

September 26, 2017

BSE Limited
Department of Corporate Services
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001

Scrip Code: 533525

Sub: Annual Report for the Financial Year 2016-17

Dear Sir(s),

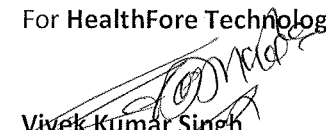
Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith copy of Annual Report of the Company for the Financial Year 2016-17 which have been duly approved and adopted at the 8th Annual General Meeting of the Company held on Thursday September 21, 2017.

This is for your information and record.

Thanking You,

Yours Faithfully,

For HealthFore Technologies Limited


Vivek Kumar Singh
Authorized Signatory



Enclosure: As above



CONNECTED
CARE

ANNUAL REPORT

FY 2016-17

CONTENT

Board of Directors	02
Who we are	03
Message from MD	04
Message from Head - Operations	06
Directors' Report	08
Management Discussion and Analysis Report	22
Corporate Governance Report	25
Auditors' Report	36
Balance Sheet	40
Profit and Loss Account	41
Cash Flow Statement	42
Notes to Financial Statements	43



BOARD OF DIRECTORS

Mr. Varun Sood

Managing Director

Mr. Atul Mandahar

Independent Director

Mr. Daljit Singh

Non-Executive Director

Mr. Harjiv Singh

Independent Director

Mr. Hemant Dhingra

Non-Executive Director

Ms. Kalpana Sinha

Independent Director

Mr. Nalin Nayyar

Non-Executive Director

Mr. Rama Krishna Shetty

Independent Director

REGISTERED OFFICE

Prius Platinum, Ground Floor, D3, District Centre, Saket, New Delhi - 110017

BANKERS

Axis Bank Limited

HDFC Bank Limited

IndusInd Bank Limited

Punjab National Bank

State Bank of Hyderabad

YES Bank Limited

AUDITORS

M/s. Ravi Rajan & Co.

Chartered Accountants

505A, 5th Floor, D-4,

Rectangle-1, District Centre,

Saket, New Delhi-110017

CORPORATE IDENTITY NUMBER

L72300DL2009PLC190552

ANNUAL GENERAL MEETING

Venue : India Islamic Cultural Centre, 87 - 88, Lodhi Road, New Delhi - 110003.

Date : September 21, 2017

Day : Thursday

Time : 11:00 A.M.

WHO WE ARE


At HealthFore we are driven by the purpose to “Save and Enrich Lives”. We provide easy to adopt technology products and solutions for healthcare and related service providers that enable them to build long term engagement with their customers, deliver superior quality of care and clinical outcomes and enhance business performance, efficiency and productivity.

As a provider of healthcare technology solutions, we put our clients at the center of everything that we do. As a team we understand the needs and the problems of the client and the reality of healthcare industry. Our special focus goes on making our products easy to use, adapt and adopt.



40,570

Lives
impacted everyday



3,297

Beds
served everyday



1,530

Diagnostic Reports
generated everyday

OUR BEHAVIOUR



PASSION

We do everything with our heart and soul and bring our true selves to whatever we do



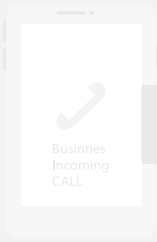
CANDIDNESS

We call a spade a spade and are transparent, honest and fair in all our interactions



SPEED

The success of our stakeholders depends on us having done things yesterday



MR. VARUN SOOD

Managing Director

Dear Stakeholders

It is my privilege to write to you and present the 8th Annual Report of your Company for the financial year ended March 31, 2017.

This year saw your Company achieve steady growth. We furthered our reach and added clients in India and overseas. We increased our focus and expanded our presence in overseas markets by forming partnerships with recognised organisations in the Middle East and Africa. We are confident to penetrate deeper into the markets and continue expanding in them.

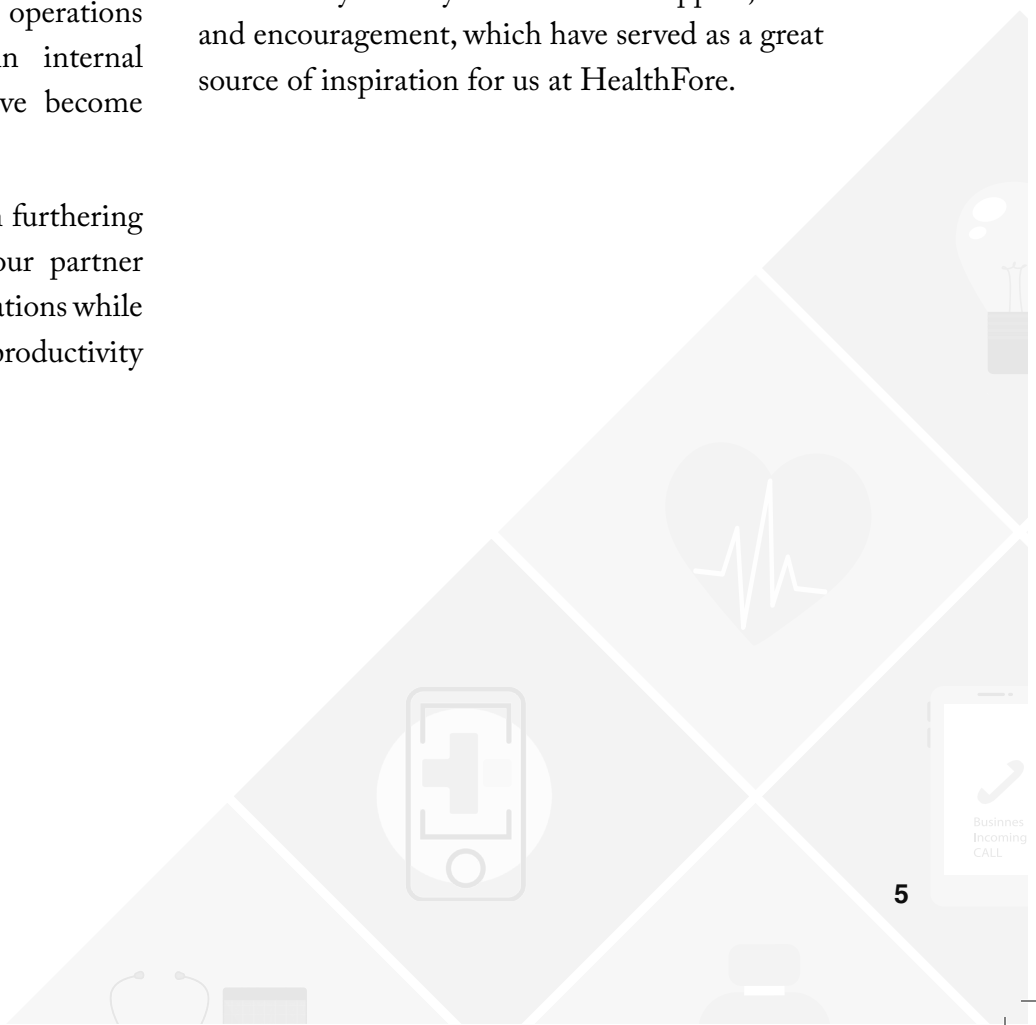
Keeping in line with the evolving market and customer needs, your Company successfully launched Magnum Infinity HIS and Magnum Imaging on the cloud, offering its customers innovative business and commercial models. Our investment in emerging technologies and new features has started to bear results, and continued this year.

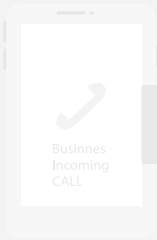
We continued to reinforce our purpose - “Save and Enrich Lives” - at all levels and in all our dealings. I am happy to say that our relationships and engagements with our employees and customers have become deeper and more partnership-based due to this focus. With our focus on enhancing productivity, our operations led to substantive improvement in internal efficiencies. Our work processes have become smoother, swifter and more efficient.

