Transfer Agents

The Company's Registrar and Share Transfer Agent is M/s. KFin Technologies 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 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

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them.

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 confirm 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
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, e-mail: investors@hcgel.com

P. Credit Ratings

The Company has been rated A+ Stable for Long Term Debt and A1+ for Short Term Debt by ICRA.

Q. Details of utilization of funds raised through preferential allotment or qualified institutional 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 INR)	Consideration received (in INR)
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 (INR in Million)	Modified allocation, if any	Funds Utilised (INR 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	5,128	NIL	NA

During the year 2021-22, the consideration received on issue of securities on preferential basis is as described below:

Name of allottee	Type of securities	No. of securities	Issue price (in INR)	Consideration received (in INR)
ACESO Company Pte Ltd	Convertible Warrants allotted during 2020-21 and converted into equity shares during the year upon receiving balance consideration	1,15,03,468	130	112,15,88,130
Dr. B. S. Ajaikumar	Convertible Warrants allotted during 2020-21 and converted into equity shares during the year upon receiving balance consideration	20,00,000	130	19,50,00,000

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 (INR in Million)	Modified allocation, if any	Funds Utilised (INR 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	1316.588	NA	654.18	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.

(INR in million)

Payments to auditors	31 March 2022	31 March 2021
Audit fee excluding OPE and applicable taxes	11.95	8.8
Others	1.6	3.3
Total	**13.55**	**12.1**

S. Chairman and Managing Director / CFO Certification

The Executive Chairman, Whole-time Director & CEO and CFO have issued certificate pursuant to the provisions of Regulation 17 (8) of Listing Regulations 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.

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, 2022	% of shareholding post conversion of warrants
1.	Dr. B. S. Ajaikumar – Series B Warrants	Promoter	20,00,000	130	June 26, 2020	14.26	14.26*
2.	Aceso Company Pte. Ltd. - Series A Warrants	Promoter	1,15,03,468	130	July 28, 2020	56.69	56.69*

These warrants have been fully converted into equity shares during the year 2021-22.

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, 2022 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.

Place: Bengaluru	**Dr. B. S. Ajaikumar**	**Raj Gore**	**Srinivasa V. Raghavan**
Date: August 10, 2022	Executive Chairman	Wholetime Director and CEO	Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No : L15200KA1998PLC023489
Nominal Capital : Rs. 200 Crores

To
The Members,
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, 2022. 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.

For **V. SREEDHARAN & ASSOCIATES**

V. Sreedharan
Partner
FCS: 2347; CP No. 833

Date: August 10, 2022
Place: Bengaluru
UDIN: F002347D000770840
Peer Review Certificate No. 589/2019

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,
HEALTHCARE GLOBAL ENTERPRISES LIMITED
HCG Tower, No.8, P. Kalinga Rao Road,
Sampangi Rama Nagar, Bengaluru - 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, Bengaluru - 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, 2022 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).

Details of Directors:

Sl No	Name of Director	DIN	Date of appointment in Company
1.	Dr. Basavalinga Ajaikumar Sadasivaiah	00713779	14/07/2006
2.	Mr. Abhay Prabhakar Havaldar	00118280	20/08/2020
3.	Mr. Amit Soni	05111144	28/07/2020
4.	Mr. Siddharth Tapaswin Patel	07803802	28/07/2020
5.	Mr. Pradip Manilal Kanakia	00770347	10/02/2022
6	Ms. Geeta Mathur	02139552	17/06/2021
7.	Mr. Rajagopalan Raghavan	03627923	12/08/2021
8.	Mr. Jeyandran Venugopal	07085479	11/11/2021
9.	Mr. Meghraj Arvindrao Gore	07505123	10/02/2022
10.	Ms. Anjali Ajaikumar Rossi	08057112	01/04/2021

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.

For **V. Sreedharan & Associates**

V. Sreedharan
Partner
FCS: 2347; CP No. 833

Date: August 10, 2022
Place: Bengaluru
UDIN: F002347D000770873
Peer Review Certificate No. 589/2019

Management Discussion and Analysis (MDA)

Indian Healthcare Market

The healthcare market in India is of one of the largest sectors and has drawn attention more than ever both from public and private service providers post Covid-19 pandemic. It 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-centres, Primary Health Centres (PHCs), and Community Health Centres (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 $372 billion in 2022[1]. 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.

Covid-19 pandemic- Wave 2 and Vaccination Drive

FY 2021-22 was a follow-up year 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. India witnessed Covid-19 wave 2 in April 2021 and lasted for almost 3-4 months. This time the impact was severe, and casualties were much more. The Indian healthcare ecosystem was not adequately prepared to fight a crisis of this magnitude. Inadequacy in medical facilities were exposed and the entire healthcare system witnessed lack of medical supplies, oxygen, ventilators etc. However, both government and private healthcare providers stepped up to treat the affected patients.

India underwent one of the world's largest coronavirus immunization drives with the approval of two vaccines from Serum Institute of India and Bharat Biotech. It also allowed some foreign vaccine providers to inoculate its citizens for faster coverage of its population.

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 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 INR 5 lakh. The scheme is designed to cover economically weaker sections of society and strives to serve more than 50 crore Indians[2].
- **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 INR 64,180 crore, to be implemented over the next 6 years. The scheme aims to increase

[1] India Brand Equity Foundation: Indian Healthcare Industry Analysis
[2] https://pmjay.gov.in/about/pmjay

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. The Indian telemedicine market stood at US$1.3 billion in 2021 which is further forecasted to reach US$7.1 billion in 2026. GOI has promoted various initiatives to boost technology adoption in healthcare system; launched Ayushman Bharat Digital Mission (ABDM) and eSanjeevini, 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 dollars. The diagnostics market is projected to expand at a growth rate of 20.4 percent, reaching $32 billion by 2022[3]. Moreover, by 2025, the Indian government intends to expand public health investment to 2.5 percent of the country's GDP[1].

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 year. The disease is responsible for almost 1 in every 6 deaths around the world[4]. 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 factor's contributing 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 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 2019[5]. The oncology drugs industry is projected to shrink by 11 percent in 2020, from $167.9 billion in 2019 to $149.9 billion in 2020. 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. Oncology services have experienced severe implications after the pandemic in 2020. COVID-19 also delayed clinical trials for oncology drugs, production had been suspended in many parts of the world due to the lockdown and this has triggered supply chain issues of massive proportions. However, post successful vaccination drive across the globe, the oncology industry has returned to normalcy.

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 extreme.

[3] Ohttps://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

[4] https://www.who.int/news-room/fact-sheets/detail/cancer

[5] 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

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 2018. In 2018, it was reported that India's cancer prevalence has more than doubled in comparison to the previous 26 years.

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, cervica

In 2022, around 19-20 lakh new cancer cases are estimated to be reported in India. However, real incidence of cancer is conservatively estimated to be 1.5-3 times higher than the reported incidence from cancer registries.

Incidence across Countries

India faces a grave challenge of high cancer incidence which is growing at a faster pace as compared to other developing countries

According to the 2020 WHO ranking on cancer burden, India ranks at the 3rd position after China & USA, respectively, in terms of new yearly cancer incidence being reported.

Based on the historical growth in reported cancer incidence (CAGR of 5% between 2012-16), India's cancer incidence crude rate is estimated to be 122 per lakh population and age-specific incidence (ASR-W*) rate is estimated to be 116 per lakh population in 2020.

Considering growth in population and crude rate, India's cancer incidence is estimated to be growing at a CAGR of 6.8% (2015-20) which is significantly higher than other developing countries such as China (1.3%) (which has a comparable population size), Brazil (4.5%) and Indonesia (4.8%) as well as developed countries such as UK (4.4%).

Head and Neck, Gastrointestinal and Lung contributes to 50% incidences in males and Breast, Cervix uteri and Gastrointestinal organs in case of females. Head and Neck, Prostate and Ovarian cancer are growing at a faster pace than other cancers.

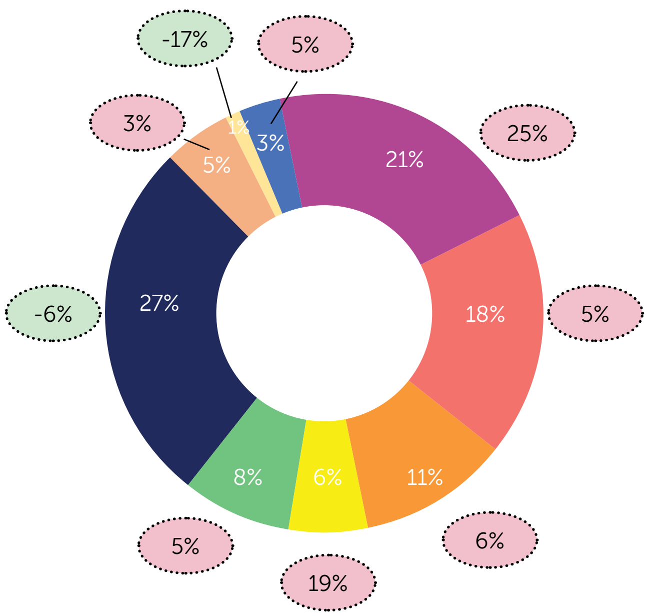
- Out of ~14 lakhs Cancer cases in 2016 based on published estimates from national cancer registries, males contributed to 49% (47% in 2012) and females contributed to 51% (53% in 2012)
- Cancers of the Head and Neck and Gastro-intestinal organs constitute 21% and 18% respectively for males and 6% and 11% respectively for females out of the total incidence across the respective genders (refer chart 2 below for gender wise and organ wise incidence)
- Cancers of the Head and Neck are growing at highest overall CAGR (12-16) of 23% (CAGR of 25% in males vs 16% in females). In males, it is followed by Prostate cancer at 19% while in females by ovarian and lung cancer at ~11%
- Breast cancer is the highest contributor (29%) to total incidence among females in India in 2016 and the incidence has been rising among women at high CAGR of 8% between 2012-16

Organ-wise incidence proportion to overall cancer incidence

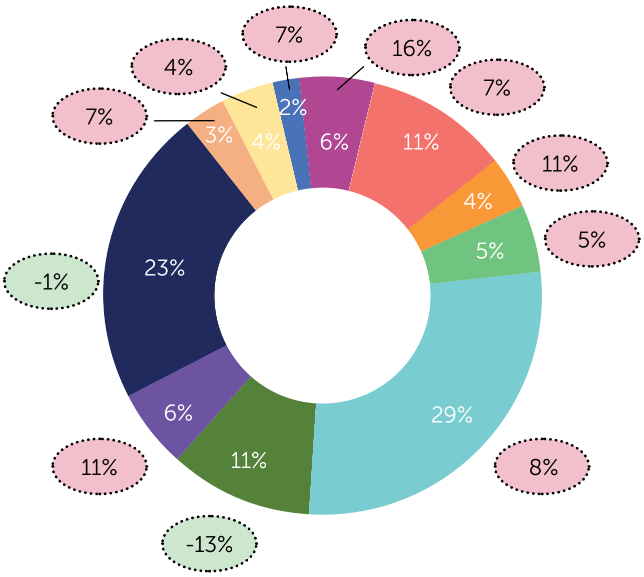
Head and Neck* | Gastro intesinal** | Lung
Leukemia*** | Breast | Cervix uteri
Others# | Oesophagus | Thyroid
Prostate
Ovary
Brain

Increase in CAGR 2012-16
Decrease in CAGR 2012-16

Organ wise incidence proportion to total cancer cases, 2016: Males



Organ wise incidence proportion to total cancer cases, 2016: Females



*CAGR for Leukaemia, Thyroid, and Brain are from 2015-16
*Head and Neck includes tongue, mouth, hypopharynx and larynx
**Gastro-intestinal organs include stomach, rectum, colon, liver and gall bladder
***Leukemia includes NHL, Lymphoid and Myeloid Leukemia
Others include cancers of the urinary tract, corpus uteri, etc.
Source: NCRP annual report, 2020, Globocan 2012

- Cervix Uteri, which was one of the top contributing cancers in female (23% in 2012 compared to 11% in 2016) has seen a significant reduction with negative CAGR of 13% (2012-16) driven by screening, awareness programs and preventive measure

The issue of high disease burden is compounded with late-stage detection caused mainly due to lack of awareness and poor screening programs

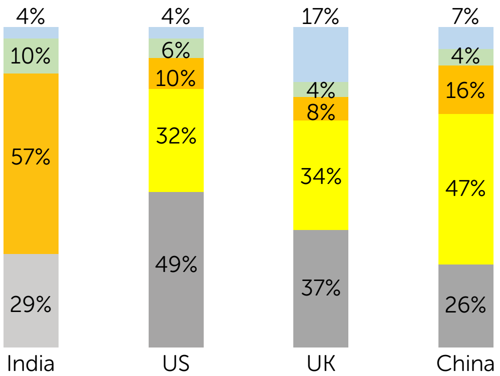
India has a poor detection rate across major cancer sites with only 29% & 15% of breast and lung cancers being diagnosed in stages 1 & 2, respectively, which is significantly lesser than that in China, UK and US (refer chart 6).

This is one of the reasons for high mortality rate for cancers in India when compared to developed countries such as USA & UK where early diagnosis has been a key reason for reduced mortality.

% of cases diagnosed at the following stages:

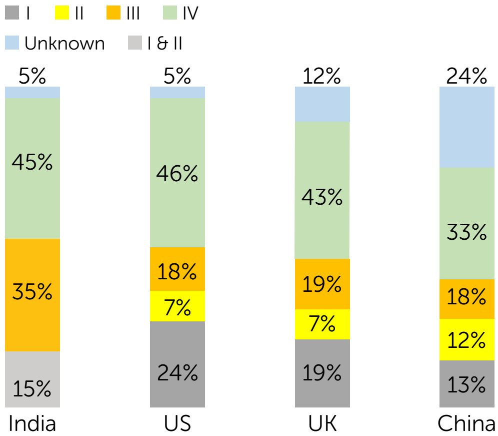
I II III IV
Unknown I & II

Breast cancer



Country	Year of initiation of screening program	Participation rate*
US	1995	94%
UK	1988	88%
China	2009	43%
India	2016	7%

Lung cancer



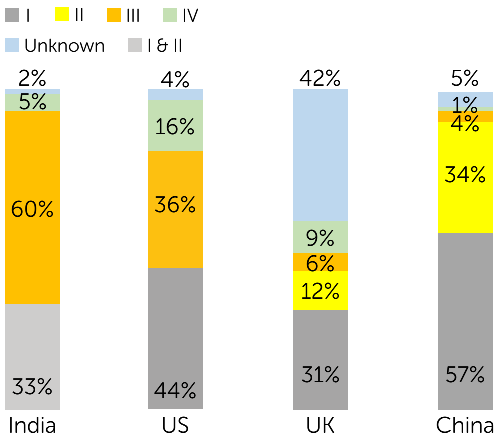
Country	Year of initiation of screening program	Participation rate*
US	2011	32%
UK	2013	30%
China	2012	22%
India	Yet to start at country level	~

*Percentage of eligible women (30-69 years) who have a screening mammogram at least once in 24 months. Data for the UK for 2019 and the US, China for 16-17; and India for 2016. WHO's screening programs short guide for UK, SEER registry for USA, Chinese national cancer registry for China & International Cancer Screening Network, Ministry of Health and Family Welfare. 2020-21 Annual Report for India

*Percentage of eligible population (50-80 years) who have LCDT screening. Data for the UK for 2019 and the US and China for 16-17; and India for 2016. Source: National library of medicines for UK for UK, Canters for Medicare & Medicaid Services for USA, Edelman Saul, E., Guerra, R.B., Edelman Saul, M. et al for China

^Effective coverage: The proportion of eligible women (15-49 years) who report having had a pelvic exam and Pap smear in the past three years; #Crude coverage: The proportion of women (15-49 years) who report having had a pelvic exam (regardless of when the exam occurred).

Cervix Uteri cancer

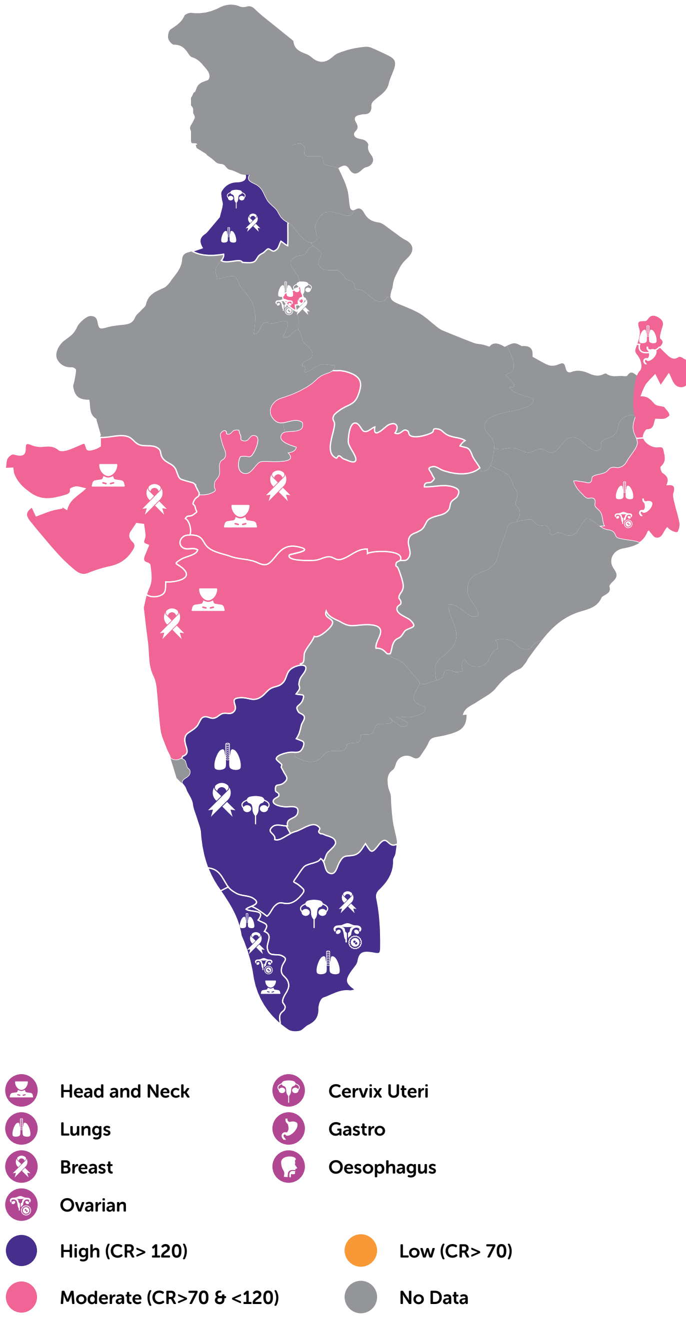


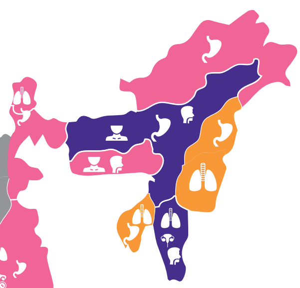
Country	Year of initiation of screening program	Effective Coverage^	Crude Coverage#
US	1991	74%	91%
UK	1988	71%	89%
China	2009	~23%	~55%
India	2007	~1.2%	~30%

Within India, out of the 17 states covered by population-based cancer registries (PBCRs), 13 states exhibit a rising cancer burden

Among all states and UTs covered by population-based cancer registries (PBCRs), Kerala, Mizoram, Tamil Nadu, Karnataka, Punjab, and Assam report the highest overall crude incidence rates of cancers (above 130 cases per lakh population) and have 23% share of the total cancer burden of the country

Tamil Nadu, Karnataka, Punjab, and Maharashtra are the states where the crude incidence rate among females is significantly higher than male cancer incidence. Conversely, for Assam, Meghalaya & Nagaland, the crude incidence among males is much higher than female cancer incidence.





Source: NCRP annual reports, EY analysis

Key state wise projected crude Incidence per lakh population (2020) and CAGR trend

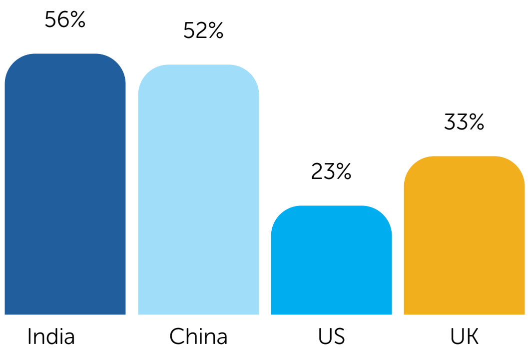
State/UT (No. of Registries)	Crude rate per lakh population					
		Overall		Male		Female
Kerala (2)	↑	181.6	↑	188.7	↑	175.4
Karnataka (1)	↑	151.7	↑	132.3	↑	172.6
Tamil Nadu (1)	↑	148.6	↑	135.4	↑	161.5
Punjab (1)	↑	144.0	↑	126.4	↑	163.7
Mizoram (1)	↑	141.7	↓	143.5	↑	139.9
Assam (3)	↑	138.6	↑	151.6	↑	125.8
Delhi (1)	↓	113.5	↓	111.7	↓	115.5
Maharashtra (6)	↑	97.2	↑	88.8	↑	106.2
Arunachal Pradesh (2)	↓	94.1	↓	91.0	↓	97.1
West Bengal (1)	↓	87.9	↓	94.1	↓	81.4
Madhya Pradesh (1)	↑	87.8	↑	85.3	↑	90.4
Gujarat (1)	↑	85.8	↑	92.6	↑	78.2
Meghalaya (1)	↑	79.5	↑	100.7	↑	58.4
Sikkim (1)	↓	70.5	↓	67.8	↓	73.5
Tripura (1)	↑	68.5	↑	76.7	↑	60.0
Nagaland (1)	↑	68.2	↓	74.1	↑	61.9
Manipur (1)	↑	56.2	↑	50.8	↑	61.6

The challenge of rising disease burden is further compounded by poor outcomes compared to global counterparts across all major organ types

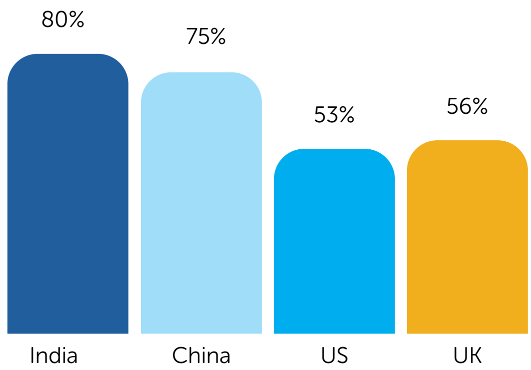
While at one hand incidence is rising, the mortality to incidence ratio for different cancer types in India is among the poorest compared to global counterparts. India has sub-optimal mortality to incidence ratio across almost all organ types compared to China, US and UK. Late-stage detection is one of the key factors impacting quality of outcomes in India compared to other countries

Mortality to Incidence ratio comparison across countries

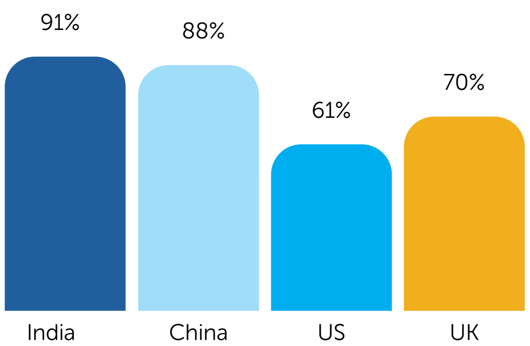
Head & Neck



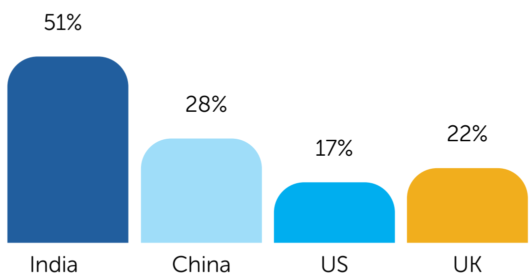
Gastrointestinal



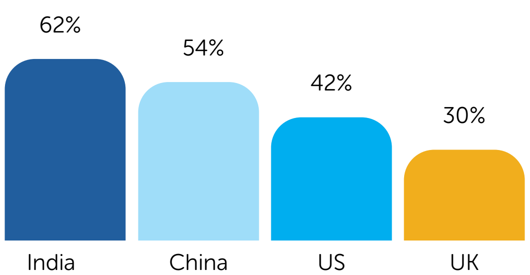
Lung



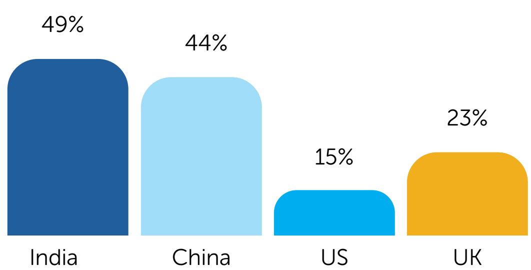
Breast



Cervix Uteri



Prostrate



Source: NCRP Annual report 2020, Global Cancer Observatory, 2020

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.

- **Genomic guided 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 promises much better outcome for the cancer 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 ground-breaking 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.
- **Adaptive Radiation Therapy:** Through this new technology the treatment is adapted to account for internal anatomical changes as some organs in the body that require radiation therapy can change in size and shape over the days and weeks that a course of treatment can take
- **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.

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[6].

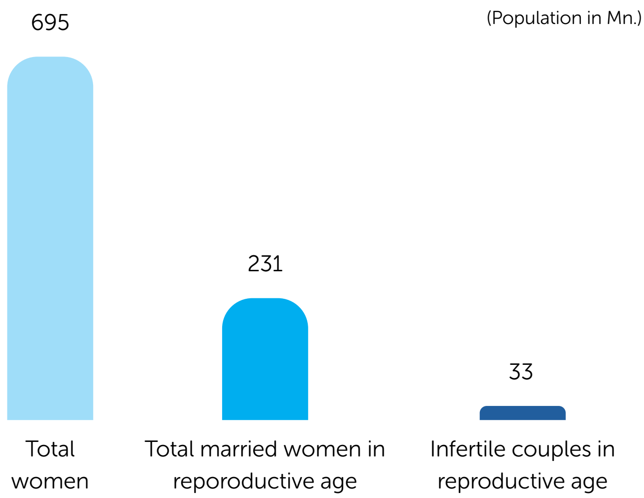
Infertility is among the most prominent health issues faced by many young couples around the world. In India too, it has become a grave problem in recent years. Sedentary lives with little or no physical exercise, increasing stress levels, erratic sleep patterns and unhealthy lifestyle choices are some 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.

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.

India is witnessing a high burden of infertility, with an estimated 32 to 34 million couples in the reproductive age suffering from lifetime infertility in 2021

Prevalence of Lifetime Infertility in India, 2021

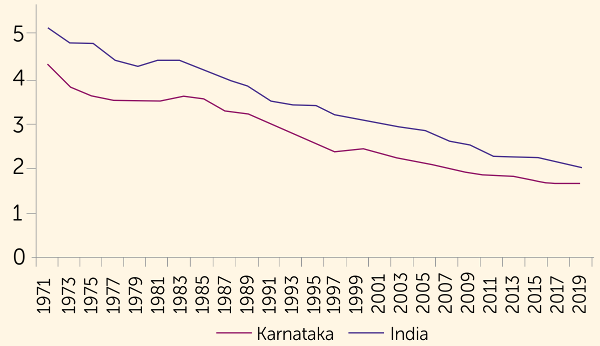


Source: Primary interviews with KOLs and leading pharmaceutical companies, Census of India 2001 and 2011, EY analysis, PLOS Medicine - Infertility trends since 1990 (December 2012)

[6]https://www.macrotrends.net/countries/IND/india/fertility-rate#:~:text=The%20fertility%20rate%20for%20India,a%201.37%25%20decline%20from%202017.

Decline in fertility rates is being witnessed over the last few years driven by higher prevalence of contraceptive use and increasing effective age at marriage

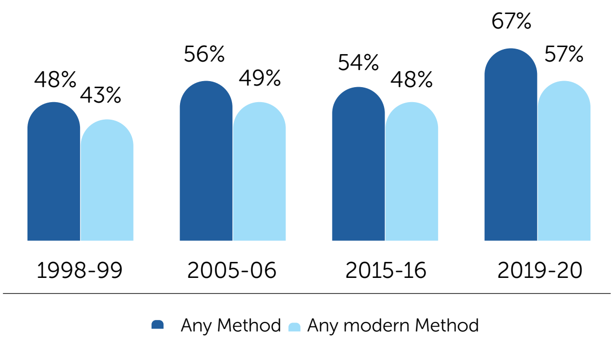
Toral fertility rate (Avg. number of births per women, 15-49 years



Source : National Family Health Survey (NFHS) Reports and Census

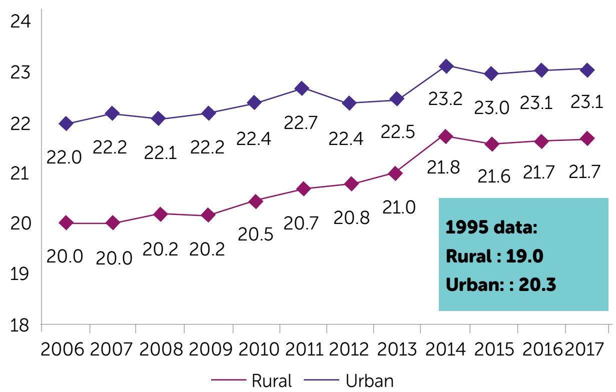
- **Total fertility rate (TFR),** the average number of children that would be born to a women if she experiences the current fertility pattern throughout her reporoductve span (15-49 years), **has seen a steady decline from 3.8 in 1990 to 2.1 in 2019**.
- Further, TFR in Andhra Pradesh has declined from 2.7 in 1990 to 1.6 in 2019.
- The key factors that have contributed to this decline include:
  - **Increasing prevalence of contraceptive use** from ~48% in 1998-99 to ~67% in 2019-20
  - **Rising effective age of women st marriage** in the period 2006-2017 from 20 years to 21.7 years in rural areas and from 22 years in urban areas.

Percentage of contraceptive prevalence (both genders) (% of married women aged 15-49 years)



Source : National Family Health Survey (NFHS) Reports and Census

Mean age of women st marriage - Rural and Urban

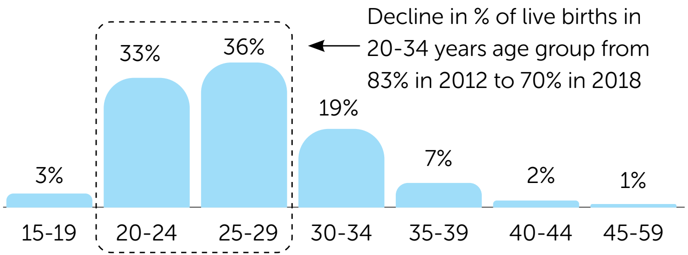


Source : Health and Family Welfare Statistics in India 2019-20

In 2020, an increase in the proportion of women in the reproductive age (20-44 years), coupled with a skew towards those aged between 30-44 years has resulted in an increase in infertility prevalence

- In 2018, **~70% of live births** occurred among married women in the **age-group between 20-29** vis-à-vis **83%** in 2012
  - **Fertility rates in women aged 30-49 are significantly lower than that of women aged 20-29 years**
- Demographic changes in the population are forecast to **increase the percentage of women in the reproductive age (20-44 years) by ~14%** between 2010 to 2020
  - The increase in the proportion of women is **skewed towards those aged 30-44 years,** and is forecast to increase by ~20% between 2010 to 2020. This shift is likely to increase the burden of infertility in India by 2020.
- Assuming the marital rate in 2021 is similar to the decadal growth rate observed between 2001 and 2011, **the number of couples in reproductive age group (20-44 years) has increased from 193 million in 2011 to 231 million by 2021** (Source: Census data)

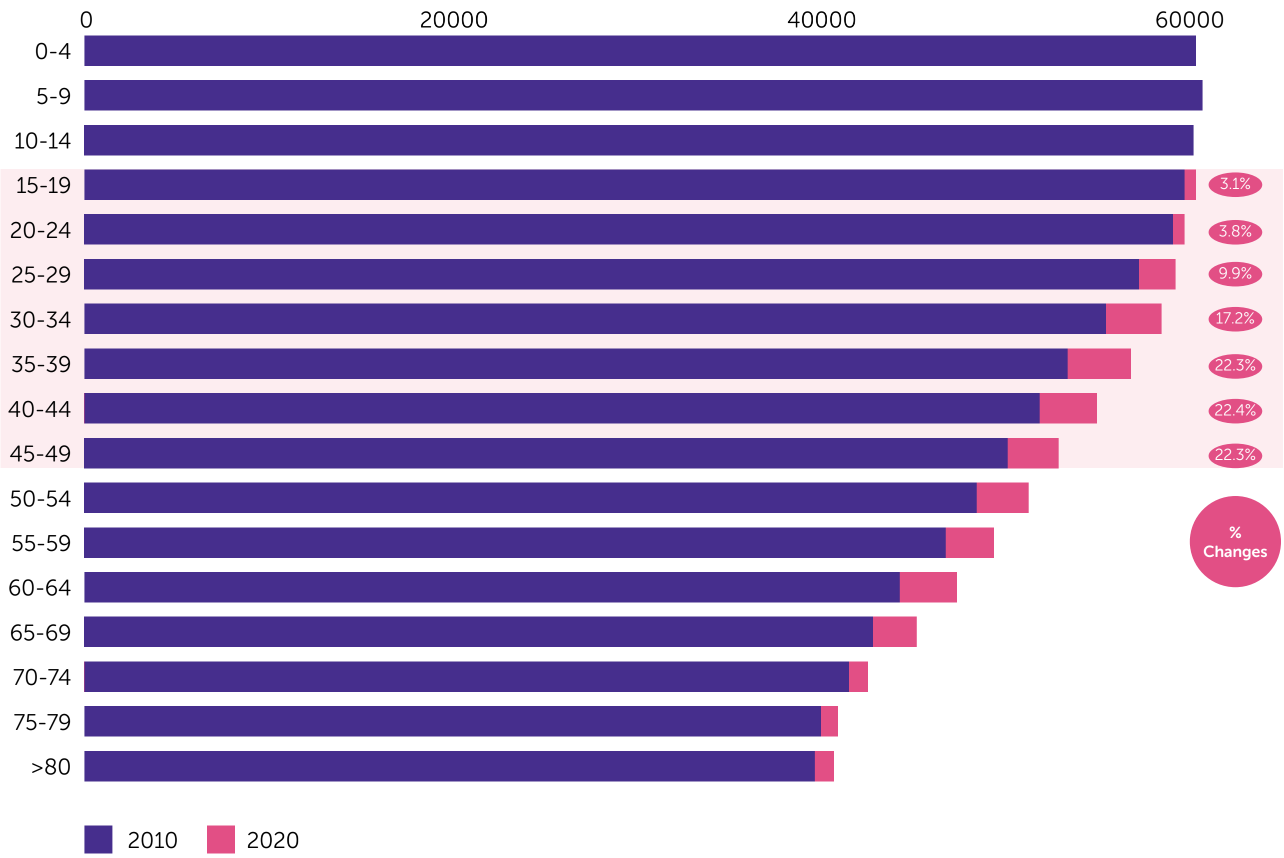
Percentage of live births per age-group (based on age-specific marital fertility rate, 2018)



Age in years. women

Source: Sample registration survey 2018

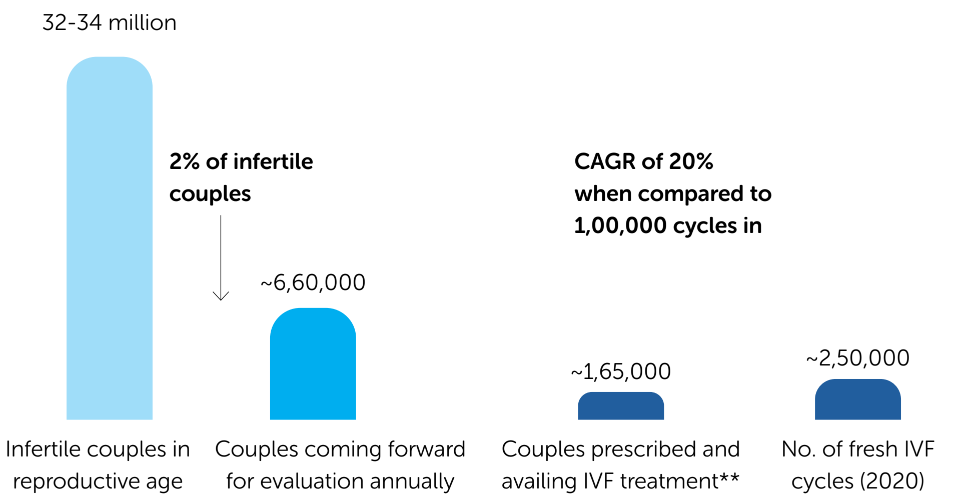
Age-specific demographic change in female population (000s)



Source: World populations prospects, 2012 revision

Current Infertility market in India (No. of fresh cycles): Current market for infertility is estimated at ~2,50,000 in-vitro fertilization (IVF) cycles with a 2% penetration rate which is low when compared to other countries

Current Infertility market in India (No. of fresh cycles)



**In addition ~40,000 frozen embryo transfer cycles have been estimated to be performed in 2020

Source: Primary interviews with KOLs, leading pharmaceutical companies, IVF specialists, data analysis of a leading IVF centre, EY analysis

12%-15% prevalence of infertility in India	**2%** of the total infertile couples currently seek infertility treatment	**20%-25%** of the total couples registering at an infertility centre undergo IVF **~1.5 IVF** cycles performed per couple (80% couples go for 2 cycles)	With **4-9%** couples coming forward for treatment annually as observed in developed nations, IVF cycles would be 2X-4X higher than current levels

Potential IVF market in 2027: With more infertile couples coming forward for treatment, the IVF market is estimated to grow by ~10-15% to 5-6 lac cycles by 2027.Between FY15 to FY22, share of organized players (corporate IVF chains and large doctor setups) has grown from 25% to ~45-50%; shift in share from un-organized to organized players expected to continue largely driven by increased regularisation of the sector with implementation of ART bill as well as shift in patient preference towards organised players post COVID

Risk factors leading to high prevalence of infertility

1	PCOS	• PCOS incidence in India reported to range between -4% to 23% • Mean global prevalence rate of 5% to 10%
2	Endometrial Tuberculosis	• 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	• Prevalence of obesity in men has increased from 17% (2010) to 20% (2014) • Increased from 11% (1998) to 25% (2014) in women
4	Tobacco	• Tobacco prevalence in India estimated at 17% • Approaching the levels of use in the UK (21%) and the US (19%)
5	Alcohol	• Overall alcohol consumption per capita increased from 3.6 liters in 2005 to 4.3 liters in 2010
6	STD	• High prevalence of STDs • Estimated to range between 10-34%

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 centres scale, presence as well as in terms of revenues and new patient registrations.

Our Business

Oncology

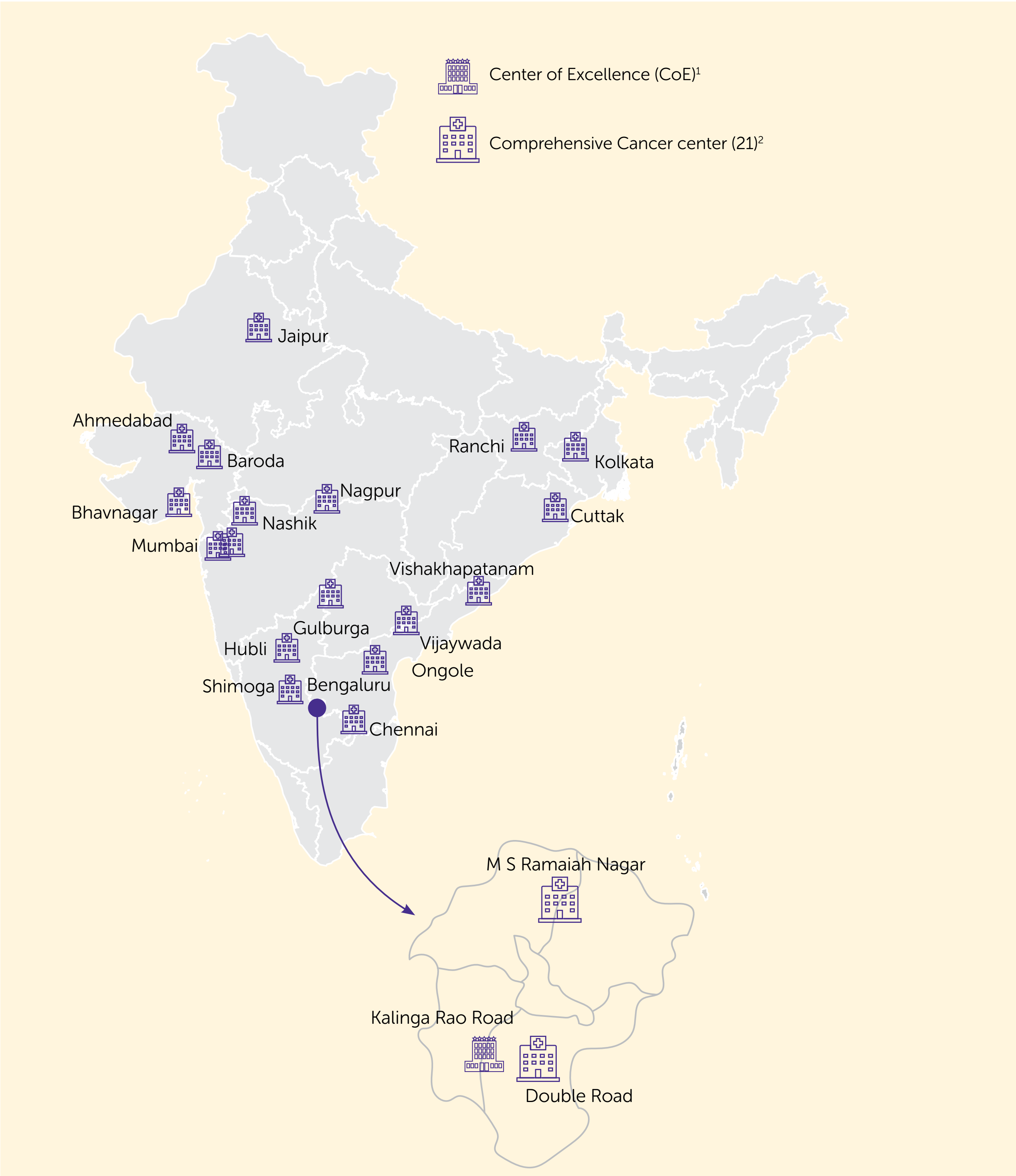
HCG adding life to years

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 31, 2022, our HCG network consisted of 22 comprehensive cancer centres, including 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). Our freestanding diagnostic centres and our day care chemotherapy centre offer diagnosis and medical oncology services, respectively.

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 early.

HCG's Cancer Care Network in India



Each of our comprehensive cancer centres offers, at a single location, comprehensive cancer diagnosis and treatment services including radiation, medical oncology and 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

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 acquired equity stake from our erstwhile partner CDC and currently own 100% equity stake in HCG Africa through which we operate Cancer Care Kenya which is a dedicated cancer care facility.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 centres 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
The Fertility Specialists

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).

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 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.

Precision Diagnostics

Triesta
Sciences
Precision Diagnostics

Triesta Sciences is an integrated speciality diagnostics vertical of HCG with end to end capabilities in precision medicine through proprietary analytics, clinical research, genomic technologies, assay development and validation and a network of laboratories offering a broad menu of tests. HCG acquired labs and clinical trials business from Strand Life sciences as well as simultaneous divestment of its ~38.5% stake (on paid-up capital basis and 34.5% on fully diluted basis) in Strand to Reliance Strategic Business Ventures Limited. HCG received consideration of ~INR 157cr for sale of its ownership in Strand and acquired labs and clinical research business through a Business Transfer Agreement (BTA) from Strand for a consideration of ~INR 81 Crore with a set-off of ~INR 7 Crore towards receivables. The transactions resulted in net cash inflow of ~INR 83 Crore for HCG in addition to the take-over of the labs and clinical research business.

Triesta Sciences, operated as the diagnostic unit of the Company 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.

Triesta offers proprietary data analytical engines for research and clinical applications for genomic testing. Triesta 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. Triesta 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, Triesta 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.

As part of clinical diagnostics, Triesta offers precision tests like 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.

Multispecialty

HCG
adding life to years

HCG operates three multi-speciality hospitals, two under "HCG" brand in Ahmedabad, and Rajkot, in the state of Gujarat and one in Hubli in the state of Karnataka under the name "Suchirayu Hospital"

HCG Multispecialty in Ahmedabad, Rajkot and Hubli are tertiary care hospitals with 103, 60 and 118 beds respectively, as of 31 March 2022. 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, is a multi-speciality tertiary hospital. With 118 operational beds and capacity to go to 250 beds, the hospital offers state of the art facilities and infrastructure in the region. We acquired 60.9% stake in Suchirayu Health Care Solutions Limited during the year thereby becoming a majority stake owner of the Company at 78.6%.

We also acquired 26% stake in in HCG Sun Hospitals LLP, consequent to the retirement of Shiv-Sun Medical Services LLP, minority partner, pursuant to which the Group holds 100% interest in HCG Sun Hospitals LLP. Multispecialty hospital in Rajkot is run by HCG Sun Hospitals LLP.

Hospital Network

Existing HCG cancer centres in India

As of March 31, 2022, we operate a network of 22 comprehensive cancer centres across nine states in India and 1 centre in Nairobi, Kenya. All of these centres are owned and operated by the Company, with some of the centres in joint-venture with oncologists or healthcare groups where majority ownership is with the Company. The following table sets out our existing comprehensive cancer centres as on the date of this report and their facilities and service offerings:

Location of the comprehensive cancer centre	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	48	1	3	-	Yes
Shimoga[1]	2003	47	1	3	-	Yes[10]
Bengaluru - Kalinga Rao Road[2]	2006	194	3[7]	7	2	Yes
Bengaluru - MS Ramaiah Nagar	2007	33	1	1	1	Yes[10]
Hubli	2008	31	1	2	1	Yes[10]
Gulbarga	2016	43	1	3	-	Yes

Location of the comprehensive cancer centre	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
Gujarat Cluster						
Ahmedabad[1]	2012	90	2	5	1	Yes
Baroda[1]	2016	63	1	3	1	Yes
Bhavnagar	2018	87	1	3	-	Yes
East India Cluster						
Ranchi	2008	74	1	3	-	Yes
Cuttack	2008	116	2	3	1	Yes
Kolkata[1]	2019	49	1	2	1[4]	Yes
Maharashtra Cluster						
Nashik[1]	2007	95	1	2	1	Yes
Borivali[1]	2017	63	1	5	1	Yes
Nagpur[1]	2017	63	1	4	1	Yes
South Mumbai	2019	25	2[7]	2	1	Yes
Nashik Phase II[1]	2018	75	2	5	1	Yes
Andhra Pradesh Cluster						
Vijayawada	2009	75[5]	3	4	-	Yes
Ongole	2012	30[6]	1	2[9]	-	Yes
Vishakhapatnam	2016	50	1	2	1	Yes
Others						
Chennai	2012	5	1	-	-	Yes[10]
Jaipur	2018	65	2	2	-	Yes

Notes

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

As of March 31, 2022, we also had two freestanding diagnostic centres, of which one is located in Chennai and another in Vijayawada. Our freestanding diagnostic centres are equipped with PET-CT scanners and provide radiology and diagnostic services. We established some of these centres under partnership arrangements.