In the coming year, we are focused on furthering our customer base and expanding our partner ecosystem in the countries of our operations while continuing to improve our internal productivity and efficiency.

We will continue to selectively invest in products and technologies that will enable our customers to achieve their goals while helping us work towards our purpose of “Save & Enrich Lives.”

We thank you for your continued support, trust and encouragement, which have served as a great source of inspiration for us at HealthFore.





MR. NITIN GOYAL

Head of Operations

Dear Stakeholders

The three foundation behaviours of our Company – Passion, Candidness and Speed were the guiding stars for FY 2016-17 that helped shape our internal and external policies, team alignment and strategies for further expansion.

This year we effectively aligned our processes to fast track the implementation cycle of the products and services offered by your Company and shorten the turnaround time for upgrades and changes. There were new cutting edge features introduced to our flagship products – Magnum Infinity and Magnum Imaging that places them in competition among the best in the industry.

We continued to further our reach and added more reputed names to our client portfolio wherein Viloo Poonawalla Hospital in Pune, Maharashtra PIMS Jalandhar IPD (Phase II), Asram Hospital, Vijayawada, and Rainbow Children Hospital, Marathahalli are just few of them. Internationally, institutions like Anglo Arabian Healthcare group, UAE and Lusaka Medical Center, Zambia became reference customers with new product upgrades. Expansion with new rollout in Sharjah is slated in Q3'17.

Another significant milestone was the introduction of your Company's core products - Magnum Infinity and Magnum Imaging into new market regions — Myanmar and Bahrain with rollouts planned in the end of 2017.

All these changes that have been brought in our policies, processes, products and people are in perfect alignment with our aim to deliver the best to our customers. We, as a team are focused to abridge the gap between the patients and healthcare providers besides becoming their first choice as a partner, than a mere service provider.



DIRECTORS' REPORT

To,

The Members,

HealthFore Technologies Limited

Your Directors have immense pleasure in presenting this 8th Annual Report on the business and operations of the Company along with the Audited Financial Statements for the financial year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

The brief highlights of financial results of the Company for the Financial Years 2016-17 and 2015-16 are as under:

(₹ in Million)

Particulars	2016-17	2015-16
Total Income	186.40	229.15
Total Expenditure	1076.09	965.12
Profit/ (Loss) before Tax	(889.69)	(735.97)
Profit/ (Loss) after Tax	(889.69)	(735.97)
Balance brought forward from previous year	(4612.15)	(3876.18)
Impact due to change in useful life of fixed assets in accordance with provisions of Companies Act, 2013		-
Other Adjustments		-
Balance carried to Balance Sheet	(5501.18)	(4612.15)

BUSINESS OVERVIEW

The total turn over of the company for the Financial Year 2016-17 was ₹186.40 Million. During the financial year under review, your Company continued to focus on its core products i.e. Hospital Information and Management Systems ("HIS") and Magnum Imaging. New functionalities like pre-authorization flow and Medical Coding were incorporated in Magnum Infinity. The e-claims flow for insurance claim management for Middle East market was also upgraded according to the latest market requirements during 2016-17.

With a focus on addressing emerging needs of the imaging market, your Company undertook new initiatives to address areas like Advanced Imaging, Imaging market place and Artificial intelligence on certain specialties. New features were added to Magnum Imaging such as DICOM Universal viewer, CathLab Workstation, Image Sync for low bandwidth, advanced feature in 3D Imaging – Gantry Removal, Bone Removal, 3D Segmentation, Cloud Object-based Storage, and Collaboration Tool with Image Viewer. This year, your Company launched PACS on cloud and undertook various promotional activities like lead generation, advertising in industry magazines like Express Healthcare, and Doctors' App Curofy to expand reach and awareness.

During the year, your Company followed rollout of Magnum Infinity HIS and Magnum imaging with new change requests and product upgrades in multiple facilities of Anglo Arabian Healthcare group in UAE and Lusaka Medical Center, Zambia. Your Company was also active in the Indian market with Magnum Infinity HIS and Magnum Imaging successfully rolled out in Viloo Poonawalla Hospital in Pune, Maharashtra, and started Phase II in PIMS Jalandhar IPD along with financial modules.

Magnum Imaging was also rolled out in Asram Hospital, Vijayawada, a 1,000 bedded Teaching Hospital and in Rainbow Children Hospital, Marathahalli, where it was rolled out for their medical imaging archival and viewing across the organization. Further, both the products also delivered GST to Indian customers

on 1st of July with Phase 1 requirement. HealthFore also entered new market regions - Myanmar and Bahrain, which will roll out in 2017- 18.

FUTURE OUTLOOK

To give Shareholders an idea of the Healthcare Sector and the growth it is providing to IT Companies, we would like to highlight that India's healthcare industry (which includes hospitals, medical infrastructure, medical devices, clinical trials, outsourcing, telemedicine, health insurance and medical equipment) is worth around US\$ 100 billion and is expected to grow to US\$ 280 billion by 2020, indicating a CAGR of almost 23% (according to the 6th edition of Deloitte Touche Tohmatsu India Pvt. Ltd.'s yearly prediction report). Healthcare Information Technology (IT) market is valued at US\$ 1 billion and is expected to grow 1.5 times by 2020.

(Sources:<http://www.livemint.com/PoliticsDTNiuBiZ5PeSEzh3iZCeBK/Healthcare-Digital-adoption-to-drive-growth.html>;

<https://www.ibef.org/industry/healthcare-india.aspx>)

Healthcare technology changes will be rapid and in some parts of the world, disruptive to established healthcare models. Some exciting advancements are taking place at the intersection of information technology and medical technology, such as using 3D printing to help in preparing tissues for transplants. In addition, the use of big data and analytics to gain insights is an active industry trend. A significant development in healthcare will be in the area of predictive healthcare analytics wherein the vital parameters of a human body can be monitored and alerts raised if a negative trend is detected. Your company can leverage vast amounts of patient data gathered from a variety of sources to determine the clinical value of specific treatments and how to make them better.

We intend to focus on emerging markets and high growth economies where the need for such products and services is high.

Your Board is confident that with the steps taken in FY 2016-17, with restructuring the management structure as well as focusing on profitable product lines, your Company is ready for a cycle of sustained growth.

DIVIDEND AND TRANSFER TO RESERVES

Keeping in view the losses of the Company during the financial year under review, the Board of Directors of your Company has not recommended any dividend for the financial year ended March 31, 2017. Accordingly, there has been no transfer to general reserves.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR 2016-17 AND THE DATE OF THE REPORT

Subsequent to the financial year ended March 31, 2017, there have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year 2016-17 and the date of the Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), is presented in a separate section and forms an integral part of this Report.

SHARE CAPITAL

During the financial year under review, there has been no change in the Share Capital of the Company.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return in Form No. MGT 9 is presented in a separate section and is annexed herewith as **Annexure - A** to this Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013 (“Act”) have been disclosed in the notes forming part of the Financial Statements.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year under review were on an arm’s length basis and in the ordinary course of business. There were few materially significant Related Party Transactions made by the Company with other related parties in the financial year. The details of the transactions with related parties are provided in the notes to accompanying financial statements.

All Related Party Transactions are placed before the Audit Committee for approval as required under Regulation 23 of Listing Regulations. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their approval on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company’s website and can be accessed through the link <http://www.healthfore.com/Related-Party-Transactions-Policy.pdf>

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except to the extent of sitting fees paid to them as approved by the Board of Directors.

Disclosures as required under Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are provided in the Form AOC-2 which is annexed herewith as **Annexure - B** and forms part of this Report.

RISK MANAGEMENT POLICY

The Company has developed and implemented a Risk Management Policy to mitigate various risks that can impact the Company’s ability to achieve its strategic objectives. The said policy is being implemented and monitored by the Audit Committee.