HCG cancer centres under development in India

New Centres

As on the date of this report we are in the process of establishing 1 new cancer Centre in Bangalore which is an extension to our Centre of Excellence and would primarily cater to cancer diagnostics, day-care radiation and chemotherapy services with limited surgical services. In addition, we are expanding our Centre in Ahmadabad with additional beds, OT's and associated facilities.

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

Location of new cancer care centres under development	Facilities and Services				
	Number of Beds	Number of RT-LINACs	Number of Operation theatres[3]	Number of PET- CT Scanners	Laboratory
Bangalore (Whitefield)	20	1	2	1	Yes
Ahmedabad	150	-	7	-	-

Milann Centres

The following table sets out our existing Milann fertility centres as of March 31, 2022 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 centre in Whitefield launched to strengthen presence and market share in Bengaluru region achieved break-even and continued to ramp-up.

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 equipment's, 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 other skilled 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.

The above risks can be considered as potential threats to the business of the Company. For information on opportunities, please refer to Industry section of the Management Discussion and Analysis Report.

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

Financial Year 2021-22 ("Fiscal Year" or "FY"), even-though started with rising COVID cases, travel restrictions and lockdowns on account of 2nd wave of the pandemic, HCG was well prepared to handle and was not only able to maintain continuity of treatment for cancer patients through usage of technology systems, but also ensured the highest quality of care. HCG also stood strong against COVID by conducting vaccination drives across the country.

The last six years as a publicly listed company, we have seen a sustained growth in footfalls and revenues. Our new patient registration has almost doubled since 2018 and we currently are above 100,000 new patients per annum which in turn has doubled the revenue in the said period

FY 2021-22 has been a remarkable year in the history of HCG with achieving all-time record revenue for 5 consecutive quarters (including the last quarter of FY 2020-21) and all-time record EBITDA for 3 consecutive quarters. Apart from an excellent operational performance, the Group also made a significant financial turnaround with a healthy cash balance and significant reduction in net debt at the end of the year.

The Group also made the following acquisitions during the year:

a. Acquired back hospital labs and clinical research business from Strand Life Sciences which enhances in-house diagnostic and research capabilities and offering.

b. Acquired additional 60.9% stake in Suchirayu, thereby making HCG as a majority stakeholder. Suchirayu owns a multi-specialty hospital in Hubli with an operational capacity of 118 beds and a potential to scale up to 250 beds.

c. The Group through its subsidiary in Mauritius acquired shares held by CDC Group PLC in Healthcare Global (Africa) Pvt Ltd thereby making it a wholly owned subsidiary

d. The Group also acquired 26% stake in in HCG Sun Hospitals LLP, consequent to the retirement of Shiv-Sun Medical Services LLP, minority partner, pursuant to which the Group holds 100% interest in HCG Sun Hospitals LLP.

During the year, the group also implemented go-to-market plans across our network which has benefitted significantly. We also continue to focus on disciplined capital allocation and marching towards our journey on digital transformation and operational efficiency with the objective to enhance patient engagement and experience.

Overview of Key Regions

Karnataka Cluster

Number of centres in Karnataka remained as 7. The number of beds operated in the Karnataka cluster during FY 22 was 514 as compared to 502 as at FY 21. Revenue from Karnataka cluster increased to INR 4,748 million in FY 22 from INR 3,426 million in FY 21 with a 38.6% YoY growth. ARPOB increased by 15.9% to INR 41,773 / day. Operating EBITDA margin of Centre of Excellence was at 25.8% with a revenue growth of 39.6% YoY. 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 Centres (excluding Fertility) was at 36% in FY 22 as compared to 34% in FY 21.

Gujarat Cluster

During the year under review, Gujarat cluster had 5 operational centres and operated 403 beds as against 405 beds as of FY 21. At a cluster level, revenue grew by 31.6% from INR 2,673 million in FY 21 to INR 3,518 million in FY 22. Oncology centre contributed 33.2% growth and multispecialty centres contributed 28.0% growth. ARPOB has increased by 14.2% to INR 43,392 from INR 38,002.

East India Cluster

East India cluster revenue increased by 33.9% in FY 22 to INR 1,168 million from INR 872 million in FY 21. ARPOB increased by 13.3% to INR 24,598 in FY 22 primarily driven by medical oncology. Growth in ARPOB is due to improved service mix and high-end procedures

Andhra Pradesh Cluster

During the year under review, Andhra Pradesh cluster had 3 operational centres and operated 155 beds. The Vishakhapatnam centre continues to ramp up well and is emerging as a leading centre in the region. The revenues of the cluster have shown an increase of 30.3% to INR 1,047 million in FY 22 with Vishakhapatnam's revenue growing at 45.2% YoY and Vijayawada growing at 26.9%. YoY. We continue to strengthen our position in state of Andhra Pradesh, with continuing focus on improving revenue mix.

Milann Centres

During the year, Milann achieved 29.5% increase in new registrations (from 3,578 in FY 21 to 4,633 in FY 22) and 20.5% increase in IVF cycles (from 1,450 cycles in FY 21 to 1,747 cycles in FY 22) resulting in a revenue growth of 40% from INR 444 million as of FY 21 to INR 621 million as of FY 22. 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 numbers of successful pregnancies and babies delivered in the last two decades. Our Milann fertility centres also offer training programmes for fertility specialists and embryologists.

Maharashtra

Our centres in Borivali in Mumbai and in Nagpur, both amongst the largest new centres launched in the last few years, are continuing to ramp up in volumes and revenues.

South Mumbai centre was fully operationalised in FY21 and is one of the most advanced new cancer centres with substantial investment in radiation technology. Not only does this centre offer Radixact Tomotherapy, but we have also launched the first Cyberknife ("CK") in Western and Central India (across Maharashtra, Goa, Gujarat, Madhya Pradesh) at this centre, which is HCG's second Cyberknife across the network. South Mumbai centre performed 94 CK cases in FY 22 as against 56 in FY 21. South Mumbai centre 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 INR 2,275 million during FY 22 as against revenue of INR 1,607 million in FY21.

Going forward, with a strength of about 321 beds across 4 centres 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 Centres from this cluster increasing from 9% in FY 18 to 17% in FY 22 and remain extremely positive about this region.

Financial Performance

The financial statements of HealthCare Global Enterprises Limited and its subsidiaries joint venture and associate (collectively referred to as "HCG" or the Group) are prepared in compliance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013 and Indian Accounting Standards (Ind AS).

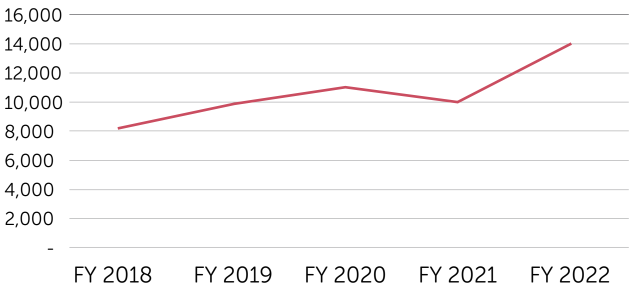
The discussions herein below relate to consolidated statement of profit and loss for the year ended March 31, 2022, consolidated balance sheet as at March 31, 2022 and the consolidated cash flow statement for the year ended March 31, 2022. The consolidated results are more relevant for understanding the performance of HCG.

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, HCG adopted 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

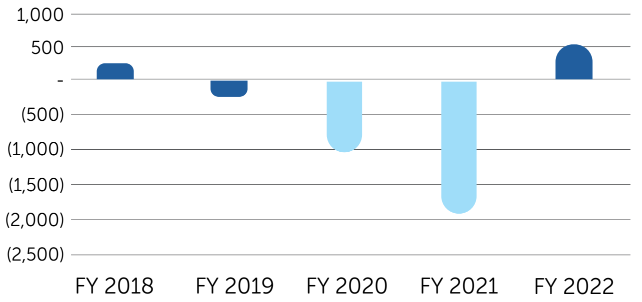
Operating Revenue*

(Rs Million)



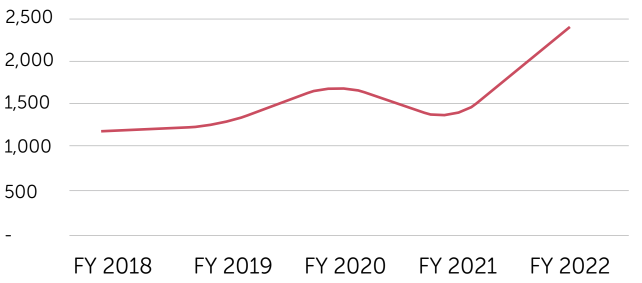
PAT

(Rs Million)



Operating EBIDTA*

(Rs Million)



*Including government grant

Note: Figures for FY 2018 and FY 2019 are before IndAS 116 adjustment

Particulars	For the fiscal year ended March 31, 2022		Growth vis-a-vis FY21	For the fiscal year ended March 31, 2021	
	(INR In million)	% of Revenue	In %	(INR In million)	% of Revenue
REVENUE					
Revenue from operations					
Income from medical services	13,022.63	92.33	38.28%	9,417.51	91.40
Income from sale of medical and non-medical items	808.75	5.73	29.90%	622.61	6.04
Other operating revenues	146.45	1.04	55.47%	94.23	0.91
Total Revenue from Operations including income from government grant	13,977.83	99.10	37.93%	10,134.35	98.35
Other income	126.67	0.90	(25.27%)	169.54	1.65
Total Revenue	14,104.50	100	36.89%	10,303.89	100

Particulars	For the fiscal year ended March 31, 2022		Growth vis-a-vis FY21	For the fiscal year ended March 31, 2021	
	(INR In million)	% of Revenue	In %	(INR In million)	% of Revenue
EXPENSES					
Purchases of stock-in-trade	3,609.75	25.6	51.56%	2,381.65	23.1
(Increase)/ decrease in stock-in-trade	(60.74)	(0.4)	(382.51%)	21.50	0.2
Employee benefits expense	2,336.49	16.6	19.25%	1,959.38	19
Finance costs	977.65	6.9	(17.96%)	1,191.69	11.6
Depreciation and amortisation expense	1,582.84	11.2	(0.59%)	1,592.17	15.5
Other expenses	5,712.64	40.5	26.78%	4,506.02	43.7
Total Expenses	**14,158.63**	**100.4**	**21.51%**	**11,652.41**	**113.1**
Profit/ (Loss) before tax and exceptional items and share of loss of an associate/ joint venture	(54.13)	(0.4)	(95.99%)	(1,348.52)	(13.1)
Exceptional Items	946.10	6.7	-	(934.46)	9.1
Share of (loss) of equity accounted investees	(14.25)	(0.1)		(3.65)	0
Profit/ (Loss) before tax	877.72	6.2		(2,286.63)	(22.2)
TAX EXPENSE					
(1) Current tax	237.09	1.7		47.10	0.5
(2) Deferred tax	251.38	1.8		(122.71)	(1.2)
Net tax expense / (credit)	488.47	3.5		(75.61)	(0.7)
Profit / (loss) for the year	389.25	2.8		(2,211.02)	(21.5)
Share of loss of minority interest	(148.08)	(1.1)		(276.41)	(2.7)
Net Profit/ (Loss) for the year	537.33	3.8		(1,934.61)	(18.8)

Revenue

Revenue from operations

The revenue from operations increased by INR 3,791.26 million, or by 37.76%, from INR 10,040.12 million in Fiscal Year 2021 to INR 13,831.38 million in Fiscal Year 2022. The increase is primarily attributable to gradual relaxation of lockdown restrictions during Fiscal Year 2021 resulting in increased footfalls and occupancy in Fiscal Year 2022 along with acquisition of Suchirayu Health Care Solutions Limited and diagnostic and clinical research management business from Strand Life Sciences.

During the Fiscal Year 2022, Our, Karnataka, Gujarat, Maharashtra East India and Andhra Pradesh clusters contributed to a revenue of : (a) Karnataka: INR 4,748 million, (b) Gujarat: INR 3,518 million, (c) MH: INR 2,275 million, (d) East India: INR 1,168 million; and (e) Andhra Pradesh: INR 1,047 million, respectively. All the centres registered year on year growth in revenues.

While existing HCG centres registered a year-on-year growth of 31.4%, new HCG centres registered a year-on-year growth of 65.3%. Existing Milann centres registered a year-on-year growth of 37.5% and new Milann centres registered a year-on-year growth of 46.4%

Other operating revenues

Our other operating revenues including Govt. grants was INR 146.45 million during fiscal year 2022 as compared to INR 94.23 million in Fiscal Year 2021. Other operating income primarily consists of income from training, other operational arrangements and the EPCG income.

Other income

Our other income decreased by INR 42.87 million, from INR 169.54 million to INR 126.67 million in Fiscal Year 2022. Decrease in other income was primarily on account of interest income on income tax refunds during the fiscal year 2021.

Expenses

Our total expenses increased by INR 2,506.22 million, or by 21.5%, from INR 11,652.41 million in Fiscal Year 2021 to INR 14,158.63 million in Fiscal Year 2022. Increase in cost of consumption, employment cost and other operating expenses is in line with increase in revenue and operations offset by decrease in finance costs.

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 and non-medical items. Cost of consumption related to usage of drugs, medical and non-medical consumable items increased by INR 1,145.86 million, from INR 2,403.15 million in Fiscal Year 2021 to INR 3,549.01 million in Fiscal Year 2022.

Cost of consumption as a percentage of our total revenue including government grant & other income increased from 23.3% in Fiscal Year 2021 to 25.1% in Fiscal Year 2022. This was primarily due to cost of Covid vaccines on which pricing was regulated by the government which impacted our revenue as well as margins.

Employee benefits expense

Our employee benefits expense increased by INR 377.11 million, or by 19.2%, from INR 1,959.38 million in Fiscal Year 2021 to INR 2,336.49 million in Fiscal Year 2022. This increase in Fiscal Year 2022 is attributed to following reasons viz., temporary salary reduction at various girds levels and optimization of employment costs in Fiscal Year 2021, hiring of senior management team during Fiscal Year 2022, increase in head count due to increase in volume of operations and acquisition of diagnostic and clinical research management business from Strand Life Sciences and acquisition of majority stake in Suchirayu Health Care Solutions Limited. which impacted the cost in the second half of Fiscal year 2022.

Finance costs

Our finance costs decreased by INR 214.04 million, or by 17.9%, from INR 1,191.69 million in Fiscal Year 2021 to INR 977.65 million in Fiscal Year 2022. This decrease is primarily due to lower interest cost because of repayment of a part of our term loans and lower interest expense on lease liabilities on account re-assessment of lease term on March 31, 2021.

Depreciation and amortisation expense

Our depreciation and amortisation expense decreased by INR 9.33 million, or by 0.5%, from INR 1,592.17 million in Fiscal Year 2021 to INR 1,582.84 million in Fiscal Year 2022. There is no significant change in depreciation and amortisation expense between Fiscal Year 2022 and Fiscal Year 2021.

Other expenses

Our other expenses increased by INR 1,206.62 million, or by 26.7%, from INR 4,506.02 million in Fiscal Year 2021 to INR 5,712.64 million in Fiscal Year 2022. Increase in other expenses is mainly on account of increased medical consultancy charges in line with increase in revenue and operations, increase in legal and professional fees, increase in sales and marketing activity and increase in allowance for doubtful trade receivables.

In spite of overall increase in other expenses, on account of increase in including government grant & other income, Other expenses as a percentage of revenue, decreased from 43.7% in Fiscal Year 2021 to 40.5 % in Fiscal Year 2022. Other key expense line items include:

Description	Fiscal Year 2022 (INR in million)	% of Total Revenue	Fiscal Year 2021 (INR in million)	% of Total Revenue
Medical consultancy charges	2,958.19	21.00%	2,217.49	21.50%
Repairs and maintenance	563.83	4.00%	489.96	4.80%
Power, fuel and water	345.42	2.45%	317.46	3.10%
Housekeeping and security	266.69	1.90%	238.29	2.30%
Legal and professional charges	337.94	2.40%	206.61	2.00%
Lab charges	313.53	2.20%	377.88	3.70%
Advertisement, Publicity & Marketing	181.06	1.30%	135.74	1.30%

Medical consultancy charges which are variable in nature increased by INR 740.70 million or by 33.4% from INR 2,217.49 million in fiscal year 2021 to INR 2,958.19 million in fiscal year 2022, as a result of increase in revenues.

Our repairs and maintenance expenses increased by INR 73.87 million from INR 489.86 million in fiscal year 2021 to INR 563.83 million in fiscal year 2022. As a % of revenue, the same was at 4.0% in fiscal year 2022 when compared to 4.8% in fiscal year 2021.

Our power, water and fuel expenses increased by INR 27.96 million from INR 317.46 million in fiscal year 2021 to INR 345.42 million is fiscal year 2022. As a % of revenue, it reduced from 3.1% for fiscal year 2021 to 2.4% for fiscal year 2022.

Our housekeeping and security expenses increased by INR 28.40 million or by 11.9 % from INR 238.29 million in fiscal year 2021 to INR 266.69 million in fiscal year 2022. As a % of revenue the same was at 1.9% in 2022 as compared to 2.3% in 2021.

Loss before tax and exceptional items and share of loss of associate/joint venture

Our loss before tax and exceptional items was INR 54.13 million in Fiscal Year 2022 as compared to a loss before tax amounting to INR 1,348.52 million in Fiscal Year 2021.

Exceptional items:

(i) For the year ended March 31, 2022:

(a) In accordance with the terms of Share Purchase Agreement dated September 03, 2021, the Company sold its investment in Strand Life Sciences Private Limited ('Strand') for a total consideration at fair value of INR 1,577.76 million, resulting in a gain of INR 1,419.36 million (net of expenses relating to the disposal amounting INR 5.62 million and amounts set aside for various contingencies INR 50 million).

(b) The Company has been engaged in construction of greenfield project at leased premises in Gurugram ("project") since 2017. While the project was initially scheduled to be operational as of 2020, it was delayed due to changes in management's plan on account of operational priorities followed by the outbreak of COVID-19 pandemic. Also, refer (ii)(a) below for impairment recognized during the year ended March 31, 2021. During the budgeting process, the Management decided to focus on increasing marketing activities and driving operational efficiencies and further invest in the upgrading and consolidating the existing footprint. As a result, the management has decided to not pursue the project as of now. The Company still has two more years of non-cancellable lease, on the said premise. Accordingly, the Company recognized impairment of capital work-in progress, right-of use assets and security deposit for the quarter ended December 31, 2021 aggregating to INR 472.5 million, after considering minimum lease payable and other committed costs of the project.

(c) The Group invested Rs. 3,300 Lakhs in the equity shares of Suchirayu Health Care Solutions Limited (Suchirayu) through primary funding, which resulted in increase in the Group's stake in Suchirayu from 17.7% to 78.6%. Suchirayu became subsidiary of the Group with effect from November 18, 2021, considering the Group's voting rights and its majority representation in the Board of Directors which gives it the current ability to unilaterally direct relevant activities of Suchirayu. The Group remeasured its previously held interest in Suchirayu at fair value on the date of acquisition of additional stake and recognised the resultant gain of INR 17.4 million, net as an exceptional item in accordance with the applicable Indian Accounting Standard. With the acquisition of this business, the earlier medical services and the other related arrangements have been cancelled.

(d) During the current year, the Group refinanced its certain borrowings from banks and financial institutions. On account of this, the Group incurred one time expenses of INR 75.04 million towards foreclosure charges and accelerated amortization of loan processing fees related to earlier borrowings.

(e) Refer (ii)(e) below. During the current year, the Group settled put option of CDC for USD 554,600 (INR 41.13 million) and acquired its investments in HCG Africa on September 30, 2021. The Group remeasured its previously held equity interest in HCG Africa at its fair valuation on acquisition of the additional stake and recognized the resultant gain of INR 69.84 million. Further, the Group reclassified unrealised foreing currency loss previously recognised in OCI to profit or loss amounting INR 7.51 million in accordance with the applicable Indian Accounting Standard.

(f) The Group has incurred INR 5.5 million towards legal and professional fees in respect of acquisition of businesses.

(ii) For the year ended March 31, 2021:

(a) The Group assessed the recoverable value of its investment made in the upcoming greenfield project in Gurugram. 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) was estimated to be lower than carrying value, resulting into an impairment charge of INR 363.01 million.

(b) The Group carried out annual impairment assessment with respect to one of its cash generating unit i.e. BACC HealthCare Private Limited (hereinafter referred to as "the CGU"). Considering the losses incurred and more importantly the relatively weaker forecasts due to COVID-19, the Company recorded an impairment loss on goodwill amounting to INR 130 million.

(c) Due to changes in business environment and weaker project viability due to COVID-19, the Cochin project was abandoned. The Management assessed and estimated that the related assets may not be recoverable. Hence, an amount of INR 48 million of capital advances and INR 39.49 million of security deposit were written off.

(d) Due to COVID-19, the Group assessed the recoverable amount of certain class of assets /investments in other parties and recognised resulting impairment charge of INR 17.64 million towards non-current investments, INR 49.27 million in respect of certain security deposits and advance to vendors and INR 31.22 million relating to other assets under exceptional items.

(e) During the previous year, CDC Group PLC, (CDC), the other investor in Healthcare Global (Africa) Pvt Ltd (HCG Africa), exercised put option to sell its shares in accordance with the terms of Shareholders Agreement. As at March 31, 2021, pending valuation by an independent valuer to ascertain the fair value of such put option shares, the Group assessed the value of put option by using its best estimate and recognised liability of INR 38.08 million. The Group also performed impairment assessment, basis which the recoverable amount of investment was estimated to be lower than carrying value, as a result of which impairment charge of INR 99.48 million on its investment in HCG Africa was recognized during the year ended March 31, 2021.

(f) During the previous year ended March 31, 2021, for one lease arrangement, the Group negotiated lower lease rent for reduced space and the resulting gain on modification of INR 57.74 million was recognised.

(g) 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. For certain subsidiares, 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 previous year ended March 31, 2021, the Group estimated shortfall in meeting such export obligations and accordingly, de-recognised the deferred government grant amounting to INR 113.03 million and also made an additional provision towards estimated custom duties amounting to INR 214.09 million under exceptional items.

Share of (loss) of equity accounted investees

Our investments in HealthCare Global (Africa) Private Limited, held by HCG (Mauritius) Private Limited are accounted under equity method as per Ind AS 28 'Investment in Associates and Joint Ventures' till it was acquired on September 30, 2021 post which it has become a wholly owned subsidiary.

Our investments in Strand Life Sciences are accounted under equity method as per Ind AS 28 'Investment in Associates and Joint Ventures' till it was sold on September 03, 2021

Accounting of the above investments under equity method till such dates have resulted in loss of INR 14.25 million in the current fiscal year. This was higher by INR 10.60 million over previous year.

Tax expense

We recorded current tax of INR 237.09 million and deferred tax of INR 251.38 million in Fiscal Year 2022 as a result of which total tax expense for FY 22 was INR 488.47 million. We recorded current tax of 47.10 million and deferred tax credit of INR (122.71) million in Fiscal Year 2021 as a result of which net tax credit for FY 21 was INR 75.61 million.

Profit / Loss for the year

Our profit after tax before share of profit/ (loss) of minority interest was INR 389.25 million in Fiscal year 2022 as compared to a loss of INR (2,211.02) million in Fiscal Year 2021.

Share of profit/ (loss) of minority interest

Minority's share of loss was INR (148.08) million in Fiscal year 2022 as compared to a loss of INR (276.41) million in fiscal year 2021.

Profit/loss for the year attributable to owners of the Company

As a result of the foregoing, our net profit for the year attributable to owners of the Company was INR 537.33 million in Fiscal year 2022 as compared to a net loss attributable to owners of the Company amounting to INR (1,934.61) million in Fiscal Year 2021.

Assets

Particulars	As at March 31	
	2022	**2021**
Non-current assets		
Property, plant and equipment	9,315.25	8,531.25
Capital work in progress	217.25	300.12
Right-of-use assets	4,045.40	4,114.27
Goodwill	1,812.68	963.40
Other intangible assets	298.03	214.86
Investments in equity accounted investees	30.13	205.49
Financial assets		
- Investments	58.03	57.29
- Loans receivable	-	93.00
- Other financial assets	545.61	525.63
Deferred tax assets (net)	59.57	343.10
Income Tax assets (net)	458.80	426.42
Other non-current assets	331.12	231.70
Total non-current assets	**17,171.87**	**16,006.53**
Current Assets		
Inventories	299.72	211.08
Financial Assets		
- Trade receivables	2,174.45	1,866.05
- Cash and cash equivalents	1,975.08	300.01
- Bank balance other than cash and cash equivalents above	-	108.50
- Loans receivable	16.08	39.35
- Other financial assets	341.25	1,599.88
Other current assets	216.78	224.74
Total current assets	**5,023.36**	**4,349.61**
Total assets	**22,195.23**	**20,356.14**

We had property, plant and equipment amounting to INR 9,315.25 million as of March 31, 2022, and INR 8,531.25 million as of March 31, 2021. Our property, plant and equipment assets primarily consist of medical equipment, buildings, land, leasehold improvements, furniture and fixtures and vehicles.

Increase in our property, plant and equipment assets is primarily on account of assets acquired through business combinations of INR 1,427.84 million, net additions of INR 304.63 million which is offset by depreciation charge of INR 978.60 million during the fiscal year 2022.

Our Capital Work-in-progress, which was INR 300.12 million as of March 31, 2021 has decreased to INR 217.25 million as of March 31, 2022 primarily on account of impairment of comprehensive cancer care centre in Privat in Delhi.

The Company had adopted the new accounting standard IND As 116 pertaining to Leases which become effective from 1st April 2019. As on March 31, 2021, the Group reassessed its lease term for certain leases, considering change in management plan, market condition in pandemic and an option to leverage with the alternate premises post non-cancellable lease period. The ROU value was INR 4,045.40 million as on March 31, 2022 as against 4,114.27 million as on March 31, 2021.

We had goodwill amounting to INR 1,812.68 million as of March 31, 2022 and INR 963.40 million as of March 31, 2021. Our goodwill comprises payments made to our partner for securing exclusive rights to operate a centre, and pertains to acquisitions of our Milann fertility centres, HCG Medi-Surge and City Cancer Centre in Vijayawada. Our goodwill increased primarily on account of acquisition of diagnostic and clinical research management business from Strand Life Sciences Private Limited and acquisition of controlling interest in Suhcirayu Health Care Solutions Limited.

Increase in our other intangible assets from INR 214.86 million as of March 31, 2021, to INR 298.03 million as of March 31, 2022 was primarily on account of intangible assets acquired through business combinations and reduction on account of amortization of computer software licenses for ERP (SAP) and Hospital Information Systems (HIS).

Pursuant to acquisition of controlling stake in Healthcare Global (Africa) Private Limited and disposal of investment in Strand Life Sciences Private Limited in second quarter of Fiscal Year 2022, our investments in equity accounted investees reduced from INR 205.49 million as of 31 March 2022 to INR 30.13 million as of 31 March 2021. Investments in equity accounted investees includes investment made in Advanced Molecular Imaging Limited.

We had non-current investments of INR 58.03 million as of March 31, 2022 and INR 57.29 million as of March 31, 2021. We had no non-current loans as of March 31, 2022 and INR 93.00 million as of March 31, 2021 on account of Inter Corporate Deposits.

We had other non-current financial assets of INR 545.61 million as of March 31, 2022 and INR 525.63 million as of March 31, 2021. This primarily comprises of Term Deposits amounting to INR 153.35 million and security deposits of INR 368.49 million.

Our Deferred Tax Assets decreased to INR 59.57 million as of 31 March 2022 from INR 343.10 million as of 31 March 2021. Our income tax assets increased to 458.80 million as of 31 March 2022 from 426.42 million as of 31 March 2021 which is primarily on account of Tax Deducted at Source by our customers pending assessments and refunds in our holding company and our subsidiaries.

We had other non-current assets amounting to INR 331.12 million and INR 231.70 million as at March 31, 2022 and 2021 respectively. The increase is on account of increase in our capital advances by 51.80 million and increase in prepaid expenses by INR 47.62 million.

We had inventories of INR 299.72 million as of 31 March 2022 against INR 211.08 million as of 31 March 2021. Our net trade receivables increased from INR 1,866.05 million as of March 31, 2021, to INR 2,174.45 million March 31, 2022. We made provisions for doubtful trade receivables amounting to INR 629.40 million and INR 478.77 million as at the end of March 31, 2022, and 2021 respectively. Our trade receivables comprise receivables from government payors, corporate bodies, insurers, and patients who pay directly to us.

We had other current financial assets of INR 341.25 million as of March 31, 2022, as against INR 1,599.88 million as of March 31, 2021, and the reduction is primarily on account of reduction in term deposits of maturity less than 12 months. Our other current financial assets as of March 31, 2022 primarily comprised of unbilled receivables amounting to INR 224.74 million and term deposits of maturity less than 12 months amounting to INR 66.42 million.

We had other current assets of INR 216.78 million as of March 31, 2022, as against INR 224.74 million as of March 31, 2021, which primarily comprised of prepaid expenses and advances to vendors.

Liabilities and Indebtedness

Liabilities

The following table sets forth the principal components of our liabilities as at March 31, 2022 and 2021

Liabilities

Particulars	As at March 31	
	2022	2021
Non-current liabilities		
Financial Liabilities:		
- Borrowings	3,628.74	3,461.73
- Lease Liabilities	4,659.04	4,693.12
Provisions	105.11	86.21
Deferred tax liabilities (net)	12.79	42.77
Other non current liabilities	254.97	279.84
Total non-current liabilities	8,660.65	8,563.67
Current liabilities		
Financial Liabilities:		
- Borrowings	447.58	1,254.55
- Lease Liabilities	411.40	365.12
- Trade payables	1,939.41	1,455.19
Total outstanding dues of micro enterprises and small enterprises	20.23	3.09
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,919.18	1,452.10
- Other financial liabilities	935.94	843.98
Other Current liabilities	784.98	625.95
Provisions	172.82	104.16
Income tax liabilities (net)	5.31	3.52
Total current liabilities	**4,697.44**	**4,652.47**
Total liabilities	**13,358.09**	**13,216.14**

A significant portion of our liabilities comprise of non-current borrowings. We had non-current borrowings amounting to INR 3,628.74 million and INR 3,461.73 million as of March 31, 2022, and 2021 respectively.

Our Non- Current lease liability stood at INR 4,659.04 million as on 31st March 2022 as against INR 4,693.12 million as on 31st March 2021. Our other non-current liabilities primarily comprise of Deferred Government grant of INR 254.97 million as of March 31, 2022

We had outstanding trade payables amounting to INR 1,939.41 million and INR 1,455.19 million as of March 31, 2022 and 2021 respectively. This is primarily comprised of 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 INR 935.94 million and INR 843.98 million as of March 31, 2022 and 2021 respectively. These primarily comprised of liability on put options amounting to 587.0 million.

Our other current liabilities amounted to INR 784.98 million and INR 625.95 million as of March 31, 2022 and 2021 respectively. This primarily comprised of advance from customers amounting to INR 294.49 million and INR 203.60 million and statutory remittances amounting to INR 104.28 million and INR 64.52 million as at March 31, 2022 and 2021 respectively. We also had a contingency provision for custom duty amounting to INR 357.70 as on 31st March 2022 as against INR 327.12 million as on March 31, 2021.

Liabilities - borrowings

Particulars	As at March 31	
	2022	2021
Secured loans		
- Term loans from banks	3,660.55	2,143.68
- Term loans from other parties	2.28	1,394.00
- Vehicle Loans	0.70	2.36
- Working capital loans (bank overdraft)	48.18	271.36
- Other short term loan from Banks	-	398.79
Total secured loans	**3,711.71**	**4,210.19**

Particulars	As at March 31	
	2022	**2021**
Unsecured loans		
- Deferred payment liabilities	332.50	452.85
- From Other parties	32.11	53.24
- Loan from Related parties	-	-
Total unsecured loans	**364.61**	**506.09**
Total borrowings	**4,076.32**	**4,716.28**
Total borrowings represented by:		
Long-term borrowings	3,628.74	3,461.73
Short-term borrowings	48.18	670.15
Current maturities of long-term borrowings (included in other current liabilities)	399.40	584.55
Total	**4,076.32**	**4,716.28**

To fund our working capital and capital expenditure requirements, we have entered into various loans and facility agreements with various financial institutions. As of March 31, 2022, we had INR 4,076.32 million of indebtedness outstanding. All of our indebtedness outstanding as of March 31, 2022 was denominated in Indian Rupees except for INR 332.50 million (US$ and Euro denominated loans) outstanding loans taken from various equipment vendors.

Summary of cash flow statement:

Particulars	For the Fiscal year ended March 31, 2022	For the Fiscal year ended March 31, 2021
Net cash flow generated from/(used in) operating activities	2,201.24	1,205.21
Net cash flow generated from/(used in) investing activities	1,245.86	(1,711.04)
Net cash flow generated from/(used in) financing activities	(1,548.85)	1,122.40
Net cash flows generated for the year	1,898.25	616.57

Cash flow generated from operating activities

For the fiscal year ended March 31, 2022, we had profit before tax of INR 877.72 million and our operating profit before working capital changes was INR 2,543.46 million. Our cash generated from operations after adjusting for changes in working capital was INR 2,438.26 million. This reflected cash inflow on account of an increase in trade and other payables by INR 442.92 million; and cash outflow on account of an increase in trade receivables by INR 404.40 million. There was also an exceptional gain amounting to INR 946.10 million.

After adjusting for changes in working capital and net income taxes paid amounting to INR 237.02 million, our net cashflow generated from operating activities was INR 2,201.24 million for the fiscal year ended in March 2022.

Cash flow used in investing activities

For the fiscal year ended March 31, 2022, our net cash flow generated from investing activities was INR 1,245.86 million. This reflected proceeds from maturity of fixed deposits of INR 2,277.97 million, proceeds from sale of investment in joint venture of INR 1,572.14 million. We also had cash outflow towards acquisition of business of INR 1,174.28 million, investment in fixed deposits of INR 821.50 million and cash outflow towards acquisition of property plant and equipment amounting to INR 712.32 million.

Cash flow used in financing activities

For the fiscal year ended March 31, 2022, our net cash flow used in financing activities was INR 1,548.85 million. Proceeds from issue of equity shares amounted to INR 1,321.59 and proceeds from long term borrowings amounted to INR 1,696.34 million. We also had cash outflow towards repayment of long terms borrowings amounting to INR 2,804.00 million, repayment of principal and interest portion of lease liability amounting to INR 850.82 million, interest and other borrowing costs of INR 403.30 million during the year ended 31st March 2022.

Particulars	For the fiscal year ended March 31	
	2022	2021
Ratio Leverage		
Debt/Equity	0.46	0.66
EBIDTA/Interest *	2.56	1.2
Ratio Profitability		
Operating Profit Margin % **	17.80%	13.90%
Net Profit Margin %	3.80%	-18.80%
Return on equity %	6.90%	-35.90%
RoCE %	10.39%	-6.54%
Ratios Operations		
Inventory Turnover Ratio	13.9	10.8
Current Ratio	1.1	0.9
Ratio - Per Share		
EPS	3.97	-17.02
P/E	68.0	-11.3
Market Capitalisation/Total Revenue ***	2.7	2.3

* EBIDTA includes other income

** Operating profits includes other income and income from govt. grants

*** Based on closing share price as on March 31st 2022 on BSE

Notes to key ratio:

1 Return on Equity: PAT/Average Shareholder's Equity

2 RoCE: EBIT/Capital Employed

3 Inventory Turnover Ratio: COGS/ Average Inventory of FY 22 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, 2022, on NSE/EPS

7 EBIDTA/Interest: FY 22 and FY 21 includes Interests on lease liability due to adoption of IND AS 116.

8. Net profit margin:Profit / (loss) for the year/ Revenue from operations

'Please refer to Note 49 of standalone financials statements for other relevant ratios and explanatory notes.'

Credit Rating:

The long-term credit rating of HCG for FY 22 has been upgraded to 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 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 Controlsover 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 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 Committee.

The Audit 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.

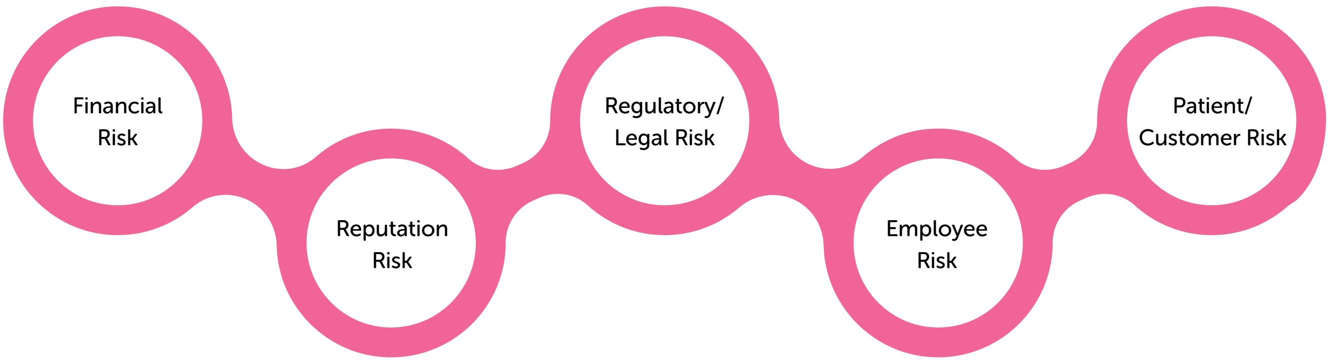
The key elements of the framework include Risk Strategy, Risk Structure, Risk Portfolio, Risk Measuring & Monitoring and Risk Optimizing. The implementation of the framework is supported through criteria for risk assessment and categorization, risk escalation matrix, Risk forms & MIS.

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.

HCG identifies and categorizes risks into:



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 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.

RSMC, through the Chief Risk Officer, 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 centre 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 centre 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 centre 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 centre 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 centres relating to quality assurance of radiation equipment, radiation safety measures taken by our cancer centres, any changes in the representations made by our cancer centres while obtaining the AERB approval and the adequacy of the skills and number of manpower and resources at each cancer centre.

We also have a quality management system structured as per the ISO9001:2008 guidelines for quality management systems across our Milann fertility centres. The key quality assurance practices at our Milann fertility centres 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 centres 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 centre and the results of such surveys are shared with the quality departments and the management team of each cancer centre 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 centres. 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 centres, 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 Resources

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 centres and hospitals to our physicians and medical staff, as well as to healthcare professionals outside our network of centres and hospitals. The sessions are led by expert physicians and other healthcare professionals from our network of centres 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 centres, 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 centre 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 centre 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 centres 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 centres 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 & Sustainability Reporting (BRSR)

Section A: General Disclosures

1. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L15200KA1998PLC023489
2.	Name of the Entity	HealthCare Global Enterprises Ltd
3.	Year of Incorporation	12/03/1998
4.	Registered office address	HCG Tower, No.8, P. Kalinga Rao Road, Sampangi Rama Nagar, Bangalore, Karnataka, India – 560027
5.	Corporate address	No 3, Tower A Block, Unity Building Complex, P. Kalinga Rao Road, Bangalore - 560027
6.	Email	investors@hcgel.com
7.	Telephone	+91-80-4660 7700
8.	Website	www.hcgoncology.com
9.	Financial year for which reporting is being done	2021-22
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd and National Stock Exchange of India Ltd(NSE)
11.	Paid-up Capital	INR 1,390,119,920 divided into 13,90,11,992 Equity Shares of INR 10 each.
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Sunu Manuel- Company Secretary investors@hcgel.com +91-80-4660 7700
13.	Reporting boundary Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Consolidated. The Report covers HCG's 22 comprehensive cancer centers present in India and parts of Africa, 03 multi-specialty hospitals and 07 fertility centres operating under the brand Milann. More details on the entities covered are provided as response to Q.8 (a) 'Names of holding / subsidiary / associate companies / joint ventures'. The reporting timeline for this Report is 1st April 2021 to 31st March 2022. For Advanced Molecular Imaging Limited (HealthCare Global (Kenya) Private Limited holds 50% of the share capital) the reporting timeline has been considered as January 2021 to December 2021.

2. Products/services

a. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity (FY 2021-22)
1.	Medical and Healthcare	Medical and Healthcare	100

b. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover Contributed
1.	Medical and Healthcare	8610	98.95

3. Operations

a. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of operational locations	Number of offices	Total
National	22	1	23
International	1	4	5

4. **Markets served by the entity:**

a. Number of locations

Locations	Number
National (No. of States)	9
*International (No. of Countries)	1

* The Company also renders services to patients from other states wherein people travel to HCG for specialized cancer care in case of domestic geographies . In addition to international presence in Kenya, HCG extends care to other international geographies such as African region, Middle east Region, SAARC nations and CIS countries as part of medical tourism to India.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of the total turnover for FY 2021-22 is 1.93%.

c. A brief on types of customers

The Company's customers include insured and non-insured patients across domestic and international locations , patients covered under various government sponsored schemes (CGHS/ ECHS/ other central & state govt health schemes) for domestic geographies and patients covered under social security options [SM_1], sponsored under institution/organisation cover for health coverage for international geographies.

5. **Employees**

Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	Employees					
1.	Permanent (D)	5679	2862	50.4	2817	49.6
2.	Other than Permanent (E)	1093	601	55	492	45
3.	Total employees (D + E)	6772	3463	51.1	3309	48.9

The Company does not have any workers as defined in the BRSR Guidance Note.

b. Differently-abled Employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	Differently Abled Employees					
1.	Permanent (D)	10	7	70	3	30
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	10	7	70	3	30

Note: *The Company does not have any workers as defined in the BRSR Guidance Note.

6. **Participation/Inclusion/Representation of women**

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	2	20
Key Management Personnel (KMP)	4	1	25

Note: 2 out of the 4 KMPs are also a part of the Board of Directors.

7. **Turnover rate for permanent employees and workers**

Category	FY 2021-22	FY 2020-21	FY 2019-20
Permanent Employees**	43%	38%	46%

*The Company does not have any workers as defined in the BRSR Guidance Note.

**Turnover rate for permanent employees has been calculated on a consolidated basis.

8. **Holding, Subsidiary and Associate Companies (including joint ventures)**

a. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	HCG Medi-Surge Hospitals Private Limited	Subsidiary	74.00%	Yes
2.	Malnad Hospital & Institute of Oncology Private Limited	Subsidiary	70.25%	Yes
3.	HealthCare Global Senthil Multi Specialty Hospitals Private Limited	Subsidiary	100.00%	Yes
4.	Niruja Product Development and Healthcare Research Private Limited	Subsidiary	100.00%	Yes
5.	BACC HealthCare Private Limited	Subsidiary	100.00%	Yes
6.	HealthCare Diwan Chand Imaging LLP	Subsidiary	75.00%	Yes
7.	APEX HCG Oncology Hospitals LLP (along with the Shareholding of Niruja Product Development and Healthcare Research Private Limited)	Subsidiary	100.00%	Yes
8.	HCG NCHRI Oncology LLP	Subsidiary	76.00%	Yes
9.	HCG Oncology LLP	Subsidiary	74.00%	Yes
10.	HCG EKO Oncology LLP	Subsidiary	50.50%	Yes
11.	HCG Manavata Oncology LLP	Subsidiary	51.00%	Yes
12.	HCG SUN Hospitals LLP (along with the Shareholding of Niruja Product Development and Healthcare Research Private Limited)	Subsidiary	100.00%	Yes
13.	HCG (Mauritius) Pvt. Ltd. (along with the shareholding of Niruja Product Development and Healthcare Research Private Limited)	Subsidiary	100.00%	Yes
14.	Healthcare Global (Africa) Pvt. Ltd.	Subsidiary	100.00%	Yes
15.	HealthCare Global (Uganda) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Subsidiary	100.00%	Yes
16.	HealthCare Global (Kenya) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Subsidiary	100.00%	Yes
17.	HealthCare Global (Tanzania) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Subsidiary	100.00%	Yes
18.	Cancer Care Kenya Limited (Subsidiary of HealthCare Global (Kenya) Private Limited)	Subsidiary	78.10%	Yes
19.	Suchirayu Health Care Solutions Limited	Subsidiary	78.60%	Yes
20.	Advanced Molecular Imaging Limited (HealthCare Global (Kenya) Private Limited holds 50% of the share capital)	Joint Venture	50%	Yes

9. **CSR Details**

a. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) – Yes

(ii) Turnover (Standalone Financial Statements) for FY 2021 : INR 6,110.28 million

(iii) Net worth (Standalone Financial Statements) for FY 2021 : INR 9,237.82 million

10. Transparency and Disclosures Compliances

a. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No)	FY 2021-22			FY 2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	0	0	NA	0	0	NA
Employees	Yes	5	0	NA	3	1	Pending complaint was resolved after year end.
Customers	Yes	74	24	NA	17	5	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (please specify)	Yes	0	0	NA	0	0	NA

11. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

The Company is cognizant of relevant material issues for the sector that can have an impact on the Company's value creation process and are critical for the implementation of sustainable practices. These issues are periodically evaluated and identified to mitigate any risks to the Company's operations. Material issues identified in previous financial years include, but are not limited to, improving patient care, increasing access to quality services, diversity and inclusion, human capital development, sustainable supply chain and waste management. In order to ensure that critical issues are correctly identified in a timely manner, focused efforts are underway, and our materiality assessment will be published in FY 2022-23.

Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No.	Principle Description	Reference of HCG Policies
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	• Code of Conduct Policy, • Anti-Bribery and Anti-Corruption Policy, • Whistleblower Policy, • Code of Conduct for the Board and the Senior Management, • Code for Independent Directors
P2	Businesses should provide goods and services in a manner that is sustainable and safe	• Environment Safety Management Policy • E- Waste Management Manual
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains	• Code of Conduct Policy • Policy on Internal Complaints Committee for Women, • Whistleblower Policy, • Nomination and Remuneration Policy • Health & Safety Policy
P4	Businesses should respect the interests of and be responsive to all its stakeholders	• Code of Conduct Policy • Corporate Social Responsibility Policy
P5	Businesses should respect and promote human rights	• Code of Conduct Policy • Policy on Internal Complaints Committee for Women • Whistleblower Policy

S. No.	Principle Description	Reference of HCG Policies
P6	Businesses should respect and make efforts to protect and restore the environment	• Environment Safety Management Policy • E- Waste Management Manual
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	• Anti-Bribery and Anti-Corruption Policy • Insider Trading Policy • Dividend Distribution Policy • Policy on materiality • Policy for Determining Material Subsidiary • Policy on Preservation of Documents
P8	Businesses should promote inclusive growth and equitable development	• Corporate Social Responsibility Policy
P9	Businesses should engage with and provide value to their consumers in a responsible manner	• Code of Conduct

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	https://www.hcgoncology.com/policies-and-guidelines/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Select policies like our Anti-Fraud policy, Anti-Bribery, Anti-Corruption policy, Whistleblower policy, ICW/POSH Policy extend to our value chain partners.								
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.									
Principle 1 Principle 2 Principle 3 Principle 4 Principle 5 Principle 6 Principle 7 Principle 8 Principle 9	1. ISO 15189 Medical Laboratory Accreditation 2. College of American Pathologists (CAP's) Laboratory Accreditation Program 3. National Accreditation Board for Testing and Calibration Laboratories (NABL) 4. National Accreditation Board for Hospitals & Healthcare Providers (NABH)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Not Applicable								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure): As an industry player in the Healthcare sector, , the ESG paradigm assumes high importance for the Company. The strategic and operational approach adopted prioritizes the development and growth of the Company, as well as mandates responsibility of the environment the Company operates within Core teams have been entrusted with ensuring sustainability of approach across key corporate functions; in instances addressing key issues like proper disposal and treatment of bio-medical waste, replacing plastic bags with biodegradable bags, water conservation through water saving reducers, integrating to e-billing to curb usage of paper, solar panel usage and rainwater harvesting among others.									

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
An undisputed leader in cancer care, the Company remains mindful of its moral responsibilities as a corporate citizen and maintains alignment with the highest standards of ethics and business conduct. With a history of transparency in governance practices, regular reviews are undertaken to ensure that positive impact and value is being created for all stakeholders.. Commitment to sustainability is at the heart of every corporate endeavor and initiative towards growth, prudently nurturing its human quotient, building social capital, while being responsible towards consumption of resources over the years. The Company has enhanced the salience to ESG best practices and has made meaningful and noticeable strides forward in several spheres. At HCG, our ethos of providing affordable care, with easy accessibility, endures with best-in-class service offerings and technology, helps in improving the overall quality of life of the patients. While doing so, we will continue our focus of scaling our ESG performance parameters with best practices.									
8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies**	The Chief Executive Officer (CEO) is the highest authority responsible for implementation and oversight of the Business Responsibility policies.								
9. **Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	The Company does not have a designated Committee on sustainability related issues. However, the Board of Directors of the Company has constituted a Risk Management Committee to assist the Board to monitor various aspects of Environmental, Social & Governance responsibilities of the Company. This Committee provides guidance to the Management to ensure that Sustainability related issues are addressed in all HCG's strategic initiatives, budgets, and action plans.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/Half yearly/ Quarterly/ Any other– please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Performance against above mentioned policies and follow up action is reviewed by the Board of Directors, Nomination and Remuneration Committee, Risk Management Committee and Audit Committee, as applicable. The periodicity of these reviews is once in every two to three years or whenever an update is required due to change in applicable laws.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company monitors and completes the compliances on timely basis. Non – compliances if any, are reported to Audit Committee and Risk Management Committee.																	

11. **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.**

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Internal auditors review the policies on a periodic basis and evaluate adherence of the same and assess the adequacy and effectiveness in terms of best practices followed by industry peers. For FY 2021-22, no external agency has undertaken an assessment/evaluation.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

    Not Applicable

Section C: Principle-wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	1	1. Human Resources – Engagement, development, and retention process. 2. Business model – verticals, major units/clusters 3. Operation of units 4. Strategy - our approach, methodology and execution. 5. Financials, key metrics & drivers/Banking arrangements etc. 6. Policies and compliance monitoring mechanism	100%
KMP	1	1. Human Resources – Engagement, development, and retention process. 2. Business model – verticals, major units/clusters 3. Operation of units 4. Strategy - our approach, methodology and execution. 5. Financials, key metrics & drivers/Banking arrangements etc. 6. Policies and compliance monitoring mechanism	100%
Employees other than BoD and KMPs	378	1. Anti-Fraud policy 2. Anti-Bribery and Anti-Corruption policy 3. Anti-Gift, Hospitality & Entertainment policy 4. Whistleblower policy 5. ICW/POSH Policy 6. Inclusion 7. Code of Conduct policy 8. Grievance redressal policy	63%

*The Company does not have any workers as defined in the BRSR Guidance Note.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	P1	NSE & BSE	4,00,000 (Total)	There was a delay of 10 days by the Company in filing the listing application for the allotment of 20,00,000 Equity shares of Rs 10/- each, which were allotted on December 08, 2021. Both NSE & BSE had advised the company to pay a fine of INR 2,00,000 each.	No
Settlement	NA	0	0	0	0
Compounding fee	NA	0	0	0	0

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	0	0	0
Punishment	NA	0	0	0

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

   Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   The Company is committed to maintaining the highest standards of corporate governance and ethical business conduct. Focused efforts are undertaken to ensure that all disclosure requirements are met adequately. In line with this, an Anti-Bribery and Anti-Corruption Policy has been formalized that supports the creation of value for all stakeholders in a fair and transparent manner with integrity and accountability.

   The Policy provides a framework for compliance with all national and international standards of anti-bribery and anti-corruption. All 'Covered Persons', i.e., directors, officers, full time and part time employees, trainees, seconded staff, interns, sales representatives, vendors, dealers, co-partners, co-ordinators, third parties or any other person associated with HCG are mandated to comply with the policy. Details can be found at: https://www.hcgoncology.com/wp-content/uploads/2022/01/HCG-ANTI-BRIBERY-AND-ANTI-CORRUPTION-Main-02.pdf.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.**

Category	FY 2021-22	FY 2020-21
Directors	0	0
KMPs	0	0
Employees	0	0

Note: The Company does not have any workers as defined in the BRSR Guidance Note.

6. **Details of complaints with regard to conflict of interest:**

Category	FY 2021-22		FY 2020-21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

   The Company has not undertake dedicated training sessions on NGRBC principles for our value chain partners for FY 2021 -22. However, core components of the principles are covered during vendor onboarding, evaluation and periodic review meetings with vendors

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

   The Company has a Code of Conduct for the Board and Senior Management, which includes areas of ethics, integrity and honesty, and provides guidelines and processes on addressing unethical behavior. The Code also details the processes in place to manage conflicts of interest involving board members, contributing to a culture of transparency and accountability. Further details may be found at: https://www.hcgoncology.com/wp-content/uploads/2022/01/Code-of-Conduct-for-the-Board-and-the-Senior-Management.pdf.

Principle 2: Businesses should provide goods and services in a manner that is Sustainable and Safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

   The Company has not spent on R&D related capex to improve environmental and social impacts. The Company will assess this suitably in the coming years and take it up accordingly.

2. **Does the entity have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?**

   The Company's products and services are procured from empanelled vendors who are governed by various statutes. The Company has adopted a life cycle cost analysis approach to identify a sustainable product with a reduced energy footprint. This procedure ensures that procured supplies are energy efficient.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste**

   Processes to safely manage and handle waste material have been enshrined in several Waste Management Manuals developed by the Company. This Manual lays critical stress on safe disposal of waste material. These include:

   - E waste generated refers to all the electronic and electrical equipment specified in the Schedule-1 of E-waste (Management) Rules 2016. The Company has developed an E-waste Management Manual to provide a framework for the safe and effective disposal of E-waste. It ensures that e-waste generated is disposed of only through authorized collection centres or dealers through the designated take back service. The Manual includes Standard Operating Procedures (SOPs) for collection, storage and transportation of the E-waste in accordance with E-waste (Management) Rules 2016 and amendments thereof. It also includes safety procedures to be followed while storing, handling and transportation of E-waste and procedures for records retention.

   - Hazardous Waste refers to the waste specified under Schedule I Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. It includes DG set oil waste generated in HCG hospitals. As an Occupier/Facility, the Company has developed a Hazardous Waste Management Manual for the management of hazardous waste generated. Procedures for collection, storage and transportation of hazardous waste and procedures for records retention have also been specified.

   - Other waste:

     - Bio-medical waste is handed over to the authorized Bio Medical Waste Treatment Facility, authorized by SPCB as per Bio-Medical Waste Management Rules, 2016 Rules and amendments thereof.

     - Used radiopharmaceutical products and vials are disposed of by consulting manufacturers and discussing disposal options/ applicable regulations. Some manufacturers offer a generator-return service, whereby generators are sent to licensed radioactive materials facilities for breakdown, lead-recycling, and radioactive- component disposal.

- General waste is stored in a secured area and cleared regularly as per local municipality rules before collection by Municipal Authorities.
- Battery waste refers to a lead acid battery which is a source of electrical energy and contains lead metal as per Battery (Management and Handling) Rules, 2001 and its amendments. The Company has a buy back system with the battery supplier which is covered through a PO/MOU/Agreement. A Batteries Waste Management Manual has been developed for greater clarity of processes and procedures. It includes SOPs for collection, storage and transportation of the battery waste, safety procedures to be followed while storing, handling and transportation of waste and procedures for records retention.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   The company is into healthcare sector and hence not applicable.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

   The Company has not conducted Life Cycle Perspective/ Assessments (LCA) for any of its services in FY 2021-22.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   Not Applicable

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

   Not Applicable

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.**

	FY 2021-22			FY 2020-21		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste*	0	0	0.76 MT	0	0	4.56 MT
Hazardous waste	0	0	Not monitored	0	0	Reporting not required
Other waste {Paper, Metal, Cardboard boxes, Wooden waste}	0	0	36.48 MT	0	0	70.07 MT

* The numbers reported for FY 2020-21 includes both electrical wastes and electronic wastes – all categories. For FY 2021-22, we have considered only electronic waste, as defined under the categories of E Waste, defined under E Waste Management Rules 2016. However, focused efforts have been undertaken to minimize the Company's E-waste generation. This has led to a significant reduction in the amount generated for FY 2021-22 compared to FY 2020-21.

** The Company has placed a strong focus on reduction of the generation of Other Waste for FY 2021-22. Company, towards this has been focusing on certain initiatives viz., "reuse and reduce" approach for metal equipments, adopting cloud-based solutions to reduce paper waste generation, reduce usage of printable formats etc. As a result of real-time tracking and several environment focused initiatives, there has been a significant reduction in the amount of Other Waste generated for FY 2021-22, as compared to FY 2020-21.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   Not Applicable

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	2862	1836	64	2862	100	NA	NA	2862	100	NA	NA
Female	2817	1315	47	2817	100	2817	100	NA	NA	2817	100
Total	5679	3151	55	5679	100	2817	49.6	2862	50.4	2817	49.6
Other than Permanent employees											
Male	601	601	100	601	100	NA	NA	NA	NA	NA	NA
Female	492	492	100	492	100	492	100	NA	NA	492	100
Total	1093	1093	100	1093	100	492	45	NA	NA	492	45

*The Company does not have any workers as defined in the BRSR Guidance Note.

2. Details of retirement benefits.

Benefits	FY 2021-22			FY 2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	0	Y	100%	0	Y
Gratuity	100%	0	NA	100%	0	NA
ESI	64%	0	Y	47%	0	Y

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   Yes, all premises/ offices are accessible to differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

   Equal opportunity has been enshrined within the HCG Code of Conduct. The Company has a strong commitment to providing equal opportunities of employment and non-discrimination in all processes including, but not limited to, recruiting, hiring, termination and promotion. Employment practices at HCG are contingent solely on the merit of an individual, irrespective of race, color, religion, creed, caste, economic or social status, gender, nationality, citizenship, age, sexual orientation, physical disability, pregnancy, childbirth, marital status, medical condition, ancestry, language, sexual orientation or any other characteristic. The commitment extends to any other protected classes which may exist under applicable law. Strict opposition is maintained to any form of discrimination, direct or indirect. Further details can be found at: https://www.hcgoncology.com/wp-content/uploads/2022/01/HCG-Code-of-Conduct-Policy.pdf.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent employees	
	Return to work rate	Retention rate
Male*	NA	NA
Female	20%	23%
Total	20%	23%

Note: *The Company does not have workers as defined in the BRSR Guidance Note.

No male employees have availed paternity leaves in the reporting period.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

   Yes, the Company has a Grievance Policy that forms the backbone of a robust, transparent and fair redressal system that is easily accessible to all employees. The Policy clearly lays out the process to be followed for an employee to raise a grievance, and identify the appropriate personnel for redressal. At each stage of the redressal process, maintaining confidentiality and protecting the identity of the aggrieved employee is a critical priority. Further details can be found at:

   https://www.hcgoncology.com/wp-content/uploads/2022/01/GrevariancePolicy.pdf.

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

   There are no employee associations recognized by the Company.

8. **Details of training given to employees and workers:**

Category	FY 2021-22					FY 2020-21				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2862	Training on health and safety measures has not been tracked.		2217	77.5	2748	Training on health and safety measures has not been tracked.		2002	72.8
Female	2817			2047	72.7	2680			1924	71.79
Total	5679			4264	75.08	5428			3926	72.32

*The Company does not have workers as defined in the BRSR Guidance Note.

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2862	1795	62.7	2748	1769	64.4
Female	2817	2173	77.1	2680	1235	46.1
Total	5679	3968	69.9	5428	3004	55.3

The Company does not have workers as defined in the BRSR Guidance Note.

10. **Health and safety management system:**

    a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

       The Company is strongly committed to ensuring workplace safety and maintaining a healthy environment for all employees. In line with this, the Company has formalized an Employee Health and Safety Policy that is applicable to all clinical and non-clinical employees. This policy is a clear demonstration of the management's commitment to our employee's health and safety, and to establish the linkages between employee safety and optimum business performance. It clearly outlines the responsibilities of the employer and employee to ensure occupational health and safety and provides details on preventive measures. The policy covers work related hazards, infection control practices, medical examination, staff education on health and safety, radiation safety and health care privileges.

    b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

       The Company has adopted the Hazard Identification and Risk Assessment (HIRA) method on the services it provides. It covers facility safety, and gas cylinders safety. The method is adopted across HCG Centres and focused efforts are made to ensure awareness of all employees and management. Regular audits are conducted by the Quality department to monitor all these compliances.

    c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

       Yes, the Company has an incident management process included within Quality Indicator Programs. This program prescribes the procedures to be followed by the users in the event of any adverse safety incident, and provides for the manner in which the Company records each of such incident/ occurrence at the work units.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, all employees of the Company have access to non-occupational medical and healthcare services. Mediclaim coverage is extended to all employees other than those under the ambit of the ESIC. Those under ESI ambit get all applicable medical benefits per ESIC. Additionally, all employees are also eligible for discounted treatment, at HCG Centres.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
Total recordable work-related injuries			
No. of fatalities			
High consequence work-related injury or ill-health (excluding fatalities)			

Note: The Company does not have any workers as defined in the BRSR Guidance Note.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Measures taken by the Company to ensure a safe and healthy workplace are:

- Regular health and safety training as well as specific job training to tackle any potential hazards.
- Adoption of the Hazard Identification and Risk Assessment (HIRA) method to identify risks associated with facility safety, occupation safety, chemical safety, fire safety, equipment safety, gas cylinders safety etc.
- Fire drills are conducted on periodic basis by designated safety supervisors
- Efforts to minimize radiation exposure to employees and patients and assessments are conducted by qualified EHS personnel.
- Periodic medical check-ups for employees, based on the risk profile of their work area or applicable regulations.
- Design and layout of the Company's hospitals/premises provides for comfortable and safe work conditions, minimizing health risks.

13. Number of complaints on the following made by employees and workers:

This data is tracked and recorded on an internal basis. The same will be made publicly available from FY 2022-23.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	1. Marsh Consultants (Life & Fire Safety) was conducted for 2 units in 2022: 9% (2 units Kolkata & Baroda, out of 22 units) 2. ISO 15189 / NABL: 9% (2 out of 22 labs) 3. NABL, as part of NABH: 91% (21 out of 22 labs) 4. CAP: 4.5% (1 out of 22 labs)
Working Conditions	For FY 2021-22, no assessments were undertaken by statutory authorities or third parties on working conditions.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Marsh Consultants (Life & Fire Safety) has undertaken audits of HCG Eko Cancer Center Kolkata, New Town and HCG Cancer Centre Baroda. The following remedial actions have been provided and concerted efforts are being made to undertake the same:

- Provision of glow luminous signage/ indication for fireman lift at floor areas
- Provision of inter-communication equipment for communicating with the control room in lifts
- Provision of rubber mats in front of the electrical panel as per IS 15652
- Ensuring quality of infrastructure of fire system for effective timely response
- Provision to conduct illumination study for the site
- Provision for staircase pressurization for the staircases

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)**

   Yes, HCG provides life insurance and other compensatory packages to the bereaved family members of the employees.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   Agreements and contracts formalized with value chain partners of the Company enshrine their responsibility to ensure deduction and deposit of statutory dues.

3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	0	0	0	0

*The Company does not have workers as defined in the BRSR Guidance Note.

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   The Company does not provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

5. **Details on assessment of value chain partners:**

   Maintaining the highest standards of health and safety and working conditions has been set out in the Code of Conduct. The Company encourages value chain partners to ensure and maintain health and safety practices and proper working conditions. Details on assessments of value chain partners will be made available from FY 2022 – 23.

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   Not Applicable

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   The Company has mapped its internal and external stakeholders. This includes Employees, Customers, Investors, Government and regulatory authorities, NGOs, Academia, local community, Shareholders and Suppliers.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulatory authorities	No	Website, Newspaper, email	Quarterly, annually and event based	Representations/ Perspective on change in regulations/ upcoming laws/As per applicable laws

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
NGOs	Yes	Antardhwani, an initiative taken by the Company, informally engages with a host of social organizations to take expert guidance, based on the needs/requirements of a project. The website acts as a regular source of information for all communication and regular email communications are also sent out.		
Academia	No	Letters, Documents for Affiliation, admissions & examinations, mail and postal communication, online SUGAM portal, online submission portal and mail	Ongoing on a need basis; Monthly/Half yearly.	EC related details, address change and members list update and SAE opinion letter, Publication of online and print issue of Journal of Precision Oncology, Submission of Research and Clinical Trial application
Employees	No	E-mail, SMS, meetings, Notice Board, Website, IntraNet (Spider) Communications	Annually/ Half yearly/ Quarterly/Monthly	Business Communication, Employee Policy & Benefits, Regular Company updates / Training Needs
Customers	Yes	Website, Newspaper, email, SMS, Pamphlets, Helpline Desk	Quarterly/ annually/ event based	Treatment Reports/Offerings. Etc.
Suppliers	No	Digital Meetings / In person meetings/ E-mail	Quarterly/ Half Yearly/ Annually with Strategic vendors & with other vendors once in a year /need basis	Performance feedback, Updation about change in regulation, terms and conditions pertaining to supplies/services
Local community	No	Community Meetings	Annual/Half Yearly / Quarterly	Developmental / Educational needs as part of the Company's CSR obligation.
Investors	No	Website, Newspaper, email/ Meetings	Quarterly/ half yearly/ annually/ event based	Financial Results / other Corporate Announcements, as per applicable laws
Shareholders	No	Website, Newspaper, email	Quarterly/ annually/ event based	Financial Results / other Corporate Announcements, as per applicable laws

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Company management regularly interacts with key stakeholders. There are various mechanisms employed for analysing, planning and implementing various tasks to engage stakeholders. It enables the translation of stakeholder needs into organizational goals and creates the basis of effective strategy development.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the Company has conducted a materiality assessment with all key stakeholders (patients, government, employees, suppliers, investors, and society) to identify material issues. Regular engagement with various stakeholders ensures that expectations are identified in a timely manner and are addressed responsibly.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   The Company's CSR activities focus on the disadvantaged, vulnerable and marginalized segments of society. All CSR programs are aligned to the CSR Policy of the Company. Critical focus areas of the Company's CSR mandate include education, gender equality and women empowerment, addressing hunger, poverty, nutrition and health, environmental sustainability and preservation of natural heritage, art and culture. Further details may be found at: https://www.hcgoncology.com/wp-content/uploads/2022/01/HCG-CSR-Policy.pdf

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	5679	4264	75.1	5454	3926	72.0
Other than permanent	1093	819	74.9	439	316	72.0
Total Employees	6772	5083	75.1	5893	4242	72.0

Note: The Company does not have any workers as defined in the BRSR Guidance Note.

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2021-22					FY 2020-21				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	5679	NA		5679	100	5428	NA		5428	100
Other than permanent	1093	NA		1093	100	1132	NA		1132	100
Total employees	6772	NA		6772	100	5428	NA		5428	100

Note: The Company does not have any workers as defined in the BRSR Guidance Note.

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)**	6	625,000	2	4,250,002
Key Managerial Personnel***	1	13,224,996	1	4,999,056
Employees other than BoD and KMP	2,862	264,000	2,817	216,000

*The Company does not have any workers as defined in the BRSR Guidance Note.

** Of the 10 BoDs reported in Section A, 2 are nominee directors and are not paid any remuneration. In Addition to this, 1 independent Director, appointed on the Board is on a pro bono basis. Sitting Fee paid to Independent Directors have been included in the BoD remuneration.

*** Of the 4 KMPs reported in Section A, 2 are also BoDs and remuneration details for the same have been included in the BoD remuneration details. Remuneration means and includes the Cost to the Company (CTC)

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes. The Company has adopted a Grievance Policy (Available at https://www.hcgoncology.com/wp-content/uploads/2022/01/GreviancePolicy.pdf) to develop and maintain an effective, timely, fair and equitable grievance handling system which is easily available and offered to all HCG employees. A Code of Conduct that outlines the norms, employee responsibilities and acceptable employee conduct has also been formalized and compliance with the same is mandatory for all employees.

   There are various committees responsible for human rights impacts and issues. There is zero tolerance for sexual harassment at workplace. A specific committee constituted in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to handle any complaints or concerns with respect to sexual harassment has also been established.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   The Company has a Grievance Policy that provides details on the processes and procedures to be followed to redress all employee grievances. The redressal mechanism has been designed to protect the confidentiality of aggrieved employees and provide redress in a timely and effective manner. Further details may be found at: https://www.hcgoncology.com/wp-content/uploads/2022/01/GreviancePolicy.pdf.

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Employees						
Sexual Harassment	5	0	NA	2	1	The pending complaint was resolved in FY 2021-22.
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The Company is committed to prohibiting discrimination, retaliation or harassment of any kind against any employee who reports under the Vigil Mechanism or participates in the investigation. The Whistle Blower Policy, Code of Conduct and Grievance Policy holds a strong commitment to protect the identity of the complainant and maintain confidentiality through each stage of investigation. Regular training of employees on Human Rights issues and violation which also covers the aspect of any adverse consequence for the complainant. All managers are made aware and accountable for any recurrence of harassment of the employee.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes, the Company has specific clauses as part of the Code of Conduct included in the business agreements and contracts / purchase orders. Human Rights form a part of the Code of Conduct

9. **Assessments of the year**

   Upholding of Human Rights is critical to the Company's business. Strict internal vigilance is maintained to ensure prevention of discrimination and conduct our operations in a fair and transparent manner, aligned with all national and international standards of Human Rights. For FY 2021-22, no external assessment was undertaken of any of our sites.

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

    Not Applicable

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

   The Company undertakes a regular review of its policies and business processes and updates are made as applicable, in line with regulatory changes or internal requirements. The periodicity of this review is every 2 to 3 years.

2. **Details of the scope and coverage of any Human rights due diligence conducted**

   Currently, HCG does not conduct human rights due diligence. HCG is involved in vulnerability mapping for their respective areas of business and will undertake due diligence shortly.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes, all premises and offices are accessible to differently abled visitors.

4. **Details on assessment of value chain partners:**

   Upholding of Human Rights is critical to the Company's business. Strict internal vigilance is maintained to ensure prevention of discrimination and conduct our operations in a fair and transparent manner, aligned with all national and international standards of Human Rights. Details on assessment of our value chain partners will be made available from subsequent financial years.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   Not Applicable

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity:**

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	19160.99GJ	Not monitored
Total fuel consumption (B)	21928.04GJ	Not monitored
Energy consumption through other sources (C)	5.73GJ	2.03GJ
Total energy consumption (A+B+C)	41094.76GJ	Quantitatively Not Measurable
Energy intensity per rupee of turnover (Total energy consumption in GJ/ turnover in rupees in Crores)	40.57	Quantitatively Not Measurable
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Energy consumption data for FY 2020-21 has not been tracked in a consolidated manner. The same has been made available from FY 2021-22.

HCG recognizes the importance of monitoring and recording the environmental impacts of the company's operations. This is undertaken internally in a robust manner. However, no independent assessment/ assurance is carried out by external agencies.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

3. **Provide details of the following disclosures related to water**

Efforts have been made by the Company to manage and reduce its water consumption. Efficient utilization of water is one of the most important parameters of the Company's sustainability agenda. The Company has installed water meters at discharge points to actively monitor water consumption level.

Parameter	FY 2021-22	FY 2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	2,70,292 (This data has been collected as a consolidated figure. Efforts are underway to track and record disaggregated data and it will be reported from FY23)	74,738.11 (This data has been collected as a consolidated figure. Efforts are underway to track and record disaggregated data and it will be reported from FY23)
(ii) Groundwater		
(iii) Third party water (Municipal water supplies)		
(iv) Seawater / desalinated water	Not Applicable	
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,70,292	74,738.11
Total volume of water consumption (in kilolitres)*	2,70,292	74,738.11
Water intensity per Cr. rupee of turnover (Water consumed / turnover)	266.820	68.250
Water intensity (optional) – the relevant metric may be selected by the entity	Nil	Nil

*Due to COVID-19 pandemic during FY 2020-21, hospitals were operating at a reduced capacity, thereby resulting in a lower consumption of water.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

HCG recognizes the importance of monitoring and recording the environmental impacts of the company's operations. This is undertaken internally in a robust manner. However, no independent assessment/ assurance is carried out by external agencies.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Not Applicable

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

   Efforts are underway to track and record this data and it will be made available from FY 2022-23.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

   Efforts are underway to track and record this data and it will be made available from FY 2022-23.

7. **Does the entity have any project related to reducing GreenHouse Gas emission? If Yes, then provide details.**

   The Company has strongly adopted the ESG agenda and concerted efforts are being taken to track and monitor GHG emissions. The Company has also put in place strategies for the reduction of GHG emissions that will be implemented from FY23.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2021-22	FY 2020-21
Total Waste generated (in metric tonnes)		
Plastic waste *(A)*	NA	NA
E-waste *(B)**	0.76	4.56
Bio-medical waste *(C)*	296.00	284.35
Construction and demolition waste *(D)*	NA	NA
Battery waste *(E)*	NA	NA
Radioactive waste *(F)*	NA	NA
Other Hazardous waste. Please specify, if any. *(G)*	NA	3.46
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	36.48	70.07
Total (A+B + C + D + E + F + G + H)	333.24	362.44

* * The numbers reported for FY 2020-21 includes both electrical wastes and electronic wastes – all categories. For FY 2021-22, we have considered only electronic waste, as defined under the categories of E Waste, defined under E Waste Management Rules 2016. However, focused efforts have been undertaken to minimize the Company's E-waste generation. This has led to a significant reduction in the amount generated for FY 2021-22 compared to FY 2020-21.

** Hazardous waste generation for FY 2021-22 has not been tracked.

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category		
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	296.00	284.35
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	36.48	70.07
Total	332.48	354.42

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

HCG recognizes the importance of monitoring and recording the environmental impacts of the company's operations. This is undertaken internally in a robust manner. However, no independent assessment/ assurance is carried out by external agencies.

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

   All biomedical waste generated is segregated as per Bio-Medical Waste Management Rules 2016 and handed over to authorized vendor of state pollution control for safe disposal thereafter. The Processes to safely manage and handle waste material have been enshrined in Waste Management Manual developed by the Company. This Manual lays critical stress on safe disposal of waste material. These include:

- E waste generated refers to all the electronic and electrical equipment specified in the Schedule-1 of E-waste (Management) Rules 2016. The Company has developed an E-waste Management Manual to provide a framework for the safe and effective disposal of E-waste. It ensures that e-waste generated is disposed of only through authorized collection centres or dealers through the designated take back service. The Manual includes Standard Operating Procedures (SOPs) for collection, storage and transportation of the E-waste in accordance with E-waste (Management) Rules 2016 and amendments thereof. It also includes safety procedures to be followed while storing, handling and transportation of E-waste and procedures for records retention.

- Hazardous Waste refers to the waste specified under column (3) of Schedule I Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. It includes DG set oil waste generated in HCG hospitals. As an Occupier/ Facility, the Company has developed a Hazardous Waste Management Manual for the management of hazardous waste generated. This Manual includes applicability of Authorisation and Grant from State Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974 (25 of 1974) and the Air (Prevention and Control of Pollution) Act, 1981 (21 of 1981). Procedures for collection, storage and transportation of hazardous waste and procedures for records retention have also been specified.

- 0ther waste:

  - Bio-medical waste is handed over to the Common Bio Medical Waste Treatment Facility, authorized by SPCB as per Bio-Medical Waste Management Rules, 2016 Rules and amendments thereof.

  - Used radiopharmaceutical products and vials are disposed of by consulting manufacturers and discussing disposal options/ applicable regulations. Some manufacturers offer a generator-return service, whereby generators are sent to licensed radioactive materials facilities for breakdown, lead-recycling, and radioactive- component disposal.

  - General waste is stored in a secured area and cleared regularly as per local municipality rules before collection by Municipal Authorities.

  - Battery waste refers to a lead acid battery which is a source of electrical energy and contains lead metal as per Battery (Management and Handling) Rules, 2001 and its amendments. The Company has a buy back system with the battery supplier which is covered through a PO/MOU/Agreement. A Batteries Waste Management Manual has been developed for greater clarity of processes and procedures. It includes SOPs for collection, storage and transportation of the battery waste, safety procedures to be followed while storing, handling and transportation of waste and procedures for records retention.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

    The Company has no operations/offices in/around ecologically sensitive areas. Hence, required environmental approval/ clearances are not applicable for the Company.

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

    Environmental impact assessments of projects have not been undertaken for FY 2021-22.

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

    Yes, the Company is compliant with all applicable environmental law/ regulations/ guidelines in India.

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2021-22	FY 2020-21
From renewable sources		
Total electricity consumption (A)	5.73GJ	2.03GJ
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA

Parameter	FY 2021-22	FY 2020-21
Total energy consumed from renewable sources (A+B+C)	5.73GJ	2.03GJ
From non-renewable sources		
Total electricity consumption (D)	19160.99GJ	Not monitored
Total fuel consumption (E)	21928.04GJ	Not monitored
Energy consumption through other sources (F)	NA	NA
Total energy consumed from non-renewable sources (D+E+F)	41089.03GJ	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency

HCG recognizes the importance of monitoring and recording the environmental impacts of the company's operations. This is undertaken internally in a robust manner. However, no independent assessment/ assurance is carried out by external agencies.

2. **Provide the following details related to water discharged:**

   Efforts are underway to track and record this data and it will be made available from FY 2022-23.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

   For each facility / plant located in areas of water stress, provide the following information:

   (i) Name of the area: Nil

   (ii) Nature of operations: Healthcare

   (iii) Water withdrawal, consumption and discharge in the following format:

   The Company does not withdraw, consume or discharge water in areas of water stress.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

   Efforts are underway to track and record this data and it will be made available from FY 2022-23.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   The Company has no operations/offices in/around ecologically sensitive areas.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Installation of solar rooftop 1593 KVA	HCG strive to ensure optimum utilization of resources across the organization. HCG monitors energy consumption across the domain and makes concerted efforts to restrict it within prescribed limits. HCG also encourages the use of renewable energy and continues to use LED lights and install solar rooftops to meet energy demands. For further details please refer to the below link https://www.hcgoncology.com/wp-content/uploads/2022/04/HCG-Full-AR-07-09-2021-V1-compressed.pdf	The quantitative outcome of these initiatives is not available.
2.	Reduction in paper consumption in FY 2020-21 - 74%	Excessive usage of paper has an adverse impact on HCG's ecological balance. To address this concern, reducing, recycling and reusing paper can prove to be extremely beneficial. HCG aims to reduce the use of paper within the organization 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 HCG save 2.5 tons of paper, which translates to conserving 60 trees and 60,00,000 liters 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. For further details please refer to the below link https://www.hcgoncology.com/wp-content/uploads/2022/04/HCG-Full-AR-07-09-2021-V1-compressed.pdf	

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   HCG has business continuity and disaster management plan for all Business-Critical software services and systems of the organization. The purpose of this plan is to operate from an alternate location, in case of any eventuality at a primary location. This also means ensuring maintaining backups and restoration cycles for faster and time bound recovery from Disasters. This plan is rehearsed once in a year and the findings are recorded for improvements, if need be. DR Drill is done in the mid of the financial year.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

   Not Applicable

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   Focused efforts are undertaken to ensure that the Company's value chain partners are sustainable in their mode of operation. Opportunities for environment impact assessment are being evaluated and relevant steps will be taken in this direction for subsequent financial years.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   The Company is not affiliated with any trade or industry chambers/associations.

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

   Not Applicable.

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   Not Applicable

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1.	Alternative Tobacco Farming - Antardhwani	Antardhwani is helping tobacco farmers in Hunsur (Mysore), India's major tobacco hub, to switch to growing ethically and financially viable crops. Fifty tobacco farmers of the region are part of this pilot project and have stopped growing tobacco in one acre of their respective land. They have been provided hi-grade saplings of sandalwood and seasonal fruits free of cost. Farmers have been availing expert guidance in the initiative.	Yes	Review is conducted on a need-basis.	https://www.antardhwani-theinnervoice.org/healthcare.php
2.	Antardhwani	Antadhwani has filed a PIL in Delhi HC questioning the Govt of India about non-use of the Secondary & Higher Education Cess amounting to around Rs 98,000 and collected over a period of 10 years from the citizens of India. The court has issued notices to the respondents and awaiting response.	Yes	Review is conducted on a need-basis.	https://www.antardhwani-theinnervoice.org/healthcare.php

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
3.	Antardhwani	Antardhwani is taking up taxpayer's rights by bringing along financial experts, citizen activists, lawmakers, trade representatives, bureaucrats on a forum to discuss the actionable steps. Antardhwani is also looking at forming a National Taxpayer's Platform	Yes	Review is conducted on a need-basis.	https://www.antardhwani-theinnervoice.org/healthcare.php
4	Antardhwani Conversations	Antardhwani has hosted periodic discussions - Antardhwani Conversations - to deliberate on key social issues and find viable solutions	Yes	Review is conducted on a need-basis.	https://antardhwani-theinnervoice.org/

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

   The Company has not undertaken any Social Impact Assessments of projects for FY 2021-22. Regular internal audits and assessments are undertaken. Focused efforts are underway to regularize undertaking of Social Impact Assessments for subsequent financial years.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The Company's operations do not have a significant impact on the local community. However, there is strong recognition that efforts must be continually made to protect the lives of communities living in and around the Company's area of operations. Further, the Company follows an open-door approach that fosters an environment of transparency and accountability for local community members to raise their grievances, if any.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/ small producers	2.6	2.3
Sourced directly from within the district and neighboring districts	97.4	97.7

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

(In INR Lakhs)

S. No.	State	Aspirational District	Amount spent
1.	Jharkhand	Ranchi	11.70

The Company's CSR mandate also expands to the following focus areas:

- Women leadership projects,

- Model villages,
- Experiential learning for students
- Training and skill development of teachers
- Tree planting projects in Bangalore and Ahmedabad.

3. a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**

   The Company does not have a preferential procurement policy.

   b. **From which marginalised /vulnerable groups do you procure?**

   Not Applicable

   c. **What percentage of total procurement (by value) does it constitute?**

   Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

   Not Applicable

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

   Not Applicable

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Women Leadership	• 1st phase: 150 • 2nd phase: 25	30%
2.	Model Village	84 households in 1 village	• 70 Below Poverty Line (BPL) families • 90% Other Backward Classes (OBC) families
3.	Experiential Learning for Students	421	40%
4.	Skill Development	400 trainees will be trained over a span of 2 years, starting FY 21 till FY 23.	• 80% underprivileged youth • 85% youth belonging to Scheduled Caste (SC), Scheduled Tribe (ST) and OBCs *
5.	Teachers Training	21	30%
6.	Tree Planting	The Company has planted approximately 5000 trees during FY 2021-22. This benefits the community at large.	
7.	Bus Stand Upgrade & Maintenance	The infrastructural improvements of Bus Stands in Ongole and Ranchi benefits the community at large.	

Note: Both percentages are for total number of beneficiaries targeted over a span of 2 years, starting FY 21 till FY 23

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Yes, the Company has a mechanism in place to receive and respond to consumer complaints and feedback, detailed below:

- Each centre has a Dedicated team to listen to the customer experience during the stay at the hospital. Feedback received is discussed in the daily huddle meeting and weekly quality meeting with the respective Head of the Departments and the Centre Heads. Minutes of the Meetings (MOM) are documented.
- A Hello HCG team at Ahmedabad to collect the patient feedback.

- 48 hours follow up calls to discharge patients.
- SMS links for feedback to the patients on their registered mobile numbers.
- Dedicated mail ID for Patient feedback which gets monitored centrally.
- OPD and other investigation patient feedback has also been covered.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

   Not Applicable

3. **Number of consumer complaints in respect of the following:**

Category	FY 2021-22		Remarks	FY 2020-21		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0		Not Applicable	0	0	Not Applicable
Advertising	0	0	Not Applicable	0	0	Not Applicable
Cyber-security	0	0	Not Applicable	0	0	Not Applicable
Delivery of essential services *	4	Pending material disputes being contested before the court of law/ appropriate authority	This includes 2 (two) cases outstanding resolution as on March 31, 2021.	2	Pending material disputes being contested before the court of law/ appropriate authority	
Restrictive Trade Practices	0	0	0	0	0	0
Unfair Trade Practices	0	0	0	0	0	0
Other	0	0	0	0	0	0

Note: This refers to medico-legal cases and exclude customer complaints. These are pending before the court of law/appropriate authority having jurisdiction on the matter.

4. **Details of instances of product recalls on account of safety issues:**

   Not Applicable

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   The Company has policies and procedures on the capabilities of identification of critical assets, risks, controls which will protect, detect, respond and recover against cyber security events. The risks around data security and privacy are identified, evaluated and documented in its internal risk register.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not Applicable

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The Company has a website which provides all necessary information on the company. Further details can be found at: www.hcgoncology.com.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The Company conducts consultation sessions and provides documents on patient education material where patients are made aware of the services available to them.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   The Company ensures consumers are aware of any risk of disruption/discontinuation of essential services through patient consent forms which include information on procedures, risks involved, benefits and alternatives available.

   The Company is also bound under the SEBI (Listing Obligations and Disclosure Requirements) Regulations to promptly inform the Stock Exchanges about any material event which may have a bearing on the Company's operations.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

   Not Applicable

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   The Company strives for an innovation driven and people-centric business model so as to bring better health for people. In order to achieve this goal, A feedback platform for patients ensures regular communication, providing a better understanding of its patients' experience, identifying scope for improving patient engagement and addressing any gaps in service quality.

   Patient feedback (Day-care patients, OP and IP) is collected through Patient Smile application as well as through the company website. The application helps HCG monitor Service excellence through NPS (Satisfaction index), Google reviews, Website reviews.

6. Provide the following information relating to data breaches:

   a. Number of instances of data breaches along-with impact

      Not Applicable

   b. Percentage of data breaches involving personally identifiable information of customers

      Not Applicable

Financial Statements

Independent Auditor's 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 2022, 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 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 2022, and its profit 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. 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

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 period. 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.

Description of Key Audit Matters

The key audit matter	How the matter was addressed in our audit
Impairment evaluation of investment in subsidiaries, related loans and goodwill **A. Impairment of investment in subsidiaries and related loans** Refer note 3(s), note 8, note 9 & note 31 to the standalone financial statements. 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. 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.	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: • Assessed the appropriateness of accounting policy for impairment of investment in subsidiaries, related loans and goodwill 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 and related loans considering internal or external sources of information, as performed by the Company. • We assessed the adequacy of the level of impairment by: - 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;

The key audit matter	How the matter was addressed in our audit
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. **B. Impairment of Goodwill** Refer note 3(i) , note 3(n)(ii), note 6, and note 6(A) to the standalone financial statements. Goodwill is a significant item on the standalone balance sheet for which the Company performs impairment testing at least annually. In performing such impairment assessments, the Company compares the carrying value of each of the identifiable Cash Generating Units ("CGUs") to which the goodwill has been allocated with its respective recoverable values, to determine whether any impairment loss should be recognised. The Company's process of assessment of impairment of goodwill 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. Due to the significance of the carrying amount of goodwill and significant judgments (including the impact of Covid 19) required to compute recoverable values, we have determined this to be a key audit matter.	- performing sensitivity analysis of the key assumptions including the possible effects of Covid 19. • Assessed the adequacy of disclosures in the standalone financial statements in accordance with the relevant accounting standards.
Acquisition of Business Refer note 3(u) & note 45 to the standalone financial statements. The Company completed the acquisition of a diagnostic business and the division providing clinical research site management for a significant consideration and accounted for this acquisition as a business combination as per Ind AS 103. Accounting for this acquisition involved judgement related to: • Identification and measurement of the fair value of the identifiable assets (tangible and intangible) acquired and liabilities assumed. • Allocation of the consideration transferred between identifiable assets and liability and goodwill. • Gain or loss on effective settlement of a pre-existing contractual relationship • Determination of existence of contract • Determination of the discount rate, revenue growth rate and projected margins to develop the fair value of the intangible assets. This was a significant acquisition for the Company and given the level of estimation and judgement required, we considered it to be a key audit matter.	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: • Assessed the appropriateness of accounting policy for acquisition of business as per relevant accounting standards. • Read the documents pertaining to the acquisition and contracts to understand the key terms and conditions of the acquisition. • Evaluated the design and implementation of key internal financial controls related to the accounting for acquisition of business and related disclosures in the standalone financial statements. • Involved valuation specialist and technical team with specialized skills and knowledge to evaluate the appropriateness of accounting and the appropriateness of the valuation methodology and key assumptions, specifically those relating to discount rate, revenue growth rates, projected margins with reference to our understanding of their business and industry. • Assessed the adequacy of disclosures in the standalone financial statements in accordance with the relevant accounting standards.

Information Other than the Standalone Financial Statements and Auditor's 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 auditor's 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 do 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' Responsibilities 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, 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 the 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 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 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 in preparation of standalone 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 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 auditor's 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 (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 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 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:

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements.

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

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

   d) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 47 (iv) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 47 (v) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act which are required to be commented upon by us.

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

Amit Somani
Partner
Membership No.060154
UDIN: 22060154AJQYIY6698

Place: Bangalore
Date: 26 May 2022

Annexure A to the Independent Auditor's Report on Standalone Financial Statements

(Referred to in our report of even date)

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 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) 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 disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (Amount in ₹ Millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held-indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Ahmedabad - Freehold land - Building on above land	27.09 129.77	HCG Medi-surge Hospitals Private Limited	--	Since 10 years	These entities were merged with the Company.
Bengaluru - Freehold land - Building on above land	73.23 191.11	Banashankari Medical and Oncology Research Centre Private Limited	--	Since 13 years	
Vijayawada - Freehold land - Building on above land	31.75 128.62	Healthcare Global Vijay Oncology Private Limited	--	Since 8 years	

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of an immovable property where the Company is the lessee, the leases agreements are duly executed in favour of the Company, except the below

Description of property	Gross carrying value as at 31 March 2022 (Amount in ₹ Millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held-indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Jaipur unit	Right of Use :342.37 Lease Liability: 378.57	Lessor	No	Since 1 January 2021	The lease arrangement has been executed on 12 May 2022 in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions, where submitted, are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided security and advances in the nature of loans to firms, limited liability partnership or any other parties during the year. The Company has made investments, provided guarantee and granted loans to companies, firms, limited liability partnership or any other parties during the year.

(a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has stood guarantee to subsidiaries as below:

Particulars	Guarantees (In ₹ million)
Aggregate amount during the year Subsidiaries*	818.12
Balance outstanding as at balance sheet date in respect of the above Subsidiaries*	816.70

*As per the Companies Act, 2013

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to other parties as below:

Particulars	Loans (In ₹ million)
Aggregate amount during the year - Other parties	10.87
Balance outstanding as at balance sheet date - Other parties	6.37

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, loans given and guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of the following loans given in the previous years, there is no stipulation of schedule of repayment of principal and payment of interest and accordingly we are unable to comment on the regularity of repayment of principal and payment of interest:

Name of the entity	Opening Gross Principal (Amount in ₹ million)	Remarks
Niruja Product Development and Healthcare Research Private Limited	227.61	There is no stipulation of schedule of repayment of principal or payment of interest. During earlier year, on account of adverse business performance, ₹ 188.60 million has been provided for.

Name of the entity	Opening Gross Principal (Amount in ₹ million)	Remarks
HealthCare Global Senthil Multi-Specialty Hospital Private Limited*	30.38	There is no stipulation of schedule of repayment of principal or payment of interest. During earlier year, on account of adverse business performance, this has been provided for.
Suchirayu Healthcare Solutions Limited	102.00	During the year, subsequent to acquisition of Suchirayu, the principal and interest has been repaid.

Further, the Company has not given any loans and advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, for similar reasons as explained in (iii) (c) above, in case of loans given in earlier years and remaining outstanding, we are unable to comment on the amount overdue for more than ninety days. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. The Company has not given any loans, or provided any security as specified under Section 185 and Section 186 of the Companies Act, 2013.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute, except as follows:

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 duty	15.20 (0.6)*	April 2009 to March 2014	Central Excise, Customs and Service Tax

Name of the statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies as defined under the Act.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year on account of exercise of warrants by the warrants holder (issued in the previous year), the Company has duly complied with the requirements of Section 42 and Section 62 of the Act.

Further, according to the information and explanations given to us and based on our examination of the records of the Company, the amount raised in the previous year end and partially unutilised as at the previous year end have been used during the year for the purposes for which the funds were raised. Also, the amounts raised during the year have been partially used for the purposes for which the funds were raised. Pending utilisation, the balance funds available as at 31 March 2022, were used for the purposes other than for which they were raised by temporarily investing in fixed deposits/overdraft account.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Amit Somani
Partner
Membership No.060154
UDIN: 22060154AJQYIY6698

Place: Bangalore
Date: 26 May 2022

Annexure B to the Independent Auditors' report on the standalone financial statements of HealthCare Global Enterprises Limited for the year ended 31 March 2022.