EMPLOYEE STOCK OPTION SCHEME

The Members of the Company at their Annual General Meeting (“AGM”) held on September 13, 2013 had approved HealthFore Employee Stock Option Scheme - 2013 (“Scheme”) for the eligible employees / Directors of the Company. Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Scheme of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999) (“the SEBI Guidelines”). However, till date, no Stock Options have been granted by the Company under the above Scheme.

There is no material change in the Scheme during the financial year under review. Certificate from Auditors confirming that Scheme has been implemented in accordance with the SEBI Guidelines will be placed at the ensuing AGM of the Company for inspection by the members.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Varun Sood was appointed as an Additional Director by the Board in the category of Executive Non-Independent Director on May 02, 2017 pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company. In terms of Section 161 of the Act, Mr. Varun Sood will hold office upto the date of the ensuing AGM of the Company.

The Company has received notice in writing from a Member along with the deposit of requisite amount proposing Mr. Varun Sood for appointment as Director of the Company. The Board of Directors recommends his appointment.

Mr. Sood was also appointed as Managing Director of the Company w.e.f. May 02, 2017. Board of directors have also recommended for approval of shareholder for said appointment pursuant to the provision of Part III of Schedule V of the Companies Act, 2013.

In terms of the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Hemant Dhingra, Non-Executive Non-Independent Director, is liable to retire by rotation at the ensuing AGM of the Company and being eligible has offered himself for re-appointment. The Committee and the Board of Directors recommends his re-appointment.

The brief resume of the Directors seeking appointment and re-appointment along with other details as stipulated under Regulation 36(3) of the Listing Regulations and Secretarial Standards issued by ICSI, are provided in the Notice convening the AGM of the Company.

The Company has received declarations from all the Independent Directors of the Company that they meet with the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of Listing Regulations.

Accordingly, pursuant to the provisions of Section 203 of the Act, Mr. Varun Sood, Managing Director, Mr. Amit Gupta, Chief Financial Officer and Ms. Shikha Rastogi, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2017.

Mr. Varun Sood stepped down from the post of Chief Executive Officer and was appointed as Managing Director and designated as one of the Key Managerial Personnel of the Company w.e.f. May 02, 2017.

Ms. Shikha Rastogi Resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 31st May 2017.

BOARD/COMMITTEE COMPOSITION AND MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. The Board of Directors of the Company met 4 (Four) times during the financial year 2016-17. The details of composition of Board and Committees and their meetings held during the year under review are provided in the Report on Corporate Governance, which forms part of this report. The intervening gap between two meetings of the Board was within the period prescribed under the Act and Regulation 17 of the Listing Regulations.

BOARD EVALUATION

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out performance evaluation of its own performance, the Directors individually, Chairman as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee (“NRC”), and Stakeholders’ Relationship Committee. Following process of evaluation was followed:

S. No.	Process	Remarks
1.	Individual Self- Assessment	Self-evaluation forms were shared and completed by the Directors and submitted to the Chairperson of NRC.
2.	One to One discussion	Program Coordinators were authorised to interact with each member to assess performance, invite direct feedback and seek inputs to identify opportunities for improvement.
3.	Board Evaluation for the Board, NRC and of Independent Directors ("ID's")	Using the Self-Assessment feedback and output from the one to one discussions, the formal Board Evaluation Process was conducted. A compilation of the individual self-assessments and one to one discussions were placed at the meeting of the NRC, the ID's and the Board of Directors, held on February 08, 2017 for them to review collectively and include as additional feedback to the formal process completed in the meetings.
4.	Final recording and reporting	Based on the above, a final report on Board Evaluation was collated, presented and tabled at a meeting of the Board of Directors. The report also noted best practices in certain areas and considered opportunities for improvement.

PROPOSED SCHEME OF AMALGAMATION BETWEEN HEALTHFORE TECHNOLOGIES LIMITED AND OSCAR INVESTMENTS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

The Board of Directors of The Company at their meeting held on December 14, 2015 have approved the Scheme of Amalgamation between HealthFore Technologies Limited and Oscar Investments Limited and their respective shareholders and creditors, under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

We believe that the proposed Amalgamation will build a stronger and sustainable business and enhance the potential for future growth. It will strengthen the competitive position of the combined entity and would result in increased shareholders value of both the companies.

The Shareholder, Secured and Unsecured Creditors have also approved the scheme at their respective meetings as convened by the National Company Law Tribunal ("NCLT") and now it is pending for final hearing at NCLT.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director etc. Details of Remuneration Policy are stated in the Corporate Governance Report, which forms part of this Report.

PUBLIC DEPOSITS

The Company has neither invited nor accepted any deposits from public within the meaning of Section 73 of the Act read with Companies (Acceptance of Deposit) Rules, 2014 during the financial year under review.

LISTING WITH STOCK EXCHANGE

The Equity Shares of your Company continue to be listed on BSE Limited ("BSE"). The Annual Listing Fee for the financial year 2017-18 has been paid to BSE.

STATUTORY DISCLOSURES

None of the Director of your Company is disqualified as per the provisions of section 164(2) of the Act. The Directors of the Company have made necessary disclosures, as required under various provisions of the Act and the Listing Regulations.

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

In view of the nature of activities which are being carried on by your Company, the particulars as prescribed under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Account) Rules, 2014 regarding Conservation of Energy and Technology Absorption are not applicable to the Company and hence not been provided.

However, the Company requires energy for its operations and every endeavor has been made to ensure the optimal use of energy, avoid wastage and conserve energy as far as possible.

The Company has incurred expenditure of Rs. 4.12 Million (Previous Year: Rs. 8.66 Million) in Foreign Exchange and earned Rs. 45.47 Million (Previous Year: Rs. 60.07 Million) in Foreign Exchange during the financial year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) of the Act, the Board of Directors, based on the representation as provided to the Board by the management, confirm that:

- (i) In the preparation of the annual financial statements for the financial year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017, and of the loss of the Company for the year under review;
- (iii) The Directors had 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;
- (iv) The Directors had prepared the annual financial statements for the financial year ended March 31, 2017 on a 'going concern' basis;
- (v) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

REPORT ON CORPORATE GOVERNANCE

Your Company believes that Corporate Governance is the basis of stakeholder satisfaction and therefore, the Company continues to be committed to uphold the highest standards of Corporate Governance and adhere to the requirements set out by the Listing Regulations.

A detailed Report on Corporate Governance along with the Certificate of M/s. Shashank Sharma & Associates, Company Secretaries in Practice, confirming the compliance to the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement for the period April 1, 2016 to March 31, 2017, is set out in this Annual Report and forms an integral part of this Report.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, M/s. Ravi Rajan & Co., Chartered Accountants (Firm Registration No. 009073N), were appointed as Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the year of 2019, subject to ratification of their appointment by the Members at every AGM.

The Company has received a written confirmation from them to the effect that their ratification, if made, would be within the limits as prescribed under Section 141(3)(g) of the Act and that they are not disqualified from being re-appointed as Auditors of the Company.

Accordingly, based on the recommendations of the Audit Committee, the Board of Directors of the Company recommends the ratification of appointment of M/s. Ravi Rajan & Co. as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the next AGM.

STATUTORY AUDITORS' REPORT

The Statutory Auditors' Report does not contain any qualification, reservation or adverse remark. Further, the observations of the Auditors in their report read together with the Notes to Financial Statements are self-explanatory and therefore, in the opinion of the Board of Directors, do not call for any further explanation.

DETAILS OF FRAUD REPORTABLE BY STATUTORY AUDITOR TO BOARD

Basis the confirmations reported to the Board in this regard, there were no instances of fraud, misfeasance or irregularity detected and reported in the Company during the financial year 2016-17 by the Statutory Auditors of the Company pursuant to Section 143(12) of the Act.