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 financial statements of HealthCare Global Enterprises Limited ("the Company") as of 31 March 2022 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 2022, based on the internal financial controls with reference to 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.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No. 101248W/W-100022

Amit Somani
Partner
Membership No.060154
UDIN: 22060154AJQYIY6698

Place: Bangalore
Date: 26 May 2022

Standalone Balance Sheet as at

(₹ in million)

Particulars	Note No	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	4,770.44	4,974.08
(b) Capital work-in-progress	5	48.19	276.06
(c) Right-of-use assets	7	1,762.67	1,804.19
(d) Goodwill	6	962.60	484.52
(e) Other intangible assets	6	242.72	188.89
(f) Financial assets			
(i) Investments	8	4,386.56	3,656.57
(ii) Loans receivable	9	39.01	132.01
(iii) Other financial assets	10	212.32	262.18
(g) Deferred tax assets (net)	32.3	0.68	273.26
(h) Income tax assets (net)	32.4	299.49	307.48
(i) Other non-current assets	11	149.93	105.94
Total non-current assets		**12,874.61**	**12,465.18**
Current assets			
(a) Inventories	12	173.03	119.50
(b) Financial assets			
(i) Trade receivables	13	1,602.45	1,474.84
(ii) Cash and cash equivalents	14	1,199.56	144.61
(iii) Loans receivable	9	10.24	35.12
(iv) Other financial assets	10	408.42	1,348.73
(c) Other current assets	11	167.86	157.13
Total current assets		**3,561.56**	**3,279.93**
TOTAL ASSETS		**16,436.17**	**15,745.11**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,390.12	1,253.59
(b) Other equity	16	9,586.79	7,984.23
Total equity		**10,976.91**	**9,237.82**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	820.25	1,471.25
(ii) Lease liabilities		2,177.76	2,219.47
(iii) Other financial liabilities	18	54.24	62.36
(b) Provisions	20	77.91	62.86
(c) Other non-current liabilities	19	178.26	192.05
Total non-current liabilities		**3,308.42**	**4,007.99**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	254.24	923.93
(ii) Lease liabilities		237.59	199.25
(iii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		11.65	2.66
Total outstanding dues of creditors other than micro enterprises and small enterprises		951.70	810.21
(iv) Other financial liabilities	18	298.11	263.47
(b) Other current liabilities	19	256.31	213.23
(c) Provisions	20	141.24	86.55
Total current liabilities		**2,150.84**	**2,499.30**
TOTAL EQUITY AND LIABILITIES		**16,436.17**	**15,745.11**
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 : 26 May 2022

for **and on behalf of the Board of Directors**
HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar
Executive Chairman
DIN: 00713779

Place : Bengaluru
Date : 26 May 2022

Meghraj Arvindrao Gore
Whole-Time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 26 May 2022

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 26 May 2022

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 26 May 2022

Standalone Statement of Profit and Loss for the year ended

(₹ in million)

	Particulars	Note No.	31 March 2022	31 March 2021
I	**Income**			
	Revenue from operations	22	8,498.30	6,088.61
	Income from government grant	23	21.31	21.67
	Other income	24	102.85	218.50
	Total Income (I)		**8,622.46**	**6,328.78**
II	**Expenses**			
	Purchases of medical and non-medical items		2,132.55	1,378.95
	Changes in inventories	25	(29.36)	5.64
	Employee benefits expense	26	1,566.32	1,367.24
	Finance costs	27	427.95	628.64
	Depreciation and amortisation expense	28	883.60	865.79
	Other expenses	29	3,360.10	2,602.13
	Total expenses (II)		**8,341.16**	**6,848.39**
III	**Profit / (loss) before exceptional items and tax (I- II)**		**281.30**	**(519.61)**
IV	**Exceptional items, net gain / (loss)**	31	529.11	(1,530.96)
V	**Profit / (loss) before tax (III+IV)**		**810.41**	**(2,050.57)**
VI	**Tax expense**			
	(1) Current tax	32.1	157.00	-
	(2) Deferred tax expense / (credit)	32.1	270.88	(135.10)
	Total tax expense / (credit)		**427.88**	**(135.10)**
VII	**Profit / (loss) for the year (V-VI)**		**382.53**	**(1,915.47)**
VIII	**Other comprehensive income**			
	(i) Items that will not be reclassified subsequently to profit or loss			
	- Remeasurements of the defined benefit plans	37.2	(6.80)	(2.05)
	- Income tax effect on (i) above	32.2	2.38	0.73
	(ii) Items that will be reclassified to profit or loss			
	- Effective portion of gain on hedging instruments in a cash flow hedge	40	11.77	44.73
	- Income tax on effect (ii) above	32.2	(4.08)	(15.63)
	Other comprehensive income for the year, net of income tax		**3.27**	**27.78**
XI	**Total comprehensive income / (loss) for the year (VII+VIII)**		**385.80**	**(1,887.69)**
	Earnings / (loss) per equity share of ₹ 10/- each:			
	Basic (in ₹)	35.1	2.95	(16.85)
	Diluted (in ₹)	35.2	2.83	(16.85)
	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 : 26 May 2022

for **and on behalf of the Board of Directors**
HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar
Executive Chairman
DIN: 00713779

Place : Bengaluru
Date : 26 May 2022

Meghraj Arvindrao Gore
Whole-Time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 26 May 2022

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 26 May 2022

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 26 May 2022

Standalone Cash Flow Statement for the years ended

(₹ in million)

Particulars	Note No.	31 March 2022	31 March 2021
Cash flows from operating activities			
Profit / (loss) before tax for the year		**810.41**	**(2,050.57)**
Adjustments for :-			
Finance costs		427.95	628.64
Gain on investment revalued at FVTPL		(1.24)	(1.40)
Guarantee commission income		(16.46)	(26.08)
Loss on disposal of property, plant and equipment		0.81	0.64
Provision for bad and doubtful receivables		97.84	34.70
Provision for doubtful advances		-	6.70
Interest income		(75.84)	(188.86)
Income from government grant		(21.31)	(21.67)
Depreciation and amortisation expense		883.60	865.79
Expenses on employee stock option scheme		28.33	18.45
Net foreign exchange loss/(gain)		(3.65)	1.29
Exceptional items: Non-cash expenditure	31	(529.11)	1,530.96
Movements in working capital:			
Changes in trade receivables		(221.80)	12.35
Changes in inventories		(29.37)	5.64
Changes in loans, financial assets and other assets		(158.97)	116.67
Changes in trade payables, financial liabilities and other liabilities		190.62	(646.95)
Changes in provisions		9.35	18.24
Cash generated from operations (includes settlement of ₹ 65.57 million, pertaining to pre-existing balances pursuant to acquisition of business referred in Note 45)		**1,391.16**	**304.54**
Income taxes paid (net of refunds)		(147.21)	404.33
Net cash generated from operating activities (A)		**1,243.95**	**708.87**
Cash flows from investing activities			
Fixed deposits		(821.50)	(2,831.13)
Proceeds from maturity of fixed deposits		1,890.54	1,807.65
Acquisition of property, plant and equipment		(424.48)	(229.30)
Payment towards contingent consideration		-	(64.00)
Interest received		104.24	67.66
Investment in subsidiaries		(1,191.38)	(1,230.73)
Payment for acqusition of business (net) (refer note 45)		(747.93)	-
Proceeds from sale of investment in joint venture		1,572.14	-
Proceeds from repayments of related party loans		-	20.12
Proceeds from repayment of Inter-corporate deposits		102.00	3.00
Proceeds from disposal of property, plant and equipment		2.86	0.52
Net cash generated from / (used in) investing activities (B)		**486.49**	**(2,456.21)**
Cash flows from financing activities $			
Proceeds from issue of equity shares	15 & 16	1,321.59	4,526.13
Proceeds from issue of share warrants	15 & 16	-	668.22
Share issue expenses	15 & 16	-	(232.35)
Repayment of loan from related parties		-	(149.90)
Proceeds from bills discounting		252.76	583.03
Bills discounted settled		(651.55)	(184.24)
Proceeds from long-term borrowings		855.81	124.59
Repayment of long-term borrowings		(1,526.10)	(2,314.50)
Loan foreclosure and refinancing expenses		(50.28)	-
Repayment of principal portion of lease liability		(178.37)	(67.00)
Interest paid on lease liability		(251.66)	(285.72)
Interest and other borrowing cost paid		(182.62)	(309.06)
Net cash generated from / (used in) financing activities (C)		**(410.42)**	**2,359.20**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**1,320.02**	**611.86**
Cash and cash equivalents at the beginning of the year	14	(126.75)	(738.61)
Cash and cash equivalents at the end of the year	14	**1,193.27**	**(126.75)**

For the purpose of statement of cash flows, cash and cash equivalent comprises the followings:

Standalone Cash Flow Statement for the years ended

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Cash on hand	8.71	5.05
(b) Cheques, drafts on hand	7.18	4.19
(c) Balance with bank		-
In current accounts and EEFC accounts	182.88	133.64
In deposit accounts	1,000.79	1.73
Cash and cash equivalent as per balance sheet	**1,199.56**	**144.61**
Less : Bank overdrafts (refer note 17)	(6.29)	(271.36)
Cash and cash equivalents as per the standalone statement of cash flows	**1,193.27**	**(126.75)**

$ 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 borrowing cost	Total
Debt as at 1 April 2021	**1,725.03**	**398.79**	**-**	**2,123.82**
Interest accrued as at 01 April 2021	-	-	-	-
Cash flows including interest and other borrowing cost	**(788.11)**	**(398.79)**	**(64.80)**	**(1,251.70)**
- Interest and other borrowing cost*	106.93	-	64.80	171.73
- Non cash transactions	24.34	-	-	24.34
Debt as at 31 March 2022	**1,068.20**	**-**	**-**	**1,068.20**

includes current maturities of Term loan and deferred payment obligation grouped under current borrowings

^ other than bank overdraft and current maturities of Term loan and deferred payment obligation grouped under current borrowings

*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 borrowing cost	Total
Debt as at 1 April 2020	**3,836.67**	**149.90**	**-**	**3,986.57**
Interest accrued as at 1 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**

includes current maturities of Term loan and deferred payment obligation grouped under current borrowings

^ other than bank overdraft and current maturities of Term loan and deferred payment obligation grouped under current borrowings

*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 : 26 May 2022

for **and on behalf of the Board of Directors**
HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar
Executive Chairman
DIN: 00713779

Place : Bengaluru
Date : 26 May 2022

Meghraj Arvindrao Gore
Whole-Time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 26 May 2022

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 26 May 2022

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 26 May 2022

Standalone Statement of Changes in Equity for the years ended 31 March 2022 and 31 March 2021

a. Equity share capital *

Particulars	No of Shares	(₹ in million)
Balance as at 01 April 2020	**88,690,629**	**886.91**
Changes in equity share capital during the year		
(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**
(a) Issue of equity shares pursuant to exerise of warrants (refer note 15.1)	13,503,468	135.04
(b) Issue of equity shares pursuant to exercise of employee share options under employee share option plan 2014 (refer note 38(c))	149,240	1.49
Balance as at 31 March 2022	**139,011,992**	**1,390.12**

b. Other equity *

(₹ 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		
Balance as at 01 April 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 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 (including ESOP given to employees of subsidiaries cross charged, refer note 44)		-	18.45	-	-		-	-	18.45
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)**	**(8.11)**	**438.86**	**7,984.23**
Profit for the year	-	-	-	382.53	-	-	-	-	382.53
Other comprehensive (loss)/ income for the year (net of tax)	-	-	-	-	-	7.69	(4.42)	-	3.27
Total comprehensive (loss)/ income	**-**	**-**	**-**	**382.53**	**-**	**7.69**	**(4.42)**	**-**	**385.80**
Transactions recorded directly in equity									
Premium on shares issued during the year	16.1	1,185.06	-	-	-	-	-	-	1,185.06
Transferred to Securities premium account on exercise of ESOPs	16.2	30.56	(30.56)	-	-	-	-	-	-
Transferred to retained earnings on lapse of vested ESOPs	16.2		(1.11)	1.11					
Expense on employee stock option scheme (including ESOP given to employees of subsidiaries cross charged, refer note 44)	16.2	-	31.70	-	-	-	-	-	31.70
Issue of shares pursuant to exercise of warrants during the year [refer note 15.1(b)]	16.7	438.86	-	-	-	-	-	(438.86)	-
Balance as at 31 March 2022		**11,628.99**	**67.18**	**(2,082.94)**	**(13.91)**	**-**	**(12.53)**	**-**	**9,586.79**

Standalone Statement of Changes in Equity

for the years ended 31 March 2022 and 31 March 2021

b. Other equity * (Contd..)

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.

* There are no changes in equity share capital and other equity due to prior period errors

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 : 26 May 2022

for **and on behalf of the Board of Directors**
HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar
Executive Chairman
DIN: 00713779

Place : Bengaluru
Date : 26 May 2022

Meghraj Arvindrao Gore
Whole-Time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 26 May 2022

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 26 May 2022

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 26 May 2022

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

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 2022 were approved by the Board of Directors and authorised for issue on 26 May 2022.

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 measures put in place to control the spread of virus, including the travel restrictions adversely impacted the patients' footfall and the healthcare workers. 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 gradually recover.

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 financial statements captions including recoverability assessments for Property, Plant and Equipment, Goodwill, Investments and Other Assets and meeting its financial obligations, upto the date of adoption of standalone financial statements by the Board of Directors. 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. The management will continue to monitor changes to the future economic conditions for any material impact.

(c) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), 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 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.

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, EBITDA / revenue multiple and profitability

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

- **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, EBITDA / revenue multiple 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
- **Note 45 -** Business combination: Identification of intangible asset and acquisition date

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 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

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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 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.

Notes to the Standalone Financial Statements

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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.

(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 lease liability, 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 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

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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.

(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:

Notes to the Standalone Financial Statements

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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 reassessed the lease term for certain lease premises (refer note 7). Considering this, the deprecation on Right of Use of Assets and interest on Lease Liabilities required revision. Also, the related leasehold improvements required to be depreciated over the shorter of the revised lease term or useful of the assets. The change in this accounting estimate has been applied prospectively in accordance with Ind AS 8, "Accounting policies, changes in accounting estimate and errors' impacting depreciation and amortisation expense and interest on lease liabilities. The financial impact due to the change in the estimate is over the lease term and useful life determined of the leasehold improvements. For the year ended 31 March 2022, interest on lease liabilities reduced by ₹ 67.37 Million and depreciation on right of use assets and leasehold improvements increased 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

Intangible assets acquired on business combination are recognised at fair value as at the date of acquisition. 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
Customer contract	11 years
Referral network	25 years
Intellectual Property for contract research	10 years

The estimated useful life of intangible assets acquired by the Company has been determined based on number of factors including the competitive environment and operating plan of the Company.

(i) 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.

(j) 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.

(k) 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.

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(l) 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.

(m) 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 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

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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 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.

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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.

(n) 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 though 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.

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(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 it's recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(o) 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 per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

(p) 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.

(q) 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.

(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.

(s) Investment in subsidiaries and joint ventures

(i) Initial recognition

The acquired investment in subsidiaries and joint ventures are measured at acquitions 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 Company has elected to account its subsidiaries and joint ventures at cost less accumulated impairment losses, if any.

(t) 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

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for the year ended 31 March 2022

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.

(u) Business combinations

In accordance with Ind AS 103, "Business combinations" the Company accounts for acquisitions of businesses using the acquisition method. The consideration transferred for the business combination is generally measured at fair value as at the date the net identifiable assets are acquired. Purchase consideration paid in excess of fair value of net identifiable assets acquired is recognised as goodwill. 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.

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.

(v) Exceptional items

Exceptional items refer to items of income or expense within the standalone statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

4 Recent pronouncements

4.1 Amendments to Schedule III of the Companies Act, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24 March 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Group for the financial year starting 1 April 2021 and applied to the standalone financial statements:

a. Regrouping of security deposits classified earlier under "Loans" to "Other financial assets" and current maturities of long-term borrowings earlier classified under "Other financial liabilities" to "Current borrowings".

b. Certain additional disclosures in the standalone 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.

c. Additional disclosure for shareholding of promoters.

d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.

e. Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.

f. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

Previous period figures have been re-grouped / re-classified to conform to below requirements of the amended Schedule III to the Companies Act, 2013 effective 1 April 2021:

(a) non-current security deposits of ₹ 216.55 million (including ₹ 20.64 million considered doubtful) and current security deposits of ₹ 20.66 million as at 31 March 2021 have been recgrouped from 'Loans receivable' (Note 9) to 'Other financial assets' (Note 10).

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

(b) current maturities of long-term borrowings amounting ₹ 253.78 million as at 31 March 2021 have been regrouped from 'Other financial liabilities' (Note 18) to 'Current borrowings' (Note 17).

4.2 Amendments to Indian Accounting Standards

Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification dated 23 March 2022. Following amendments and annual improvements to Ind AS are applicable from 1 April 2022.

Ind AS - 103 Business Combination

The amendment specifies that for identified assets and liabilities to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

Ind AS - 16 Property, Plant and Equipment

The amendment clarifies that sale proceeds of items produced in the process of making Property, Plant and Equipment (PPE) available for its intended use cannot be deducted from the cost of PPE. Instead, such proceeds shall be recognized in the statement of profit or loss.

Ind AS - 37 Provisions

The amendment clarifies that that the 'costs to fulfil' a contract include both incremental costs (direct labour and material) and an allocation of other direct costs (e.g: depreciation charge for an item of PPE used in fulfilling the contract).

Annual improvements to Ind AS 109 - Financial instruments

The amendment clarifies while performing the '10 percent test' for derecognition of financial liabilities, borrower includes only fees paid or received between borrower and lender directly or on behalf of the other's behalf.

The Company does not expect the above amendments / improvements to have any significant impact on its standalone financial statements.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

5 Property, plant and equipment and capital work-in-progress

(₹ in million)

Description of assets	Freehold Land (refer note 5.1)	Buildings (refer note 5.1)	Leasehold improvements	Plant and medical equipment	Office equipment	Furniture and fixtures	Data processing equipments	Electrical installation	Vehicles	Total	Capital work in progress (refer note 5.2)
I. Gross block											
Balance as at 01 April 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)	-
Provision for impairment [refer note 5.2(ii)]	-	-	-	-	-	-	-	-	-	-	(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**
Additions* $ (refer note 19)	-	4.27	28.51	170.63	4.33	5.80	14.50	7.96	0.51	236.51	228.59
Disposals	-	-	(0.80)	(4.88)	(2.17)	(0.78)	(0.46)	(0.27)	-	(9.36)	-
Acquired through business combination (refer note 45)	-	-	6.31	119.27	1.56	1.45	0.92	0.18	-	129.69	-
Provision for impairment [refer note 5.2(i)]	-	-	-	-	-	-	-	-	-	-	(456.46)
Balance as at 31 March 2022	**402.86**	**795.56**	**901.52**	**5,167.45**	**74.53**	**145.72**	**119.08**	**90.39**	**26.30**	**7,723.41**	**48.19**
II. Accumulated depreciation and impairment											
Balance as at 01 April 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)	(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**	**-**
Eliminated on disposal of assets	-	-	(0.80)	(1.82)	(1.73)	(0.77)	(0.41)	(0.16)	-	(5.69)	-
Depreciation expense	-	17.66	75.87	423.84	7.72	13.91	13.63	10.35	3.19	566.17	-
Balance as at 31 March 2022	**-**	**109.03**	**308.96**	**2,235.90**	**56.76**	**87.04**	**91.74**	**46.33**	**17.21**	**2,952.97**	**-**
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**
Net block as at 31 March 2022	**402.86**	**686.53**	**592.56**	**2,931.55**	**17.77**	**58.68**	**27.34**	**44.06**	**9.09**	**4,770.44**	**48.19**

Refer note 17 for details of charge created on property, plant and equipment.

* Directly attributable expenses capitalised of ₹ 53.86 million (31 March 21: ₹ 82.14 million). Total borrowing cost capitalised (included in directly attributable expenses) is ₹ 28.83 million (31 March 21: ₹ 62.42 million) relating to Lease Liability.

$ 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 ₹ 14.66 million (31 March 21: ₹ Nil).

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

5 Property, plant and equipment and capital work-in-progress

5.1 Detils of title deeds of immovable properties not held in name of the Company as at 31 March 2022 and 31 March 2021:

(₹ in million)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Freehold Land	73.23	Banashankari Medical and Oncology Research Centre Private Limited	No	01-Apr-09	These entities / their business were merged with the Company. Refer note below.
	Building	191.11				
	Freehold Land	27.09	HCG Medisurge Hospitals Private Limited	No	01-Apr-12	
	Building	129.77				
	Freehold Land	31.75	HealthCare Global Vijay Oncology Private Limited	No	01-Apr-14	
	Building	128.62				

Note: In accordance with the terms of a Scheme of Arrangements approved by the jurisdisctional courts, Banashankari Medical and Oncology Research Center Limited, HealthCare Global Vijay Oncology Private Limited and multi-specialty division of HCG Medisurge Hospitals Private Limited were merged with the Company with effect from the appointed date of 1 April 2009, 1 April 2014 and 1 April 2012 respectively. Pursuant to the scheme, all assets including the underlying properties were transferred to and vested in the name of the Company.

5.2 Capital work-in-progress

(₹ in million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress					
As at 31 March 2022	36.04	11.46	-	0.69	48.19
As at 31 March 2021	133.27	17.34	123.73	1.72	276.06
Projects temporarily suspended					
As at 31 March 2022 (refe note (i) below)	-	-	-	-	-
As at 31 March 2021	-	-	-	-	-
Total Capital work-in-progress					
As at 31 March 2022	36.04	11.46	-	0.69	48.19
As at 31 March 2021	133.27	17.34	123.73	1.72	276.06

Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan:

(₹ in million)

CWIP	Note no.	To be completed in			
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
As at 31 March 2022		-	-	-	-
					-
As at 31 March 2021					
Privat project	(i) and (ii)	-	260.87	-	260.87

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

5 Property, plant and equipment and capital work-in-progress (Contd..)

(i) For the year ended 31 March 2022:

The Company has been engaged in construction of greenfield project at leased premises in Gurugram ("Privat project") since 2017. While the project was initially scheduled to be operational as of 2020, it was delayed due to changes in management's plan on account of operational priorities followed by the outbreak of COVID-19 pandemic. During the budgeting process in the current year, the Management has decided to focus on increasing marketing activities and driving operational efficiencies and further invest in the upgrading and consolidating the existing footprint. As a result, the management has decided to not pursue the project as of now. The Company still has two more years of non-cancellable lease, on the said premise. Accordingly, the Company has recognized impairment charge of ₹ 472.45 million of assets relating to this project (comprising impairment of CWIP ₹ 456.46 million, right of use asset ₹ 10.94 million and security deposit ₹ 5.05 million), after considering minimum lease payable and other committed costs of the project.

(ii) For the year ended 31 March 2021:

The Company assessed the recoverable value of its investment made in the Privat project as at 31 March 2021. 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 CWIP ₹ 304.02 million and capital advances of ₹ 58.99 million).

6 Goodwill and other intangible assets

(₹ in million)

Description of assets	Goodwill (refer note 6A below)	Other intangible assets					
		Computer software	Customer contract	Referral network	Intellectual Property for contract research	Software for plant and machinery	Total
I. Gross block							
Balance as at 01 April 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**
Additions	-	11.12	-	-	-	-	11.12
Acquired through business combination (refer note 45)	478.08	1.11	85.80	23.20	35.20	-	145.31
Balance as at 31 March 2022	**962.60**	**406.09**	**85.80**	**23.20**	**35.20**	**3.42**	**553.71**
II. Accumulated amortisation and impairment losses							
Balance as at 01 April 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**
Amortisation expense for the year	-	95.87	4.30	0.53	1.90	-	102.60
Balance as at 31 March 2022	**-**	**300.84**	**4.30**	**0.53**	**1.90**	**3.42**	**310.99**
Balance as at 31 March 2021	**484.52**	**188.89**	**-**	**-**	**-**	**-**	**188.89**
Balance as at 31 March 2022	**962.60**	**105.25**	**81.50**	**22.67**	**33.30**	**-**	**242.72**

Refer note 17 for details of charge created on intangible asset.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

6 Goodwill and other intangible assets (Contd..)

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	As at 31 March 2022	As at 31 March 2021
City Cancer Center (CCC) (refer note a)	484.52	484.52
Diagnostic business (refer note b below and note 45)	478.08	-
Total	**962.60**	**484.52**

(a) The key assumptions used in the estimation of the recoverable amount of Goodwill are set out below:

For the purpose of impairment testing, the recoverable amount of CGUs 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. The estimated recoverable amount of the CGUs exceeded carrying amount and hence impairment is not triggered.

(b) The carrying value of Goodwill relates to the acquisition of Diagnostic business during the year (refer note 45). The recoverable amount of the underlying CGU, i.e., Diagnostic business, is based on its value in use, estimated on present value of the projected future cash flows. Following key assumptions were considered in performing impairment assessment:

Key assumptions	As at 31 March 2022	As at 31 March 2021
Annual growth rate	10%	-
Terminal growth rate	5%	-
Discount rate	11.25%	-

The values assigned to the key assumptions given in the table above 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 the 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 Company 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.

7 Leases

Right-of-use-assets

(₹ in million)

Description of assets	Buildings	Plant and medical equipment	Total
I. Gross block			
Balance as at 01 April 2020	**3,292.92**	**-**	**3,292.92**
Additions	17.00	-	17.00
Remeasurement of lease liabilities and lease modification (refer notes (i) and (ii) below)	(975.98)	-	(975.98)
At 31 March 2021	**2,333.94**	**-**	**2,333.94**
Additions	9.42	306.94	316.36
Remeasurement of lease liabilities [refer note (iii) below]	(112.80)	-	(112.80)
Impairment during the year [refer note 5.2(i)]	(10.94)	-	(10.94)
At 31 March 2022	**2,219.62**	**306.94**	**2,526.56**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

7 Leases (Contd..)

(₹ in million)

Description of assets	Buildings	Plant and medical equipment	Total
II. Accumulated depreciation and impairment			
Balance as at 01 April 2021	**294.92**	**-**	**294.92**
Depreciation expense	234.83	-	234.83
At 31 March 2021	**529.75**	**-**	**529.75**
Depreciation expense	214.50	19.64	234.14
At 31 March 2022	**744.25**	**19.64**	**763.89**
Net block as at 31 March 2021	**1,804.19**	**-**	**1,804.19**
Net block as at 31 March 2022	**1,475.37**	**287.30**	**1,762.67**

The Company has lease arrangements for hospital buildings and medical equipments.

The aggregate depreciation expense on ROU for the year amounting to ₹ 214.83 million (31 March 2021: ₹ 215.11 million) is included in the "Depreciation and Amortisation expense" in the Standalone statement of Profit and Loss and ₹ 19.31 million (31 March 2021: ₹ 19.72 million) is capitalised to Capital work-in-progress.

Notes:

(i) 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 Standalone statement of Profit and Loss.

(ii) 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.

(iii) During the year ended 31 March 2022, as explained in Note 5.2(i), the Company decided to not pursue the oncology facility project now which has been under construction at the leased premises in Gurugram. Accordingly, the Company reassessed its lease term over the remaining non-cancellable lease period and recognised reduction of Right-of use assets and Lease liabilities by ₹ 250.87 million. Additionally, in respect of another lease of hospital building, the Company reassessed its lease liability pursuant to changes in lease term and lease amounts, as a result of which the Right-of use assets and Lease liabilities increased by ₹ 138.07 million and ₹ 100.48 million respectively.

The following is the break-up of current and non-current lease liabilities as at 31 March 2022 and 31 March 2021:

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	237.59	199.25
Non-current liabilities	2,177.76	2,219.47
Total	**2,415.35**	**2,418.72**

The table below provides details regarding the contractual maturities of:

(₹ in million)

Particulars	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Lease liabilities as at 31 March 2022	4,102.57	457.83	417.09	345.31	359.07	2,523.27
Lease liabilities as at 31 March 2021	4,482.41	439.36	396.17	381.77	360.20	2,904.91

* Interest and depreciation expenses capitalised amounting to ₹ 28.83 million and ₹ 19.31 million (31 March 2021: ₹ 62.42 million and ₹ 19.72 million) respectively.

During the year ended 31 March 2022, the Company incurred expenses amounting to ₹ 29.41 million (31 March 2021: 29.90 million) towards short-term leases and ₹ 35.42 million (31 March 2021: ₹ 2.16 million) expenses towards variable rent, net of rent concessions Nil (31 March 2021: ₹ 11.07 million).

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

7 Leases (Contd..)

Amounts recognised in Cash flow statement

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Repayment of principal portion of lease liability	178.37	67.00

In respect of lease of immovable properties where the Company is the lessee, the leases agreements are duly executed in favour of the Company, except the below

(₹ in million)

Description of property	Gross carrying value as at 31 March 2022 (₹ in million)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Hopital building in Jaipur	Right of use asset: 342.37 Lease Liability: 378.57	Lessor	No	Since 1 January 2021	The lease arrangement has been executed on 12 May 2022 in the name of the Company.

8 Investments

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
A) Non current investment		
I) Investment carried at cost*		
(i) In subsidiary companies		
Unquoted equity instruments		
Malnad Hospital & Institute of Oncology Private Limited	6.64	6.64
(66,706 (31 March 21: 66,706) equity shares of ₹ 100/- each, fully paid up)		
Niruja Product Development and Healthcare Research Private Limited	0.50	0.50
(50,000 (31 March 21: 50,000) equity shares of ₹ 10/- each, fully paid up)		
HealthCare Global Senthil Multi-Specialty Hospital Private Limited	8.38	8.38
(92,980 (31 March 21: 92,980) equity shares of ₹ 100/- each, fully paid up)		
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	160.98	147.35
(4,120,807 (31 March 21: 4,120,807) equity shares of ₹ 10/- each, fully paid up)		
Suchirayu Health Care Solutions Limited (35,055,000 equity shares of ₹ 10/- each, fully paid up) [Refer note 31(iii)]	349.70	-
Note: The Company has entered into a non-disposal undertaking of the its investment in Suchirayu Health Care Solutions Limited (Suchirayu) until the closure of the loan by Suchirayu.		
BACC HealthCare Private Limited	1,286.33	1,286.33
(93,578 (31 March 21: 93,578) equity shares of ₹ 10/- each, fully paid up)		
Less: Provision for diminution in value of investment (refer note 31 and 46)	(588.40)	(588.40)
Net investment post diminution in value of investment	**697.93**	**697.93**
HCG (Mauritius) Private Limited	233.61	85.51
(3,174,002 (31-March-21: 1,197,002) Equity shares of USD 1/- each)		
(ii) In subsidiary limited liability partnerships		

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

8 Investments (Contd..)

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
HCG Diwanchand Imaging LLP		
Fixed capital contribution: (75% (31 March 21: 75%) of fixed capital contribution)	0.75	0.75
Variable capital contribution	31.72	31.72
	32.47	32.47
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	**23.47**	**23.47**
Apex HCG Oncology Hospitals LLP		
Fixed capital contribution: (99.996% (31 March 21: 99.90%) of fixed capital contribution) #	1,427.92	6.19
Variable capital contribution	23.20	1,085.45
	1,451.12	1,091.64
Less: Provision for diminution in value of investment (refer note 31 and 46)	(257.65)	(257.65)
Net investment post diminution in value of investment	**1,193.47**	**833.99**
HCG Oncology LLP		
Fixed capital contribution: (74% (31 March 21: 74%) of fixed capital contribution) #	112.47	0.37
Variable capital contribution	38.31	102.48
	150.78	102.85
HCG NCHRI Oncology LLP		
Fixed capital contribution: (76% (31 March 21: 76%) of fixed capital contribution)	0.76	0.76
Variable capital contribution	491.01	432.06
	491.77	432.82
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	**289.51**	**230.56**
HCG EKO Oncology LLP		
Fixed capital contribution: (50.50% (31 March 21: 50.50%) of fixed capital contribution)	0.51	0.51
Variable capital contribution	541.32	401.04
	541.83	401.55
Less: Provision for diminution in value of investment (refer note 31 and 46)	(282.00)	(12.00)
Net investment post diminution in value of investment	**259.83**	**389.55**
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		
Fixed capital contribution: (51% (31 March 21: 51%) of fixed capital contribution) ^ #	550.48	0.51
Variable capital contribution	20.99	567.32
	571.47	**567.83**
^ Includes ₹ 215.39 million of capital contribution assumed to have been notionally contributed by the other Partner as per terms of LLP agreement		
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		
Fixed capital contribution: (99.97% (31-March-21: 74%) of fixed capital contribution) $ #	373.78	0.74
Variable capital contribution	16.86	267.03
	390.64	**267.77**

$ In accordance with the terms of the Deed of Retirement, Shiv-Sun Medical Services LLP, which was holding 26% stake in HCG Sun Hospitals LLP (the Firm), retired from the Firm. Consideration of ₹ 24.2 million was paid to the retiring partner by the Firm. Pursuant to this, the Company along with its wholly owned subsidiary, Niruja Product Development and Healthcare Research Private Limited hold 100% interest in HCG Sun Hospitals LLP.

During the year, based on the arrangement / agreement with Partner and the Board approval of the Company, variable capital has been converted to fixed capital.

(Variable capital represents investments made which will be converted into fixed capital at such time and as per the terms and conditions, as agreed between the Partners of the LLPs.)

** Includes corporate guarantee given to subsidiaries accounted as investment*

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

8 Investments (Contd..)

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(iii) In joint venture		
Unquoted equity instruments		
Strand Life Sciences Private Limited	-	245.33
[Refer note 31(i)]		
Nil (31 March 2021: 9,284,206) equity shares of ₹ 10 each, fully paid up		
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-2021: 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)	(7.64)
Net investment post diminution in value of investment	-	-
Suchirayu Health Care Solutions Limited	-	0.50
[Refer note 31(iii)]		
As at 31 March 2021: 2,055,000 equity shares of ₹ 10/- each, fully paid up.		
International Stemcell Services Limited (10,860 equity shares of ₹ 100/-each, fully paid up; 31 March 2021: 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 2021: 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)	(10.00)
Net investment post diminution in value of investment	-	-
Niramai Health Analytix Private Limited (10 equity shares of Re. 1/- fully paid up; 31 March 2021: (10 equity shares of Re. 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 2021: 4,881 series A preference shares of ₹ 10/- each, fully paid up)	35.79	35.79
Anthill	-	-
(c) Investments in mutual fund (quoted)		
Religare Invesco Short Term Fund- 3,922 units @ ₹ 3,164.60 (31 March 2021: 3,922 units @ ₹ 3,906.17)	12.42	15.32
SBI Mutual Fund- 24,272.75 units @ ₹ 164.26 (31 March 2021: Nil)	3.99	-
(c) Investment in other funds (unquoted)		
Investment in government or trust securities	0.15	-
Total non-current investments	**4,386.56**	**3,656.57**
Aggregate amount of quoted investments	16.41	15.32
Aggregate amount of Market value of investments	16.41	15.32
Aggregate amount of unquoted investments (gross)	5,735.48	4,736.58
Aggregate amount of impairment in value of investments	1,365.33	1,095.33

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for the year ended 31 March 2022

9 Loans receivable (unsecured)

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current*	Non Current	Current*
Considered good				
a) Loans to related parties (refer note 44)	39.01	-	39.01	-
b) Advances to employees	-	10.24	-	26.12
c) Inter-corporate deposits	-	-	93.00	9.00
Considered doubtful				
Loans to related parties (refer note 44)	218.98	-	218.98	-
Less : Allowance for bad and doubtful loans [refer note 31(vii)]	(218.98)	-	(218.98)	-
Total	**39.01**	**10.24**	**132.01**	**35.12**

9.1 Loans granted to promoters, directors, KMPs and the related parties that are repayable on demand or without specifying any terms or period of repayment:

(₹ in million)

Type of borrower	As at 31 March 2022		As at 31 March 2021	
	Amount outstanding	% of total loan	Amount outstanding	% of total loan
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Other related parties #	257.99	100%	257.99	100%
Total	**257.99**	**100%**	**257.99**	**100%**

Loans given to wholly-owned subsidiaries Niruja Product Development and Research Private Limited and HealthCare Global Senthil Multi-Specialty Hospital Private Limited. Refer notes 44 and 46.

* Refer note 17 for details of charge created on loans.

There are no advances due by / to directors, or other officers of the Company or any of them either severally or jointly with any other person or amounts due by firm or private companies respectively in which any director is a partner or a director or a member.

10 Other financial assets

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current*	Non Current	Current*
Receivable from related parties (Refer note 44)	-	154.09	-	75.96
Share application money pending allotment (Refer note 46)	8.00	-	5.50	-
Unbilled revenue (Refer note 48)	-	168.40	-	104.16
Security deposits	163.00	29.07	195.91	20.66
Term deposits (original maturity more than 12 months) 1	37.86	5.62	26.73	1,085.79
Interest accrued but not due on fixed deposits	3.46	6.98	3.91	8.90
Interest accrued on inter corporate deposit	-	-	30.13	9.00
Interest accrued on capital contribution to LLPs (Refer note 44)	-	43.96	-	43.96
Interest accrued on loans (Refer note 44)	-	0.30	-	0.30

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

10 Other financial assets (Contd..)

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current*	Non Current	Current*
Considered doubtful				
Interest accrued on loans (Refer note 44)	-	91.07	-	91.07
Less : Allowance for bad and doubtful receivables [refer note 31(vii)]	-	(91.07)	-	(91.07)
Security deposits	20.64	-	20.64	-
Less : Provision for impairment [refer note 31(v)]	(20.64)	-	(20.64)	-
Other receivables	-	8.80	-	8.80
Less : Allowance for bad and doubtful receivables	-	(8.80)	-	(8.80)
	212.32	**408.42**	**262.18**	**1,348.73**

* 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

2 **Details of advances to directors and private companies in which any director is a director or a member**

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
i) Private companies in which any director is a director or member		
- Malnad Hospital and Institute of Oncology Private Limited	2.40	8.34
- BACC HealthCare Private Limited	0.75	-
- HCG Medi-surge Hospitals Private Limited	2.63	9.49
- HealthCare Global (Africa) Pvt Ltd	3.27	3.30
- Healthcare Global (Tanzania) Private Limited	0.33	-
- Healthcare Global (Kenya) Private Limited	12.08	-

11 Other assets

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current*	Non Current	Current*
Unsecured, considered good				
Capital advances	121.76	-	94.85	-
Prepaid expenses [net of provision for impairment ₹ 31.22 million (31 March 2021: ₹ 31.22 million), refer note 31(v)]	28.17	32.37	11.09	25.35
Advance to vendors (refer note 44)	-	49.44	-	49.77
Receivable from revenue authorities	-	33.49	-	29.45
Taxes paid under protest	-	52.56	-	52.56
Unsecured, considered doubtful				
Capital advances	65.69	-	65.69	-
Less : Allowance for bad and doubtful advances	(6.70)		(6.70)	
Less : Provision for impairment [refer note 5.2(ii)]	(58.99)	-	(58.99)	-
Advance to vendors	-	55.76	-	55.76
Less : Allowance for bad and doubtful advances [refer note 31(v)]	-	(55.76)	-	(55.76)
	149.93	**167.86**	**105.94**	**157.13**

* Refer note 17 for details of charge created on other current assets.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

12 Inventories (lower of cost and net realisable value)*

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Medical and non-medical items	173.03	119.50
	173.03	**119.50**

*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	As at 31 March 2022	As at 31 March 2021
Trade receivables (unsecured) consist of following		
a) considered good	1,602.45	1,474.84
b) considered doubtful	502.05	404.21
Allowance for doubtful trade receivables (refer note 41)	(502.05)	(404.21)
	1,602.45	**1,474.84**

* Trade receivables are subject to charge to secured bank loans

Refer note 44 for related party balances

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
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	0.28	0.48
- HCG Medi-surge Hospitals Private Limited	11.72	-
- BACC Healthcare Private Limited	5.17	-
Total	**17.27**	**0.58**

Trade receivables ageing schedule

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Undisputed		
Trade receivables - billed		
Outstanding for following periods from due date of payment		
Not due	1,503.14	882.17
Less than 6 months	70.07	123.55
6 months - 1 year	24.78	364.33
1-2 years	73.76	143.62
2-3 years	85.85	125.89
More than 3 years	328.79	221.38
Total	**2,086.39**	**1,860.94**
Disputed		
Trade receivables - billed		
Outstanding for more than 3 years from due date of payment	18.11	18.11
Total	**2,104.50**	**1,879.05**
Less: Allowance for doubtful trade receivables	(502.05)	(404.21)
	1,602.45	1,474.84
Unbilled receivables (refer note 10 and 48)	168.40	104.16
	1,770.85	**1,579.00**

The Company's exposure to credit risk is explained in note 41.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

14 Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Cash on hand	8.71	5.05
(b) Cheques, drafts on hand	7.18	4.19
(c) Balance with bank		
In current accounts and in Exchange Earners Foreign Currency Account (EEFC) accounts	182.88	133.64
In deposit accounts	1,000.79	1.73
	1,199.56	**144.61**

For the purpose of the statement of cash flows, cash and cash equivalent comprise the followings

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Cash on hand	8.71	5.05
(b) Cheques, drafts on hand	7.18	4.19
(c) Balance with bank		
In current accounts and EEFC accounts	182.88	133.64
In deposit accounts	1,000.79	1.73
Cash and cash equivalents as per balance sheet	**1,199.56**	**144.61**
Less : Bank overdrafts (refer note 17)	(6.29)	(271.36)
Cash and cash equivalents as per standalone statement of cash flows	**1,193.27**	**(126.75)**

15 Equity share capital

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised share capital* :		
200,000,000 equity shares of ₹ 10 each (as at 31 March 2021: 200,000,000 equity shares of ₹ 10 each)	2,000.00	2,000.00
Issued, subscribed and paid up capital comprises:		
139,011,992 fully paid equity shares of ₹ 10 each (as at 31 March 2021: 125,359,284)	1,390.12	1,253.59

* Pursuant to the approval of the shareholders of the Company received on 12 June 2020, the authorised share capital of the Company 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 2020	**88,690,629**	**886.91**
(a) Issue of equity shares pursuant to preferential allotment (refer note (a) 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**
(a) Issue of equity shares pursuant to exercise of warrants (refer notes (a) & (b) below)	13,503,468	135.04
(b) Issue of equity shares pursuant to exercise of employee share options under employee share option plan 2014 (refer note 38(C))	1,49,240	1.49
Balance as at 31 March 2022	**139,011,992**	**1,390.12**

Notes to the Standalone Financial Statements
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15 Equity share capital (Contd..)

a) 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"), during the previous year, Investor 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).

During the current year, upon receipt of the remaining 75% of the consideration i.e. ₹ 1,122 Million towards the exercise of the warrants, 11,503,468 equity shares were allotted on 6 December 2021.

b) 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, made a preferential allotment of 2,000,000, 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, during the previous year, the Promotor remitted an amount equivalent to 25% of the Consideration i.e. ₹ 65 Million on issue of series B Warrants.

During the current year, upon receipt of the remaining 75% of the consideration i.e. ₹ 195 Million towards the exercise of the Series B Warrants, 2,000,000 equity shares were allotted on 8 December 2021.

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	As at 31 March 2022		As at 31 March 2021	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Fully paid equity shares				
Aceso Company Pte. Ltd. (Holding Company)	78,808,578	56.69%	67,305,110	53.69%
Dr B.S Ajaikumar	19,824,215	14.26%	17,824,215	14.22%

15.4 Shareholding of promoters and promoter group

Particulars	As at 31 March 2022		Percentage change during the year ended 31 March 2022
	Number of shares held	% holding of equity shares	
Promoter			
Aceso Company Pte. Ltd.	78,808,578	56.69%	3.00%
Dr B.S Ajaikumar	19,824,215	14.26%	0.04%

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

15 Equity share capital (Contd..)

Particulars	As at 31 March 2022		Percentage change during the year ended 31 March 2022
	Number of shares held	% holding of equity shares	
Promoter group			
Asmitha Ajaikumar	327,259	0.24%	-0.03%
Aagnika Ajaikumar	327,258	0.24%	-0.03%
Bhagya A Ajaikumar	1,795	0.00%	0.00%
Anjali Ajaikumar Rossi	1,000	0.00%	0.00%

Particulars	As at 31 March 2021		Percentage change during the year ended 31 March 2021
	Number of shares held	% holding of equity shares	
Promoter			
Aceso Company Pte. Ltd.	67,305,110	53.69%	53.69% *
Dr B.S Ajaikumar	17,824,215	14.22%	(5.72%)
Gopichand Mamillapalli #	1,801,260	1.44%	(0.59%)
Gopinath K S #	405,059	0.32%	(0.14%)
Ramesh S Bilimagga #	262,356	0.21%	(0.09%)
Pradeep Nayak #	30,000	0.02%	(0.01%)
Promoter group			
Asmitha Ajaikumar	327,259	0.26%	(0.11%)
Aagnika Ajaikumar	327,258	0.26%	(0.11%)
Ganesh Nayak #	272,732	0.22%	(0.09%)
Prakash Nayak #	57,937	0.05%	(0.02%)
Venkatesh Sudha #	22,582	0.02%	(0.01%)
Adarsh Ramesh #	2,486	0.00%	0.00%
Srinivas K Gopinath #	2,187	0.00%	0.00%
Bhagya A Ajaikumar	1,795	0.00%	0.00%
Anjali Ajaikumar Rossi	1,000	0.00%	0.00%

* As explained in note 15.1(a), Aceso Company Pte. Ltd. acquired these shares during the year ended 31 March 2021 and consequently have also been classified as Promoter.

Reclassified as public shareholders during the year ended 31 March 2022

15.5 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 2022 and 31 March 2021

Particulars	Aggregate number of shares as at	
	31 March 2022	31 March 2021
Issue of shares pursuant to Business combination	934,500	934,500

15.6 Number of equity shares of ₹ 10/- each reserved for issuance

Particulars	As at 31 March 2022	As at 31 March 2021
a) to eligible employees under Employee Stock Option Scheme (also, refer note 38)	6,234,880	2,706,773
b) to Aceso Company Pte. Ltd., Singapore, pursuant to outstanding share warrants [refer note 15.1(a)]	-	11,503,468
c) to Dr. B. S Ajaikumar pursuant to outstanding share warrants [refer note 15.1(b)]	-	2,000,000

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16 Other equity

(₹ in million)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
Securities premium	16.1	11,628.99	9,974.51
Share options outstanding account	16.2	67.18	67.15
Retained earnings	16.3	(2,082.94)	(2,466.58)
Amalgamation adjustment deficit account	16.4	(13.91)	(13.91)
Remeasurements of the defined benefit plan	16.5	(12.53)	(8.11)
Cash flow hedging reserve	16.6	-	(7.69)
Money received against share warrants	16.7	-	438.86
		9,586.79	**7,984.23**

16.1 Securities premium

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	9,974.51	5,796.25
Premium on shares issued during year [refer note 15.1(a) and (b)]	1,654.48	4,410.61
Share issue expenses *	-	(232.35)
Balance at end of year	**11,628.99**	**9,974.51**

* During the previous year, share issue expenses of ₹ 232.35 million towards preferential allotment of 36,573,455 shares explained in note 15.1(a) was debited to securities premium.

16.2 Share options outstanding account

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	67.15	70.50
Transferred to securities premium account on exercise of ESOPs	(30.56)	(21.80)
Transferred to retained earnings on lapse of vested ESOPs	(1.11)	-
Deferred stock compensation expense for the year (refer note 26 and 44)	31.70	18.45
Balance at end of year	**67.18**	**67.15**

Refer note 38.

16.3 Retained earnings

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	(2,466.58)	(551.11)
Profit / (loss) for the year	382.53	(1,915.47)
Transfer from Share options outstanding account on account of lapse of vested ESOPs	1.11	-
Balance at end of year	**(2,082.94)**	**(2,466.58)**

16.4 Amalgamation adjustment deficit account

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	(13.91)	(13.91)
Balance at end of year	**(13.91)**	**(13.91)**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

16 Other equity (Contd..)

16.5 Remeasurements of the defined benefit liabilities / (asset)

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	(8.11)	(6.79)
Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of income tax)	(4.42)	(1.32)
Balance at end of year	**(12.53)**	**(8.11)**

16.6 Effective portion of loss on designated portion of hedging instrument in a cashflow hedge

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	(7.69)	(36.79)
Other comprehensive income arising from remeasurement of hedging instrument in a cashflow hedge (net of income tax)	7.69	29.10
Balance at end of year (refer note 40)	**-**	**(7.69)**

16.7 Money received against share warrants

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	438.86	-
Money received against share warrants during the year (refer notes 15.1(a) and (b) above)	-	668.22
Issue of shares pursuant to exercise of warrants (refer notes 15.1(a) and (b) above)	(438.86)	(229.36)
Balance at end of year	**-**	**438.86**

17 Borrowings

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Secured - at amortised cost				
(i) Term loans *				
from banks (Refer note 17.1.1)	803.88	21.05	489.85	30.79
from other parties (Refer note 17.1.2)	-	2.28	757.34	86.94
(ii) Vehicle loans (Refer note 17.1.5)	-	0.70	0.47	1.89
(iii) Loans repayable on demand *				
- from Banks (bank overdraft) (Refer note 17.1.6)	-	6.29	-	271.36
(iv) Other Short-term loans from Banks (Refer note 17.17)	-	-	-	398.79
Unsecured - at amortised cost				
(i) Deferred payment liabilities (Refer note 17.1.4)	14.32	200.27	198.06	112.86
(ii) Term loans from other parties (refer note 17.1.3)	2.05	23.65	25.53	21.30
Total	**820.25**	**254.24**	**1,471.25**	**923.93**

* Includes interest accrued amounting to ₹ Nil (31 March 2021: ₹ 2.37 million) relating to term loan from banks, ₹ Nil (31 March 2021; ₹ 0.85 million) relating to term loan others and ₹ Nil (31 March 2021: 1.8 million) relating to other short-term loan from banks, which is clubbed under the respective loans outstanding as on 31 March 2022 and 31st March 2021 respectively.