SECRETARIAL AUDITOR REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015, the Board of Directors of the Company appointed M/s. Mukesh Agarwal & Co., a firm of Company Secretaries in Practice as the Secretarial Auditor of the Company to conduct the Secretarial Audit of the Company for the financial year 2016-17.

The Secretarial Audit Report of the Company for the financial year ended March 31, 2017, is annexed herewith as **Annexure - C** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has in place a vigil mechanism named Whistle Blower Policy for Directors and employees of the Company to report their genuine concerns and to deal with instances of unethical practices, fraud and mismanagement or gross misconduct by the employees of the Company, if any, that can lead to financial loss or reputational risk to the organization.

The Policy has been uploaded on the website of the Company & can be accessed through the link <http://www.healthfore.com/Whistle-Blower-Policy.pdf>

INTERNAL FINANCIAL CONTROLS AND INTERNAL CONTROL SYSTEM

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

To ensure that all systems and procedures are in place and order, regular internal audit is conducted. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. Internal Audit of the Company during FY 2016-17 was conducted by M/s. KPMG. The Company has appointed M/s. VMA & Associates as the Internal Auditor of the Company for FY 2017-18. To maintain its objectivity and independence, the Internal Auditor reports to the Audit Committee about the Internal Audit findings and corrective actions thereon on a quarterly basis.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197 of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, is provided in a separate annexure forming part of this Report. However, pursuant to Section 136 of the Act, this Report along with Corporate Governance Report and Financial Statements are being sent to all the Members of the Company excluding the aforesaid information and the said particulars are made available at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing AGM. The Members desirous of obtaining such particulars may write to the Company Secretary of the Company.

Disclosures pertaining to remuneration and other details as required pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure- D** and forms part of this Report.

The details of remuneration paid to the Directors of the Company are given in Form No. MGT-9 annexed as **Annexure - A** to this Report.

HUMAN RESOURCES

Our employees are the most valuable assets of the Company. The Company draws its strength from a highly engaged and motivated workforce; hence a large part of our management focus is to care and support our employees. Learning and development offerings are customized for each phase of the employee life cycle, and span all career levels, skill and domain groups. We continually strive to provide our employees with competitive and innovative compensation packages. Individual and organizational capability building remained one of the strategic focus areas.

The workforce management strategy was executed optimally to deliver a sustained utilisation rate throughout the year helping business grow while maintaining employee costs at the desired level.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No case has been reported during the financial year under review.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant or material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its operations in future.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Authorities, Stakeholders including Financial Institutions, Customers and other business associates who have extended their valuable sustained support and encouragement during the financial year under review.

Your Directors also gratefully acknowledge and appreciate the commitment displayed by all executives, officers and staff at all levels of the Company towards the success of the Company.

For and on behalf of the Board
For **HealthFore Technologies Limited**

Place : New Delhi
Date : August 16, 2017

Sd/-
Varun Sood
Managing Director

Sd/-
Hemant Dhingra
Director

Form No. MGT-9
Extract of Annual Return
As on the financial year ended on March 31, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

1. Registration and other details of Company:

i	CIN	L72300DL2009PLC190552
ii	Registration Date	May 22, 2009
iii	Name of the Company	HealthFore Technologies Limited
iv	Category / Sub-Category of the Company	Public Company / Company having Share Capital
v	Address of the Registered office and contact details	54, Janpath, New Delhi - 110001 Tel. No.: +91 11 40188100 Fax No.: +91 11 40188151
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot no. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032 Tel. No.: +91 40 67162222 Fax No.: +91 40 23420814

2. Principal Business Activity of the Company:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Infinity & Magnum: Hospital Information System Software	620 - Computer programming, consulting & related activities	100

3. Particulars of Holding, Subsidiary and Associate Companies:

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
N.A.					

4. Shareholding Pattern of the Company (Equity Share Capital Breakup as percentage of Total Equity)**a. Category-wise Share Holding**

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	268930	0	268930	3.31	268930	0	268930	3.31	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	3750082	0	3750082	46.13	3750082	0	3750082	46.13	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	4019012	0	4019012	49.44	4019012	0	4019012	49.44	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2016				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2017				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	4019012	0	4019012	49.44	4019012	0	4019012	49.44	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions /Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	247485	0	247485	3.04	247485	0	247485	3.04	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	247485	0	247485	3.04	247485	0	247485	3.04	0.00
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	2857176	3820	2860996	35.19	2808908	3820	2812728	34.60	(0.59)
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	439821	167395	607216	7.47	463274	165512	628786	7.73	0.26
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	305234	0	305234	3.75	328505	0	328505	4.04	-0.29
(c)	Others									
	CLEARING MEMBERS	1764	0	1764	0.02	164	0	164	0.00	(0.02)
	DIRECTORS	0	0	0	0.00	0	0	0	0.00	0.00
	H U F	11341	0	11341	0.14	16110	0	16110	0.20	0.06
	NON RESIDENT INDIANS	55474	40	55514	0.68	52517	40	52557	0.65	-0.03
	NRI NON-REPATRIATION	0	0	0	0.00	3215	0	3215	0.04	0.04
	TRUSTS	20901	0	20901	0.26	20901	0	20901	0.26	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	3691711	171255	3862966	47.52	3693594	169372	3862966	47.52	0.00
	Total B=B(1)+B(2) :	3939196	171255	4110451	50.56	3941079	169372	4110451	50.56	0.00
	Total (A+B) :	7958208	171255	8129463	100.00	7960091	169372	8129463	100.00	0.00
(C)	Shares held by custodians, against which									
	Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	7958208	171255	8129463	100.00	7960091	169372	8129463	100.00	

b. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares held	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares held	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	RHC Holding Private Limited	1,659,225	20.41	0	1,659,225	20.41	0	0
2.	Shivi Holdings (P) Limited	801,037	9.85	0	801,037	9.85	0	0
3.	Malav Holdings Private Limited	744,840	9.16	0	744,840	9.16	0	0
4.	Mr. Malvinder Mohan Singh	132,795	1.63	0	132,795	1.63	0	0
5.	Oscar Investments Limited	4,94,980	6.09	0	494,980	6.09	0	0
6.	Mr. Shivinder Mohan Singh	75,495	0.93	0	75,495	0.93	0	0
7.	Ms. Aditi Shivinder Singh	57,000	0.70	0	57,000	0.70	0	0
8.	Dion Global Solutions Limited	50,000	0.62	0	50,000	0.62	0	0
9.	Ms. Nimmi Singh	3,540	0.04	0	3,540	0.04	0	0
10.	Mr. Malvinder Mohan Singh jointly with Mr. Shivinder Mohan Singh in the capacity of Trustees of PS Trust	100	0	0	100	0.00	0	0
	Total	4,018,912	49.44	0	4,019,012	49.44	0	0

c. Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares held	% of Total Shares of the Company	No. of Shares held	% of Total Shares of the Company
1.	Mr. Malvinder Mohan Singh jointly with Mr. Shivinder Mohan Singh in the capacity of Trustees of PS Trust				
	at the beginning of the year	Nil	Nil	Nil	Nil
	Increased due to market purchase of equity shares	Nil	Nil	Nil	Nil
	at the end of the year	Nil	Nil	Nil	Nil

Note: Except the above change, there is no other change in the Promoter's Shareholding during the financial year 2016-17.

d. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares held	% of Total Shares of the Company	No. of Shares held	% of Total Shares of the Company
1.	Logos Holding Company Private Limited				
	at the beginning of the year	967,907	11.91	967,907	11.91
	change in shareholding	NIL	NIL	967,907	11.91
	at the end of the year	967,907	11.91	967,907	11.91
2.	Bazigar Trading Private Limited				
	at the beginning of the year	400,000	4.92	400,000	4.92
	change in shareholding	NIL	NIL	400,000	4.92
	at the end of the year	400,000	4.92	400,000	4.92