The Company's exposure to liquidity risk is disclosed in Note 41.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

17 Borrowings (Contd..)

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	As at 31 March 2022	As at 31 March 2021
17.1.1	**Term loans from banks - Secured**		
	Facility -1		
	Non-current portion *	-	512.32
	Amounts included under current borrowings including accrued interest	-	30.79
	Details of security and terms of repayment: - 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 + 0.15% p.a. (as at 31 March 2021: 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 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 includes an amount of ₹ Nil (31 March 2021; ₹ 22.47 million) towards unamortised loan processing charges, which is netted off below. This loan has been repaid in full during the current year.		
	Facility -2		
	Non-current portion *	814.64	-
	Amounts included under current borrowings	21.05	-
	Details of security and terms of repayment for the amounts borrowed during the current year: - First pari-passu charge on movable fixed assets (both present and future, excluding those funded out exclusively by other lenders) and immovable fixed assets (land and building/structures there upon) and ranking pari-passu charge with participating lenders. - Rate of interest: Repo-rate + 2.85% p.a. - Repayable in installments over a period of 9.5 years from the date of borrowing. * Non-current portion of bank debt includes an amount of ₹ 10.76 million (31 March 2021; Nil) towards unamortised loan processing charges, which is netted off below		

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

17 Borrowings (Contd..)

(₹ in million)

Terms of repayment and security	As at 31 March 2022	As at 31 March 2021
17.1.2 Term loans from others - Secured		
Facility -1		
Non-current portion	-	757.34
Amounts included under current borrowings	-	84.16
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 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. This loan has been repaid in full during the current year.		
Term loans from others - Secured		
Facility-2 **Non-current portion**	-	-
Amounts included under current borrowings	2.28	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 41)		
17.1.3 Term loans from others - Unsecured		
Non-current portion	2.05	25.53
Amounts included under current borrowings	23.65	21.30
- 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	14.32	198.06
Amounts included under current borrowings	200.27	112.86
- 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
Amounts included under current borrowings	0.70	1.89
- 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 2022

17 Borrowings (Contd..)

(₹ in million)

	Terms of repayment and security	As at 31 March 2022	As at 31 March 2021
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 : 1 month MCLR + 0.25% p.a. [as at 31 March 2021: 3 months MCLR + 0.8% (spread rate)] The Company 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. Note: There are no material differences between the quarterly returns or statements filed by the Company for working capital limits with such banks and financial institutions and the books of account of the Company.	6.29	271.36
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
	Less: Unamortised loan processing charges	(10.76)	(22.47)
	Add: Interest accrued		
	Term loans	-	2.37
	Others	-	2.65
	Total (net of Unamortised loan processing charges)	**1,074.49**	**2,395.18**
	Non-current portion	**820.25**	**1,471.25**
	Amounts included under current borrowings	**254.24**	**923.93**

18 Other financial liabilities

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Book overdraft	-	-	-	4.48
Creditors for capital goods	-	46.11	-	22.12
Derivative liability	-	-	-	18.83
Payable balance towards supplier factoring facility *	-	-	-	17.69
Accrued employee benefits (refer note 44)	-	213.35	-	180.24
Financial guarantee obligation	54.24	16.44	62.36	14.24
Other payable to related parties (refer note 44)		22.21		5.87
Total	**54.24**	**298.11**	**62.36**	**263.47**

* 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

19 Other liabilities

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Advance from customers (refer note 48)	-	179.24	-	149.61
Balance due to statutory/government authorities	-	57.31	-	42.86
Deferred government grant (Refer note below)	178.26	19.76	192.05	20.76
	178.26	**256.31**	**192.05**	**213.23**

Note: The Company imports medical equipments under Export Promotion Capital Goods (EPCG) scheme. Under the Scheme, the Company expecting 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 2022 is ₹ 6.52 million (31 March 2021: 0.95 million). EPCG income recognised during the year is ₹ 21.31 million (31 March 2021: ₹ 21.67 million). As at 31 March 2022 and 31 March 2021, for certain licenses there is unfulfilled condition with respect to government grant recognized (refer note 33). While the international business has been impacted due to Covid-19, the Company basis its assessment, expects that it will be able to meet its export obligations.

20 Provisions

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Employee benefits				
Gratuity (Refer note 37.2)	77.91	38.86	62.86	39.36
Compensated absences	-	52.38	-	47.19
Provision for indemnified tax contingency [refer note 31(i)]		50.00		
Total	**77.91**	**141.24**	**62.86**	**86.55**

21 Trade payables

(₹ in million)

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	11.65	2.66
Total outstanding dues of creditors other than micro enterprises and small enterprises*	951.70	810.21
Total	**963.35**	**812.87**

* For details relating to payable to related parties- refer note 44

Trade payables ageing schedule

(₹ in million)

Particulars	As at 31 March 2022		
	Micro enterprises and small enterprises	Others	Total
Unbilled dues	-	440.11	440.11
Outstanding for following periods from due date of payment			
Not due	8.80	255.29	264.09
Less than 1 year	2.85	159.94	162.79
1-2 years	-	21.95	21.95
2-3 years	-	19.31	19.31
More than 3 years	-	55.10	55.10
Total	**11.65**	**951.70**	**963.35**

There are no disputed dues as at 31 March 2022.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

21 Trade payables (Contd..)

(₹ in million)

Particulars	As at 31 March 2021		
	Micro enterprises and small enterprises	Others	Total
Unbilled dues	-	237.49	237.49
Outstanding for following periods from due date of payment			
Not due	2.58	266.52	269.10
Less than 1 year	0.08	201.38	201.46
1-2 years	-	36.29	36.29
2-3 years	-	39.10	39.10
More than 3 years	-	29.43	29.43
Total	**2.66**	**810.21**	**812.87**

There are no disputed dues as at 31 March 2021.

22 Revenue from operations (refer note 48)

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Income from medical services	7,804.43	5,661.24
(b) Sale of medical and non-medical items	611.19	386.46
(c) Other operating revenues	82.68	40.91
	8,498.30	**6,088.61**

23 Income from government grant

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
EPCG Income	21.31	21.67
	21.31	**21.67**

24 Other income

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Interest income (Refer note below)	64.54	180.32
(b) Interest income from financial assets at amortised cost	11.30	8.54
(c) Net foreign exchange gains	3.65	-
(d) Net gain on financial assets designated at fair value through profit and loss	1.24	1.40
(e) Miscellaneous income	2.28	2.16
(f) Guarantee commission (refer note 44)	19.84	26.08
	102.85	**218.50**
Note: Interest income comprise:		
Interest on bank deposits	51.40	60.92
Interest on income tax refund	1.80	49.19
Interest on unsecured loan and capital contribution to LLPs (Refer note 44)	3.39	57.13
Interest on inter-corporate deposits	7.95	13.08
	64.54	**180.32**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

25 Changes in inventories

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the beginning of the year	119.50	125.14
Inventories at the end of the year	173.02	119.50
Changes in inventories	**(53.52)**	**5.64**
Opening stock on acquisition of business (refer note 45)	24.16	-
Net Increase/ (decrease)	**(29.36)**	**5.64**

26 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	1,386.83	1,188.07
Contribution to provident and other funds (Refer note 37)	92.78	104.04
Expense on employee stock option scheme (Refer note 16.2 and 38)	28.33	18.45
Staff welfare expenses	58.38	56.68
	1,566.32	**1,367.24**

27 Finance costs

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Interest costs :-		
Interest on term loan from banks and others	106.93	215.06
Interest on finance liability measured at amortised cost [refer note (i) below]	-	(41.56)
Interest on bank overdraft	30.65	68.93
Interest on deferred payment obligations	7.18	17.58
Net loss on foreign currency transactions and translations to the extent regarded as borrowing costs	2.94	21.12
Interest expense on lease liabilities (Gross)	257.36	365.25
Less; Capitalised in capital work-in-progress	(28.83)	(62.42)
Interest expense on lease liabilities (net)	**228.53**	**302.83**
Interest on defined benefit obligations	5.99	5.60
(b) Other borrowing costs	45.73	39.08
	427.95	**628.64**

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 previous year, pursuant to Share Purchase Agreement dated 27 November 2020, the Company 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

28 Depreciation and amortisation expense

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 5)	566.17	545.68
Depreciation of right-of-use assets, Gross (refer note 7)	234.14	234.83
Less: Capitalised	(19.31)	(19.72)
Depreciation of right-of-use assets, net (refer note 7)	214.83	215.11
Amortisation of intangible assets (refer note 6)	102.60	105.00
Total depreciation and amortisation expense	**883.60**	**865.79**

29 Other expenses

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Medical consultancy charges	1,607.32	1,162.89
Lab charges (Refer note 44)	222.63	253.13
Power and fuel, water Charges	197.58	185.03
House keeping expenses	160.93	153.59
Rent (Refer note 7)	64.83	32.06
Repairs and maintenance		
Building	8.96	9.62
Machinery	215.38	192.71
Office maintenance & Others	141.41	123.15
Insurance	13.50	9.65
Rates and taxes	83.05	59.24
Printing & stationery	22.52	21.32
Postage & telegram	31.07	19.90
Advertisement, publicity & marketing	99.93	74.76
Travelling & conveyance	69.53	50.59
Legal & professional fees	233.60	135.21
Payment to auditors (Refer note 30.1)	10.31	9.82
Allowance for doubtful trade receivables	97.84	34.70
Allowance for doubtful capital advances	-	6.70
Loss on disposal of property, plant and equipment	0.81	0.64
Corporate social responsibility (refer note 30.2)	10.23	-
Revenue share expenditure [refer note 31(iii)]	39.51	40.50
Miscellaneous expenses	29.16	26.92
	3,360.10	**2,602.13**

30.1 Payments to auditors

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Audit fees	5.20	4.40
b) Limited review	2.00	2.00
c) Out of pocket expenses and taxes on above	2.00	1.87
d) Certification services	1.11	1.55
	10.31	**9.82**

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

30.2 Corporate social responsibility

(1) amount required to be spent by the company during the year: Nil (31 March 2021: Nil)

(2) amount of expenditure incurred during the year:

(i) Construction/acquisition of any asset: Nil

(ii) On purposes other than (i) above: Nil (refer note 29 above)

(3) shortfall at the end of the year: Nil

(4) total of previous years shortfall: Nil (as at 31 March 2021: Nil)

(5) reason for shortfall: Not applicable

(6) nature of CSR activities: Promoting education of rural children

(7) details of related party transactions: Contribution to International Human Development and Upliftment Academy (Trust) in relation to CSR activities ₹ 10.23 Million (for the year ended 31 March 2021: Nil)

31 Exceptional items, net gain / (loss)

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net gain on disposal of equity investment in joint venture - Strand Life Sciences Private Limited (refer note (i) below)	1,276.81	-
Loan foreclosure and refinancing expenses (refer note (ii) below)	(17.15)	-
Gain on fair value of investments in Suchirayu Health Care Solutions Limited (refer note (iii) below)	17.40	
Project cost written off / impairment		
Privat project (refer note 5.2)	(472.45)	(363.01)
Cochin project (refer note (iv) below)	-	(87.49)
Others (refer note (v) below)	-	(80.49)
Provision for diminution in value of investments (refer note (vi) below)		
BACC HealthCare Private Ltd	-	(588.40)
Apex HCG Oncology Hospitals LLP	-	(160.00)
HCG EKO Oncology LLP	(270.00)	(12.00)
Zoctr Health Private Limited	-	(7.64)
Epigeneres Biotech Private Limited	-	(10.00)
Provision for loans given and accrued interest thereon (refer note (vii) below)		
Niruja Product Development and Healthcare Research Private Limited	-	(279.67)
Gain on account of Lease Modification (refer note 7)	-	57.74
Business acquisition expenses (refer note (viii) below)	(5.50)	-
	529.11	**(1,530.96)**

(i) In accordance with the terms of Share Purchase Agreement dated 3 September 2021, the Company sold its investment in Strand Life Sciences Private Limited ('Strand') for a total consideration at fair value of ₹ 1,577.76 million, resulting in a gain of ₹ 1,276.81 million (net of expenses relating to the disposal amounting ₹ 5.62 million and amounts set aside for various contingencies ₹ 50 million).

(ii) During the current year, the Company refinanced its certain borrowings from banks and financial institutions. On account of this, the Company incurred one time expenses of ₹ 17.15 million, net, towards foreclosure charges and accelerated amortization of loan processing fees related to earlier borrowings, which has been disclosed under Exceptional Items.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

31 Exceptional items, net gain / (loss) (Contd..)

(iii) On 18 November 2021, the Company invested ₹ 330 million in the equity shares of Suchirayu Health Care Solutions Limited (Suchirayu) through primary funding, which resulted in increase in the Company's stake in Suchirayu from 17.7% to 78.6%, consequent to which Suchirayu became subsidiary of the Company with effect from 18 November 2021. The Company remeasured its previously held interest in Suchirayu at fair value on the date of acquisition of additional stake and recognised the resultant gain of ₹ 19.20 million as an exceptional item in accordance with the applicable Indian Accounting Standard. With the acquisition of this business, the earlier medical services and the other related arrangements have been cancelled.

(iv) During the previous year, due to changes in business environment and weaker project viability due to COVID-19, the Cochin project was abandoned. The Management 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 were written off.

(v) During the previous year, 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 ₹ 31.22 million in respect of other assets under exceptional items.

(vi) 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, including the impact of COVID-19 during the previous year, 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.

(vii) The Company has invested in Healthcare Global (Africa) Pvt Ltd ('HCG Africa') through its wholly owned subsidiaries. During the previous 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 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) was impaired during the year ended 31 March 2021.

(viii) During the year ended 31 March 2022, the Company has incurred ₹ 5.5 million towards legal and professional fees in respect of acquisition of business referred in Note 45.

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 2022	For the year ended 31 March 2021
Current tax		
Current tax	157.00	-
	157.00	**-**
Deferred tax		
- Others	270.88	(135.10)
	270.88	**(135.10)**
Total income tax expense recognised in the Statement of profit and loss	**427.88**	**(135.10)**

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 2022	For the year ended 31 March 2021
Profit / (loss) before tax	810.41	(2,050.57)
Enacted income tax rate in India	34.944%	34.944%
Computed expected tax expense	283.19	(716.55)

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

32 Income tax expense (Contd..)

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Effect of:		
Income not taxable	(16.80)	(6.15)
Permanent differences and others	9.46	(7.18)
Impairment / loan provisions on which deferred tax asset not recognised	259.44	520.43
Impact of suspension of depreciation claim on goodwill *	-	86.12
Differential tax rate for capital gains on sale of investments	(88.60)	-
Others	(18.81)	(11.77)
	427.88	**(135.10)**

* As per the Finance Act, 2021, the Company is not eligible to claim depreciation on goodwill from 1 April 2020. Accordingly, 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 2022	31 March 2021
Income tax arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	2.38	0.73
Effective portion of loss on hedging instruments in a cash flow hedge	(4.08)	(15.63)
Total income tax recognised in other comprehensive income	**(1.70)**	**(14.90)**

32.3 Deferred tax balances (Net)

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred Tax assets	793.52	1,086.86
Deferred Tax liabilities	(792.84)	(813.60)
Total	**0.68**	**273.26**

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2022 are as follows:

(₹ in million)

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment and intangible assets	(644.05)	20.76	-	(623.29)
Goodwill	(169.55)	-	-	(169.55)
Sec 43B items	66.68	5.01	2.38	74.07
MAT credit entitlement	145.25	-	-	145.25
Provisions- others	177.54	45.79	-	223.33
IND AS 116	190.71	73.30	-	264.01
Tax losses	409.68	(409.68)	-	-
Others	97.00	(6.06)	(4.08)	86.86
	273.26	**(270.88)**	**(1.70)**	**0.68**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

32 Income tax expense (Contd..)

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 Profit or 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**

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	As at 31 March 2022	As at 31 March 2021
Tax deducted at source, advance tax (net of Provision)	299.49	307.48
	299.49	**307.48**

33 Contingent liabilities

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
a) Corporate guarantee given on behalf of subsidiaries and other parties (refer note 44 and 46)	1,826.37	2,597.21
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)	48.46	48.46
Sales tax (Refer note (iii) below)	9.46	9.46
Duties and taxes in respect of EPCG licenses (Refer note (iv) below)	253.89	253.89
Income tax (Refer note (v) below)	30.63	-
c) Bonus to employees pursuant to retrospective amendment to the Payment of Bonus Act, 1965 (Refer note (vi) below)	9.98	9.98

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

33 Contingent liabilities (Contd..)

(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 ₹ 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 are 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 ₹ 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 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 duties on import of capital goods through Export Promotion and Capital Goods (EPCG) licenses against export obligations to be fulfilled within stipulated time period as per Foreign Trade Policy. Should the Company not be able to fulfill its export obligations within the stipulated time period, it will be liable to pay the duty benefit availed, along with other levies, if applicable, which may be levied on evaluation of facts and circumstances by the respective authorities.

(v) Possible claim against the Company relate to disallowance of expenditure relating to capital projects which have been abandoned. Having regard to various judicial decisions on the similar matters, the management including its tax advisors expect that its position will likely be upheld on ultimate resolution. Further, against few other allowances / disallowances, there could be possible claims which management does not expect to be material.

(vi) 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

33 Contingent liabilities (Contd..)

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.

(vii) 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.

(viii) The Company has given letter of support to its subsidiary entities, 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, HCG SUN Hospitals LLP, HCG Manavata Oncology LLP and Suchirayu Health Care Solutions Limited. Under the letter of support, the Company is committed to provide operational and financial assistance as is necessary for the subsidiary entities 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 2023.

(ix) 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

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	264.39	112.54
Written put options issued by the Company to the non-controlling interests of its subsidiaries	587.00	537.08

35 Earnings / (loss) per Share

35.1 Basic earnings / (loss) per share

The calculations of loss attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings / (loss) per share calculations are as follows:

(₹ in million)

Amounts in ₹ Millions	For the year ended 31 March 2022	For the year ended 31 March 2021
a. Profit / (loss) after tax	382.53	(1,915.47)
Profit / (loss) used in the calculation of basic earnings / (loss) per share	382.53	(1,915.47)
Weighted average number of equity shares for the purposes of basic earnings / (loss) per share	129,707,612	113,648,953
Basic earnings / (loss) per equity share of ₹ 10 each (Amount in ₹)	**2.95**	**(16.85)**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

35 Earnings / (loss) per Share (Contd..)

35.2 Diluted earnings / (loss) per share

Profit / (loss) used in the calculation of Diluted earnings / (loss) per share are as follows.

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a. Profit / (loss) used in the calculation of basic earnings / (loss) per share	382.53	(1,915.47)
b. Profit / (loss) used in the calculation of diluted earnings / (loss) per share	382.53	(1,915.47)
c. Weighted average number of equity shares used in the calculation of diluted earnings / (loss) per share	135,182,425	113,648,953
Diluted earnings / (loss) per equity share of ₹ 10 each (Amount in ₹)	**2.83**	**(16.85)**

The weighted average number of equity shares for the purpose of diluted earnings / (loss) per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings / (loss) per share as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Weighted average number of equity shares used in the calculation of basic earnings / (loss) per share	129,707,612	113,648,953
Shares deemed to be issued for no consideration in respect of employee stock options and warrants	5,474,813	- *
Weighted average number of equity shares used in the calculation of diluted earnings / (loss) per share	**135,182,425**	**113,648,953**

* Since there was a loss for the year ended 31 March 2021, potential equity shares were 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 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 2022	For the year ended 31 March 2021
India	8,498.30	6,088.61
Outside India	-	-
Total	**8,498.30**	**6,088.61**

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

36 Segment information (Contd..)

(ii) Non current assets*

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
India	8,236.04	8,141.16
Total	**8,236.04**	**8,141.16**

*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	Year ended 31 March 2022	year ended 31 March 2021
Contribution to Provident Fund included under contribution to provident and other funds.	80.47	91.53
Contribution to Employee State Insurance Scheme	9.75	7.54
	90.22	**99.07**

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 2022	31 March 2021
Current service cost	12.31	12.51
Net interest expense	5.94	5.60
Components of defined benefit costs recognised in the Statement of profit and loss	**18.25**	**18.11**
Service cost recognised in employee benefits expense in Note 26	12.31	12.51
Net interest expense recognised in finance costs in Note 27	5.99	5.60
Remeasurement of the net defined benefit liability:		
Actuarial gains arising from changes in demographic assumptions	3.86	-
Actuarial losses arising from changes in financial assumptions	(0.85)	6.67
Actuarial (gains) / losses arising from experience adjustments	3.79	(4.62)
Remeasurement of the net defined benefit liability recognised in other comprehensive income	**6.80**	**2.05**

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 2022	31 March 2021
Present value of funded defined benefit obligation	117.89	103.27
Fair value of plan assets	1.12	1.05
Unfunded status	**116.77**	**102.22**
Net liability arising from defined benefit obligation	**116.77**	**102.22**
Non-current (refer note 20)	77.91	62.86
Current (refer note 20)	38.86	39.36

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

37 Employee benefit plans (Contd..)

Movements in the present value of the defined benefit obligation are as follows.

(₹ in million)

Particulars	31 March 2022	31 March 2021
Opening defined benefit obligation	103.27	92.13
Current service cost	12.31	12.51
Interest cost	5.99	5.60
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	3.86	-
Actuarial gains and losses arising from changes in financial assumptions	(0.85)	6.67
Actuarial gains and losses arising from experience adjustments	3.79	(4.62)
Acquisitions / (disposal)	1.23	-
Benefits paid	(11.71)	(9.02)
Closing defined benefit obligation	**117.89**	**103.27**

Movements in the fair value of the plan assets are as follows.

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening fair value of plan assets	1.05	0.98
Interest income	0.05	0.06
Excess return over interest income on plan assets	0.02	0.01
Closing fair value of plan assets	**1.12**	**1.05**

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 2022	31 March 2021
Insurer-managed funds	1.12	1.05
Total	**1.12**	**1.05**

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 2021: ₹ 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.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.82)	2.97	(1.96)	2.05
Future salary increase (1% movement)	6.44	(6.01)	4.53	(4.27)
Attrition rate (10% movement)	(2.17)	2.40	(2.09)	2.35

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

37 Employee benefit plans (Contd..)

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 2022 is 3.84 years (as at 31 March 2021: 3.36 years)

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at 31 March 2022	Valuation as at 31 March 2021
Discount rate(s)	5.40%	5.00%
Expected rate(s) of salary increase	7.50%	7.50%
Rate of return on plan assets	6.60%	5.89%
Mortality table	IALM 2012-14	IALM 2012-14
Employee turnover rate	36.30%	43.00%

Maturity profile of defined benefit obligation:

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Within 1 year	39.93	40.41
1-2 years	30.14	26.02
2-3 years	22.23	18.01
3-4 years	15.76	11.81
4-5 years	10.94	7.29
6-10 year	19.72	10.30
>10 years	2.98	0.84

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 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

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

38 Share-based payments (Contd..)

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.

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.

(c) ESOP 2021

Pursuant to the shareholders' approval vide their special resolution passed through postal ballot on 23 May 2021, the Board of Directors formulated the Scheme titled "Employee Stock Option Scheme 2021" (ESOP 2021). The ESOP 2021 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share. Under the Scheme, a maximum of 6,267,000 Options can be granted.

As per the Scheme, the Nomination and Remuneration Committee (NRC) grants the options to the employees deemed eligible subject to fulfillment of such eligibility criteria(s) as may be specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI (SBEB) Regulations") and/or as may be determined by NRC from time to time. Exercise Price for the purpose of grant of options shall be as decided by the NRC, subject to a minimum of the face value per share. The vesting of an option would also be subject to the terms and conditions as may be stipulated by the NRC from time to time including but not limited to performance of the employees, their continued employment with the Company/its subsidiaries, as applicable. The vesting period shall commence any time after the expiry of one year from the date of the grant of the options to the employee and shall end over a maximum period of 7 years from the date of the grant of the options. The options could vest in tranches. The exercise period may commence from the date of vesting and the vested options would be eligible to be exercised on the vesting date itself or any time after vesting in terms of the ESOP Scheme. The options will lapse if not exercised within the specified exercise period. The number of stock options and terms of the same made available to employees (including the vesting period) could vary at the discretion of the NRC. 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	ESOP 2014
Date of grant	16-Jun-10	24-Jun-14	10-Nov-16	10-Nov-16	01-Apr-17	01-Apr-17
Fair market value of option at grant date (₹)	23.10	73.34	232.48	156.93	221.80	120.08
Fair market value of share at grant date (₹)	29.18	78.95	240.15	240.15	229.45	229.45
Exercise price (₹)	10.00	10.00	10.00	110.68	10.00	150.00
No. of options	1,294,800	110,100	165,400	30,000	25,000	35,000

Particulars	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	11-Aug-17	06-Nov-17	22-May-18	09-Nov-18	07-Feb-19
Fair market value of option at grant date (₹)	261.61	269.27	298.55	220.74	181.62
Fair market value of share at grant date (₹)	269.35	276.95	306.81	231.85	187.00
Exercise price (₹)	10.00	10.00	10.00	10.00	10.00
No. of options	101,000	53,000	55,000	25,000	47,000

Notes to the Standalone Financial Statements
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38 Share-based payments (Contd..)

Particulars	ESOP 2014	ESOP 2014
Date of grant	08-Aug-19	08-Aug-19
Fair market value of option at grant date (₹)	48.45	94.94
Fair market value of share at grant date (₹)	102.35	102.35
Exercise price (₹)	110.68	10.00
No. of options	30,000	141,800

Particulars	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021
Date of grant	11-Jun-21	11-Jun-21	09-Nov-21	09-Nov-21	10-Feb-22	10-Feb-22
Vesting basis	Time based	Performance based	Time based	Performance based	Time based	Performance based
Fair market value of option at grant date (₹)	108.77	46.04	169.57	76.02	160.10	95.06
Fair market value of share at grant date (₹)	197.65	197.65	261.85	261.85	249.70	249.70
Exercise price (₹)	130.00	130.00	130.00	130.00	130.00	130.00
No. of options	780,000	1,820,000	138,000	322,000	73,500	171,500

(ii) The assumptions used for calculating fair value of the ESOPs granted during the year are as below:

Time based options

The Black-Scholes option pricing model has been used for computing the weighted average fair value considering the following inputs:

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	11-Jun-21	09-Nov-21	10-Feb-22
Risk free interest rate	5.35% to 5.94%	5.34% to 5.97%	5.82% to 6.73%
Expected life	1 to 6 years	1 to 6 years	1 to 6 years
Expected annual volatility of shares	34.07% - 36.65%	34.78% - 39.09%	34.26% - 38.60%
Expected dividend yield	0.00%	0.00%	0.00%

Performance based options

The Monte Carlo Simulation model has been used for computing the weighted average fair value considering the following inputs:

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	11-Jun-21	09-Nov-21	10-Feb-22
Volume weighted average price of stock as on grant date	157.77	206.52	222.62
Risk free interest rate	5.71%	5.75%	6.17%
Expected life	5.14 years	5.56 years	4.89 years
Expected annual volatility of shares	34.96%	34.07%	36.44%

There were no ESOPs granted during the previous year ended 31 March 2021.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

38 Share-based payments (Contd..)

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

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	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	5,877	10.00
- ESOP 2014	538,390	27.26	633,590	27.26
- ESOP 2021	-	-	-	-
Granted during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
- ESOP 2021	3,305,000	130.00	-	-
Forfeited during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
- ESOP 2021	-	-	-	-
Exercised during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	149,240	30.24	95,200	10.00
- ESOP 2021	-	-	-	-
Lapsed during the year:				
- ESOP 2010	5,877	10.00	-	-
- ESOP 2014	269,270	28.42	-	-
- ESOP 2021	152,000	130.00	-	-
Options outstanding at the end of the year:				
- ESOP 2010	-	-	5,877	10.00
- ESOP 2014	119,880	35.20	538,390	27.26
- ESOP 2021	3,153,000	130.00	-	-
Options exercisable at the end of the year:				
- ESOP 2010	-	-	5,877	10.00
- ESOP 2014	12,750	81.07	233,270	45.25
- ESOP 2021	-	-	-	-

* Options available for grant are as under:

- ESOP 2021: 2,962,000 as at 31 March 2022 (31 March 2021: Nil),
- ESOP 2014: Nil as at 31 March 2022 (31 March 2021: 2,162,506).

** 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 2022 is ₹ 247.97 (31 March 2021: ₹ 123.24).

The options outstanding at the end of the reporting period has exercise price in the range of ₹ 10 to ₹ 130 (31 March 2021: ₹ 10 to ₹ 150) and weighted average remaining contractual life of 6.34 years (31 March 2021: 6.79 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

39 Financial instruments

The carrying value and fair value of financial instruments by categories as at 31 March 2022 and 31 March 2021 are as follows:

(₹ in million)

Particulars	Carrying value As at 31 March 2022	Carrying value As at 31 March 2021
Financial assets		
Amortised cost		
Loans (including current and non-current)	49.25	167.13
Trade receivables	1,602.45	1,474.84
Cash and cash equivalents	1,199.56	144.61
Other financial assets	620.74	1,610.91
FVTPL		
Investments in unquoted equity instruments and others	41.62	41.97
Investments in mutual fund (quoted)	16.41	15.32
Total assets	**3,530.03**	**3,454.78**
Financial liabilities		
Amortised cost		
Loans and Borrowings (including short-term borrowings)	1,074.49	2,395.18
Trade payables	963.35	812.87
Lease liabilities (including current and non-current)	2,415.35	2,418.72
Other financial liabilities (including current and non-current)	281.67	230.40
FVTPL		
Financial guarantee obligation (including current and non-current)	70.68	76.60
Hedging instruments		
Derivative liability (including current and non-current)	-	18.83
Total liabilities	**4,805.54**	**5,952.60**

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).

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 2022 and 31 March 2021.

(₹ in million)

Quantitative disclosures fair value measurement hierarchy	Total	Fair value measurement using		
		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 2022				
Investment in mutual funds (quoted)	16.41	16.41	-	-
Investments in unquoted equity instruments and others	41.62	-	-	41.62

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

40 Fair value hierarchy (Contd..)

(₹ in million)

Quantitative disclosures fair value measurement hierarchy	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at fair value as at 31 March 2022				
Financial guarantee obligation	70.68	-	70.68	-
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	-

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	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

Particulars	Investment in equity instruments
Balance as at 1 April 2020	59.61
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**
Investment in Suchirayu Health Care Solutions Limited recognised at cost pursuant to acquisition of majority stake during the year (refer note 45)	(0.50)
Gain / (loss) recognised in statement of profit and loss	-
Gain/(loss) recognised in other comprehensive income	-
Balance as at 31 March 2022	**41.47**

As at 31 March 2022 and 31 March 2021, 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 Standalone Financial Statements
for the year ended 31 March 2022

40 Fair value hierarchy (Contd..)

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. There were no derivative instruments outstanding as at 31 March 2022. 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:

(₹ in million)

Particulars	As at			
	31 March 2022		31 March 2021	
	Notional	Fair value	Notional	Fair value
Designated derivatives instruments				
Buy: Forward contracts	Nil	Nil	USD 1.05 million	₹ 18.83
Weighted Average forward strike Price	Not applicable	Not applicable	₹ 82.48	₹ 82.48

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 2022	31 March 2021
Balance as at the beginning of the year	(7.69)	(36.79)
Fair value changes recognised in other comprehensive income	18.07	12.61
Gain / (loss) reclassified to statement of profit and loss on occurrence of hedged transactions	(6.30)	32.12
Net gain/(loss) on cash flow hedging derivatives, net	11.77	44.73
Balance as at the end of the year	**4.08**	**7.94**
Deferred tax thereon	(4.08)	(15.63)
Balance as at the end of the year, net of deferred tax (refer note 16.6)	**-**	**(7.69)**

The related hedge transactions for balance in cash flow hedging reserves as at 31 March 2021 have occurred during the year ended 31 March 2022 and resulting gain/loss on such hedging derivatives have been reclassified to the statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

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.

1. **The Provision matrix at the end of the reporting period is as follows:-**

Particulars	As at	
	31 March 2022	31 March 2021
Less than 1 year	2% to 32%	4% to 26%
1-2 years	41% to 59%	24% to 57%
2-3 years	78% to 100%	58% to 100%
More than 3 years	100%	100%

2. **Movement in the expected credit loss allowance**

(₹ in million)

Particulars	For the Year ended 31 March 2022	For the year ended 31 March 2021
Balance at beginning of the year	404.21	369.51
Additional provision during the year (refer note 29)	97.84	34.70
Balance at end of the year (refer note 13)	**502.05**	**404.21**

No single customer accounted for more than 10% of the revenue as of 31 March 2022 & 31 March 2021. There is no significant concentration of credit risk.

Details of geographic concentration of revenue is included in note 36 to the financial statements

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

41 Financial risk management (Contd..)

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 counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

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 42.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021:

(₹ in million)

Particulars	Total	As at 31 March 2022				
		Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings *	1,088.72	256.65	71.34	99.76	84.20	576.77
Lease liabilities	4,102.57	457.83	417.09	345.31	359.07	2,523.27
Trade payables	963.35	963.35	-	-	-	-
Other financial liabilities	352.35	298.11	14.97	13.18	11.13	14.96

(₹ in million)

Particulars	Total	As at 31 March 2021				
		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 respect of borrowings which are repayable with variable rate of interest, principal amount as per the repayment schedule is considered for disclosure of contratual maturities.

(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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

41 Financial risk management (Contd..)

(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 2022 and 31 March 2021:

As at 31 March 2022

(₹ in million)

Particulars	Rupee equivalent of foreign currency amounts			
	US $	Euro	JPY	Total
Assets				
Trade receivables	56.21	-	-	56.21
Cash and cash equivalents	0.12	-	-	0.12
Liabilities				
Borrowings	14.32	200.27	-	214.59
Lease liabilities	298.69	-	-	298.69
Trade payables	1.25	0.28	1.08	2.61
Net assets / (liabilities)	**(257.93)**	**(200.55)**	**(1.08)**	**(459.56)**
Forward exchange contracts	-	-	-	-
Net exposure	**(257.93)**	**(200.55)**	**(1.08)**	**(459.56)**

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)**

(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	
	As at 31 March 2022	As at 31 March 2021
₹/USD - Increase by 1%	(2.58)	(0.72)
₹/USD - Decrease by 1%	2.58	0.72
₹/EUR - Increase by 1%	(2.01)	(2.03)
₹/EUR - Decrease by 1%	2.01	2.03

(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.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

41 Financial risk management (Contd..)

(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	As at 31 March 2022	As at 31 March 2021
Variable rate long term borrowings including current maturities grouped under current borrowings	831.22	1,362.14
Total borrowings	**831.22**	**1,362.14**

(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	
	As at 31 March 2022	As at 31 March 2021
Sensitivity		
1% increase in MCLR rate	(8.31)	(13.62)
1% decrease in MCLR rate	8.31	13.62

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 49.

The capital structure is as follows:

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Total equity attributable to the equity share holders of the company	10,976.91	9,237.82
As percentage of total capital	100%	80%
Total loans and borrowings	1,074.49	2,395.18
Cash and cash equivalents	1,199.56	144.61
Net loans & borrowings *	-	2,250.57
As a percentage of total capital	0%	20%
Total capital (loans and borrowings and equity)	**10,976.91**	**11,488.39**

* Net loans & borrowings as at 31 March 2022 is Nil as cash and cash equivalents exceed loans and borrowings.

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 2022 and 31 March 2021 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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

43 Due to Micro, Small and Medium Enterprises (refer note 21) (Contd..)

(₹ in million)

Particulars	31 March 2022	31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year	11.65	2.66
Principal	11.65	2.66
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

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 Hospitals Private Limited
	HCG Medi-surge Hospitals Private Limited
	Niruja Product Development and Research Private Limited
	BACC HealthCare Private Limited
	Suchirayu Health Care Solutions Limited (from 18 November 2021)
	HCG (Mauritius) Private Limited
	Healthcare Global (Africa) Private Limited (from 30 September 2021)
	Healthcare Global (Uganda) Private Limited (from 30 September 2021)
	Healthcare Global (Kenya) Private Limited (from 30 September 2021)
	Cancer Care Kenya Limited (from 30 September 2021)
	Healthcare Global (Tanzania) Private Limited (from 30 September 2021)
	HealthCare Diwan Chand Imaging LLP
	APEX HCG Oncology Hospitals LLP
	HCG Oncology LLP
	HCG Manavata Oncology LLP
	HCG NCHRI Oncology LLP
	HCG SUN Hospitals LLP
	HCG EKO Oncology LLP
Associate of HCG (Mauritius) Private Limited (WOS of the Company)	Healthcare Global (Africa) Private Limited (upto 30 September 2021)
Joint venture	Strand Life Sciences Private Limited (upto 3 September 2021)
	Advanced Molecular Imaging Limited, Kenya (from 30 September 2021)
Shareholder holding more than 20% of the share capital	Aceso Company Pte Ltd

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

44. Related Party Disclosures (Contd..)

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
	Meghraj Arvindrao Gore - with effect from 10 February 2022
	Anjali Rossi Ajaikumar - with effect from 1 April 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 - Resigned with effect from 3 December 2021
	Sampath T Ramesh - Ceased to be Director with effect from 29 May 2020
	Dr. Sudhakar Rao - Resigned with effect from 21 December 2021
	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 Havaldar - Appointed with effect from 20 August 2020
	Geeta Mathur - Appointed with effect from 17 June 2021
	Rajagopalan Raghavan - Appointed with effect from 12 August 2021
	Jeyandran Venugopal - Appointed with effect from 11 November 2021
	Pradip M. Kanakia - Appointed with effect from 10 February 2022
	Key Managerial Personnel
	Meghraj Arvindrao Gore - Chief Executive Officer with effect from 1 Feburay 2021 (also Whole-time Director from 10 February 2022)
	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
	International Human Development and Upliftment Academy (Trust)

* 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.

Related Party Disclosure

B Details of related party transactions during the year:

(₹ in million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of medical and non-medical items		
- HCG Medi-surge Hospitals Private Limited	0.13	0.51
- Sada Sarada Tumor & Research Institute	4.33	3.46
- HCG Oncology LLP	5.04	-
- HCG NCHRI Oncology LLP	3.81	-

Notes to the Standalone Financial Statements

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44. Related Party Disclosures (Contd..)

(₹ in million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
- Apex HCG Oncology Hospitals LLP	35.85	0.67
- HCG EKO Oncology LLP	3.45	-
- HCG SUN Hospitals LLP	3.45	
- Suchirayu Health Care Solutions Limited	14.70	-
- HCG Manavata Oncology LLP	15.54	
- BACC Healthcare Private Limited	24.97	
Income from medical services		
- JSS Bharath Charitable Trust	-	9.41
- HCG Foundation	3.91	0.91
- HCG Medi-surge Hospitals Private Limited	30.05	-
- Malnad Hospital & Institute of Oncology Private Limited	0.95	-
- BACC Healthcare Private Limited	0.15	-
- Apex HCG Oncology Hospitals LLP	8.64	-
- HCG EKO Oncology LLP	8.40	-
- HCG NCHRI Oncology LLP	0.01	-
- Sada Sarada Tumor & Research Institute	4.48	3.30
- Suchirayu Health Care Solutions Limited	17.25	-
Rent charges		
- Sada Sarada Tumor & Research Institute	0.63	0.04
Lab charges		
- Strand Life Sciences Private Limited	89.96	160.53
Repairs and maintenance - Annual Maintenance charges (AMC)		
- Wipro GE Healthcare Private Limited	-	0.53
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
- HCG Oncology LLP	-	0.90
* with respect to loans given to and Niruja Product Development and Research Private Limited and HealthCare Global Senthil Multi-Specialty Hospital Private Limited, provision is made for interest accrued during the year.		
On capital contribution		
- HCG NCHRI Oncology LLP	-	15.35
- HCG SUN Hospitals LLP	3.39	5.84
- HCG EKO Oncology LLP	-	14.61
Interest expenses		
- HCG Medi-surge Hospitals Private Limited	-	5.34
- Dr. B S Ajaikumar	-	0.98
Corporate guarantee commission income received		
- HCG Medi-surge Hospitals Private Limited	14.67	4.52
- HCG Oncology LLP	10.39	2.54
- HCG NCHRI Oncology LLP	2.53	2.53
- HCG Manavata Oncology LLP	2.62	2.09
- Apex HCG Oncology Hospitals LLP	9.49	3.28
- HCG EKO Oncology LLP	2.65	2.65
- HCG SUN Hospitals LLP	4.73	8.47
Other advances received		
- JSS Bharath Charitable Trust	-	40.00
Other advances repaid		
- JSS Bharath Charitable Trust	-	40.00

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for the year ended 31 March 2022

44. Related Party Disclosures (Contd..)

(₹ in million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Capital expenditure cross charged to the Company		
- BACC Healthcare Private Limited	17.92	-
Loans given repaid		
- HCG Oncology LLP	-	19.00
Loans taken repaid		
- Dr. B S Ajaikumar	-	30.92
- HCG Medi-surge Hospitals Private Limited	-	106.62
Reimbursement of expense on employee stock option scheme cross charged by the Company		
- HCG Medi-surge Hospitals Private Limited	1.42	0.45
- HCG Oncology LLP	0.40	0.11
- HCG SUN Hospitals LLP	0.04	0.11
- HCG NCHRI Oncology LLP	0.48	-
- HCG EKO Oncology LLP	0.36	-
Reimbursement of capital expenditure/ revenue expenditure cross charged by the Company		
- HCG Medi-surge Hospitals Private Limited	152.21	89.11
- HCG Oncology LLP	66.99	32.70
- BACC Healthcare Private Limited	0.67	0.02
- Healthcare Diwan Chand Imaging LLP	-	0.15
- Malnad Hospital and Institute of Oncology Private Limited	14.94	1.01
- HCG SUN Hospitals LLP	12.58	-
- HCG NCHRI Oncology LLP	1.40	-
- HCG EKO Oncology LLP	1.53	-
- HCG Manavata Oncology LLP	0.07	2.67
- Healthcare Global Senthil Multi-Specialty Hospitals Private Limited	0.01	0.12
- Niruja Product Development and Research Private Limited	0.05	0.12
- APEX HCG Oncology Hospitals LLP	52.35	-
- Suchirayu Health Care Solutions Limited	12.79	-
- Healthcare Global (Kenya) Private Limited	0.12	-
- HCG Foundation	0.10	0.54
- Sada Sarada Tumor & Research Institute	4.15	-
- JSS Bharath Charitable Trust	-	3.17
Payment to vendor on behalf of following subsidiaries:		
- HCG NCHRI Oncology LLP	16.45	-
- Malnad Hospital and Institute of Oncology Private Limited	0.46	-
- APEX HCG Oncology Hospitals LLP	16.66	-
- HCG SUN Hospitals LLP	7.26	-
- HCG Medi-surge Hospitals Private Limited	12.79	-
- HCG EKO Oncology LLP	13.61	-
- BACC HealthCare Private Limited	0.08	-
- HCG Oncology LLP	0.57	-
- HCG Manavata Oncology LLP	0.06	-

Notes to the Standalone Financial Statements

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44. Related Party Disclosures (Contd..)

(₹ in million)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Investment made during the year other than corporate guarantee $		
- APEX HCG Oncology Hospitals LLP	358.69	167.51
- HCG EKO Oncology LLP	140.28	135.77
- HCG Manavata Oncology LLP	-	69.50
- HCG NCHRI Oncology LLP	58.95	78.39
- BACC Healthcare Private Limited #	-	683.36
- HCG SUN Hospitals LLP	112.93	57.57
- HCG Oncology LLP	38.31	-
- HCG (Mauritius) Private Limited	148.10	52.99
# As explained in note 27(i), the Company has made secondary purchase of equity shares of BACC Healthcare Private Limited during the previous year.		
$ includes both variable and fixed capital in case of Limited Liability Partnerships		
Investment made during the year through corporate guarantee		
- HCG Manavata Oncology LLP	3.64	4.21
- HCG Medi-surge Hospitals Private Limited	13.63	2.03
- HCG NCHRI Oncology LLP	-	2.52
- HCG EKO Oncology LLP	-	3.04
- APEX HCG Oncology Hospitals LLP	0.79	1.83
- HCG SUN Hospitals LLP	9.94	4.09
- HCG Oncology LLP	9.62	0.75
CSR contribution to		
- International Human Development and Upliftment Academy (Trust)	10.23	-
Short-term employee benefits to:		
- Dr. B S Ajaikumar (Refer note D below) *	25.90	25.88
- Meghraj Arvindrao Gore	30.98	3.83
- Anjali Ajaikumar	7.98	5.00
- Dr. B S Ramesh (Refer note D below)	-	1.44
- Srinivasa Raghavan	12.74	10.58
- Sunu Manuel	4.77	4.07
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 was waived-off during the previous year.		
Share based payments to:		
- Srinivasa Raghavan	4.74	1.19
- Sunu Manuel	0.96	0.33
- Meghraj Arvindrao Gore	19.27	-
Proceeds from issue / exercise of share warrants to		
- Dr. B S Ajaikumar (Refer note 15) *	195.00	65.00
- Aceso Company Pte Ltd	1,121.59	-
Sitting fees to Directors		
- Shanker Annaswamy	0.71	0.93
- Sampath T Ramesh	-	0.10
- Dr. Sudhakar Rao	0.65	1.18
- Suresh C Senapaty	-	0.10
- Bhushani Kumar	-	0.83
- Abhay Prabhakar Havaldar	0.77	0.13
- Geeta Mathur	0.59	-
- Rajagopalan Raghavan	0.47	-

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

44. Related Party Disclosures (Contd..)

C Details of related party balances outstanding:

(₹ in million)

Balances outstanding as at	As at 31 March 2022	As at 31 March 2021
Trade receivables		
- Healthcare Global Senthil Multi-Specialty Hospitals Private Limited	0.10	0.10
- Malnad Hospital and Institute of Oncology Private Limited	0.28	0.48
- HCG Medi-surge Hospitals Private Limited	11.72	-
- Sada Sarada Tumor & Research Institute	0.91	0.16
- HCG Oncology LLP	0.01	27.36
- HCG Foundation	3.04	3.37
- B.C.C.H.I. Trust	0.01	0.01
- APEX HCG Oncology Hospitals LLP	9.12	3.56
- HCG NCHRI Oncology LLP	49.74	50.69
- HCG EKO Oncology LLP	12.06	4.21
- HCG SUN Hospitals LLP	14.03	10.56
- BACC Healthcare Private Limited	5.17	-
- HCG Manavata Oncology LLP	0.09	-
- Suchirayu Health Care Solutions Limited	47.30	-
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	91.07
- HCG EKO Oncology LLP	14.61	14.61
- HCG NCHRI Oncology LLP	29.35	29.35
* The Company has provided for non recoverability of the interest receivable on loan given as at 31 March 2022: ₹ 91.07 million (as at 31 March 2021: ₹ 91.07).		
Receivable from related parties - Other Financial Assets (current)		
- Malnad Hospital and Institute of Oncology Private Limited	2.40	8.34
- BACC Healthcare Private Limited	0.75	-
- HCG Oncology LLP	33.24	43.80
- APEX HCG Oncology Hospitals LLP	42.48	-
- HCG EKO Oncology LLP	13.76	-
- HCG NCHRI Oncology LLP	16.34	-
- HCG SUN Hospitals LLP	22.47	6.91
- HCG Manavata Oncology LLP	4.22	4.12
- Healthcare Global (Africa) Private Limited	3.27	3.30
- Healthcare Global (Tanzania) Private Limited	0.33	-
- Healthcare Global (Kenya) Private Limited	12.08	-
- HCG Medi-surge Hospitals Private Limited	2.63	9.49
- Healthcare Global Senthil Multi-Specialty Hospitals Private Limited	0.01	-
- HCG Foundation	0.10	-
- Sada Sarada Tumor & Research Institute	0.01	-
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
* The Company has provided for non recoverability of the loan given of ₹ 218.98 million (31 March 2021; ₹ 218.98 million)		
Accrued employee benefits - Other financial liabilities (current)		
- Dr. B S Ajaikumar	5.44	6.65
- Meghraj Arvindrao Gore	11.40	1.19
- Ms. Anjali Ajaikumar	1.11	0.82
- Srinivasa Raghavan	2.10	1.88
- Sunu Manuel	0.52	0.54

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

44. Related Party Disclosures (Contd..)

(₹ in million)

Balances outstanding as at	As at 31 March 2022	As at 31 March 2021
Trade Payables		
- Healthcare Diwan Chand Imaging LLP	24.63	24.63
- HCG Foundation	0.05	0.09
- HCG Medi-surge Hospitals Private Limited	0.03	0.03
- Sada Sarada Tumor & Research Institute	0.01	0.01
- Strand Life Sciences Private Limited*	-	22.24
- HCG EKO Oncology LLP	0.01	1.84
- Apex HCG Oncology Hospitals LLP	16.02	15.83
- HCG Manavata Oncology LLP	3.78	3.78
- HCG Oncology LLP	0.03	-
* Outstanding at 31 March 2021 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 was debited by the factoring bank.		
Sitting fees payable to Directors		
- Shanker Annaswamy	-	0.20
- Dr. Sudhakar Rao	-	0.25
- Abhay Prabhakar Havaldar	0.15	0.15
- Geeta Mathur	0.20	-
- Rajagopalan Raghavan	0.20	-
Other payable to related party - Other Financial Liability - current		
- HCG Medi-surge Hospitals Private Limited	0.05	1.62
- BACC Healthcare Private Limited	18.86	1.38
- HealthCare DiwanChand Imaging LLP	2.67	2.87
- HCG Manavata Oncology LLP	0.43	-
- HCG Oncology LLP	0.20	-
Corporate guarantees given on behalf of:		
- HCG Medi-surge Hospitals Private Limited	455.48	470.64
- HCG Oncology LLP	320.15	329.46
- HCG NCHRI Oncology LLP	258.84	287.52
- HCG Manavata Oncology LLP	336.56	249.21
- HCG EKO Oncology LLP	282.14	305.65
- HCG SUN Hospitals LLP	173.20	177.67
- Apex HCG Oncology Hospitals LLP	-	365.06

D Managerial remuneration:

For the financial year ended 31 March 2022

The managerial remuneration for the year ended 31 March 2022 have 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 23 May 2021 in respect of remuneration to Dr. B S Ajaikumar and Anjali Ajaikumar and special resolution obtained on 6 May 2022 in respect of remuneration to Meghraj Arvindrao Gore pursuant to his appointment as whole-time director with effect from 10 February 2022.