Sl. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares held	% of Total Shares of the Company	No. of Shares held	% of Total Shares of the Company
3.	Seminary Tie up Private Limited				
	at the beginning of the year	397,328	4.89	397,328	4.89
	change in shareholding at the end of the year	NIL	NIL	397,328	4.89
4.	Telelink Commerce Private Limited				
	at the beginning of the year	382,426	4.70	382,426	4.70
	change in shareholding at the end of the year	NIL	NIL	382,426	4.70
5.	Manimudra Vincom Private Limited				
	at the beginning of the year	289,023	3.56	289,023	3.56
	change in shareholding at the end of the year	NIL	NIL	289,023	3.56
6.	APMS Investment Fund Limited				
	at the beginning of the year	247,485	3.04	247,485	3.04
	change in shareholding at the end of the year	NIL	NIL	247,485	3.04
7.	Maninder Grewal				
	at the beginning of the year	133,297	1.64	133,297	1.64
	change in shareholding at the end of the year	NIL	NIL	133,297	1.64
8.	JRM Securities & Finance Private Limited				
	at the beginning of the year	92,969	1.14	92,969	1.14
	change in shareholding at the end of the year	NIL	NIL	92,969	1.14
9.	Rajasthan Global Securities Private Limited				
	at the beginning of the year	90,007	1.11	90,007	1.11
	change in shareholding at the end of the year	(38,429)	0.48	(38,429)	0.48
10.	Falguni Ketan Chokshi				
	at the beginning of the year	47,000	0.58	47,000	0.58
	change in shareholding at the end of the year	NIL	NIL	47,000	0.58

Note: Top ten shareholders of the Company as on March 31, 2017 has been considered for the above disclosure.

e. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of Shares held	% of Total Shares of the Company	No. of Shares held	% of Total Shares of the Company
NIL					

Note: None of the Directors or Key Managerial Personnel of the Company holds anyshare in the Company as on March 31, 2017.

5. Indebtness

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

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	322.65	255.26	-	577.91
ii) Interest due but not paid	1.70	7.71	-	9.41
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	324.35	262.97	-	587.32
Change in Indebtedness during the financial year				
Addition	310.72	-	-	310.72
Reduction	(53.19)	(199.53)	-	(252.72)
Net Change	257.53	(199.53)	-	58.00
Indebtedness at the end of the financial year				
i) Principal Amount	533.14	55.73	-	588.87
ii) Interest due but not paid	33.87	7.27	-	41.14
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	567.01	63.00	-	630.01

6. Remuneration of Directors and Key Managerial Personnel

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

(₹ in Lacs)

Sl. no.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		N.A.		
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil		Nil
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-		-
	(c) Profits in lieu of salary u/s 17(3) of Income tax Act, 1961	-		-
2.	Stock Option	-		-
3.	Sweat Equity	-		-
4.	Commission - as % of profit - others, specify	-		-
5.	Others, please specify Provident Fund Canteen Reimbursement GMC, GPA & GTL			
6.	Total (A)			
7.	Ceiling as per the Act	Remuneration as per Schedule V of the Companies Act, 2013		

B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Fee for Attending Board/ Committee Meetings	Commission	Others, please specify	Total Amount
1.	Independent Directors				
	Mr. Atul Mandahar	60000	Nil	Nil	60000
	Mr. Harjiv Singh	80000	Nil	Nil	80000
	Ms. Kalpana Sinha	40,000	Nil	Nil	40000
	Mr. Rama Krishna Shetty	80000	Nil	Nil	80000
	Total (1)	2,60,000	Nil	Nil	260000
2.	Other Non-Executive Directors				
	Mr. Daljit Singh	Nil	Nil	Nil	Nil
	Mr. Hemant Dhingra	Nil	Nil	Nil	Nil
	Total (2)	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	2,60,000	Nil	Nil	2,60,000
	Total Managerial Remuneration	NA	NA	NA	NA
	Overall Ceiling as per the Act	NA	NA	NA	NA

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Varun Sood (Chief Executive Officer) *	Amit Gupta (Chief Financial Officer)	Shikha Rastogi (Company Secretary)^%	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	58.35	25.97	11.74	96.06
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	35.42	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	-	-	-	35.42
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	93.77	25.97	11.97	131.48

*Mr. Varun Sood has resigned from office of Chief Executive Officer of the Company w.e.f. May 02, 2017. Accordingly, salary for the period from April 01, 2016 to March 31, 2017 has been considered. Mr. Varun Sood was appointed as Managing Director and Key Managerial Personnel of the Company w.e.f. May 02, 2017.

^ Ms. Shikha Rastogi Resigned w.e.f May 31, 2017

7. Penalties/punishment/compounding of offences (under the Companies Act, 1956 & Companies Act, 2013): Nil

For and on behalf of the Board
For HealthFore Technologies Limited

Sd/-
Varun Sood
Managing Director

Sd/-
Hemant Dhingra
Director

Place : New Delhi
Date : August 16, 2017

Annexure - B**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:

During the financial year ended March 31, 2017, the Company has not entered into any contract or arrangement or transaction with its related parties, which is not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

Name of the Related Party and nature of Relationship	Nature of contract/ arrangement/ transaction	Duration of the contract / arrangement/ transaction	Salient terms of the contract / arrangement/transaction including the value, if any	Date of approval by the Board, if any	Amount paid as advances, if any
Escorts Heart Institute & Research Centre Limited An enterprise over which Promoter is able to exercise significant influence	Rendering and availing of Services	Till August 2019	Agreement for HIS and related Services & other Health technology related products and services in the ordinary course of business in accordance with one or more mutually agreed upon Statement of Works (SOWs). Each SOW provides/will provide the detailed description of services to be performed. Maximum value of Transaction for every financial year with effect from April 01, 2016 is/will be Rs. 6 Crore.	Approved by the Board on August 01, 2016 *	Not Applicable
Fortis Hospitals Limited An enterprise over which Promoter is able to exercise significant influence	-do-	-do-	Agreement for HIS and related Services & other Health technology related products and services in the ordinary course of business in accordance with one or more mutually agreed upon Statement of Works (SOWs). Each SOW will provide the detailed description of services to be performed. Maximum value of Transaction for every financial year with effect from April 01, 2016 is/ will be Rs. 20 Crore.	-do-	-do-

*The Audit Committee and the Board of Directors at their respective meetings held on August 01, 2016 has approved, subject to the approval of the shareholders of the Company, the related party transaction (existing / proposed) for ordinary business requirements of the Company.

For and on behalf of the Board
For **HealthFore Technologies Limited**

Sd/-
Varun Sood
Managing Director

Sd/-
Hemant Dhingra
Director

Place : New Delhi
Date : August 16, 2017

Form No. MR-3

[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]

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

To,
The Members,
HealthFore Technologies Limited,
1, Rajesh Pilot Lane, New Delhi-110011

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HealthFore Technologies 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 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 audit period covering the financial year ended on 31st March, 2017 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 **HealthFore Technologies Limited** for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iv) 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to Board and General Meetings;
- (ii) The Listing Agreement entered into by the Company with BSE Limited (where the shares of the Companies are listed) read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The 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 reasonably 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.

Majority decision is carried through and recorded as part of the minutes.

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

We further report that during the audit period, the Company has no specific event/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

for Mukesh Agarwal & Company

Place: New Delhi
Date: 09.08.2017

Sd/-
Mukesh Kumar Agarwal
M No-F5991
C P No. 3851

Note- All the Findings are based on the Physical Audit of the relevant Statutory Books made available to us by the Management and the Management Representation Letter.

Annexure - D

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Requirements	Disclosure	
		Name & Designation	Ratio of remuneration of director to median remuneration of employees
I.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17	Name & Designation	Ratio of remuneration of director to median remuneration of employees
		N.A.	Nil
II.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2016-17	Name & Designation	% increase in remuneration
		Mr. Varun Sood Chief Executive Officer*	Not Applicable
		Mr. Amit Gupta, Chief Financial Officer	23%
		Ms. Shikha Rastogi, Company Secretary#	56%
III.	The percentage increase in the median remuneration of employees in the financial year 2016-17	-6.12%	
IV.	The number of permanent employees on the rolls of company	84 as at March 31, 2017	
V.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase in remuneration of employees other than managerial remuneration was 15.07%. Increase in the managerial remuneration for the year was 39.65%.	
VI.	Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration has been paid to Directors and KMPs as per the Remuneration Policy of the Company which is detailed in Corporate Governance Report.	

*Mr. Varun Sood has resigned from office of Chief Executive Officer of the Company w.e.f. May 02, 2017. Accordingly, salary for the period from April 01, 2016 to March 31, 2017 has been considered. Mr. Varun Sood was appointed as Managing Director and Key Managerial Personal of the Company w.e.f. May 02, 2017.

#Ms. Shikha Rastogi Resigned from the post of Company Secretary and Compliance Officer of the Company W.e.f 1 June 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Forward-looking Statements

This report contains forward-looking statements which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'projects', 'estimates' or other words of similar meaning. All Statements that address expectations or projections about the future, including, but not limited to, statements about the company's strategy for growth, product development, market position, expenditure and financial results are forward looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Economy and Industry Overview

India is one of the fastest-growing economies in the world, as well as home to approximately 35 percent of the world's poorest people. Although India's health care sector is growing rapidly — driven mainly by private players — public spending has remained quite low and resulted in inadequate infrastructure and manpower in public health facilities, especially in rural areas. India's current spending on health care is expected to remain stable at the equivalent of 4.1 percent of GDP in 2015-2019. This is below the average of 6.5 percent expected for the Asia and Australasia region, and is seen by many (including the current government) as inadequate. In the Union Budget 2017-18, the overall health budget increased from INR 39,879 crore (US\$ 5.96 billion) (1.97% of total Union Budget) to INR 48,878 crore (US\$ 7.3 billion) (2.27% of total Union Budget).

India's health care industry (which includes hospitals, medical infrastructure, medical devices, clinical trials, outsourcing, telemedicine, health insurance and medical equipment) is developing at a great pace and is expected to reach \$160 billion by 2017, according to Frost & Sullivan. The country's healthcare sector is poised to grow to \$280 billion by 2020 while it is expected to be a leader in e-health by 2019. In the coming years it is expected that:

- Health care organizations in India will need to turn to innovative business models to improve access, increase quality, and simultaneously maximize resource utilization to ensure growth.
- Some enterprises are already starting to move in this direction — emerging operating models such as hub and spoke have great potential to expand reach, especially in tier two and tier three regions, while asset-light models and other frugal innovations can reduce the cost of health care significantly.
- Health care delivery models such as day care and short-stay surgery are also revolutionizing the space by improving patient convenience and turnaround time.
- Finally, the innovative use of technology such as telemedicine is helping care providers maximize limited resources at a low cost.
- Rural India, which accounts for over 70% of the population, will be a significant contributor to the country's incremental healthcare spending going forward on account of being significantly underpenetrated at present, the researchers believe.

India's healthcare technology infrastructure is gradually improving and the industry is transitioning from paper files

to electronic mediums. The Indian healthcare IT market is valued at \$1billion (about Rs 6,650 crore) and is likely to grow about 1.5 times by 2020, according to a report by IT industry body Nasscom. Comparatively, the worldwide health tech market is estimated to grow at a CAGR of 6% to \$25 billion by 2020 from \$17.36 billion in 2014.

A. Industry Structure and Developments

Healthcare technology extends and improves life. The recent developments in this domain have progressed from diagnostics and imaging to real time data analysis and clinical decision support. This is driven by customer demand for better and more affordable care as well as continuous medical research that is changing the way patients are treated, administered and cared for.

Continuous innovation in medical technology is enhancing the quality and effectiveness of care rapidly.

The medical technology industry as reports from Deloitte are predicting a whopping 172.5 billion rise in the industry's worth by 2020. The current estimated value of the industry is set at approx. \$60.8 billion and is expected to rise to \$233.3 billion by 2020.

Healthcare information technology market in India is expected to reach \$1,454.7 million in 2018 from the present \$381.3 million, mainly due to fast adoption of technology by stake-holders, according to Frost & Sullivan.

As per a report by Nasscom, within the market, the healthcare software segment generated revenues of \$96.8 million in 2014 and is likely to grow at a compounded annual growth rate (CAGR) of 11% over the next five years.

However, this industry is still undergoing a lot of changes and rapid development. It has not been well documented in the Indian context and estimates of industry size and growth vary significantly across different sources. While a wide range of medical products are covered under the medical technology industry, classification of key segments differs widely across the industry.

A significant development in healthcare will be in the area of predictive healthcare analytics wherein the vital components of a human body can be monitored and any deviation that may result in a medical emergency is detected in advance. The entire process, the researchers say, can work without human intervention through wearable devices that monitor a person's vitals and using the data available on a cloud platform to warn the patient in case of anomalies or even inform a doctor who can then monitor the patient remotely. Medical records which are available on cloud platforms or with the patients can be used by private companies and the government to establish healthcare trends (epidemic diseases, deficiencies prevalent, etc.) in the country. This will help channelize funds through various government and corporate programmes in the right direction.

In the coming years, the Deloitte report expects significant adoption of e-commerce in the retail medicine sales market, which is expected to reach \$55 billion in 2020. Medicine e-commerce is likely to see high growth as more firms enter the segment with innovative business models, backed by global investors. Also, the market for pharma e-commerce will grow 10 times to \$400 million in 2017-18.

India is fast emerging as a global medical tourism hub with international patient base growing in double digits year on year. This rising trend has resulted in an increase in investments by healthcare providers in installing best in class Healthcare IT, upgrading technology and seeking quality accreditation.

Sources:

- <http://www2.deloitte.com/content/dam/Deloitte/in/Documents/life-sciences-health-care/in-lshc-medical-technology-in-India-noexp.pdf>
- <https://www.projectusconsulting.com/blog/2016/03/medical-technology-market-set-to-rise-like-no-other>
- <https://www.ibef.org/industry/healthcare-india.aspx>
- Netscribes' HIS Market in India 2015
- Dinodia Capital Advisors' Indian Healthcare – IT Sector April 2014
- <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Life-Sciences-Health-Care/gx-lshc-2016-health-care-outlook-regional.pdf>
- <http://www.dnaindia.com/money/report-india-s-healthcare-it-now-a-1-billion-market-grow-to-280-billion-by-2020-report-2204400>
- <http://www.gartner.com/newsroom/id/3352217>
- <http://timesofindia.indiatimes.com/tech/tech-news/Healthcare-IT-market-in-India-may-touch-1454-million-Study/articleshow/24142487.cms>
- <http://economictimes.indiatimes.com/tech/ites/healthcare-it-now-a-1-billion-market-says-nasscom/articleshow/52051209.cms>

HealthCare IT

At HealthFore we are driven by the belief of saving and enriching lives, we provide easy to adopt technology products and solutions for healthcare and related service providers that enable them to build long term engagement with their customers, deliver superior quality of care and clinical outcomes and enhance business performance, efficiency and productivity.

As a provider of Technology solutions in the healthcare sector, we put our clients at the center of everything that we do. As a team we understand the needs and the problems of the client and the reality of healthcare industry. Our special focus goes on making the product it easy to use, adapt and adopt.

To be able to reach our objectives, HealthFore addresses our strategy involves creating solutions which:

- Help improve quality of care and clinical outcomes delivered
- Provide a great experience to our customers and their stakeholders
- Empower people with relevant and meaningful information
- Make healthcare efficient and productive

Our Solutions

We currently provide technology products that can be easily adopted by healthcare providers and enable them to delight their customers and provide our customers with solutions and service around our products.