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.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

45 Acquisition of diagnostic and clinical research management business from Strand Life Sciences Private Limited

The Company entered into a Business Transfer Agreement (BTA) with Strand Life Sciences Private Limited ('Strand') dated 3 September 2021 for acquisition of (i) the diagnostic business (owned and operated by Strand in the brand name of "Triesta" mainly engaged in the business of oncology diagnostics, biomarker and translational research, and laboratory services) and (ii) the division providing clinical research site management services for a total cash consideration of ₹ 808 Million.

As per the terms of BTA, of the total consideration, ₹ 740 Million was required to be paid on the closing date and the balance is payable as per the timelines specified in the BTA.

Date of business combination - Upon fulfillment of the conditions precedent as per the BTA and on transfer of ₹ 740 Million, the acquisition was completed on 3 September 2021. The balance consideration has also been paid during the year.

This acquisition is part of the Company's initiative to focus on integrated end-to-end Oncology scale-up. Through the BTA, the Company has acquired its erstwhile Hospital Lab Management (HLM) and Clinical Research Site Management (SMO) units which were transferred to Strand during FY 2017-18, after which the Company and its certain subsidiaries continued to avail such services from Strand. With the acqusition, the earlier outsourced Hospital Lab Management services from Strand have been cancelled.

The acquisition contributed revenue of ₹ 101.92 million (including medical service income from subsidiaries) and profit after tax of ₹ 2.91 million for the period between the acquisition date and 31 March 2022. Had the business combination occurred on 01 April 2021, per management estimate, revenues for the financial year ended 31 March 2022 would have been higher by ₹ 73 million and profit after tax would have been higher by ₹ 2 million.

The Company's share of costs incurred for this business combination has been charged off to statement of profit and loss under exceptional items.

a) Business combination

The above transaction qualifies as a business combination as per Ind AS 103 - "Business Combinations" and has been accounted by applying the acquisition method wherein identifiable assets acquired, liabilities assumed are fair valued against the fair value of the consideration transferred and the resultant goodwill recognised.

b) Identifiable assets and liabilities assumed

Particulars	₹ in Million
Fair value of consideration transferred	
Cash consideration	808.00
Less: Settlement of pre-existing payables to Strand	(65.57)
Total (A)	**742.43**
Assets acquired	
Property, plant and equipment (Refer note 5)	129.69
Intangible assets	145.31
Inventories	24.16
Total assets acquired (B)	**299.16**
Liabilities assumed	
Trade payables and other liabilities (C)	**34.81**
Net assets acquired [D = (B-C)]	**264.35**
Goodwill (A-D) #	**478.08**

Goodwill is attributable to the synergies expected to be achieved from this acquisition. The fair value of assembled workforce has also been subsumed within the Goodwill. Goodwill is not tax deductible.

c) Settlement of pre-existing relationship

The Group and Strand were parties to a long-term service contract under Medical Services Agreement where Strand provided disgnostic services. The pre-existing relationship was effectively terminated when the Company acquired Diagnostic business (refer above). The Company concluded that there was no gain / loss on termination of the above mentioned agreement.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

46 Investments, loans, guarantees and security

(a) The Company has made investment in the following companies

(₹ in million)

Investment in equity instruments *	As at 31 March 2021	Invested during the year $	Sold during the year	As at 31 March 2022
Malnad Hospital & Institute of Oncology Private Limited	6.64	-	-	6.64
Niruja Product Development and Research Private Limited	0.50	-	-	0.50
HCG Medi-surge Hospitals Private Limited	147.35	13.63	-	160.98
BACC HealthCare Private Limited**	1,286.33	-	-	1,286.33
HCG (Mauritius) Private Limited	85.51	148.10	-	233.61
HealthCare Global Senthil Multi-Specialty Hospital Private Limited**	8.38	-	-	8.38
HCG Suchirayu Health Care Solutions Limited [refer note 31(iii)]	0.50	349.20	-	349.70
Investment in limited liability partnership				
HCG Diwanchand Imaging LLP**	32.47	-	-	32.47
APEX HCG Oncology Hospitals LLP**	1,091.64	359.48	-	1,451.12
HCG NCHRI Oncology LLP**	432.82	58.95	-	491.77
HCG EKO Oncology LLP **	401.55	140.28	-	541.83
HCG Manavata Oncology LLP	567.83	3.64	-	571.47
HCG Oncology LLP	102.85	47.93	-	150.78
HCG SUN Hospitals LLP	267.77	122.87	-	390.64
Investment in other companies				
Zoctr Health Private Limited**	7.64	-	-	7.64
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	2.50	-	8.00
Investment in joint venture (Equity & preference shares)				
Strand Life Sciences Private Limited [refer note 31(i)]	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 ₹ 1,365.33 million (31 March 2021: ₹ 1,095.33 million) (refer note 8)

$ includes both variable and fixed capital in case of Limited Liability Partnerships

The Company has paid ₹ 8 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	As at 31 March 2021	Movement	As at 31 March 2022	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
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 Health Care Solutions Limited	102.00	(102.00)	-	These loans were 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 2021; ₹ 218.98 million)

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

46 Investments, loans, guarantees and security (Contd..)

(c) The Company has provided the guarantees to the following entities

(₹ in million)

Entity	As at 31 March 2021	Movement	As at 31 March 2022	Purpose of the guarantee
HCG Medi-surge Hospitals Private Limited	470.64	(15.16)	455.48	Corporate guarantee given to bank towards term loan
HCG Oncology LLP	329.46	(9.31)	320.15	Same as above
HCG NCHRI Oncology LLP	287.52	(28.68)	258.84	Same as above
HCG Manavata Oncology LLP	249.21	87.35	336.56	Same as above
HCG EKO Oncology LLP	305.65	(23.51)	282.14	Same as above
Apex HCG Oncology Hospitals LLP	365.06	(365.06)	-	Same as above
HCG SUN Hospitals LLP	177.67	(4.47)	173.20	Same as above
NCHRI Private Limited	412.00	(412.00)	-	Corporate guarantee given to bank towards term loan. The guarantee has been released during the year
Total	**2,597.21**	**(770.84)**	**1,826.37**	

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 *	As at 31 March 2020	Invested during FY 2020-21 $	Sold during FY 2020-21	As at 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 Health Care 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 ₹ 1,095.33 million (refer note 8)

$ includes both variable and fixed capital in case of Limited Liability Partnerships

a) The Company had paid ₹ 8.35 million to HCG (Mauritius) Private Limited during FY 2019-20 for which shares were allotted in FY 2020-21.

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.

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

46 Investments, loans, guarantees and security (Contd..)

(e) The Company has given inter-corporate deposits to its following companies

(₹ in million)

Entity	As at 31 March 2020	Movement	As at 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 Hospital Private Limited *	30.38	-	30.38	These loans have been given for operational requirements of the respective entities
Suchirayu Health Care 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)

(f) The Company has provided the guarantees to the following entities

(₹ in million)

Entity	As at 31 March 2020	Movement	As at 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
NCHRI Private Limited	432.73	(20.73)	412.00	Same as above
HCG SUN Hospitals LLP	181.30	(3.63)	177.67	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.

47 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) During the year ended 31 March 2022, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries except in respect of below mentioned investments in equity instruments of its subsidiary HCG (Mauritius) Pvt Ltd, which has been used for further investments in its other subsidiaries:

Notes to the Standalone Financial Statements
for the year ended 31 March 2022

47 Other statutory information (Contd..)

Invested by	Invested in	Amount (₹ in millions)	Date of investment
HealthCare Global Enterprises Limited	HCG (Mauritius) Pvt Ltd	55.80	27-Aug-21
	FSC License No: C115014516	77.29	22-Oct-21
	Regd Address: C/o Kross Boarder Services Limited, St Louis Business Centre, CNR Desroches and St. Louis Street, Port Louis Mauritius.	15.01	29-Mar-22
HCG (Mauritius) Pvt Ltd	HealthCare Global (Africa) Pvt. Ltd	13.79	31-Aug-21
	Company Reg No. 130502/CI/GBL	41.13*	30-Sep-21
	Regd Address: C/o Kross Boarder Services Limited, St Louis Business Centre, CNR Desroches and St. Louis Street, Port Louis Mauritius.	76.54	26-Oct-21
		15.00	31-Mar-22
HealthCare Global (Africa) Pvt. Ltd	Healthcare Global (Kenya) Private Limited	10.07	03-Sep-21
	Company Reg No. CPR 2013/92492	75.04	28-Oct-21
	Regd Address: Shivachi Road, Parklands, Nairobi, Kenya	11.33	31-Mar-22
Healthcare Global (Kenya) Private Limited	Cancer Care Kenya Limited	8.36	08-Sep-21
	Company Reg No. C.135947	73.54	28-Oct-21
	Regd Address: Shivachi Road, Parklands, Nairobi, Kenya		

* Investment through secondary purchase of shares in Healthcare Global (Africa) Pvt. Ltd

In respect of the above investments, relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

(v) During the year ended 31 March 2022, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(vi) Utilisation of proceeds from preferential allotment: Refer note 15.1. In the previous year ended 31 March 2021, of the total amount raised, the Company had pending utilisation of ₹ 1,245 million which were used for the purposes other than for which they were raised by temporarily investing in fixed deposits / overdraft account. Also, the amounts raised during the current year have been partially used for the purposes for which the funds were raised. Pending utilisation, the balance funds available as at 31 March 2022 amounting ₹ 662 million, were used for the purposes other than for which they were raised by temporarily investing in fixed deposits / overdraft account.

(vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

(ix) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(x) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

(xi) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

48 Ind AS 115- Revenue from contract

Contract balances

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Receivables		
i) Trade receivables: Refer note 13	1,602.45	1,474.84
ii) Unbilled revenue : Refer note 10	168.40	104.16
b) The Company does not have any contract asset as at 31 March 2022 and 31 March 2021.		
c) The contract liability amount from contracts with customers is given below :		
Advance from customers : Refer note 19	179.24	149.61
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	90.38	49.07
d) Revenue dis-aggregation as per the industry vertical and geographies has been included in note 22, revenue from operations.		

49 Ratios

Ratio	Numerator	Denominator	Current year	Previous year	Variance	Explanatory notes
Current Ratio (times)	Total current assets	Total current liabilities	1.66	1.31	26%	(i)
Debt-Equity Ratio (times)	Debt = Borrowings	Total equity	0.10	0.26	-62%	(ii)
Debt Service Coverage Ratio (times)	Net profit / (loss) after taxes + depreciation and amortisation + finance cost + impairment / provisions recognised in exceptional items + Loss on disposal of property,plant and equipment	Interest + Lease payments + Principal repayments (Principal repayments also include payment on account of foreclosures / prepayments)	0.87	0.35	148%	(iii)
Net Profit Ratio (%)	Profit / (loss) for the year	Revenue from operations	5%	-31%	-114%	(iv)
Return on Capital employed (%)	Profit / (loss) before tax and finance costs	Capital employed = Net worth + Borrowings + Lease liabilities	9%	-10%	-185%	(iv)
Return on Equity Ratio (%)	Profit / (loss) for the year	Average total equity	4%	-25%	-115%	(v)
Inventory turnover ratio (times)	Cost of goods sold	Average inventories	14.38	11.32	27%	(vi)
Trade Receivables turnover ratio (times)	Revenue from operations	Average trade receivables	5.52	4.06	36%	(vii)
Trade payables turnover ratio (times)	Purchase of medical and non-medical items + Other expenses	Average trade payables	6.18	4.41	40%	(viii)
Net capital turnover ratio (times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	7.76	(7.71)	-201%	(ix)
Return on Investment (%)	Income generated from treasury investments	Average invested funds in treasury investments, including fixed deposits	5.27%	5.96%	-12%	

Notes to the Standalone Financial Statements

for the year ended 31 March 2022

49 Ratios (Contd..)

Explanatory notes

(i) Mainly due to reduction in short-term borrowings on acount of improved liquidity and increase in receivables, unbilled revenue and trade payables due to revenue growth

(ii) Increase in total equity due to additional funding and profit for the current year and reduction in debt on account of repayment of borrowings

(iii) Increase in net cash profit on account of gain on disposal of equity investment in joint venture referred in exceptional items in the current year and improved profitability compared to previous year which was adversely impacted pursuant to Covid-19 pandemic.

(iv) Revenue growth and profit in the current year as against loss during previous year

(v) Refer (iv) above. Average total equity also increased due to equity funding explained in Note 15.1

(vi) Improvement in sale of medical and non-medical items during the current year

(vii) Increase in revenue from operations during the current year

(viii) Increase in purchase of medical and non-medical items and other expenses as a result of revenue growth during the current year

(ix) Increase in revenue from operations and positive average working capital during the current year compared to negative average working capital for the previous year mainly on account of reduction in average short-term borrowings

50 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.

51 Consequent to amendments to the Schedule III effective 1 April 2021, figures of the previous year have been regrouped to confirm with the classification adopted in these financial statements.

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 : 26 May 2022

***for* and on behalf of the Board of Directors**
HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar
Executive Chairman
DIN: 00713779
Place : Bengaluru
Date : 26 May 2022

Meghraj Arvindrao Gore
Whole-Time Director and Chief Executive Officer
DIN: 07505123
Place : Bengaluru
Date : 26 May 2022

Srinivasa Raghavan
Chief Financial Officer
Place : Bengaluru
Date : 26 May 2022

Sunu Manuel
Company Secretary
Place : Bengaluru
Date : 26 May 2022

Independent Auditor's Report

To
The Members of **HealthCare Global Enterprises Limited**

Report on the Audit of the 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 ventures, which comprise the consolidated balance sheet as at 31 March 2022, 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/consolidated financial statements/financial information of such subsidiaries, an associate and a 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 joint ventures as at 31 March 2022, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

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 ventures, 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 reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports other auditors on separate/consolidated financial statements of components audited by them, 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.

Description of Key Audit Matters

The key audit matter	How the matter was addressed in our audit
Impairment evaluation of goodwill Refer note 3(j), note 3(p)(ii), note 6and note 6A to the consolidated financial statements. Goodwill is a significant item on the consolidated balance sheet for which the Holding Company performs impairment testing at least annually. In performing such impairment assessments, the Holding Company compares the carrying value of each of the identifiable Cash Generating Units ("CGUs") to which goodwill has been allocated with its respective recoverable values, to determine whether any impairment loss should be recognised. The Holding Company's process of assessment of impairment of goodwill 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.	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: • Assessed the appropriateness of accounting policy for impairment of goodwill 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. • We evaluated 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.

The key audit matter	How the matter was addressed in our audit
Due to the significance of the carrying amount of goodwill and significant judgments (including the impact of Covid 19) required to compute recoverable values, we have determined this to be a key audit matter.	• Performed 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.
Acquisition of Businesses Refer note 3(w)& note 45 to the consolidated financial statements. The Group completed the acquisitions of businesses and accounted for these acquisitions as a business combinations as per Ind AS 103. Accounting for these acquisitions involved judgement related to: • Identification and measurement of the fair value of the identifiable assets (tangible and intangible) acquired and liabilities assumed. • Allocation of the consideration transferred between identifiable assets and liability and goodwill. • Gain or loss on effective settlement of a pre-existing contractual relationship, where applicable • Determination of existence of contract, where applicable • Determination of the discount rate, revenue growth rate and projected margins to develop the fair value of the intangible assets • Determination of the comparable market rates, replacement cost and economic useful life to develop the fair value of the property, plant and equipment. These were significant acquisitions for the Group and given the level of estimation and judgement required, we considered it to be a key audit matter.	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: • Assessed the appropriateness of accounting policy for acquisition of businesses as per relevant accounting standards. • Read the documents pertaining to the acquisition and contracts to understand the key terms and conditions of the acquisition. • Evaluated the design and implementation of key internal financial controls related to the accounting for acquisition of business and related disclosures in the standalone financial statements. • Involved the technical team with specialized skills and knowledge to evaluate the appropriateness of accounting, where applicable, • Involved the valuation specialist to evaluate the appropriateness of the valuation methodology and key assumptions, specifically those relating to discount rate, revenue growth rates, projected margins with reference to our understanding of their business and industry and market rates and replacement cost basis independent market sources for the fair value of property, plant and equipment. • Assessed the adequacy of disclosures in the consolidated financial statements in accordance with the relevant accounting standards.

Information Other than the Consolidated Financial Statements and Auditor's 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 auditor's 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 do 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'/ Designated Partners' 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 profit and other comprehensive loss, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint ventures 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/ Designated Partners of the limited liability partnerships (LLPs) included in the Group and the respective Management and Board of Directors of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/LLP 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 Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies/ Designated Partners of the LLPs included in the Group and respective Management and Board of Directors of its associate and joint venture are responsible for assessing the ability of each company/LLP 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/Designated Partners either intends to liquidate the company/LLP or to cease operations, or has no realistic alternative but to do so.

The respective Management and Board of Directors of the companies/ Designated Partners of the LLP included in the Group and respective Management and Board of Directors of its associate and joint ventures is responsible for overseeing the financial reporting process of each company/LLP.

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 whether the company has adequate internal financial controls with reference to the consolidated 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 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 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 statements/financial information of such entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/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 paragraph (a) of 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 year and are therefore the key audit matters. We describe these matters in our auditor's 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

(a) We did not audit the financial statements / financial information of eight (8) subsidiaries and step down subsidiaries, whose financial statements/financial information reflect total assets (before consolidation adjustments) of ₹ 3,670 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 1,452 million and net cash inflows (before consolidation adjustments) amounting to ₹ 63 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 income) of ₹ 36 million for the year ended 31 March 2022, 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, an associate and a joint venture, 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, an associate and a joint venture is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 22 million for the year ended 31 March 2022, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements/ financial information has not been audited by us or by other auditors. This unaudited financial statements/financial information has 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 this joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statements/ financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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, based on our audit and on the consideration of reports of the other auditors on separate/consolidated financial statements 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 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022from 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 and its subsidiary companies incorporated in India 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 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/consolidated financial statements of the subsidiaries, an associate and a joint venture , as noted in the "Other Matters" paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group and its joint venture. Refer Note 32 to the consolidated financial statements.

b) The Group, its associate and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) 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 incorporated in India during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 49 (iv) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies and joint venture company incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies and joint venture company incorporated in India or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 49 (v) to the accounts, no funds have been received by the Holding Company or its subsidiary companies and joint venture company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies, and joint venture company incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Holding Company and its subsidiary companies and joint venture company incorporated in India have neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies, to its directors where applicable, is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director, where applicable, by the Holding Company and its subsidiary companies 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) of the Act which are required to be commented upon by us.

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

Amit Somani
Partner
Membership No.060154
UDIN: 22060154AJQYTS7495

Place: Bangalore
Date: 26 May 2022

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements

(Referred to in our report of even date)

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the consolidated financial statements for the year ended 31 March 2022, we report the following:

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	HealthCare Global Enterprises Limited	L15200KA1998PLC023489	Holding Company	i (c) ; iii (c)

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report:

Name of the entities	CIN	Subsidiary
Malnad Hospitals & Institute of Oncology Pvt.Ltd.	U85110KA1997PTC022149	Subsidiary
BACC Healthcare Private Limited	U74140KA2002PTC030098	Subsidiary
HCG Medi-Surge Hospitals Private Limited	U85110GJ2000PTC037474	Subsidiary

* Strand Life Sciences Private Limited (joint venture) has been sold during the year and is not considered for reporting under above clause

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

Amit Somani
Partner
Membership No.060154
UDIN: 22060154AJQYTS7495

Place: Bangalore
Date: 26 May 2022

Annexure B to the Independent Auditors' report on the consolidated financial statements of HealthCare Global Enterprises Limited for the year ended 31 March 2022

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 2(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 Company as of and for the year ended 31 March 2022, 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, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, 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 2022, 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").

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 4 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the 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
Membership No.060154
UDIN: 22060154AJQYTS7495

Place: Bangalore
Date: 26 May 2022

Consolidated Balance Sheet as at

(₹ in million)

Particulars	Note No	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	9,315.25	8,531.25
(b) Capital work-in-progress	5	217.25	300.12
(c) Right-of-use assets	6B	4,045.40	4,114.27
(d) Goodwill	6	1,812.68	963.40
(e) Other intangible assets	6	298.03	214.86
(f) Investments in equity accounted investees	7(A)	30.13	205.49
(g) Financial assets			
(i) Investments	7(B)	58.03	57.29
(ii) Loans receivable	8	-	93.00
(iii) Other financial assets	9	545.61	525.63
(h) Deferred tax assets (net)	31.3	59.57	343.10
(i) Income tax assets (net)	31.4	458.80	426.42
(j) Other non-current assets	10	331.12	231.70
Total non current assets		**17,171.87**	**16,006.53**
Current assets			
(a) Inventories	11	299.72	211.08
(b) Financial assets			
(i) Trade receivables	12	2,174.45	1,866.05
(ii) Cash and cash equivalents	13	1,975.08	300.01
(iii) Bank balance other than cash and cash equivalents above	13.1	-	108.50
(iv) Loans receivable	8	16.08	39.35
(v) Other financial assets	9	341.25	1,599.88
(c) Other current assets	10	216.78	224.74
Total current assets		**5,023.36**	**4,349.61**
TOTAL ASSETS		**22,195.23**	**20,356.14**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	1,390.12	1,253.59
(b) Other equity	15	7,312.75	5,718.17
Equity attributable to owners of the Company		**8,702.87**	**6,971.76**
Non-controlling interests	16	134.27	168.24
Total equity		**8,837.14**	**7,140.00**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	3,628.74	3,461.73
(ii) Lease liabilities		4,659.04	4,693.12
(b) Provisions	20	105.11	86.21
(c) Deferred tax liabilities (net)	31.3	12.79	42.77
(d) Other non-current liabilities	19	254.97	279.84
Total non-current liabilities		**8,660.65**	**8,563.67**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	447.58	1,254.55
(ii) Lease liabilities		411.40	365.12
(iii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		20.23	3.09
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,919.18	1,452.10
(iv) Other financial liabilities	18	935.94	843.98
(b) Other current liabilities	19	784.98	625.95
(c) Provisions	20	172.82	104.16
(d) Income tax liabilities (net)	31.5	5.31	3.52
Total current liabilities		**4,697.44**	**4,652.47**
Total liabilities		**13,358.09**	**13,216.14**
TOTAL EQUITY AND LIABILITIES		**22,195.23**	**20,356.14**
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 : 26 May 2022

for **and on behalf of the Board of Directors**
HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar
Executive Chairman
DIN: 00713779

Place : Bengaluru
Date : 26 May 2022

Meghraj Arvindrao Gore
Whole-Time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 26 May 2022

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 26 May 2022

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 26 May 2022

Consolidated Statement of Profit and Loss for the years ended

(₹ in million)

	Particulars	Note No.	31 March 2022	31 March 2021
I	**Income**			
	Revenue from operations	22	13,947.78	10,091.85
	Income from government grant	23	30.05	42.50
	Other income	24	126.67	169.54
	Total income (I)		**14,104.50**	**10,303.89**
II	**Expenses**			
	Purchases of medical and non-medical items		3,609.75	2,381.65
	Changes in inventories	25	(60.74)	21.50
	Employee benefits expense	26	2,336.49	1,959.38
	Finance costs	27	977.65	1,191.69
	Depreciation and amortisation expense	28	1,582.84	1,592.17
	Other expenses	29	5,712.64	4,506.02
	Total expenses (II)		**14,158.63**	**11,652.41**
III	**Loss before share of loss of an associate / joint venture, exceptional items and tax (I-II)**		**(54.13)**	**(1,348.52)**
IV	Share of loss of an associate / joint venture		(14.25)	(3.65)
V	**Loss before exceptional items and tax (III + IV)**		**(68.38)**	**(1,352.17)**
VI	**Exceptional items, net gain / (loss)**	30	946.10	(934.46)
VII	**Profit / (loss) before tax (V+VI)**		**877.72**	**(2,286.63)**
VIII	**Tax expense**			
	(1) Current tax	31.1	237.09	47.10
	(2) Deferred tax	31.1	251.38	(122.71)
	Total tax expense / (credit)		**488.47**	**(75.61)**
IX	**Profit / (loss) for the year (VII-VIII)**		**389.25**	**(2,211.02)**
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	(6.90)	(4.72)
	(b) Income tax effect on (i) above	31.2	1.91	1.69
	(ii) Items that will be reclassified to profit or loss			
	(a) Exchange differences on translation of financial statements of foreign operations		(17.84)	(20.21)
	(b) Effective portion of gain on hedging instruments in a cash flow hedge	39	11.60	44.73
	(c) Income tax on (ii) above	31.2	(4.08)	(15.63)
	Other comprehensive income / (loss) for the year, net of tax		**(15.31)**	**5.86**
XI	**Total comprehensive income / (loss) for the year (IX+X)**		**373.94**	**(2,205.16)**
	Profit / (loss) for the year attributable to:			
	Owners of the Company		537.33	(1,934.61)
	Non - controlling interests		(148.08)	(276.41)
			389.25	**(2,211.02)**
	Other comprehensive income / (loss) for the year attributable to:			
	Owners of the Company		(13.42)	6.85
	Non-controlling interests.		(1.89)	(0.99)
			(15.31)	**5.86**
	Total comprehensive income / (loss) for the year attributable to:			
	Owners of the Company		523.91	(1,927.76)
	Non controlling interests..		(149.97)	(277.40)
			373.94	**(2,205.16)**
	Earnings / (loss) per share (equity share of ₹ 10/- each):			
	Basic (in ₹)	34.1	4.14	(17.02)
	Diluted (in ₹)	34.2	3.97	(17.02)
	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 : 26 May 2022

for **and on behalf of the Board of Directors**
HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar
Executive Chairman
DIN: 00713779

Place : Bengaluru
Date : 26 May 2022

Meghraj Arvindrao Gore
Whole-Time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 26 May 2022

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 26 May 2022

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 26 May 2022

Consolidated Cash Flow Statement for the years ended

(₹ in million)

Particulars	Note No.	31 March 2022	31 March 2021
Cash flows from operating activities			
Profit / (loss) before tax		**877.72**	**(2,286.63)**
Adjustments for:			
Finance costs		977.65	1,191.69
Gain on investment revalued at FVTPL		(1.24)	(1.40)
Loss on disposal of property, plant and equipment		6.43	0.52
Provision for bad and doubtful receivables		150.63	67.53
Provision for doubtful advances		-	8.70
Interest income		(115.61)	(156.12)
Depreciation and amortisation expense		1,582.84	1,592.17
Payables no longer required written back		-	(0.01)
Income from government grant		(30.05)	(42.50)
Expense on employee stock option scheme		31.03	19.12
Net foreign exchange loss/ (gain)		(4.09)	1.48
Share of loss of equity accounted investees		14.25	3.65
Exceptional items	30	(946.10)	934.46
Movements in working capital:			
Changes in trade receivables		(404.40)	(78.48)
Changes in inventories		(60.75)	21.50
Changes in loans, financial assets and other assets		(109.85)	56.39
Changes in trade payables, financial liabilities and other liabilities		442.92	(528.91)
Changes in provisions		26.88	22.36
Cash generated from operations (includes net receipt of ₹ 148 million, pertaining to pre-existing balances pursuant to acquisition of business referred in note 45)		**2,438.26**	**825.53**
Income taxes paid (net of refunds)		(237.02)	379.68
Net cash generated from operating activities (A)		**2,201.24**	**1,205.21**
Cash flows from investing activities			
Margin money deposits, net		(122.56)	-
Fixed deposits		(821.50)	(2,831.13)
Proceeds from maturity of fixed deposits		2,277.97	1,515.75
Proceeds from disposal of property, plant and equipment		7.91	0.61
Acquisition of property, plant and equipment		(712.32)	(354.24)
Acquisition of business, net of cash and cash equivalents (refer note 45)		(1,174.28)	-
Proceeds from sale of investment in joint venture		1,572.14	-
Payment towards contingent consideration		-	(64.00)
Interest received		136.96	71.46
Investment in associate		(17.96)	(52.48)
Proceeds from repayment of Inter-corporate deposits		102.00	3.00
Payment of share application money		(2.50)	-
Net cash generated from / (used in) investing activities (B)		**1,245.86**	**(1,711.04)**

Consolidated Cash Flow Statement for the years ended

(₹ in million)

Particulars	Note No.	31 March 2022	31 March 2021
Cash flows from financing activities $			
Proceeds from issue of equity shares	14 & 15	1,321.59	4,526.13
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
Repayment of loan from related parties		-	(31.23)
Payment towards settlement of put option exercised by the non-controlling interest in subsidiary	15	-	(662.78)
Payment towards settlement of dues to retiring partner		(24.20)	-
Proceeds from bills discounting		252.76	583.03
Bills discounted settled		(651.55)	(184.24)
Proceeds from long-term borrowings		1,696.34	140.58
Repayment of long-term borrowings		(2,804.00)	(2,416.27)
Loan foreclosure and refinancing expenses		(85.63)	-
Repayment of principal portion of lease liability		(321.54)	(151.70)
Interest paid on lease liability		(529.28)	(573.17)
Interest and other borrowing cost paid		(403.34)	(553.99)
Net cash generated from / (used in) financing activities (C)		**(1,548.85)**	**1,122.40**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**1,898.25**	**616.57**
Cash and cash equivalents at the beginning of the year	13	28.65	(587.92)
Cash and bank balances on acquisition of business		-	-
Cash and cash equivalents at the end of the year	13	**1,926.90**	**28.65**

For the purpose of statement of cash flows, cash and cash equivalent comprises the followings:

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Cash on hand	15.00	9.54
(b) Cheques, drafts on hand	9.07	8.83
(c) Balance with bank		
In current accounts and EEFC accounts	476.87	278.66
In deposit accounts	1,474.14	2.98
Cash and cash equivalent as per balance sheet	**1,975.08**	**300.01**
Less : Bank overdrafts (refer note 17)	(48.18)	(271.36)
Cash and cash equivalents as per the consolidated statement of cash flows	**1,926.90**	**28.65**

$ 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 borrowing cost	Total
Debt as at 1 April 2021	**4,046.13**	**398.79**	**-**	**4,444.92**
Interest accrued as at 1 April 2021	-	-	-	-
Cash flows including interest and other borrowing cost	**(1,412.14)**	**(398.79)**	**(120.39)**	**(1,931.32)**
- Interest and other borrowing cost*	278.67	-	120.39	399.06
- Non cash transactions	52.15	-	-	52.15
- Loans from business acquisition	1,063.33	-	-	1,063.33
Interest accrued	-		-	-
Debt as at 31 March 2022	**4,028.14**	**-**	**-**	**4,028.14**

includes current maturities of Term loan and deferred payment obligation grouped under current borrowings

^ other than bank overdraft and current maturities of Term loan and deferred payment obligation grouped under current borrowings

*Interest and other borrowing cost include interest on Short term borrowings, bank charges measured at amortised cost etc

Consolidated Cash Flow Statement for the years ended

$ 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 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
Interest accrued	-		-	-
Debt as at 31 March 2021	**4,046.13**	**398.79**	**-**	**4,444.92**

includes current maturities of Term loan and deferred payment obligation grouped under current borrowings

^ other than bank overdraft and current maturities of Term loan and deferred payment obligation grouped under current borrowings

*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 : 26 May 2022

for **and on behalf of the Board of Directors**
HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar
Executive Chairman
DIN: 00713779

Place : Bengaluru
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Meghraj Arvindrao Gore
Whole-Time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 26 May 2022

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 26 May 2022

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 26 May 2022

Consolidated Statement of changes in equity for the years ended 31 March 2022 and 31 March 2021

a. Equity share capital *

Particulars	No of Shares	₹ in Million
As at 01 April 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**
(a) Issue of equity shares pursuant to exercise of warrants (refer note 14.1)	13,503,468	135.04
(b) Issue of equity shares pursuant to exercise of employee share options under employee share option plan 2014 (refer note 37(C))	149,240	1.49
Balance as at 31 March 2022	**139,011,992**	**1,390.12**

b. Other equity *

(₹ in million)

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	Cash flow hedging reserve (refer note 15.7)				
Balance as at 01 April 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 the 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
Adjustment on account of notional capital	15.6	-	-	-	(17.12)	-	-	-	-	(17.12)	17.12	-
Additional investments by non-controlling interests	16	-	-	-	-	-	-	-	-	-	43.38	43.38
Money received against share warrants during the year [refer note 14.1(b) and (c)]	15.8	-	-	-	-	-	-	-	668.22	668.22		668.22
Issue of shares pursuant to exercise of warrants [refer note 14.1(b)]	15.8	-	229.36	-	-	-	-	-	(229.36)	-	-	-

Consolidated Statement of changes in equity for the years ended 31 March 2022 and 31 March 2021

a. Equity share capital *

(₹ in million)

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	Cash flow hedging reserve (refer note 15.7)				
Balance as at 31 March 2021		**6.77**	**9,974.51**	**67.82**	**(4,751.00)**	**(2.05)**	**(9.22)**	**(7.52)**	**438.86**	**5,718.17**	**168.24**	**5,886.41**
Profit / (loss) for the year		-	-	-	537.33	-	-	-	-	537.33	(148.08)	389.25
Other comprehensive income / (loss) for the year (net of tax)		-	-	-	-	(17.84)	(3.10)	7.52	-	(13.42)	(1.89)	(15.31)
Total comprehensive income		**-**	**-**	**-**	**537.33**	**(17.84)**	**(3.10)**	**7.52**	**-**	**523.91**	**(149.97)**	**373.94**
Transactions recorded directly in equity												
Premium received on shares issued during year	15.1 & 15.2	-	1,185.06	-	-	-	-	-	-	1,185.06	-	1,185.06
Transferred to Securities premium account on exercise of ESOPs	15.2	-	30.56	(30.56)	-	-	-	-	-	-	-	-
Transferred to retained earnings on lapse of vested ESOPs	15.2			(1.11)	1.11	-	-	-	-	-	-	-
Expense on employee stock option scheme	15.2	-	-	31.03	-	-	-	-	-	31.03	-	31.03
Change in fair value of gross obligations over written put options issued to the non-controlling interests	15.6	-	-	-	(88.00)	-	-	-	-	(88.00)	-	(88.00)
Change in ownership in subsidiary LLP without change in control	16	-	-	-	(64.93)	-	-	-	-	(64.93)	39.88	(25.05)
Foreign exchange loss reclassified to profit or loss on acquisition of subsidiary	45	-	-	-	-	7.51	-	-	-	7.51	-	7.51
Acqusition of subsidiaries	45	-	-	-	-	-	-	-	-	-	76.12	76.12
Issue of shares pursuant to exercise of warrants [refer note 14.1(b)]	15.8	-	438.86	-	-	-	-	-	(438.86)	-		-
Balance as at 31 March 2022		**6.77**	**11,628.99**	**67.18**	**(4,365.49)**	**(12.38)**	**(12.32)**	**-**	**-**	**7,312.75**	**134.27**	**7,447.02**

Consolidated Statement of changes in equity

for the years ended 31 March 2022 and 31 March 2021

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 account of business combinations. 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.

* There are no changes in equity share capital and other equity due to prior period errors

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 : 26 May 2022

***for* and on behalf of the Board of Directors**
HealthCare Global Enterprises Limited

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DIN: 07505123
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Date : 26 May 2022

Srinivasa Raghavan
Chief Financial Officer
Place : Bengaluru
Date : 26 May 2022

Sunu Manuel
Company Secretary
Place : Bengaluru
Date : 26 May 2022

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

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 2022 were approved by the Board of Directors and authorised for issue on 26 May 2022.

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 measures put in place to control the spread of virus, including the travel restrictions adversely impacted the patients' footfall and the healthcare workers. 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 gradually recover.

Management believes that it has taken into account the possible impacts of known events arising from COVID-19 pandemic in the preparation of these consolidated financial statements including but not limited to its assessment of the Group's liquidity position and various estimates in relation to the financial statements captions including recoverability assessments for Property, Plant and Equipment, Goodwill, Investments and Other Assets and meeting its financial obligations, upto the date of adoption of the consolidated financial statements by the Board of Directors. 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. The management will continue to monitor changes to the future economic conditions for any material impact.

(c) For the year current year ended 31 March 2022 and previous year ended 31 March 2021, there are losses before the exceptional items. Given, the Group has positive operating cash flows during the current year and previous year and expects continuous increase in operating cash flows in future periods and has net current assets as at the reporting date, which would suffice to meet all its obligations and discharge all liabilities including planned investing activities, the consolidated financial statements are prepared on a going concern basis.

(d) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), 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.

(e) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
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.

(f) 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 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

- **Note 5 -** Property, plant and equipment: Timing of capitalisation and nature of cost capitalised.
- **Note 18 -** Liability on written put options
- **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, EBITDA / revenue multiple and profitability
- **Note 40 -** Impairment of financial assets : Key inputs considered i.e. discount rate, growth rate, EBITDA / revenue multiple 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
- **Note 45 -** Business combinations: Identification of intangible asset and acquisition date

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.

(g) 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'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 Group'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 Group's 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.

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(c) Loss of control

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 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

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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.

(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 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.

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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 lease liability, 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 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 outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

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(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 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

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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 reassessed the lease term for certain lease premises (refer note 6B). Considering this, the deprecation on Right of Use of Assets and interest on Lease Liabilities required revision. Also, the related leasehold improvements required to be depreciated over the shorter of the revised lease term or useful of the assets. The change in this accounting estimate has been applied prospectively in accordance with Ind AS 8, "Accounting policies, changes in accounting estimate and errors' impacting depreciation and amortisation expense and interest on lease liabilities. The financial impact due to the change in the estimate is over the lease term and useful life determined of the leasehold improvements. For the year ended 31 March 2022, interest on lease liabilities reduced by ₹ 92.30 Million and depreciation on right of use assets and leasehold improvements increased by ₹ 5.34 Million and ₹ 10 Million respectively. For the period thereafter, in aggregate, interest on lease liabilities will reduce by ₹ 2,311.32 million and depreciation on right of use assets and leasehold improvements will decrease by ₹ 857.87 million and ₹ 10 million respectively. Given multiple years, each future year impact has not been disclosed separately.

(i) Intangible assets

Intangible assets acquired on business combination are recognised at fair value as at the date of acquisition. 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
Trade name and brand	3 to 18 years
Referral network	25 years
Intellectual Property for contract research	10 years

The estimated useful life of intangible assets acquired by the Group has been determined based on number of factors including the competitive environment, operating plan and macro-eonomies of the Country in which the Brand operates.

j) 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.

(k) 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 receives 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.

(l) 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.

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(m) 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.

(n) 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 – 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.

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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 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 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

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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.

(p) 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 though 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.

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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 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 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 it's recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(q) 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 per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

(r) 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.

(s) 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.

(t) Investment in subsidiaries and joint ventures

(i) Initial recognition

The acquired investment in subsidiaries and joint ventures are measured at acquitions 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.

(u) 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.

(v) 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

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for the year ended 31 March 2022

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.

(w) 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. Purchase consideration paid in excess of fair value of net identifiable assets acquired is recognised as goodwill. 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.

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.

(x) Exceptional items

Exceptional items refer to items of income or expense within the consolidated statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

4 Recent pronouncements

4.1 Amendments to Schedule III of the Companies Act, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24 March 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting 1 April 2021 and applied to the consolidated financial statements:

a. Regrouping of security deposits classified earlier under "Loans" to "Other financial assets" and current maturities of long-term borrowings earlier classified under "Other financial liabilities" to "Current borrowings".

b. Certain additional disclosures in the standalone 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.

c. Additional disclosure for shareholding of promoters.

d. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.

e. Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.

f. Additional disclosures relating to undisclosed income and crypto or virtual currency.

Previous period figures have been re-grouped / re-classified to conform to below requirements of the amended Schedule III to the Companies Act, 2013 effective 1 April 2021:

(a) non-current security deposits of ₹ 378.56 million (including ₹ 20.64 million considered doubtful) and current security deposits of ₹ 53.71 million as at 31 March 2021 have been recgrouped from 'Loans receivable' (Note 8) to 'Other financial assets' (Note 9).

(b) current maturities of long-term borrowings amounting ₹ 584.40 million as at 31 March 2021 have been regrouped from 'Other financial liabilities' (Note 18) to 'Current borrowings' (Note 17).

4.2 Amendments to Indian Accounting Standards

Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification dated 23 March 2022. Following amendments and annual improvements to Ind AS are applicable from 1 April 2022.

Ind AS - 103 Business Combination

The amendment specifies that for identified assets and liabilities to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial

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for the year ended 31 March 2022

Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

Ind AS - 16 Property, Plant and Equipment

The amendment clarifies that sale proceeds of items produced in the process of making Property, Plant and Equipment (PPE) available for its intended use cannot be deducted from the cost of PPE. Instead, such proceeds shall be recognized in the statement of profit or loss.

Ind AS - 37 Provisions

The amendment clarifies that that the 'costs to fulfil' a contract include both incremental costs (direct labour and material) and an allocation of other direct costs (e.g: depreciation charge for an item of PPE used in fulfilling the contract).

Annual improvements to Ind AS 109 - Financial instruments

The amendment clarifies while performing the '10 percent test' for derecognition of financial liabilities, borrower includes only fees paid or received between borrower and lender directly or on behalf of the other's behalf.

The Group does not expect the above amendments / improvements to have any significant impact on its consolidated financial statements.

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for the year ended 31 March 2022

5 Property, plant and equipment and capital work-in-progress

(₹ in million)

Description of Assets	Property, Plant and Equipment										Capital work in progress (refer note 5.1)
	Freehold land	Buildings	Leasehold Improvements	Plant and medical equipment	Office Equipment	Furniture and Fixtures	Data processing equipments	Electrical installation	Vehicles	Total (A)	
I. Gross block											
Balance as at 01 April 2020	**402.86**	**773.68**	**1,877.50**	**8,426.44**	**88.42**	**334.26**	**180.61**	**209.70**	**35.51**	**12,328.98**	**460.94**
Additions*$	-	1.60	90.48	140.86	1.60	5.79	5.77	4.34	0.79	251.23	173.05
Disposals	-	-	-	(20.82)	(0.28)	(0.16)	-	-	-	(21.26)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(29.85)
Provision for impairment [refer note 5.1(ii)]	-	-	-	-	-	-	-	-	-	-	(304.02)
Balance as on 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**	**300.12**
Additions*$	-	4.27	70.31	226.82	5.87	9.62	19.97	11.88	3.54	352.28	372.50
Disposals	-	-	(0.80)	(43.17)	(2.17)	(0.78)	(0.46)	(0.27)	-	(47.65)	-
Acquired through business combinations (refer note 45)	234.40	701.00	111.58	339.53	2.88	32.03	3.87	0.18	2.37	1,427.84	1.09
Provision for impairment [refer note 5.1(i)]	-	-	-	-	-	-	-	-	-	-	(456.46)
Exchange fluctuation	-	-	(3.18)	-	-	-	-	-	-	(3.18)	-
Balance as at 31 March 2022	**637.26**	**1,480.55**	**2,145.89**	**9,069.66**	**96.32**	**380.76**	**209.76**	**225.83**	**42.21**	**14,288.24**	**217.25**
II. Accumulated depreciation and impairment											
Balance as at 01 April 2020	**-**	**74.05**	**409.16**	**2,204.15**	**65.57**	**124.95**	**113.34**	**54.36**	**12.29**	**3,057.87**	**-**
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 on 31 March 2021	**-**	**91.61**	**572.02**	**2,891.88**	**80.49**	**157.42**	**143.33**	**74.18**	**16.77**	**4,027.70**	**-**
Depreciation expense	-	22.25	160.64	693.03	13.73	37.03	23.67	23.60	4.65	978.60	-
Eliminated on disposal of assets	-	-	(0.80)	(29.44)	(1.73)	(0.77)	(0.41)	(0.16)	-	(33.31)	-
Balance as at 31 March 2022	**-**	**113.86**	**731.86**	**3,555.47**	**92.49**	**193.68**	**166.59**	**97.62**	**21.42**	**4,972.99**	**-**
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**	**300.12**
Net block as at 31 March 2022	**637.26**	**1,366.69**	**1,414.03**	**5,514.19**	**3.83**	**187.08**	**43.17**	**128.21**	**20.79**	**9,315.25**	**217.25**

Refer note 17 for details of charge created on property, plant and equipment .

* Directly attributable expenses capitalised of ₹ 53.86 million (31 March 21: ₹ 82.14 million). Total borrowing cost capitalised (included in directly attributable expenses) is ₹ 28.83 million (31 March 21: ₹ 62.42 million) relating to Lease Liability.