Our Company, in FY 2010-11 had acquired the healthcare division of SRIT comprising the Magnum suite of products. Coupled with the new HIS product introduced by us, we have the capacity to address the full spectrum of a Digital Healthcare.

Our Core offering branded as Magnum Infinity is a comprehensive healthcare information system for managing processes across the healthcare enterprise. It is a fully web based, cloud enabled product with a modular design. Magnum Infinity is capable of retrieving and disseminating patient-centric clinical and financial data across the entire healthcare enterprise. Radiology Information Systems (RIS) & Picture Archival & Communication Systems (PACS) are part of our key Healthcare IT offerings. Value adds to the core product suite are in the form of integration engine, kiosk and portal solutions.

Our Imaging solution branded as Magnum Imaging is a web based RIS-PACS solution, offering a comprehensive and fully integrated solution for digital imaging and information for hospitals, clinics and diagnostic centers. Magnum Imaging enables hospitals and clinics to acquire, distribute, store and display medical images and diagnostic reports.

Our products are installed in many hospitals across multiple regions. Our clients range from medium sized individual multispecialty hospitals to large sized multi-campus enterprises across South Asia, Middle East & Africa. We also offer cloud based solutions to our customers.

B. Segment-wise performance**i) Primary Segment – Business Segments:**

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organization structure as well as the differential risks and returns of these segments.

Segment revenue and results figures include the respective amounts identifiable to each of the segments and also amounts allocated on a reasonable basis. Other un-allocable expenditure includes expenses incurred on common services provided to the segments which are not directly identifiable to the individual segments as well as expenses incurred at a corporate level which relate to the Company as a whole. The business segment has been considered as the primary segment.

Information about primary Business segments (In INR.)

Particulars	Knowledge Services		IT Services		Healthcare		Unallocated		Total	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
(i) Segment Revenue										
External Revenue	-	-	184,298	271,808	174,614,325	190,079,457	11,599,712	38,796,489	186,398,335	229,147,754
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenue	-	-	184,298	271,808	174,614,325	190,079,457	11,599,712	38,796,489	186,398,335	229,147,754
(ii) Segment Results	(2,603)	(34,022)	123,416	(10,277,905)	29,094,621	41,750,050	(918,907,759)	(767,409,785)	(889,692,325)	(735,971,662)
Total Segment Results	(2,603)	(34,022)	123,416	(10,277,905)	29,094,621	41,750,050	(918,907,759)	(767,409,785)	(889,692,325)	(735,971,662)
Income taxes (Current, Deferred and Fringe benefit tax)	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) after tax	(2,603)	(34,022)	123,416	(10,277,905)	29,094,621	41,750,050	(918,907,759)	(767,409,785)	(889,692,325)	(735,971,662)
(iii) Segment Assets	100,000	2,603	2,660,131	371,971	804,855,669	594,797,970			807,615,801	595,172,544
Unallocated Corporate assets							207,488,557	386,569,966	207,488,557	386,569,966

Particulars	Knowledge Services		IT Services		Healthcare		Unallocated		Total	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Total Assets	100,000	2,603	2,660,131	371,971	804,855,669	594,797,970	207,488,557	386,569,966	1,015,104,358	981,742,510
(iv) Segment Liabilities	-	-	127,657	-	120,071,960	(93,259,245)	6,315,452,439	(5,419,338,418)	6,435,652,057	(5,512,597,662)
Total Liabilities	-	-	127,657	-	120,071,960	(93,259,245)	6,315,452,439	(5,419,338,418)	6,435,652,056	(5,512,597,663)
(v) Capital Expenditure	-	-	-	-	2,277,777,777	114,055,777	-	-	2,277,777,777	114,055,777
Unallocated Capital expenditure	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	-	-	-	2,277,777,777	114,055,777	-	-	2,277,777,777	114,055,777
(vi) Depreciation/Amortisation	2,603	34,022	1,058	1,491,722	59,794,278	54,398,765	8,577	152,581	59,806,515	56,077,090
Total Depreciation	2,603	34,022	1,058	1,491,722	59,794,278	54,398,765	8,577	152,581	59,806,515	56,077,090
(vii) Non Cash Expenditure other than Depreciation	-	-	(2,084)	951,738	2,548,727	(1,753,078)	822,728	(354,770)	3,369,372	(1,156,110)
Total Non Cash Expenditure	-	-	(2,084)	951,738	2,548,727	(1,753,078)	822,728	(354,770)	3,369,372	(1,156,110)

C. Outlook

The fundamental strategy that will drive Healthcare Technology business is based on:

- **Quality of Care and Clinical Outcomes:** Becoming the right partners for our clients to make sure that our products help them deliver better. We will invest in R & D, operations and people to ensure this.
- **Providing a Great Experience:** Our approach is to lead by domain expertise best practices in our products, solutions and services and we leverage the experience of our team and partners in the segment to continuously improve and innovate.
- **Empower people with relevant and meaningful information:** Ensure that our healthcare services are able to act as right platform for knowledge exchange across all stakeholders like nurses, hospital administration, payers, labs pharmacies and patients. We will also build solutions both rural and urban consumers as well as public health establishments in order to provide quality continuing care to patients from all walks of life.
- **Making Healthcare efficient and productive:** We plan to serve our customers by adapting our solutions and services to meet their needs and requirements. Ensuring that our clients have streamlined workflows leading to better performance is a primary goal of our enterprise solutions.

D. Risks and Concerns

The Company remains dependent on human capital and the challenges associated with maintaining this capital in a global market place with high demand for skilled Technology and Healthcare resources.

The Company needs to address its capital structure as it grows. In the short term, there will be significant capital requirements to fund investments in R&D, technology and market growth. While a healthier pipeline of orders and revenue is forecast, this will not be enough to provide the funds required for product and business development.

E. Internal Control Systems

The Company is equipped with adequate internal control systems for its business processes, which determine the efficiency of its operations, strengthens financial reporting and ensures compliance with applicable laws and regulations.

The internal control systems are supplemented by extensive audits conducted by internal auditors. Moreover, regular

internal audit and checks ensure that responsibilities are executed effectively across the organization. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of the internal control systems and also suggests improvements for strengthening the same.

F. Financial Overview of the Company

The total turnover of the company for the Financial Year 2016-17 was Rs.186.40 Million as against Rs. 229.15 Million in Financial Year 2015-16. The Company has recorded a net loss (before tax) of Rs. 889.69 Million during the year under review as compared to net loss (before tax) of Rs. 735.97 Million in Financial Year 2015-16. The increase in loss is mainly due to decrease in turnover of the Company. Our product and services offering needs continued investment to bring cutting edge innovative solutions and grow into an integrated IT Product and Services Company addressing Healthcare IT.

G. Human Resources

At HealthFore Technologies Ltd, we aim at becoming the 'employer of choice' for which we have continuously strived to create robust policies and processes and engendered two way communication flows. To achieve this we have taken numerous steps to have an engaged, empowered and enabled team driving the Company forward. We have also articulated three organizational behaviours - Passion, Candidness and Speed - that define us as a Company. We further define our behaviours as:

Passion: We do everything with our heart and soul and bring our true selves to whatever we do

Candidness: We call a spade a spade and are transparent, honest and fair in all our interactions

Speed: The success of our stakeholders depends on us having done things yesterday

To enable a positive work culture we continuously relook and refine all processes, policies and structures impacting our people and make modifications where required. As a "gradeless" company, all our policies are based on roles and not position, driving ownership of decisions and actions to the relevant roles. We nurture an energetic and knowledge driven environment and inspirational leadership. Hence, we invest in our intellectual resources and consciously put efforts to build the best-in class talent pool.