$ 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 ₹ 14.66 million (31 March 21: ₹ Nil).

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for the year ended 31 March 2022

5 Property, plant and equipment and capital work-in-progress (Contd..)

5.1 Capital work-in-progress

(₹ in million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress					
As at 31 March 2022	198.97	12.21	5.38	0.69	217.25
As at 31 March 2021	134.02	22.95	124.30	18.85	300.12
Projects temporarily suspended					
As at 31 March 2022 (refe note (i) below)	-	-	-	-	-
As at 31 March 2021	-	-	-	-	-
Total Capital work-in-progress					
As at 31 March 2022	198.97	12.21	5.38	0.69	217.25
As at 31 March 2021	134.02	22.95	124.30	18.85	300.12

Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan:

(₹ in million)

CWIP	Note no.	To be completed in			
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
As at 31 March 2022		-	-	-	-
As at 31 March 2021					
Privat project	(i) and (ii)	-	260.87	-	260.87
Cuttack civil work project		17.13	-	-	17.13

(i) For the year ended 31 March 2022:

The Company has been engaged in construction of greenfield project at leased premises in Gurugram (""Privat project"") since 2017. While the project was initially scheduled to be operational as of 2020, it was delayed due to changes in management's plan on account of operational priorities followed by the outbreak of COVID-19 pandemic. During the budgeting process in the current year, the Management has decided to focus on increasing marketing activities and driving operational efficiencies and further invest in the upgrading and consolidating the existing footprint. As a result, the management has decided to not pursue the project as of now. The Company still has two more years of non-cancellable lease, on the said premise. Accordingly, the Company has recognized impairment charge of ₹ 472.45 million of assets relating to this project (comprising impairment of CWIP ₹ 456.46 million, right of use asset ₹ 10.94 million and security deposit ₹ 5.05 million), after considering minimum lease payable and other committed costs of the project.

(ii) For the year ended 31 March 2021:

The Company assessed the recoverable value of its investment made in the Privat project as at 31 March 2021. 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 CWIP ₹ 304.02 million and capital advances of ₹ 58.99 million).

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for the year ended 31 March 2022

6 Goodwill and other intangible assets

(₹ in million)

Description of assets	Goodwill (refer note 6A below)	Other intangible assets						
		Computer software	Trade name and brand	Referral network	Intellectual Property for contract research	Tenacy rights	Software for plant and machinery	Total
I. Cost								
Balance as at 01 April 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**
Additions	-	11.18	-	-	-	-	-	11.18
Acquired through business combinations (refer note 46)	849.53	1.11	134.33	23.20	35.20	-	-	193.84
Foreign currency translation	(0.25)	-	(2.35)	-	-	-	-	(2.35)
Balance as at 31 March 2022	**1,942.68**	**506.03**	**131.98**	**23.20**	**35.20**	**11.00**	**3.42**	**710.83**
II. Accumulated amortisation								
Balance as at 01 April 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**
Amortisation expense for the year	-	109.43	7.64	0.53	1.90	-	-	119.50
Balance as at 31 March 2022	**130.00**	**388.31**	**7.64**	**0.53**	**1.90**	**11.00**	**3.42**	**412.80**
Net block as at 31 March 2021	**963.40**	**214.86**	**-**	**-**	**-**	**-**	**-**	**214.86**
Net block as at 31 March 2022	**1,812.68**	**117.72**	**124.34**	**22.67**	**33.30**	**-**	**-**	**298.03**

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	As at 31 March 2022	As at 31 March 2021
BACC Healthcare Private Limited (refer note a)	424.30	424.30
HCG Medi-Surge Hospitals Private Limited (Refer note a below. For the year ended 31 March 2021, refer note b below)	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
Diagnostic business (refer note a below and note 45.1)	563.88	-
Suchirayu Health Care Solutions Limited (Refer note a below and note 45.3)	277.54	-
Cancer Care Center, Kenya (refer note 45.2)	7.86	-
Total	**1,812.68**	**963.40**

(a) The key assumptions used in the estimation of the recoverable amount are set out below:

Assumptions	As at 31 March 2022			As at 31 March 2021		
	Annual growth rate	Terminal growth rate	Discount rate	Annual growth rate	Terminal growth rate	Discount rate
BACC Healthcare Private Limited	11% to 19%	4%	16%	10% to 15%	3%	15%
HCG Medi-Surge Hospitals Private Limited	4% to 6%	3%	11%	-4% to 8%	4%	11%
Suchirayu Health Care Solutions Limited	6% to 12%	4%	13%	-	-	-
Diagnostic business	10%	5%	11.25%	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

6 Goodwill and other intangible assets (Contd..)

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.

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 ₹ 130 million was 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 are set out below:

For the purpose of impairment testing, the recoverable amount of CGUs 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. The estimated recoverable amount of the CGUs exceeded carrying amount and hence impairment is not triggered.

6B Leases

Right-of-use-assets

(₹ in million)

Description of assets	Buildings	Plant and medical equipment	Total
I. Gross block			
Balance as at 01 April 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)
As at 31 March 2021	**5,039.65**	**130.84**	**5,170.49**
Additions	182.52	306.94	489.46
Acquisition through buiness combination (refer note 45.2)	80.54		80.54
Remeasurement of lease liabilities and lease modification (refer note (iii) below)	(121.88)	-	(121.88)
Impairment during the year [refer note 5.1(i)]	(10.94)		(10.94)
Foreign currency transaltion	(2.00)	-	(2.00)
As at 31 March 2022	5,167.89	437.78	5,605.67
II. Accumulated depreciation and impairment			
Balance as at 01 April 2020	**546.68**	**7.89**	**554.57**
Depreciation expense	480.89	20.76	501.65
As at 31 March 2021	**1,027.57**	**28.65**	**1,056.22**
Depreciation expense	474.51	29.54	504.05
As at 31 March 2022	1,502.08	58.19	1,560.27
Net block as at 31 March 2021	**4,012.08**	**102.19**	**4,114.27**
Net block as at 31 March 2022	3,665.81	379.59	4,045.40

The Group has lease arrangements for hospital buildings and medical equipments.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

6 Goodwill and other intangible assets (Contd..)

The aggregate depreciation expense on ROU for the year amounting to ₹ 484.74 million (31 March 2021; 481.93 million) is included in the "Depreciation and Amortisation expense" in the Consolidated statement of Profit and Loss and ₹ 19.31 million (31 March 2021; ₹ 19.72 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 ₹ 57.74 million, recorded in Exceptional Items in the consolidated 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 ₹ 858.27 million and ₹ 808.03 million respectively.

(iii) During the year ended 31 March 2022, as explained in Note 5.1(i), the Group decided to not pursue the oncology facility project now which has been under construction at the leased premises in Gurugram. Accordingly, the Group reassessed its lease term over the remaining non-cancellable lease period and recognised reduction of Right-of use assets and Lease liabilities by ₹ 250.87 million. The Group also reassessed its lease liability pursuant to change in lease rentals and lease term for certain lease premises as a result of which the Right-of use assets and Lease liabilities increased by ₹ 128.99 million and ₹ 91.31 million respectively.

The following is the break-up of current and non-current lease liabilities as at 31 March 2022 and 31 March 2021.

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	411.40	365.12
Non-current liabilities	4,659.04	4,693.12
Total	**5,070.44**	**5,058.24**

The table below provides details regarding the contractual maturities of:

(₹ in million)

Particulars	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Lease liabilities as at 31 March 2022	9,209.12	909.59	864.16	771.78	722.09	5,941.50
Lease liabilities as at 31 March 2021	9,816.43	876.51	772.33	767.48	729.34	6,670.77

Amounts recognised in consolidated statement of profit and loss

(₹ in million)

Key assumptions	As at 31 March 2022	As at 31 March 2021
Depreciation of right-of-use assets *	504.05	501.65
Interest on lease liabilities*	539.76	682.80
Rent expenses # (refer note 29)	92.80	53.84

* Interest and depreciation expenses capitalised amounting to ₹ 28.83 million (31 March 2021; ₹ 62.42 million) and ₹ 19.31 million (31 March 2021: ₹ 19.72 million).

The Group has incurred expenses amounting to ₹ 47.58 million (31 March 2021: ₹ 42.71 million) towards short-term leases and ₹ 45.22 million (31 March 2021: 11.13 million) expenses towards variable rent, net of rent concessions ₹ 3.47 million (31 March 2021: ₹ 17.55 million).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

6 Goodwill and other intangible assets (Contd..)

Amounts recognised in Cash flow statement

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Repayment of principal portion of lease liability	321.54	151.70

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: ₹ 2,040 Million (as at 31 March 2021: ₹ 2,060 Million) over the period of 18 years.

7(A) Investment in equity accounted investees

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Unquoted equity instruments & preference instruments		
In Associate		
Healthcare Global (Africa) Private Limited	-	124.65
(Refer note 30(ii) and note 45.2)		
As at 31 March 2021: 160,659 ordinary shares of USD 1 each fully paid up & 837,548 Preferred A shares of USD 1 each.		
[net of impairment ₹ 99.48 million as at 31 March 2021]		
In Joint Venture		
Strand Life Sciences Private Limited	-	80.84
[Refer note 30(i)]		
As at 31 March 2021: 9,284,206 equity shares of ₹ 10 each, fully paid up		
Advanced Molecular Imaging Limited	30.13	-
As at 31 March 2022: 5,000 ordinary shares of 100 Kenyan Shillings (KSH) each, fully paid up		
	30.13	**205.49**

7(B) Investments

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Investments carried at fair value through profit and loss (FVTPL)		
(i) 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-2021: 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 30(v) and 47)	(7.64)	(7.64)
Net investment post diminution in value of investment	-	-
Suchirayu Health Care Solutions Limited	-	0.50
(Refer note 45.2)		
(As at 31 March 2021: 2,055,000 equity shares of ₹ 10/- each, fully paid up)		
Note: The Company has entered into a non-disposal undertaking of the its investment in Suchirayu Health Care 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 2021: International Stemcell Services Limited (10,860 equity shares of ₹ 100/- each, fully paid up)	5.61	5.61

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7(B) Investments (Contd..)

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Epigeneres Biotech Private Limited (79 equity shares of ₹ 10/- each, fully paid up); 31 March 2021: 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 30(v) and 47)	(10.00)	(10.00)
	-	-
Niramai Health Analytix Private Limited (10 equity shares of Re. 1/- fully paid up; 31 March 2021: (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 ₹ 10/- each, fully paid up; 31 March 2021: 4,881 series A preference shares of ₹ 10/- each, fully paid up)	35.79	35.79
(iii) Mutual funds (Quoted)		
Religare Invesco Short Term Fund- 3,922 units @ ₹ 3,164.60 (31 March 2021: 3,922 units @ ₹ 3,906.17)	12.42	15.32
SBI Mutual Fund- 24,272.75 units @ ₹ 164.26 (31 March 2021: Nil)	3.99	-
(iv) Other funds (unquoted)		
Investment in government or trust securities	0.15	-
Total Non current investments	**58.03**	**57.29**
Aggregate amount of quoted investments	16.41	15.32
Aggregate amount of market value of investments	16.41	15.32
Aggregate amount of unquoted investments	41.62	41.97

8 Loans receivable (unsecured)

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current*	Non Current	Current*
Considered good				
a) Advances to employees	-	16.08	-	30.35
b) Inter-corporate deposits (refer note 47)	-	-	93.00	9.00
Total	**-**	**16.08**	**93.00**	**39.35**

*Refer note 17 for details of charge created on current loans.

9 Other financial assets

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current*	Non Current	Current*
Unbilled revenue (refer note 48)	-	224.74	-	151.86
Receivable from related parties (Refer note 43)	-	4.50	-	8.02
Security deposits (refer note 43)	368.49	37.22	357.92	53.71
Share application money pending allotment (Refer note 47)	8.00	-	5.50	-
Term deposits (orignail maturity more than 12 months) 1	153.35	66.42	82.18	1,357.32
Right to equity [refer note 30(ii) and 45.2]	-	-	38.08	-
Interest accrued but not due on fixed deposits	15.77	8.37	11.82	19.97

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9 Other financial assets (Contd..)

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current*	Non Current	Current*
Interest accrued on inter corporate deposit	-	-	30.13	9.00
Considered doubtful				
Security deposits	20.64	-	20.64	-
Less : Provision for impairment [refer note 30(v)]	(20.64)	-	(20.64)	-
Other receivables	-	8.80	-	8.80
Less : Allowance for bad and doubtful receivables	-	(8.80)	-	(8.80)
Total	**545.61**	**341.25**	**525.63**	**1,599.88**

Note

1 Term deposits include margin money deposits with banks and deposits given as security for obtaining bank guarantees

* Refer note 17 for details of charge created on other current financial assets.

10 Other assets

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current*	Non Current	Current*
Unsecured, considered good				
Capital advances	157.87	-	106.07	-
Prepaid expenses [net of provision for impairment ₹ 31.22 million (31 March 2021: ₹ 31.22 million), refer note 30(v)]	173.25	60.05	125.63	56.78
Advance to vendors	-	67.88	-	84.64
Taxes paid under protest	-	52.56	-	52.56
Balance with revenue authorities	-	36.29	-	30.76
Unsecured, considered doubtful				
Capital advances	67.69	-	67.69	-
Less : Allowance for bad and doubtful advances (refer note 29)	(8.70)	-	(8.70)	-
Less : Provision for impairment [refer note 5.1(ii)]	(58.99)	-	(58.99)	-
Advance to vendors	-	55.76	-	55.76
Less : Allowance for bad and doubtful advances [refer note 30(v)]	-	(55.76)	-	(55.76)
Total	**331.12**	**216.78**	**231.70**	**224.74**

* Refer note 17 for details of charge created on other current assets.

11 Inventories (lower of cost and net realisable value)*

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Medical and non-medical items	299.72	211.08
Total	**299.72**	**211.08**

*Inventories are subject to charge to secure bank loans. There are nil provisions for written down to net realisable value.

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12 Trade receivables (unsecured)

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables (unsecured) consist of following		
a) Considered good	2,174.45	1,866.05
b) Considered doubtful	629.40	478.77
Less: Allowance for doubtful trade receivables (refer note 40)	(629.40)	(478.77)
Total	**2,174.45**	**1,866.05**

*Trade receivables are subject to charge to secure bank loans

Refer note 43 for trade receivables from related parties

Trade receivables ageing schedule

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Undisputed		
Outstanding for following periods from due date of payment		
Not due	1,826.06	1,104.06
Less than 6 months	233.25	299.20
6 months - 1 year	131.58	439.58
1-2 years	184.71	194.91
2-3 years	116.74	94.38
More than 3 years	293.40	194.58
Total	**2,785.74**	**2,326.71**
Disputed		
Trade receivables - billed		
Outstanding for more than 3 years from due date of payment	18.11	18.11
Total	**2,803.85**	**2,344.82**
Less: Allowance for doubtful trade receivables	(629.40)	(478.77)
	2,174.45	**1,866.05**
Unbilled receivables (refer note 9 and 48)	224.74	151.86
	2,399.19	**2,017.91**

The Group's exposure to credit risk is explained in Note 40.

13 Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Cash on hand	15.00	9.54
(b) Cheques, drafts on hand	9.07	8.83
(c) Balance in bank		
In current accounts and in Exchange Earners Foreign Currency Account (EEFC) accounts	476.87	278.66
In deposit accounts	1,474.14	2.98
Total	**1,975.08**	**300.01**

13.1 Bank balance other than cash and cash equivalents above

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Other deposits*	-	108.50
Bank balance other than cash and cash equivalents above	**-**	**108.50**

*Other deposits include margin money deposits with banks and deposits given as security for obtaining bank guarantees. These deposits are restrictive.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

13 Cash and cash equivalents (Contd..)

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

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Cash on hand	15.00	9.54
(b) Cheques, drafts on hand	9.07	8.83
(c) Balance with bank		
In current accounts and EEFC accounts	476.87	278.66
In deposit accounts	1,474.14	2.98
	1,975.08	**300.01**
Less: Bank overdrafts (Refer Note 17)	(48.18)	(271.36)
Cash and cash equivalents as per consolidated statement of cash flows	**1,926.90**	**28.65**

14 Equity share capital

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised share capital* :		
200,000,000 equity shares of ₹ 10 each (as at 31 March 2021: 200,000,000 equity shares of ₹ 10 each)	2,000.00	2,000.00
Issued, subscribed and paid up capital comprises:		
139,011,992 fully paid equity shares of ₹ 10 each (as at 31 March 2021: 125,359,284)	1,390.12	1,253.59

* Pursuant to the approval of the shareholders of the Company received on 12 June 2020, the authorised share capital of the Company 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.

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 2020	**88,690,629**	**886.91**
Increase during the year		
Issue of equity shares pursuant to preferential allotment (refer note (a) 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**
Increase during the year		
Issue of equity shares pursuant to exercise of warrants (refer notes (a) & (b) below)	13,503,468	135.04
Issue of equity shares pursuant to exercise of employee share options under employee share option plan 2014 (refer note 37(C))	149,240	1.49
Balance as at 31 March 2022	**139,011,992**	**1,390.12**

a) 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"), during the previous year, Investor 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).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

14 Equity share capital (Contd..)

During the current year, upon receipt of the remaining 75% of the consideration i.e. ₹ 1,122 Million towards the exercise of the warrants, 11,503,468 equity shares were allotted on 6 December 2021.

b) 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, made a preferential allotment of 2,000,000, 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, during the previous year, the Promotor remitted an amount equivalent to 25% of the Consideration i.e. ₹ 65 Million on issue of series B Warrants.

During the current year, upon receipt of the remaining 75% of the consideration i.e. ₹ 195 Million towards the exercise of the Series B Warrants, 2,000,000 equity shares were allotted on 8 December 2021.

14.2 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. 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	As at 31 March 2022		As at 31 March 2021	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Aceso Company Pte. Ltd.	78,808,578	56.69%	67,305,110	53.69%
Dr B.S Ajaikumar	19,824,215	14.26%	17,824,215	14.22%

14.4 Shareholding of promoters and promoter group

Particulars	As at 31 March 2022		Percentage change during the year ended 31 March 2022
	Number of shares held	% holding of equity shares	
Promoter			
Aceso Company Pte. Ltd. (Holding Company)	78,808,578	56.69%	3.00%
Dr B.S Ajaikumar	19,824,215	14.26%	0.04%
Promoter group			
Asmitha Ajaikumar	327,259	0.24%	-0.03%
Aagnika Ajaikumar	327,258	0.24%	-0.03%
Bhagya A Ajaikumar	1,795	0.00%	0.00%
Anjali Ajaikumar Rossi	1,000	0.00%	0.00%

Notes to the Consolidated Financial Statements

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14 Equity share capital (Contd..)

Particulars	As at 31 March 2021		Percentage change during the year ended 31 March 2021
	Number of shares held	% holding of equity shares	
Promoter			
Aceso Company Pte. Ltd.	67,305,110	53.69%	53.69% *
Dr B.S Ajaikumar	17,824,215	14.22%	(5.72%)
Gopichand Mamillapalli #	1,801,260	1.44%	(0.59%)
Gopinath K S #	405,059	0.32%	(0.14%)
Ramesh S Bilimagga #	262,356	0.21%	(0.09%)
Pradeep Nayak #	30,000	0.02%	(0.01%)
Promoter group			
Asmitha Ajaikumar	327,259	0.26%	(0.11%)
Aagnika Ajaikumar	327,258	0.26%	(0.11%)
Ganesh Nayak #	272,732	0.22%	(0.09%)
Prakash Nayak #	57,937	0.05%	(0.02%)
Venkatesh Sudha #	22,582	0.02%	(0.01%)
Adarsh Ramesh #	2,486	0.00%	0.00%
Srinivas K Gopinath #	2,187	0.00%	0.00%
Bhagya A Ajaikumar	1,795	0.00%	0.00%
Anjali Ajaikumar Rossi	1,000	0.00%	0.00%

* As explained in note 14.1(a), Aceso Company Pte. Ltd. acquired these shares during the year ended 31 March 2021 and consequently have also been classified as Promoter.

Reclassified as public shareholders during the year ended 31 March 2022

14.5 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 2022 and 31 March 2021

Particulars	Aggregate number of shares as at	
	31 March 2022	31 March 2021
Issue of shares pursuant to Business acquisition	934,500	934,500

14.6 Number of equity shares of ₹ 10/- each reserved for issuance

Particulars	As at 31 March 2022	As at 31 March 2021
a) to eligible employees under Employee Stock Option Scheme (also, refer note 37)	6,234,880	2,706,773
b) to Aceso Company Pte. Ltd., Singapore, pursuant to outstanding share warrants (refer note 14.1(a) above)	-	11,503,468
c) to Dr. B. S Ajaikumar pursuant to outstanding share warrants (refer note 14.1(b) above)	-	2,000,000

15 Other equity

(₹ in million)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
Securities premium	15.1	11,628.99	9,974.51
Share options outstanding account	15.2	67.18	67.82
Capital reserve	15.3	6.77	6.77
Foreign currency translation reserve	15.4	(12.38)	(2.05)
Remeasurements of defined benefit plan	15.5	(12.32)	(9.22)
Retained earnings	15.6	(4,365.49)	(4,751.00)

Notes to the Consolidated Financial Statements

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15 Other equity (Contd..)

(₹ in million)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
Effective portion of loss on designated portion of hedging instrument in a cashflow hedge	15.7	-	(7.52)
Money received against share warrants	15.8	-	438.86
Total		**7,312.75**	**5,718.17**

15.1 Securities premium

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	9,974.51	5,796.25
Premium on shares issued during year	1,654.48	4,410.61
Share issue expenses *	-	(232.35)
Balance at end of year	**11,628.99**	**9,974.51**

* During the previous year, share issue expenses of ₹ 232.35 million towards preferential allotment of 36,573,455 shares explained in note 14.1(a) was debited to securities premium.

15.2 Share options outstanding account

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	67.82	70.50
Transferred to Securities premium account on exercise of ESOPs	(30.56)	(21.80)
Transferred to retained earnings on lapse of vested ESOPs	(1.11)	-
Deferred stock compensation expense for the year (refer note 26)	31.03	19.12
Balance at end of year	**67.18**	**67.82**

Refer note 37.

15.3 Capital reserve

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	6.77	6.77
Balance at end of year	**6.77**	**6.77**

15.4 Foreign currency translation reserve

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	(2.05)	18.16
Other comprehensive income arising from exchange differences on translating the foreign operations	(17.84)	(20.21)
Foreign exchange loss reclassified to profit or loss on acquisition of subsidiary (refer note 45.2)	7.51	-
Balance at end of year	**(12.38)**	**(2.05)**

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15 Other equity (Contd..)

15.5 Remeasurements of the defined benefit liabilities / (asset)

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	(9.22)	(7.18)
Other comprehensive (loss)/ income arising from remeasurement of defined benefit plan (net of income tax)	(3.10)	(2.04)
Balance at end of year	**(12.32)**	**(9.22)**

15.6 Retained earnings

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	(4,751.00)	(2,922.24)
Profit / (loss) attributable to owners of the Company	537.33	(1,934.61)
Change in fair value of gross obligations over written put options issued to the non-controlling interests (refer note (i) below)	(88.00)	111.91
Adjustment on settlement of put option issued to the non-controlling interests (refer note (ii) below)	-	11.06
Transfer from Share options outstanding account on account of lapse of vested ESOPs	1.11	-
Adjustment on account of notional capital	-	(17.12)
Adjustment on account of change in holding without change in control [refer note 16(ii)]	(64.93)	-
Balance at end of year	**(4,365.49)**	**(4,751.00)**

(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 either by payment of cash or issue its equity shares equivalent to such amount. In the prior years, the Company had also issued written put option to non-controlling interests in BACC Healthcare Private Limited, which was settled during the previous 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.

During the previous year, pursuant to the Share Purchase agreement dated 27 November 2020 entered amongst the Company, BACC and the minority shareholders in BACC, the Company acquired the remaining 49.9% share capital of BACC from the minority shareholders. The consideration amounting to ₹ 683.36 million was paid in full settlement during the previous year. The difference between the carrying value of such liability and the amount paid in full settlement amounting ₹ 52.62 million was derecognised during the previous year by crediting finance cost of ₹ 41.46 million which was accrued as interest in the earlier 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	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	(7.52)	(36.62)
Other comprehensive income arising from remeasurement of hedging instrument in a cashflow hedge (net of income tax)	7.52	29.10
Balance at end of year (refer note 39)	**-**	**(7.52)**

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15 Other equity (Contd..)

15.8 Money received against share warrants

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	438.86	-
Money received against share warrants during the year (refer notes 14.1(a) and (b) above)	-	668.22
Issue of shares pursuant to exercise of warrants (refer notes 14.1(a) and (b) above)	(438.86)	(229.36)
Balance at end of year	**-**	**438.86**

16 Non-controlling interests

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	168.24	385.14
Loss for the year	(148.08)	(276.41)
Other comprehensive (losses)/ income for the year (net of tax)	(1.89)	(0.99)
Additional investments by non-controlling interests	-	43.38
Acquisition of subsidiaries (refer note 45)	76.12	-
Adjustment on account of change in holding without change in control (refer note (ii))	39.88	-
Adjustment on account of change in notional capital	-	17.12
Balance at the end of the year	**134.27**	**168.24**

(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.

(ii) During the current year, in accordance with the terms of the Deed of Retirement, Shiv-Sun Medical Services LLP, which was holding 26% stake in HCG Sun Hospitals LLP (the Firm), subsidiary of the Company, retired from the Firm. Consideration of ₹ 24.20 million has been paid by the Company to the retiring partner. Pursuant to this, the Company along with its wholly owned subsidiary, Niruja Product Development and Healthcare Research Private Limited hold 100% interest in HCG Sun Hospitals LLP.

17 Borrowings

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Secured - at amortised cost				
(i) Term loans*				
from banks (Refer note 17.1.1)	3,488.05	172.50	1,977.37	166.31
from other parties (Refer note 17.1.2)	-	2.28	1,253.89	140.11
(ii) Vehicle loans (Refer note 17.1.3)	-	0.70	0.47	1.89
(iii) Loans repayable on demand*				
- from Banks (bank overdraft) (Refer note 17.1.6)	-	48.18	-	271.36
(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)	132.23	200.27	198.06	254.79
(ii) Loans from others (Refer note 17.1.4)	8.46	23.65	31.94	21.30
Total	**3,628.74**	**447.58**	**3,461.73**	**1,254.55**

* Includes interest accrued amounting to ₹ 13.47 million (March 2021; ₹ 9.39 million) relating to term loan from banks, ₹ Nil (March 2021; 0.85 million) relating to term loan others and ₹ Nil (31 March 2021: ₹ 1.8 million) relating to other short-term loan from banks which is clubbed under the respective loans outstanding as on 31 March 2022 and 31 March 2021.

The Group's exposure to liquidity risk is disclosed in Note 40.

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17 Borrowings (Contd..)

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.

Terms of repayment and security	As at 31 March 2022	As at 31 March 2021
17.1.1 Term loans from banks - Secured		
Facility-1		
Non-current portion	1,156.24	1,845.94
Amounts included under current borrowings	124.39	156.74
- 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, HCG Manavata Oncology LLP and HCG Sun Hospitals LLP. - Rate of interest: bank's 6 months MCLR + Spread rate (i.e. 0.10% 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 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 ₹ 8.5 million towards unamortised loan processing charges, which is netted below (31 March 2021 of ₹ 35.54 million).		
Facility-2		
Non-current portion	1,337.49	-
Amounts included under current borrowings	43.92	-
Details of security and terms of repayment for the amounts borrowed during the current year: - First pari-passu charge on movable fixed assets (both present and future, excluding those funded out exclusively by other lenders) and immovable fixed assets (land and building/structures there upon) and second pari-passu charge by way of hypothecation on entire current assets of the Company, HCG Medi-Surge Hospitals Private Limited and HCG Oncology LLP. - Rate of interest: Repo-rate + 2.85% p.a. - Repayable in installments over a period of 9.5 years from the date of borrowing. * Non-current portion of bank debt includes an amount of ₹ 17.33 million (31 March 2021: Nil) towards unamortised loan processing charges, which is netted off below		

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for the year ended 31 March 2022

17 Borrowings (Contd..)

Terms of repayment and security	As at 31 March 2022	As at 31 March 2021
Facility-3		
Non-current portion	1,021.17	-
Amounts included under current borrowings	0.44	-
- Secured by exclusive charge on all movable and immovable assets, equitable mortgage on hospital land and buildings (freehold) of Suchirayu Health Care Solutions Limited and personal guarantee and pledge of shares of defined promoters. - Rate of interest: bank's 12 months MCLR + Spread rate of 1.9% p.a. - Repayable in quarterly installments over a period of 15 years from the date of borrowing. * Non-current portion of bank debt as disclosed herein is gross of ₹ 6.71 million as at 31 March 2022 towards unamortised loan processing charges, which is netted below.		
Facility-4		
Non-current portion	-	0.66
Amounts included under current borrowings	-	0.51
- 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) Loan has been fully repaid during the year.		
Facility-5		
Non-current portion	-	168.61
Amounts included under current borrowings	-	9.06
- 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 ₹ Nil towards unamortised loan processing charges set off against loan (31 March 2021: ₹ 2.30 millions) This loan has been fully repaid during the year.		
Facility-6		
Non-current portion	5.69	-
Amounts included under current borrowings	3.75	-
- Secured by charge on all assets of Cancer Care Kenya Limited - Rate of interest: Bank's variable Kenyan Shillings base rate - Repayable in installments over a period of 6 years.		
'Less: Unamortised loan processing charges	(32.54)	(37.84)
Total of term loans from bank - secured	**3,660.55**	**2,143.68**
Less: Amounts included under current borrowings	(172.50)	(166.31)
Non-current portion of bank borrowings	**3,488.05**	**1,977.37**

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for the year ended 31 March 2022

17 Borrowings (Contd..)

Terms of repayment and security	As at 31 March 2022	As at 31 March 2021
17.1.2 Term loans from other parties - Secured		
Facility -1		
Non-current portion	-	1,253.89
Amounts included under current borrowings	-	137.33
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 paripassu 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 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. This loan has been fully repaid during the year.		
Facility -2		
Non-current portion	-	-
Amounts included under current borrowings	2.28	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	2.28	1,394.00
Less: Amounts included under current borrowings	(2.28)	(140.11)
Non-current portion from other parties	-	1,253.89
17.1.3 Vehicle loan from bank - Secured		
Non-current portion	-	0.47
Amounts included under current borrowings	0.70	1.89
- 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)		

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

17 Borrowings (Contd..)

Terms of repayment and security	As at 31 March 2022	As at 31 March 2021
17.1.4 Term loans from others - Unsecured		
Non-current portion	6.41	6.41
Amounts included under current borrowings		
- Interest free loan repayable as and when funds are available.		
Non-current portion	2.05	25.53
Amounts included under current borrowings	23.65	21.30
- 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	132.23	198.06
Amounts included under current borrowings	200.27	254.79
- 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:

Terms of repayment and security	As at 31 March 2022	As at 31 March 2021
17.1.6 Secured loan repayable on demand from banks: 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: 1 month MCLR + 0.25% p.a. [as at 31 March 2021: 3 months MCLR + 0.8% (spread rate)] The Group 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. Note: There are no material differences between the quarterly returns or statements filed by the respective Companies for working capital limits with such banks and financial institutions and their books of account.	6.29	271.36
Facility-2 Secured by charge on all assets of Cancer Care Kenya Limited. Rate of interest: Bank's variable Kenyan Shillings base rate	41.89	-
	48.18	**271.36**
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

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18 Other financial liabilities

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Book overdraft	-	-	-	4.48
Liability on written put options #	-	587.00	-	537.08
Creditors for capital goods	-	52.12	-	33.23
Derivative liability	-	-	-	18.83
Deferred Consideration	-	-	-	
Payable balance towards supplier factoring facility ^	-	-	-	17.69
Accrued salaries and benefits	-	296.82	-	232.67
Total	**-**	**935.94**	**-**	**843.98**

* 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 ₹ 587 million (as at 31 March 2021: ₹ 499 million). Refer note 15.6 (i). The balance as at 31 March 2021 also included ₹ 38.08 million towards the Group's obligation to settle put option issued to the other shareholder in Healthcare Global (Africa) Pvt Ltd (HCG Africa) which has been settled during the current year. Refer note 45.2 for further 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	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Advance from customers (refer note 48)	-	294.49	-	203.60
Balance due to statutory/government authorities	-	104.28	-	64.52
Deferred government grant (refer note (i) below)	254.97	28.51	279.84	30.71
Provision for contingency for duties and taxes (refer note (i) below)	-	357.70	-	327.12
Total	**254.97**	**784.98**	**279.84**	**625.95**

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 2022 is ₹ 6.52 million (31 March 2021: ₹ 3.10 million). EPCG income recognised during the year is ₹ 30.05 million (31 March 2021: ₹ 42.50 million). As at 31 March 2022, for certain licenses there is unfulfilled condition with respect to government grant recognized (refer note 32).

For certain subsidiares, 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 previous year ended 31 March 2021, the Group estimated shortfall in meeting such export obligations and accordingly, de-recognised the deferred government grant amounting to ₹ 113.03 million and also made an additional provision towards estimated custom duties amounting to ₹ 214.09 million under exceptional items (refer note 30). Interest recognized during the year ended 31 March 2022 on provision for custom duties is ₹ 28.83 million (refer note 27).

20 Provisions

(₹ in million)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non Current	Current	Non Current	Current
Employee benefits				
Gratuity (Refer note 36.2)	105.11	47.81	86.21	45.18
Compensated absences	-	75.01	-	58.98
Provision for indemnified tax contingency [refer note 30(i)]	-	50.00	-	-
Total	**105.11**	**172.82**	**86.21**	**104.16**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

21 Trade Payables*

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 42)	20.23	3.09
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,919.18	1,452.10
Total	**1,939.41**	**1,455.19**

* for details related to payable to related parties - refer note 43

Trade payables ageing schedule

(₹ in million)

Particulars	As at 31 March 2022		
	Micro enterprises and small enterprises	Others	Total
Unbilled dues	-	671.93	671.93
Outstanding for following periods from due date of payment			
Not yet due	11.59	541.11	552.70
Less than 1 year	8.64	567.90	576.54
1-2 years	-	83.14	83.14
2-3 years	-	15.18	15.18
More than 3 years	-	39.92	39.92
Total	**20.23**	**1,919.18**	**1,939.41**

There are no disputed dues as at 31 March 2022.

(₹ in million)

Particulars	As at 31 March 2021		
	Micro enterprises and small enterprises	Others	Total
Unbilled dues	-	449.85	449.85
Outstanding for following periods from due date of payment			
Not yet due	2.98	468.83	471.81
Less than 1 year	0.11	418.97	419.08
1-2 years	-	51.26	51.26
2-3 years	-	32.04	32.04
More than 3 years	-	31.15	31.15
Total	**3.09**	**1,452.10**	**1,455.19**

There are no disputed dues as at 31 March 2021.

22 Revenue from operations (refer note 48)

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Income from medical services	13,022.63	9,417.51
(b) Sale of medical and non-medical items	808.75	622.61
(c) Other operating revenues	116.40	51.73
Total	**13,947.78**	**10,091.85**

Notes to the Consolidated Financial Statements
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23 Income from government grant

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
EPCG Income	30.05	42.50
Total	**30.05**	**42.50**

24 Other income

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income (refer note below)	94.99	147.57
Interest on financial assets at amortised cost	20.62	8.54
Net foreign exchange gains	4.87	0.14
Net gain on sale property, plant and equipment	-	0.01
Net gain on financial assets designated at fair value through profit and loss	1.24	1.40
Payables no longer required written-back	-	0.01
Miscellaneous income	4.95	11.87
Total	**126.67**	**169.54**
Note:		
Interest income comprise:		
Interest on bank deposits	81.41	80.92
Interest on income tax refund	5.63	53.56
Interest on inter-corporate deposit	7.95	13.08
Total	**94.99**	**147.56**

25 Changes in inventories

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the beginning of the year	211.08	232.58
Inventories at the end of the year	299.71	211.08
Net (decrease) / increase	**(88.63)**	**21.50**
Opening stock on business combinations (refer note 45)	27.89	-
Changes in inventories	**(60.74)**	**21.50**

26 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	2,082.85	1,726.66
Contribution to provident and other funds (Refer note 36)	144.58	146.00
Expense on employee stock option scheme (Refer note 15.2 and 37)	31.03	19.12
Staff welfare expenses	78.03	67.60
Total	**2,336.49**	**1,959.38**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

27 Finance costs

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Interest costs on :		
Interest on term loans from banks and others	278.67	424.52
Interest on finance liability measured at amortised cost [refer note 15.6(ii)]	-	(41.56)
Interest on bank overdraft	30.68	69.13
Interest on deferred payment obligations	10.77	22.65
Provision for contingency [refer note 19(i)]	28.83	-
Interest expense on lease liabilities (Gross)	539.76	682.80
Less; Capitalised in capital work-in-progress	(28.83)	(62.42)
Interest expense on lease liabilities (net)	510.93	620.38
Interest on defined benefit obligations	7.82	7.89
Net loss on foreign currency transactions and translations to the extent regarded as borrowing costs	5.16	26.36
(b) Other borrowing costs	104.79	62.32
Total	**977.65**	**1,191.69**

28 Depreciation and amortisation expense

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment (refer note 5)	978.60	989.96
Depreciation of right-of-use assets, Gross (refer note 6B)	504.05	501.65
Less - Capitalised	(19.31)	(19.72)
Depreciation of right-of-use assets, net (refer note 6B)	484.74	481.93
Amortisation of intangible assets (refer note 6)	119.50	120.28
Total	**1,582.84**	**1,592.17**

29 Other expenses

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Medical consultancy charges	2,958.19	2,217.49
Lab charges (refer note 43)	313.53	377.88
Power and fuel & water charges	345.42	317.46
House keeping expenses	266.69	238.29
Rent (refer note 6B)	92.80	53.84
Repairs and maintenance		
Building	17.36	17.59
Machinery	356.89	316.30
Office maintenance & Others	189.58	156.07
Insurance	24.86	19.41
Rates and taxes	170.24	139.21
Printing & stationery	36.82	28.77
Advertisement, publicity & marketing	181.06	135.74
Travelling & conveyance	92.06	65.32
Legal & professional fees	337.94	206.61
Payment to auditors	17.93	18.58
Telephone expenses	43.11	31.65

Notes to the Consolidated Financial Statements

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29 Other expenses (Contd..)

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Allowance for doubtful trade receivables	150.63	67.53
Allowance for doubtful capital advances	-	8.70
Loss on disposal of property, plant and equipment	6.43	0.52
Corporate social responsibility	15.16	-
Revenue share expenditure (refer note 45.3)	39.51	40.50
Miscellaneous expenses	56.43	48.56
Total	**5,712.64**	**4,506.02**

30 Exceptional items, net gain / (loss)

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Impairment of Goodwill (refer note 6)	-	(130.00)
Gain on sale of investment in joint venture - Strand Life Sciences Private Limited (refer note (i) below)	1,419.36	-
Gain on fair value of previously held investments in Healthcare Global (Africa) Pvt. Ltd upon acquisition (refer note (ii) below)	62.33	-
Gain on fair value of previously held investments in Suchirayu Health Care Solutions Limited upon acquisition (refer note 45.3)	17.40	-
Loan foreclosure and refinancing expenses (refer note (iii) below)	(75.04)	-
Project cost written off / impairment		
Privat project {refer note 5.1(i)]	(472.45)	(363.01)
Cochin project (refer note (iv) below)	-	(87.49)
Others (refer note (v) below)	-	(80.49)
Provision for diminution in value of investment		
Healthcare Global (Africa) Pvt. Ltd (refer note (ii) below)	-	(99.48)
Zoctr Health Private Limited (refer note (v) below)	-	(7.64)
Epigeneres Biotech Private Limited (refer note (v) below)	-	(10.00)
Gain on account of Lease Modification (refer note 6B)	-	57.74
Provision for contingencies for customs duty [refer note 19(i)]	-	(214.09)
Business acquisition expenses (refer note (vi) below)	(5.50)	-
Total	**946.10**	**(934.46)**

(i) In accordance with the terms of Share Purchase Agreement dated 3 September 2021, the Company sold its investment in Strand Life Sciences Private Limited ('Strand') for a total consideration at fair value of ₹ 1,577.76 million, resulting in a gain of ₹ 1,419.36 million (net of expenses relating to the disposal amounting ₹ 5.62 million and amounts set aside for various contingencies ₹ 50 million).

(ii) During the previous year, CDC Group PLC, (CDC), the other investor in Healthcare Global (Africa) Pvt Ltd (HCG Africa), exercised put option to sell its shares in accordance with the terms of Shareholders Agreement. As at 31 March 2021, pending valuation by an independent valuer to ascertain the fair value of such put option shares, the Group assessed the value of put option by using its best estimate and recognised liability of ₹ 38.08 million. The Group also performed impairment assessment, basis which the recoverable amount of investment was estimated to be lower than carrying value, as a result of which impairment charge of ₹ 99.48 million on its investment in HCG Africa was recognized during the year ended 31 March 2021.

In the current year, the Group settled put option of CDC for USD 554,600 (₹ 41.13 million) and acquired its investments in HCG Africa on 30 September 2021. The Group remeasured its previously held equity interest in HCG Africa at its fair valuation on acquisition of the additional stake and recognized the resultant gain of ₹ 69.84 million. Further, the Group reclassified unrealised foreing currency loss previously recognised in OCI to profit or loss amounting ₹ 7.51 million in accordance with the applicable Indian Accounting Standard.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

30 Exceptional items, net gain / (loss) (Contd..)

(iii) During the current year, the Group refinanced its certain borrowings from banks and financial institutions. On account of this, the Group incurred one time expenses of ₹ 75.04 million towards foreclosure charges and accelerated amortization of loan processing fees related to earlier borrowings.

(iv) During the previous year, due to changes in business environment and weaker project viability due to COVID-19, the Cochin project was abandoned. The Management 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 were written off.

(v) During the previous 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 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.

(vi) During the year ended 31 March 2022, the Group has incurred ₹ 5.5 million towards legal and professional fees in respect of acquisition of business referred in Note 45.

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 2022	For the year ended 31 March 2021
Current tax		
Current tax	237.09	47.10
	237.09	**47.10**
Deferred tax		
- MAT	(2.97)	-
- Others	254.35	(122.71)
	251.38	**(122.71)**
Total income tax expense recognised in the Statement of profit and loss	**488.47**	**(75.61)**

The reconciliation between the income tax expense of the Group and Amounts computed by applying the Indian statutory income tax rate to Loss before taxes is as follows:

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Loss before tax	**877.72**	**(2,286.63)**
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	306.71	(799.04)
Effect of:		
Permanent differences	11.44	67.63
Share of loss from subsidiaries and associate on which deferred tax asset is not recognised	164.61	299.65
Differences of tax rates in subsidiaries and joint venture	(22.91)	(3.28)
Impairment provisions on which deferred tax asset not recognised	165.09	237.18
Differential tax rate for capital gains on sale of investments	(88.60)	-
Reversal of deferred tax asset recognised earlier	-	47.24
Impact of suspension of depreciation claim on goodwill *	-	86.12
Gain on fair value of previously held investments in Healthcare Global (Africa) Pvt. Ltd upon acquisition [refer note 30(ii)] recognised in exceptional items	(24.81)	-
Others	(23.06)	(11.11)
	488.47	**(75.61)**

* As per the Finance Act, 2021, the Company is not eligible to claim depreciation on goodwill from 1 April 2020. Accordingly, 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

31 Income tax expense (Contd..)

31.2 Income tax recognised in other comprehensive income

Income tax arising on income and expenses recognised in other comprehensive income:

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Remeasurement of defined benefit obligation	1.91	1.69
Effective portion of loss on hedging instruments in a cash flow hedge	(4.08)	(15.63)
Total income tax recognised in other comprehensive income	**(2.17)**	**(13.94)**

31.3 Net deferred tax Assets and liabilities

Deferred tax balances

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets	59.57	343.10
Deferred tax liabilities	(12.79)	(42.77)
Net	**46.78**	**300.33**

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2022 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	(782.81)	60.14	-	(722.67)
Goodwill	(169.55)	-	-	(169.55)
MAT credit entitlement	145.25	2.97	-	148.22
Sec 43B items	75.36	11.94	1.91	89.21
Provision for doubtful debts/advances	184.69	54.40	-	239.09
Tax losses	422.19	(402.30)	-	19.89
Ind AS 116 impact	239.81	103.61	-	343.42
Others	185.39	(82.14)	(4.08)	99.17
Total	**300.33**	**(251.38)**	**(2.17)**	**46.78**

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
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31 Income tax expense (Contd..)

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	As at 31 March 2022	As at 31 March 2021
Advance tax (net of provision)	458.80	426.42
	458.80	**426.42**

31.5 Current tax liabilities

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for tax (net of advance tax)	5.31	3.52

32 Contingent liabilities

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
a) Corporate guarantees given (refer note 47)	-	412.00
b) 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)	49.03	49.03
Income tax (Refer note (iv) below)	33.37	2.74
Sales tax (Refer note (iii) below)	26.00	26.00
Duties and taxes in respect of EPCG licenses (Refer note (v) below)	385.99	385.99
c) 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 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 ₹ 2.24 million and penalty of ₹ 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 ₹ 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

32 Contingent liabilities (Contd..)

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 ₹ 9.49 million on goods which the Company claimed as Exempted goods. The AO has levied interest of ₹ 4.56 million and penalty of ₹ 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 ₹ 1.18 million and ₹ 0.48 million has been raised. The only issue in the order is that ITC is being disallowed.

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 ₹ 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.

Notes to the Consolidated Financial Statements

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32 Contingent liabilities (Contd..)

(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.

(iv) (a) 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 ₹ 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 ₹ 0.02 million. The Group does not expect any adverse impact on the consolidated financial statements.

(iv) (b) Contingent liability of ₹ 30.63 million relates to possible claim against the Company with respect to disallowance of expenditure relating to capital projects which have been abandoned. Having regard to various judicial decisions on the similar matters, the management including its tax advisors expect that its position will likely be upheld on ultimate resolution. Further, against few other allowances / disallowances, there could be possible claims which management does not expect to be material.

(v) (a) The Group has availed benefit of custom duties on import of capital goods through Export Promotion and Capital Goods (EPCG) licenses against export obligations to be fulfilled within stipulated time period as per Foreign Trade Policy. The group has applied for extension of the time period by 2 years to meet its export obligations, in view of a drastic reduction in the inflow of international patients during the covid period, for one of its hospitals. The group has also received approvals for some licenses already. The management expects to receive similar approvals for extension of time period from the concerned Regional Authorities for other EPCG licenses too. Should the Group not be able to fulfill its export obligations within the stipulated time period, it will be liable to pay the duty benefit availed, upto an amount of ₹ 385.99 million (estimated as of 31st march 2022) along with other levies, if applicable, which may be levied on evaluation of facts and circumstances by the respective authorities.

(v) (b) Demand of ₹ 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 ₹ 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 ₹ 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 2022

33 Commitments

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	331.85	145.32

34 Earnings / (loss) per share (₹ 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 earnings / (loss) and diluted earnings / (loss) per share calculations are as follows:

34.1 Basic earnings / (loss) per share

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit / (loss) for the year attributable to owners	537.33	(1,934.61)
Profit / (loss) used in the calculation of basic earnings / (loss) per share	537.33	(1,934.61)
Weighted average number of equity shares for the purposes of basic earnings / (loss) per share	129,707,612	113,648,953
Basic earnings / (loss) per equity share of ₹ 10 each (Amount in ₹)	**4.14**	**(17.02)**

34.2 Diluted earnings / (loss) per share;

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit / (loss) used in the calculation of diluted earnings / (loss) per share are as follows.		
Profit / (loss) used in the calculation of basic earnings / (loss) per share	537.33	(1,934.61)
Profit / (loss) used in the calculation of diluted earnings / (loss) per share	537.33	(1,934.61)
Weighted average number of equity shares used in the calculation of diluted earnings / (loss) per share	135,182,425	113,648,953
diluted earnings / (loss) per equity share of ₹ 10 each (Amount in ₹)	**3.97**	**(17.02)**
The weighted average number of equity shares for the purpose of diluted earnings / (loss) per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings / (loss) per share as follows:		
Weighted average number of equity shares used in the calculation of basic earnings / (loss) per share	129,707,612	113,648,953
Shares deemed to be issued for no consideration in respect of employee stock options and warrants	5,474,813	-
Weighted average number of equity shares used in the calculation of diluted earnings / (loss) per share	**135,182,425**	**113,648,953**

Since there was a loss for the year ended 31 March 2021, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

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.

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 2022	For the year ended 31 March 2021
India	13,947.78	10,091.85
Total	**13,947.78**	**10,091.85**

(ii) Non current assets*

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
India	16,508.66	14,987.51
Total	**16,508.66**	**14,987.51**

*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 2022	For the year ended 31 March 2021
Contribution to Provident Fund included under contribution to provident and other funds	124.98	127.29
Contribution to Employee State Insurance Scheme, included under staff welfare expenses	11.39	11.20
	136.37	**138.49**

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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

36 Employee benefit plans (Contd..)

Amounts recognised in consolidated statement of profit and loss in respect of this defined benefit plan are as follows.

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Service cost recognised in employee benefits expense in note 26	19.60	18.71
Net interest expense recognised in finance costs in note 27	7.82	7.89
Components of defined benefit costs recognised in the Statement of profit and loss	**27.42**	**26.60**
Service cost recognised in employee benefits expense in Note 26	19.60	18.71
Net interest expense recognised in finance costs in Note 27	7.82	7.89
Remeasurement of the net defined benefit plan:		
Actuarial (gains) / losses arising from changes in demographic assumptions	4.00	-
Actuarial (gains) / losses arising from changes in financial assumptions	(0.90)	8.52
Actuarial (gains) / losses arising from experience adjustments	3.80	(3.80)
Remeasurement of the net defined benefit plan recognised in other comprehensive income	**6.90**	**4.72**

The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Present value of funded defined benefit obligation	154.35	132.73
Fair value of plan assets	1.43	1.34
Unfunded status	**152.92**	**131.39**
Net liability arising from defined benefit obligation	**152.92**	**131.39**
Non-current (refer note 20)	105.11	86.21
Current (refer note 20)	47.81	45.18

Movements in the present value of the defined benefit obligation are as follows.

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening defined benefit obligation	132.73	116.68
Current service cost	19.60	18.71
Interest cost	7.82	7.89
Remeasurement (gains)/losses:		
Actuarial gains arising from changes in demographic assumptions	4.00	-
Actuarial losses arising from changes in financial assumptions	(0.90)	8.52
Actuarial (gains) / losses arising from experience adjustments	3.80	(3.80)
Acquisition	3.59	
Benefits paid	(16.29)	(15.27)
Closing defined benefit obligation	**154.35**	**132.73**

Movements in the fair value of the plan assets are as follows.

(₹ in million)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening fair value of plan assets	1.34	1.25
Interest income	0.07	0.08
Benefit payments from the fund	-	(0.02)
Excess return over interest income on plan assets	0.02	0.03
Closing fair value of plan assets	**1.43**	**1.34**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

36 Employee benefit plans (Contd..)

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 2022	31 March 2021
Insurer-managed funds	1.43	1.34
Total	**1.43**	**1.34**

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 ₹ 0.07 Million (for the year ended 31 March 2021: ₹ 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 2022		31 March 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.87)	3.89	(2.91)	3.07
Future salary increase (1% movement)	8.88	(8.20)	6.72	(6.23)
Attrition rate (10% movement)	(3.17)	3.47	(3.38)	3.83

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 2022 is 3.98 years (as at 31 March 2021 is 3.56 years).

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at 31 March 2022	Valuation as at 31 March 2021
Discount rate(s)	5.40% to 6.30%	5% to 6.30%
Expected rate(s) of salary increase	5.00% to 7.50%	5.00% to 7.50%
Rate of return on plan assets	6.6% to 7%	5.89% to 7%
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	As at 31 March 2022	As at 31 March 2021
Within 1 year	49.20	46.45
1-2 year	38.52	31.88
2-3 year	28.91	39.40
3-4 year	20.64	16.11
4-5 year	14.81	10.68
5-10 year	27.78	18.23
> 10 years	5.61	3.91

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

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.

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.

(c) ESOP 2021

Pursuant to the shareholders' approval vide their special resolution passed through postal ballot on 23 May 2021, the Board of Directors formulated the Scheme titled "Employee Stock Option Scheme 2021" (ESOP 2021). The ESOP 2021 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share. Under the Scheme, a maximum of 6,267,000 Options can be granted.

As per the Scheme, the Nomination and Remuneration Committee (NRC) grants the options to the employees deemed eligible subject to fulfillment of such eligibility criteria(s) as may be specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI (SBEB) Regulations") and/or as may be determined by NRC from time to time. Exercise Price for the purpose of grant of options shall be as decided by the NRC, subject to a minimum of the face value per share. The vesting of an option would also be subject to the terms and conditions as may be stipulated by the NRC from time to time including but not limited to performance of the employees, their continued employment with the Company/its subsidiaries, as applicable. The vesting period shall commence any time after the expiry of one year from the date of the grant of the options to the employee and shall end over a maximum period of 7 years from the date of the grant of the options. The options could vest in tranches. The exercise period may commence from the date of vesting and the vested options would be eligible to be exercised on the vesting date itself or any time after vesting in terms of the ESOP Scheme. The options will lapse if not exercised within the specified exercise period. The number of stock options and terms of the same made available to employees (including the vesting period) could vary at the discretion of the NRC.
Employee stock options will be settled by delivery of shares.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

37 Share-based payments (Contd..)

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	ESOP 2014
Date of grant	16-Jun-10	24-Jun-14	10-Nov-16	10-Nov-16	01-Apr-17	01-Apr-17
Fair market value of option at grant date (₹)	23.10	73.34	232.48	156.93	221.80	120.08
Fair market value of share at grant date (₹)	29.18	78.95	240.15	240.15	229.45	229.45
Exercise price (₹)	10.00	10.00	10.00	110.68	10.00	150.00
No. of options	1,294,800	110,100	165,400	30,000	25,000	35,000

Particulars	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	11-Aug-17	06-Nov-17	22-May-18	09-Nov-18	07-Feb-19
Fair market value of option at grant date (₹)	261.61	269.27	298.55	220.74	181.62
Fair market value of share at grant date (₹)	269.35	276.95	306.81	231.85	187.00
Exercise price (₹)	10.00	10.00	10.00	10.00	10.00
No. of options	101,000	53,000	55,000	25,000	47,000

Particulars	ESOP 2014	ESOP 2014
Date of grant	08-Aug-19	08-Aug-19
Fair market value of option at grant date (₹)	48.45	94.94
Fair market value of share at grant date (₹)	102.35	102.35
Exercise price (₹)	110.68	10.00
No. of options	30,000	141,800

Particulars	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021
Date of grant	11-Jun-21	11-Jun-21	09-Nov-21	09-Nov-21	10-FEB-22	10-Feb-22
Vesting basis	Time based	Performance based	Time based	Performance based	Time based	Performance based
Fair market value of option at grant date (₹)	108.77	46.04	169.57	76.02	160.10	95.06
Fair market value of share at grant date (₹)	197.65	197.65	261.85	261.85	249.70	249.70
Exercise price (₹)	130.00	130.00	130.00	130.00	130.00	130.00
No. of options	780,000	1,820,000	138,000	322,000	73,500	171,500

(ii) The assumptions used for calculating fair value of the ESOPs granted during the year are as below:

Time based options

The Black-Scholes option pricing model has been used for computing the weighted average fair value considering the following inputs:

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	11-Jun-21	09-Nov-21	10-Feb-22
Risk free interest rate	5.35% to 5.94%	5.34% to 5.97%	5.82% to 6.73%
Expected life	1 to 6 years	1 to 6 years	1 to 6 years
Expected annual volatility of shares	34.07% - 36.65%	34.78% - 39.09%	34.26% - 38.60%
Expected dividend yield	0.00%	0.00%	0.00%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

37 Share-based payments (Contd..)

Performance based options

The Monte Carlo Simulation model has been used for computing the weighted average fair value considering the following inputs:

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	11-Jun-21	09-Nov-21	10-Feb-22
Volume weighted average price of stock as on grant date	157.77	206.52	222.62
Risk free interest rate	5.75%	5.71%	6.17%
Expected life	5.56 years	5.14 years	4.89 years
Expected annual volatility of shares	34.07%	34.96%	36.44%

There were no ESOPs granted during the previous year ended 31 March 2021.

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

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	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	5,877	10.00
- ESOP 2014	538,390	27.26	633,590	27.26
- ESOP 2021	-	-	-	-
Granted during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
- ESOP 2021	3,305,000	130.00	-	-
Forfeited during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
- ESOP 2021	-	-	-	-
Exercised during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	149,240	30.24	95,200	10.00
- ESOP 2021	-	-	-	-
Lapsed during the year:				
- ESOP 2010	5,877	10.00	-	-
- ESOP 2014	269,270	28.42	-	-
- ESOP 2021	152,000	130.00	-	-
Options outstanding at the end of the year:				
- ESOP 2010	-	-	5,877	10.00
- ESOP 2014	119,880	35.20	538,390	27.26
- ESOP 2021	3,153,000	130.00	-	-
Options exercisable at the end of the year:				
- ESOP 2010	-	-	5,877	10.00
- ESOP 2014	12,750	81.07	233,270	45.25
- ESOP 2021	-	-	-	-

* Options available for grant are as under:

- ESOP 2021: 2,962,000 as at 31 March 2022 (31 March 2021: Nil),
- ESOP 2014: Nil as at 31 March 2022 (31 March 2021: 2,162,506).

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

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

37 Share-based payments (Contd..)

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2022 is ₹ 247.97 (31 March 2021: ₹ 123.24).

The options outstanding at the end of the reporting period has exercise price in the range of ₹ 10 to ₹ 130 (31 March 2021: ₹ 10 to ₹ 150) and weighted average remaining contractual life of 6.34 years (31 March 2021: 6.79 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 2022 and 31 March 2021 are as follows:

(₹ in million)

Particulars	Carrying value As at 31 March 2022	Carrying value As at 31 March 2021
Financial assets		
Amortised cost		
Loans (including current and non-current)	16.08	132.35
Trade receivable	2,174.45	1,866.05
Cash and cash equivalents (including other bank balances)	1,975.08	408.51
Other financial assets	886.86	2,125.51
FVTPL		
Investments in unquoted equity instruments and others	41.62	41.97
Investments in mutual fund (quoted)	16.41	15.32
Total assets	**5,110.50**	**4,589.71**
Financial liabilities		
Amortised cost		
Loans and borrowings (including current maturities and short term borrowings)	4,076.32	4,716.28
Lease liabilities (including current and non-current)	5,070.44	5,058.24
Trade payables	1,939.41	1,455.19
Other financial liabilities (includes current and non-current)	935.94	825.15
Hedging instruments		
Derivative liability (includes current and non-current)	-	18.83
Total liabilities	**12,022.11**	**12,073.69**

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 2022

39 Fair value hierarchy - Measurement of fair values (Contd..)

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 2022 and 31 March 2021:

(₹ in million)

Quantitative disclosures fair value measurement hierarchy	Total	Fair value measurement using		
		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 2022				
Investment in mutual funds (quoted)	16.41	16.41	-	-
Investments in unquoted equity instruments and others	41.62	-	-	41.62
Financial liabilties measured at fair value as at 31 March 2022				
Derivative liability	-	-	-	-
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 liabilties measured at fair value as at 31 March 2021				
Derivative liability	18.83	-	18.83	-

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
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

Particulars	Investment in equity instruments
Balance as at 1 April 2020	**59.61**
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**
Derecognition of investment in Suchirayu Health Care Solutions Limited pursuant to its acquisition during the year (refer note 45.3)	(0.50)
Balance as at 31 March 2022	**41.47**

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39 Fair value hierarchy - Measurement of fair values (Contd..)

As at 31 March 2022 and 31 March 2021, 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 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. There were no derivative instruments outstanding as at 31 March 2022. 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:

(₹ in million)

Particulars	As at			
	31 March 2022		31 March 2021	
	Notional	Fair value	Notional	Fair value
Designated derivatives instruments				
Buy: Forward contracts	Nil	Nil	USD 1.05 million	₹ 18.83
Weighted Average forward strike Price	Not applicable	Not applicable	INR 82.48	₹ 82.48

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 2022	31 March 2021
Balance as at the beginning of the year	(7.52)	(36.62)
Fair value changes recognised in other comprehensive income	17.90	12.61
Gain / (loss) reclassified to statement of profit and loss on occurrence of hedged transactions	(6.30)	32.12
Net gain/(loss) on cash flow hedging derivatives, net	11.60	44.73
Balance as at the end of the year	**4.08**	**8.11**
Deferred tax thereon	(4.08)	(15.63)
Balance as at the end of the year, net of deferred tax (refer note 15.7)	**-**	**(7.52)**

The related hedge transactions for balance in cash flow hedging reserves as at 31 March 2021 have occurred during the year ended 31 March 2022 and resulting gain/loss on such hedging derivatives have been reclassified to the statement of profit and loss.

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for the year ended 31 March 2022

40 Financial risk management

The Group'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 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.

1. **The Provision matrix at the end of the reporting period is as follows:-**

Category	As at	
	31 March 2022	31 March 2021
Less than 1 year	2% to 34%	4% to 26%
1-2 years	32% to 59%	26% to 57%
2-3 years	66% to 100%	58% to 100%
More than 3 years	100%	100%

2. **The provision details of the trade receivable is given below.**

Movement in the expected credit loss allowance

(₹ in million)

Particulars	For the Year ended 31 March 2022	For the year ended 31 March 2021
Balance at beginning of the year	478.77	411.24
Additional provision during the year (refer note 29)	150.63	67.53
Balance at end of the year (refer note 12)	**629.40**	**478.77**

No single customer accounted for more than 10% of the revenue as of 31 March 2022 & 31 March 2021. There is no significant concentration of credit risk.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

40 Financial risk management (Contd..)

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.

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 41.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021.

(₹ in million)

Particulars	Total	As at 31 March 2022				
		Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings *	4,120.81	452.18	343.48	407.07	558.57	2,359.51
Lease liabilities	9,209.12	909.59	864.16	771.78	722.09	5,941.50
Trade payables	1,939.41	1,939.41	-	-	-	-
Other financial liabilities	935.94	935.94	-	-	-	-

(₹ in million)

Particulars	Total	As at 31 March 2021				
		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 respect of borrowings which are repayable with variable rate of interest, principal amount as per the repayment schedule is considered for disclosure of contratual maturities.

(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 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.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

40 Financial risk management (Contd..)

(i) The following table presents unhedged foreign currency risk from financial instruments as of 31 March 2022 and 31 March 2021

As at 31 March 2022

(₹ in million)

Particulars	Rupee equivalent of foreign currency amounts			
	US $	Euro	JPY	Total
Assets				
Cash and cash equivalents	0.15	-	-	0.15
Trade receivables	92.33	-	-	92.33
Liabilities				
Borrowings	14.32	318.18	-	332.50
Lease liabilities	298.69	-	-	298.69
Trade payable	2.32	3.40	1.08	6.80
Net assets/liabilities	**(222.85)**	**(321.58)**	**(1.08)**	**(545.51)**
Forward exchange contracts	-	-	-	-
Net exposure	**(222.85)**	**(321.58)**	**(1.08)**	**(545.51)**

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)**

(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	
	As at 31 March 2022	As at 31 March 2021
Sensitivity		
₹ /USD - Increase by 1%	(2.23)	(0.11)
₹ /USD - Decrease by 1%	2.23	0.11
₹ /Euro - Increase by 1%	(3.22)	(3.46)
₹ /Euro - Decrease by 1%	3.22	3.46

(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 2022

40 Financial risk management (Contd..)

(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	As at 31 March 2022	As at 31 March 2021
Variable rate long term borrowings including current maturities	3,660.55	3,534.90

(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 2022	31 March 2021
Sensitivity		
1% increase in MCLR rate	(36.61)	(35.35)
1% decrease in MCLR rate	36.61	35.35

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.

The capital structure is as follows:

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
Total equity attributable to the equity share holders of the Group	8,702.87	6,971.76
As percentage of total capital	81%	61%
Total loans and borrowings	4,076.32	4,716.28
Cash and cash equivalents	1,975.08	300.01
Net loans & borrowings	2,101.24	4,416.27
As a percentage of total capital	19%	39%
Total capital (loans and borrowings and equity)	**10,804.11**	**11,388.03**

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 2022 and 31 March 2021 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.

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42 Due to Micro, Small and Medium Enterprises (refer note 21) (Contd..)

(₹ in million)

Particulars	As at 31 March 2022	As at 31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year	20.23	3.09
Principal	20.23	3.09
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 Group's exposure to currency and liquidity risks related to trade payable is disclosed in note 41

43 Related Party Disclosure

Transactions and balances between the Company and its subsidiaries which are related parties of the Company have been eliminated and are not disclosed in this note.

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
	Meghraj Arvindrao Gore - with effect from 10 February 2022
	Anjali Rossi Ajaikumar - with effect from 1 April 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 - Resigned with effect from 3 December 2021
	Sampath T Ramesh - Ceased to be Director with effect from 29 May 2020
	Dr. Sudhakar Rao - Resigned with effect from 21 December 2021
	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 Havaldar - Appointed with effect from 20 August 2020
	Geeta Mathur - Appointed with effect from 17 June 2021
	Rajagopalan Raghavan - Appointed with effect from 12 August 2021
	Jeyandran Venugopal - Appointed with effect from 11 November 2021
	Pradip M. Kanakia - Appointed with effect from 10 February 2022

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43 Related Party Disclosure (Contd..)

Description of relationship	Names of related parties
	Key Managerial Personnel
	Dr. B S Ajaikumar - Chief Executive Officer till 31 January 2021
	Meghraj Arvindrao Gore - Chief Executive Officer with effect from 1 Feburay 2021 (also Whole-time Director from 10 February 2022)
	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)
Joint venture	Strand Life Sciences Private Limited (upto 3 September 2021)
	Advanced Molecular Imaging Limited, Kenya (from 30 September 2021)
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 (upto 30 September 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
	International Human Development and Upliftment Academy (Trust)

* 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.

Transactions and balances between the company and its subsidiaries which are related parties of the company, have been eliminated and are not disclosed.

B Details of related party transactions during the year:

(₹ in million)

Particulars	Year ended 31 March 22	Year ended 31 March 21
Sale of medical and non-medical items		
- Sada Sarada Tumor & Research Institute	4.33	3.46
Income from medical services		
- JSS Bharath Charitable Trust	-	9.41
- HCG Foundation	3.91	2.22
- Sada Sarada Tumor & Research Institute	4.48	3.30
Purchase of Fixed Assets		
- Strand Life Sciences Private Limited	-	5.54
Lab charges		
- Strand Life Sciences Private Limited	119.51	215.83
- Sada Sarada Tumor & Research Institute	-	0.23
Rent charges		
- Sada Sarada Tumor & Research Institute	1.91	0.87
Investment made during the year in		
- HealthCare Global (Africa) Private Limited *	55.05	61.66
* includes secondary purchase of equity shares of HealthCare Global (Africa) Private Limited amounting ₹ 41.13 million as explained in note 30(ii)		
Loan repaid		
- Dr. B S Ajaikumar	-	30.92

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43 Related Party Disclosure (Contd..)

(₹ in million)

Particulars	Year ended 31 March 22	Year ended 31 March 21
Repairs and maintenance - Annual Maintenance charges (AMC)		
Wipro GE Healthcare Pvt Ltd	-	0.53
Interest expenses		
- Dr. B S Ajaikumar	-	0.98
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	0.10	0.93
- Sada Sarada Tumor & Research Institute	4.15	0.29
- JSS Bharath Charitable Trust	-	3.17
- Strand Life Sciences Private Limited	-	1.79
Other advances given		
- Sada Sarada Tumor & Research Institute	-	1.53
Other advances received		
- JSS Bharath Charitable Trust	-	40.00
Other advances repaid		
- JSS Bharath Charitable Trust	-	40.00
CSR contribution to		
- International Human Development and Upliftment Academy (Trust)	15.16	-
Short-term employee benefits to:		
- Dr. B S Ajaikumar (refer note 44) *	25.90	25.88
- Meghraj Arvindrao Gore (refer note 44)	30.98	3.83
- Ms. Anjali Ajaikumar (refer note 44)	7.98	5.00
- Dr. B S Ramesh (refer note 44)	-	1.44
- Srinivasa Raghavan	12.74	10.58
- Sunu Manuel	4.77	4.07
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 was waived-off during the previous year.		
Share based payments to:		
- Srinivasa Raghavan	4.74	1.19
- Sunu Manuel	0.96	0.33
- Meghraj Arvindrao Gore	19.27	-
Proceeds from issue of share warrants to		
- Dr. B S Ajaikumar (Refer note 14) *	195.00	65.00
- Aceso Company Pte Ltd	1,121.59	-
Sitting fees to Directors		
- Shanker Annaswamy	0.71	0.93
- Sampath T Ramesh	-	0.10
- Dr. Sudhakar Rao	0.65	1.18
- Suresh C Senapaty	-	0.10
- Bhushani Kumar	-	0.83
- Abhay Prabhakar Havaldar	0.77	0.13
- Geeta Mathur	0.59	-
- Rajagopalan Raghavan	0.47	-
Transactions and balances between the company and its subsidiaries which are related parties of the company, have been eliminated and are not disclosed		

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

43 Related Party Disclosure (Contd..)

C Details of related party balances outstanding:

(₹ in million)

Balances outstanding as at	Year ended 31 March 22	Year ended 31 March 21
Trade receivables		
- Sada Sarada Tumor & Research Institute	0.91	0.16
- B.C.C.H.I. Trust	0.01	0.01
- HCG Foundation	3.04	4.52
- Gutti Malnad LLP	1.80	2.03
Receivable from related parties - Other Financial Assets (current)		
- Sada Sarada Tumor & Research Institute	4.40	4.72
- HealthCare Global (Africa) Pvt Ltd	-	3.30
- HCG Foundation	0.10	
Security deposits (refundable) with		
- Gutti Malnad LLP	3.50	3.50
Accrued employee benefits - Other financial liabilties (current)		
- Dr. B S Ajaikumar	5.44	6.65
- Meghraj Arvindrao Gore	11.40	1.19
- Ms. Anjali Ajaikumar	1.11	0.82
- Dr. B S Ramesh	-	-
- Srinivasa Raghavan	2.10	1.88
- Sunu Manuel	0.52	0.54
Sitting fees payable to Directors		
- Shanker Annaswamy	-	0.20
- Dr. Sudhakar Rao	-	0.25
- Abhay Prabhakar Havaldar	0.15	0.15
- Geeta Mathur	0.20	-
- Rajagopalan Raghavan	0.20	-
Trade payables		
- Sada Sarada Tumor & Research Institute	0.01	0.01
- Strand Life Sciences Private Limited*	-	69.75
- HCG Foundation	0.05	0.09

* Outstanding at 31 March 2021 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 was debited by the factoring bank.

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.

44 Managerial remuneration:

For the financial year ended 31 March 2022

The managerial remuneration for the year ended 31 March 2022 have 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 23 May 2021 in respect of remuneration to Dr. B S Ajaikumar and Anjali Ajaikumar and special resolution obtained on 6 May 2022 in respect of remuneration to Meghraj Arvindrao Gore pursuant to his appointment as whole-time director with effect from 10 February 2022.

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.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

45 Business combinations

45.1 Acquisition of diagnostic and clinical research management business from Strand Life Sciences Private Limited

The Company entered into a Business Transfer Agreement (BTA) with Strand Life Sciences Private Limited ('Strand') dated 3 September 2021 for acquisition of (i) the diagnostic business (owned and operated by Strand in the brand name of "Triesta" mainly engaged in the business of oncology diagnostics, biomarker and translational research, and laboratory services) and (ii) the division providing clinical research site management services for a total cash consideration of ₹ 808 Million.

As per the terms of BTA, of the total consideration, ₹ 740 Million was required to be paid on the closing date and the balance is payable as per the timelines specified in the BTA.

Date of business combination - Upon fulfillment of the conditions precedent as per the BTA and on transfer of ₹ 740 Million, the acquisition was completed on 3 September 2021. The balance consideration has also been paid during the year.

This acquisition is part of the Company's initiative to focus on integrated end-to-end Oncology scale-up. Through the BTA, the Company has acquired its erstwhile Hospital Lab Management (HLM) and Clinical Research Site Management (SMO) units which were transferred to Strand during FY 2017-18, after which the Company and its certain subsidiaries continued to avail such services from Strand. With the acqusition, the earlier outsourced Hospital Lab Management services from Strand have been cancelled.

The acquisition contributed revenue of ₹ 38.72 million and profit after tax of ₹ 2.91 million for the period between the acquisition date and 31 March 2022. Had the business combination occurred on 01 April 2021, per management estimate, revenues for the financial year ended 31 March 2022 would have been higher by ₹ 28 million and profit after tax would have been higher by ₹ 2 million.

The Company's share of costs incurred for this business combination has been charged off to statement of profit and loss under exceptional items.

a) Business combination

The above transaction qualifies as a business combination as per Ind AS 103 - "Business Combinations" and has been accounted by applying the acquisition method wherein identifiable assets acquired, liabilities assumed are fair valued against the fair value of the consideration transferred and the resultant goodwill recognised.

b) Identifiable assets and liabilities assumed

Particulars	₹ in Million
Fair value of consideration transferred	
Cash consideration	808.00
Less: Settlement of pre-existing payables of the Group to Strand	(65.57)
Total (A)	**742.43**
Assets acquired	
Property, plant and equipment (Refer note 5)	129.69
Intangible assets	59.51
Inventories	24.16
Total assets acquired (B)	**213.36**
Liabilities assumed	
Trade payables and other liabilities (C)	**34.81**
Net assets acquired [D = (B-C)]	**178.55**
Goodwill (A-D) #	**563.88**

Goodwill is attributable to the cost savings and synergies expected to be achieved from this acquisition. The fair value of assembled workforce has also been subsumed within the Goodwill. Goodwill is not tax deductible.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

45 Business combinations (Contd..)

c) Settlement of pre-existing relationship

The Company and Strand were parties to a long-term service contract under Medical Services Agreement where Strand provided disgnostic services. The pre-existing relationship was effectively terminated when the Company acquired Diagnostic business (refer above). The Company concluded that there was no gain / loss on termination of the above mentioned agreement.

45.2 Acquisition of Healthcare Global (Africa) Pvt Ltd

On 30 September 2021, the Group acquired control and remaining stake in HCG Africa from CDC upon settlement of its put option for USD 554,600 (₹ 41.13 million) as explained in note 30(ii). Pursuant to this, HCG Africa which was associate of the Group, became wholly-owned subsidiary with effect from 30 September 2021. With this acquisition, the following subsidiaries of HCG Africa also became subsidiaries of the Group:

(a) Healthcare Global (Uganda) Private Limited, Uganda

(b) Healthcare Global (Kenya) Private Limited, Kenya

(c) Healthcare Global (Tanzania) Private Limited, Tanzania

(d) Cancer Care Kenya Limited, Kenya

(a), (b) and (c) are wholly owned subsidiaries of HCG Africa and (d) is a subsidiary (b).

Further, Healthcare Global (Kenya) Private Limited, Kenya holds 50% stake in joint venture - Advanced Molecular Imaging Limited, Kenya.

Date of business combination - Upon acquisition of rights and controlling stake in HCG Africa on 30 September 2021 with the settlement of put option held by CDC, the Group has accounted for this acquisition in these consolidated financial statements with effect from 30 September 2021.

The acquisition contributed revenue of ₹ 26.60 million and loss after tax of ₹ 28.07 for the period between the acquisition date and 31 March 2022. Had the business combination occurred on 01 April 2021, per management estimate, revenues for the financial year ended 31 March 2022 would have been higher by ₹ 34 million, and loss after tax would have been higher by ₹ 36 million.

The Group's share of costs incurred for this business combination has been charged off to statement of profit and loss under exceptional items.

a) Business combination

The above transaction qualifies as a business combination as per Ind AS 103 - "Business Combinations" and has been accounted by applying the acquisition method wherein identifiable assets acquired, liabilities assumed are fair valued against the fair value of the consideration transferred and the resultant goodwill recognised.

b) Identifiable assets and liabilities assumed

Particulars	₹ in Million
Fair value of consideration transferred	
Cash consideration	41.13
Add: Fair value of previously held interest in HCG Africa *	166.63
Add: Settlement of pre-existing receivable balances of the Group from HCG Africa and its subsidiaries	15.00
Total (A)	**222.76**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2022

45 Business combinations (Contd..)

Particulars	₹ in Million
Assets acquired	
Property, plant and equipment (Refer note 5)	129.89
Capital work-in-progress	1.09
Right of use asset	80.54
Intangible assets	93.33
Investment in joint venture	30.76
Other assets	19.49
Total assets acquired (B)	**355.10**
Liabilities assumed	
Borrowings	11.40
Bank overdraft, net of cash and bank balance (cash and cash equivalents)	43.02
Trade payables and other liabilities	29.56
Total liabilities assumed (C)	**83.98**
Net assets acquired [D = (B-C)]	**271.12**
Goodwill #	**8.11**
Non-controlling interest ^	**56.47**

* The Group remeasured its previously held equity interest in HCG Africa (refer note 46) at its fair valuation on acquisition of the additional stake and recognized the resultant gain of ₹ 62.33 million as an exceptional item in accordance with the applicable Indian Accounting Standard, Ind AS 103, Business Combinations.

Goodwill is attributable to the synergies expected to be achieved from this acquisition. Goodwill is not tax deductible.

^ The Group has recognised non-controlling interests at the non controlling interest's proportionate share of net identifiable assets in an acquired entity.

45.3Acquisition of Suchirayu Health Care Solutions Limited

On 18 November 2021, the Group invested ₹ 330 Million in the equity shares of Suchirayu Health Care Solutions Limited (Suchirayu) through primary funding. Prior to this investment, the Group held 17.7% in Suchirayu. Pursuant to the additional investment during the year, the Group's stake in Suchirayu increased to 78.6%. Considering the Group's voting rights and its majority representation in the Board of Directors which gives it the current ability to unilaterally direct relevant activities of Suchirayu, with effect from 18 November 2021, Suchirayu became subsidiary of the Group.

Suchirayu owns and operates a multi-specialty hospital in Hubli, Karnataka. The acquisition is expected to provide the Group with an increased market share and helps to consolidate better synergies. With this acquisition, the earlier medical services and the other related arrangements have been cancelled.

The acquisition contributed revenue of ₹ 281.66 million and profit after tax of ₹ 44.25 million for the period between the acquisition date and 31 March 2022. Had the business combination occurred on 01 April 2021, per management estimate, revenues for the financial year ended 31 March 2022 would have been higher by ₹ 167 million, and profit after tax would have been lower by ₹ 28 million.

The Company's share of costs incurred for this business combination has been charged off to statement of profit and loss under exceptional items.

a) Business combination

The above transaction qualifies as a business combination as per Ind AS 103 - "Business Combinations" and has been accounted by applying the acquisition method wherein identifiable assets acquired, liabilities assumed are fair valued against the fair value of the consideration transferred and the resultant goodwill recognised.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

45 Business combinations (Contd..)

b) Identifiable assets and liabilities assumed

Particulars	₹ in Million
Fair value of consideration transferred	
Cash consideration	330.00
Add: Fair value of previously held interest in Suchirayu *	19.70
Add: Settlement of pre-existing receivable balances of the Group from Suchirayu (including inter-corporate deposit and interest thereon)	339.73
Total (A)	**689.43**
Assets acquired	
Property, plant and equipment (Refer note 5)	1,168.26
Intangible assets	41.00
Inventories	3.20
Trade receivables	41.91
Cash and cash equivalents	344.33
Other financial assets	10.23
Other assets	30.58
Total assets acquired (B)	**1,639.51**
Liabilities assumed	
Borrowings	1,051.93
Trade payables and other liabilities	156.04
Total liabilities assumed (C)	**1,207.97**
Net assets acquired [D = (B-C)]	**431.54**
Goodwill #	**277.54**
Non-controlling interest ^	**19.65**

* The Group remeasured its previously held interest in Suchirayu at fair value on the date of acquisition of additional stake and recognised the resultant gain of ₹ 17.4 million (net) under exceptional items (refer note 30) in accordance with the applicable Indian Accounting Standard, Ind AS 103, Business Combinations.

Goodwill is attributable to the increased market share and the synergies expected to be achieved from the acquisition of Suchirayu. The fair value of assembled workforce has also been subsumed within the Goodwill. Goodwill is not tax deductible.

^ The Group has recognised non-controlling interests at the non controlling interest's proportionate share of net identifiable assets of Suchirayu.

c) Settlement of pre-existing relationship

The Company and Suchirayu were parties to a long-term service contract under Medical Services Agreement where the Company provided medial services to Suchirayu. The pre-existing relationship was effectively terminated when the Company acquired controlling stake in Suchirayu (refer above). The Company concluded that there was no gain / loss on termination of the above mentioned agreement.

46 Subsidiaries, Associate & Joint venture

46.1 *Details of the Group's subsidiaries at the end of the reporting period are as follows*

Name of the subsidiary	Note	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at 31 March 2022	As at 31 March 2021
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		India	100.00%	100.00%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

46 Subsidiaries, Associate & Joint venture (Contd..)

Name of the subsidiary	Note	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at 31 March 2022	As at 31 March 2021
BACC Healthcare Private Limited	a	India	100.00%	100.00%
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*	b	India	51.00%	51.00%
HCG EKO Oncology LLP*	b	India	50.50%	50.50%
HCG (Mauritius) Private Limited		Mauritius	100.00%	100.00%
Healthcare Global (Africa) Private Limited	45.2	Mauritius	100.00%	N/A
Healthcare Global (Uganda) Private Limited, Uganda	45.2	Uganda	100.00%	N/A
Healthcare Global (Kenya) Private Limited, Kenya	45.2	Kenya	100.00%	N/A
Healthcare Global (Tanzania) Private Limited, Tanzania	45.2	Tanzania	100.00%	N/A
Cancer Care Kenya Limited, Kenya	45.2	Kenya	78.10%	N/A
Suchirayu Health Care Solutions Limited	45.2	India	78.60%	N/A
HCG SUN Hospitals LLP	16(ii)	India	100.00%	74.00%

The principal activity of all the above mentioned subsidiaries is providing Healthcare services.

Notes

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. During the previous year, pursuant to the Share Purchase agreement dated 27 November 2020 entered amongst the Company, BACC and the minority shareholders in BACC, the Company acquired the remaining 49.9% share capital of BACC from the minority shareholder.

b) 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.

46.2 *Details of Associate company at the end of the reporting period are as follows:*

Name of the Associate	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
		As at 31 March 2022	As at 31 March 2021
Healthcare Global (Africa) Private Limited (Refer note)*	Mauritius	N/A *	92.02%

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 over HealthCare Global (Africa) Private Limited on 21 June 2017, on account of contractual arrangement with CDC Group PLC ("CDC"), consequent to which HealthCare Global (Africa) Private Limited ("HCG Africa") 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(ii), during the previous financial year, CDC, the other investor in HCG Africa, exercised put option to sell its shares in accordance with the terms of Shareholders Agreement. During the current financial year, the Group settled put option of CDC and acquired its investments in HCG Africa on 30 September 2021 purusant to which HCG Africa became subsidiary of the Group.

Details of the Joint Venture at the end of the reporting period are as follows:

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

46 Subsidiaries, Associate & Joint venture (Contd..)

46.3

Name of the Joint Venture	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
		As at 31 March 2022	As at 31 March 2021
Strand Life Sciences Private Limited	India	Nil	38.20%
Advanced Molecular Imaging Limited	Kenya	50.00%	Nil

The principal activity of the Joint Ventures is to provide Healthcare services. As explained in Note 30(i), the Company sold its investment in Strand Life Sciences Private Limited on 3 September 2021. Investments in Advanced Molecular Imaging Limited is held by HealthCare Global (Kenya) Private Limited.

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 2022

46 Subsidiaries, Associate & Joint venture (Contd..)

46.4 Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interest for the year ended 31 March 2022

Name of the entity	Net assets (total assets minus total liabilities) as at 31 March 2022		Share in profit or loss		Share in other comprehensive income		Share of total comprehensive income	
	As % of consolidated net assets	₹ Million	As % of consolidated profit or loss	₹ Million	As % of consolidated Other com Income	₹ Million	As % of consolidated total com Income	₹ Million
1) Parent								
HealthCare Global Enterprises Limited *	79.93%	10,976.91	(153.33%)	382.53	(21.36%)	3.27	(145.70%)	385.80
2) Subsidiaries								
a) Indian								
HCG Medi-Surge Hospitals Private Limited	2.41%	330.32	(49.43%)	123.32	(2.09%)	0.32	(46.69%)	123.64
HCG NCHRI Oncology LLP	0.38%	51.64	26.98%	(67.31)	0.13%	(0.02)	25.43%	(67.33)
Niruja Product Development and Research Private Limited	(2.03%)	(279.46)	0.00%	-	0.00%	-	0.00%	-
Malnad Hospital & Institute of Oncology Private Limited	0.39%	54.05	(4.55%)	11.35	1.89%	(0.29)	(4.18%)	11.06
HealthCare Global Senthil Multi Specialty Hospital Private Limited	(0.22%)	(29.70)	0.00%	-	0.00%	-	0.00%	-
Healthcare Diwan Chand Imaging LLP	0.17%	23.98	0.11%	(0.27)	0.00%	-	0.10%	(0.27)
BACC Healthcare Private Limited	2.06%	283.27	(19.39%)	48.37	(5.62%)	0.86	(18.59%)	49.23
Apex HCG Oncology Hospitals LLP	2.25%	308.55	65.91%	(164.43)	(0.39%)	0.06	62.08%	(164.37)
HCG Oncology LLP	(1.22%)	(167.63)	18.15%	(45.29)	(0.46%)	0.07	17.08%	(45.22)
HCG EKO Oncology LLP	0.43%	59.05	100.39%	(250.45)	0.20%	(0.03)	94.60%	(250.48)
HCG Manavata Oncology LLP	3.85%	528.66	23.78%	(59.32)	(0.78%)	0.12	22.36%	(59.20)
HCG SUN Hospitals LLP	0.59%	80.47	31.18%	(77.78)	0.52%	(0.08)	29.40%	(77.86)
Suchirayu Health Care Solutions Limited	(0.96%)	(131.82)	(17.74%)	44.25	11.23%	(1.72)	(16.06%)	42.53
b) Foreign								
HCG (Mauritius) Pvt. Ltd	2.01%	276.43	0.29%	(0.73)	(51.47%)	7.88	(2.70%)	7.15
Healthcare Global (Africa) Private Limited	4.34%	596.30	0.48%	(1.20)	(1.70%)	0.26	0.35%	(0.94)
Healthcare Global (Uganda) Private Limited	(0.00%)	(0.30)	0.03%	(0.07)	0.52%	(0.08)	0.06%	(0.15)
Healthcare Global (Kenya) Private Limited	3.04%	417.75	0.37%	(0.92)	46.18%	(7.07)	3.02%	(7.99)
Cancer Care Kenya Limited	1.40%	192.00	11.59%	(28.91)	43.57%	(6.67)	13.44%	(35.58)
Healthcare Global (Tanzania) Private Limited	(0.01%)	(1.95)	0.12%	(0.29)	(0.07%)	0.01	0.11%	(0.28)
c) Associate								
HealthCare Global (Africa) Private Limited (associate upto 30 September 2021)	0.00%	-	14.51%	(36.19)	63.23%	(9.68)	17.32%	(45.87)
d) Joint venture								
Strand Life Sciences Private Limited (joint venture upto 3 September 2021)	0.00%	-	(8.79%)	21.94	0.00%	-	(8.29%)	21.94
Advanced Molecular Imaging Limited	0.22%	30.13	0.00%	-	4.11%	(0.63)	0.24%	(0.63)
e) Non-controlling interest	0.98%	134.27	59.36%	(148.08)	12.34%	(1.89)	56.64%	(149.97)
Total	**100.00%**	**13,732.92**	**100.00%**	**(249.48)**	**100.00%**	**(15.31)**	**100.00%**	**(264.79)**
Adjustment arising on consolidation		(4,895.78)		638.73		-		638.73
Total		**8,837.14**		**389.25**		**(15.31)**		**373.94**

* before consolidation adjustments

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

46 Subsidiaries, Associate & Joint venture (Contd..)

46.5 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 2021		Share of profit or loss for the year ended 31 March 2021		Other Comprehensive Income		Share of total comprehensive income for the year ended 31 March 2021	
	As % of consolidated net assets	₹ Million	As % of consolidated profit or loss	₹ Million	As % of consolidated Other com Income	₹ Million	As % of consolidated total com Income	₹ 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	(2.60%)	(279.46)	5.58%	(205.70)	0.00%	-	5.58%	(205.70)
Malnad 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) Pvt. Ltd	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%**	**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 2022

47 Investments, loans, guarantees and security

(a) The Group has made investment in the following companies

(₹ in million)

Investment in equity instruments	As at 31 March 2021	Invested during the year	Sold during the year	As at 31 March 2022
Investment in other companies				
Zoctr Health Private Limited *	7.64	-	-	7.64
Suchirayu Health Care Solutions Limited (refer note 45.3)	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	2.50	-	8.00
Investment in joint venture (Equity & preference shares)				
Strand Life Sciences Private Limited [refer note 30(i)]	245.33	-	(245.33)	-

* The Group has provided for permanent diminution in investment (refer note 30).

The Group has paid ₹ 8 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	As at 31 March 2021	Movement	As at 31 March 2022	Purpose of the deposits
Suchirayu Health Care Solutions Limited	102.00	(102.00)	-	This loan was given for operational requirements of the entity, which has been fully repaid during the current year.

(c) The Group has provided the guarantees to the following entities

(₹ in million)

Entity	As at 31 March 2021	Movement	As at 31 March 2022	Purpose of the deposits
NCHRI Private Limited	412.00	(412.00)	-	Corporate guarantee given to bank towards term loan. The guarantee has been released during the year
Total	**412.00**	**(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 2021

(₹ in million)

Investment in equity instruments	As at 31 March 2020	Invested during the year	Sold during the year	As at 31 March 2021
Investment in other companies				
Zoctr Health Private Limited	7.64	-	-	7.64
Suchirayu Health Care Solutions Limited	0.50	-	-	0.50
International Stemcell Services Limited	5.61	-	-	5.61
Epigeneres Biotech Private Limited	10.00	-	-	10.00

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

47 Investments, loans, guarantees and security (Contd..)

(₹ in million)

Investment in equity instruments	As at 31 March 2020	Invested during the year	Sold during the year	As at 31 March 2021
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 paid an amount of ₹ 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.

(e) The Group has given inter-corporate deposits to its following companies during the year ended 31 March 2021

(₹ in million)

Entity	As at 31 March 2020	Movement	As at 31 March 2021	Purpose of deposits
Suchirayu Health Care Solutions Limited	105.00	(3.00)	102.00	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 2021

(₹ in million)

Entity	As at 31 March 2021	Movement	As at 31 March 2022	Purpose of the guarantee
NCHRI Private Limited	432.73	(20.73)	412.00	Corporate guarantee given to bank for towards 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.

48 Ind AS 115- Revenue from contracts with customers

(₹ in million)

Contract balances	As at 31 March 2022	As at 31 March 2021
(a) Receivables		
i) Trade receivables: Refer note 12	2,174.45	1,866.05
ii) Unbilled revenue : Refer note 9	224.74	151.86
b) The Group does not have any contract asset as at 31 March 2022 and 31 March 2021.		
c) The contract liability amount from contracts with customers is given below :		
Advance from customers : Refer note 19	294.49	203.60
Revenue recognised in the reporting period that was included in the contract liability balance	144.37	114.18
d) Revenue dis-aggregation as per the industry vertical and geographies has been included in note 22, revenue from operations.		

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

49 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) During the year ended 31 March 2022, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries except in respect of below mentioned investments in equity instruments of its subsidiary HCG (Mauritius) Pvt Ltd, which has been used for further investments in its other subsidiaries:

Invested by	Invested in	Amount (₹ in millions)	Date of investment
HealthCare Global Enterprises Limited	HCG (Mauritius) Pvt Ltd	55.80	27-Aug-21
	FSC License No: C115014516	77.29	22-Oct-21
	Regd Address: C/o Kross Boarder Services Limited, St Louis Business Centre, CNR Desroches and St. Louis Street, Port Louis Mauritius.	15.01	29-Mar-22
HCG (Mauritius) Pvt Ltd	HealthCare Global (Africa) Pvt. Ltd	13.79	31-Aug-21
	Company Reg No. 130502/CI/GBL	41.13*	30-Sep-21
	Regd Address: C/o Kross Boarder	76.54	26-Oct-21
	Services Limited, St Louis Business Centre, CNR Desroches and St. Louis Street, Port Louis Mauritius.	15.00	31-Mar-22
HealthCare Global (Africa) Pvt. Ltd	Healthcare Global (Kenya) Private Limited	10.07	03-Sep-21
	Company Reg No. CPR 2013/92492	75.04	28-Oct-21
	Regd Address: Shivachi Road, Parklands, Nairobi, Kenya	11.33	31-Mar-22
Healthcare Global (Kenya) Private Limited	Cancer Care Kenya Limited	8.36	08-Sep-21
	Company Reg No. C.135947	73.54	28-Oct-21
	Regd Address: Shivachi Road, Parklands, Nairobi, Kenya		

* Investment through secondary purchase of shares in Healthcare Global (Africa) Pvt. Ltd

In respect of the above investments, relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

(v) During the year ended 31 March 2022, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(vi) Utilisation of proceeds from preferential allotment: Refer note 14.1. In the previous year ended 31 March 2021, of the total amount raised, the Company had pending utilisation of ₹ 1,245 million which were used for the purposes other than for which they were raised by temporarily investing in fixed deposits / overdraft account. Also, the amounts raised during the current year have been partially used for the purposes for which the funds were raised. Pending utilisation, the balance funds available as at 31 March 2022 amounting ₹ 662 million, were used for the purposes other than for which they were raised by temporarily investing in fixed deposits / overdraft account.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2022

49 Other statutory information (Contd..)

(vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

(ix) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(x) There were no material transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year.

(xi) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

50 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.

51 Consequent to amendments to the Schedule III effective 1 April 2021, figures of the previous year have been regrouped to confirm with the classification adopted in these financial statements.

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 : 26 May 2022

for **and on behalf of the Board of Directors**
HealthCare Global Enterprises Limited

Dr. B.S. Ajaikumar
Executive Chairman
DIN: 00713779

Place : Bengaluru
Date : 26 May 2022

Meghraj Arvindrao Gore
Whole-Time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 26 May 2022

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 26 May 2022

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 26 May 2022

Notes

adding life to years

HealthCare Global Enterprises Ltd

CIN: L15200KA1998PLC023489

Registered office: HCG Tower, # 8,
P. Kalinga Rao Road,
Sampangi Ram Nagar,
Bangalore – 560 027