In conclusion, the Company is beholden to its Shareholders for this opportunity to be in a vibrantly growing segment at a time of great technology change. Technology is transforming Healthcare around the globe and we are eminently poised to make the most of this opportunity.

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance refers to the set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures fairness, transparency and integrity of the management. It essentially involves balancing the interests of many stakeholders in a company comprising regulators, employees, customers, suppliers, investors, government and the society at large. It further inspires and strengthens investor's confidence and commitment to the Company.

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders. Our Board of Directors, guided by above philosophy, formulate strategies and policies having focus on optimizing value for various stakeholders with appropriate checks and balances at right places and at right intervals.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our Corporate Governance framework ensures that we make the timely disclosures and share correct information regarding our financials and performance as well as ownership and governance of the Company.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). A report on the implementation of the Code of Corporate Governance as per Schedule V of the Listing Regulations is given below:

S. No.	Name of the Director	Category	No. of Directorships held in other companies	No. of Memberships / Chairmanships held in various other board committees	
				Member	Chairman
1.	Mr. Atul Mandahar (DIN: 06891729)	Non-Executive Independent Director	1	NIL	1
2.	Mr. Daljit Singh (DIN: 00135414)	Non-Executive Non-Independent Director	9	2	NIL
3.	Mr. Harjiv Singh (DIN: 00507695)	Non-Executive Independent Director	4	NIL	NIL
4.	Mr. Hemant Dhingra (DIN: 00043039)	Non-Executive Non-Independent Director	19	4	NIL
5.	Ms. Kalpana Sinha (DIN: 00502418)	Non-Executive Independent Director	1	NIL	NIL
6.	Mr. Rama Krishna Shetty (DIN: 01521858)	Non-Executive Independent Director	10	8	NIL
7.	Mr. Nalin Nayyar (DIN: 07123471)	Non-Executive Non-Independent Director	2	1	NII

Notes:

- (i) The no. of Directorships held by the Directors, as mentioned above, do not include the Directorships in Foreign companies, companies formed under Section 8 of the Act and HealthFore Technologies Limited.
- (ii) The Independence of a Director is determined by the criteria stipulated under Regulation 16(b) of the Listing Regulations and Section 149(6) of the Act.
- (iii) The Committees considered for the purpose are those

II. BOARD OF DIRECTORS

A. Board's composition and category

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act').

The Composition of Board of Directors of the Company is in conformity with the requirements of Regulation 17 of the Listing Regulations read with Section 149 of the Act and has an optimum combination of Executive, Non-Executive and Independent Directors during the period under review.

As at March 31, 2017, the Board consists of Seven (7) Non-Executive Directors. Amongst the Seven (7) Non-Executive Directors, Four (4) are Independent Directors including One (1) Woman Independent Director. None of the Non-Executive Directors are responsible for the day to day affairs of the Company.

The details relating to composition & category of Directors, directorships held by them in other companies and their membership and chairmanship on various board committees of other companies, as at March 31, 2017, are stated as follows:

prescribed under Regulation 26(1) of the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies.

- (iv) None of the above Directors are related to each other. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- (v) None of the Directors on the Board is a Member in more than 10 Committees across all the public limited entities in

which he/she is a Director or act as a Chairman of more than 5 Committees across all the listed entities in which he/she is a Director (as specified in Regulation 26(1) of the Listing Regulations). Necessary disclosures regarding Committee positions in other Public Limited Companies as on March 31, 2017 have been made by the Directors.

- (vi) No Directors of the Company are holding position of Independent Director in more than seven listed companies.
- (vii) As required under second proviso to Section 149(1) of the Act read with Regulation 17(1)(a) of the Listing Regulations, Ms. Kalpana Sinha, a Woman Director, has been appointed as a Director on the Board of the Company.
- (viii) Mr. Varun Sood was appointed as Managing Director of the Company w.e.f. May 2, 2017.

B. Board meetings & attendance

Dates of Board Meetings are fixed in advance and agenda papers are circulated to Directors atleast one week before the meeting. Each agenda item is provided with sufficient background and all material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda.

The Board meets at least once a quarter to review the quarterly results and other items on the Agenda. Additional Board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of exigencies or urgencies, the resolutions are passed by Circulation as well.

During the financial year 2016-17, Four (4) Board Meetings were held on May 18, 2016, August 01, 2016, November 07, 2016, February 08, 2017,

The intervening period between the Board Meetings was within the maximum time gap as prescribed under the Act and Regulation 17(2) of Listing Regulations.

The last Annual General Meeting of the Company was held on September 23, 2016.

(a) Attendance of Directors:

Details of attendance of Directors at various Board Meetings and at the Annual General Meeting (AGM) held during the financial year 2016-17 are as under:

S. No.	Name of the Director	No. of Board Meetings Attended	Whether attended last AGM
1.	Mr. Atul Mandahar	3	Yes ^
2.	Mr. Daljit Singh	4	Yes
3.	Mr. Harjiv Singh	2	Yes
4.	Mr. Hemant Dhingra	1	No
5.	Ms. Kalpana Sinha	2	No%
6.	Mr. Rama Krishna Shetty	4	No [§]
7.	Mr. Nalin Nayyar [®]	3	Yes

^ Mr. Atul Mandahar attended the Annual General Meeting as Chairman of Audit Committee to answer all the queries of shareholders.

% Ms. Kalpana Sinha being the Chairman of Nomination and Remuneration Committee granted authorization to Mr. Atul Mandahar, Member of the Nomination and Remuneration Committee to attend the Annual General Meeting on her behalf and to answer all the queries of shareholders.

[§] Mr. Rama Krishna Shetty being the Chairman of Stakeholders' Relationship Committee granted authorization to Mr. Daljit Singh, Member of the Stakeholders' Relationship Committee to attend the Annual General Meeting on his behalf and to answer all the queries of shareholders.

[®] Appointed as an Additional Director w.e.f. August 01, 2016.

(b) Information available to the Board:

The annual calendar of Board Meetings is agreed upon at the beginning of the year. The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. The agenda and related information is circulated in electronic form through a highly secure web based application, which is accessible on our web portal through secured ID and Password. This has reduced paper consumption, thereby enhancing the sustainability efforts of the Company.

At Board Meetings, the Chief Executive Officer apprises the Board on the overall performance of the Company. The Board also, inter alia, reviews the strategy, annual business plan and capital expenditure budgets, quarterly, half-yearly and annual financial results, compliance reports on all laws applicable to the Company, people, process matters and minutes of meetings of Committees of the Board. In addition, the Board is kept informed of all major events, including information listed under Part A of Schedule II to the Listing Regulations.

Key Managerial Personnel and other senior management staff is also invited to the Board Meetings to present reports on the Company's operations and internal control systems. The Company Secretary, in consultation with the Chairman/ Managing Director, drafts the agenda for each meeting with explanatory notes and distribute the same to the Directors. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted to be taken up as 'any other item'.

Video conferencing and/ or other audio visual means are used to facilitate Directors residing abroad or who are not able to attend meetings physically in India and present at other locations, to participate in the meetings.

Further, the Board periodically reviews Compliance Reports in respect of laws and regulations as may be applicable to the Company as well as steps taken by the Company to rectify instance of non-compliances, if any.

(c) Separate Meeting of Independent Directors & Familiarisation Programme for Independent Directors:

During the financial year 2016-17, one Separate Meeting of the Independent Directors of the Company was held on March 16, 2017 without the attendance of non-independent directors and members of management. Along with other matters, Independent Directors discussed the matters as specified in Schedule IV of the Act and Regulation 25 of the Listing Regulations.

In compliance with Regulation 25(7) of the Listing Regulations, the Company has made familiarization programmes to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Details of Familiarization Programme conducted are uploaded on the website of the Company & can be accessed through the link <http://www.healthfore.com/Familiarisation-programme-for-Independent-Directors.pdf>

C. Disclosure regarding appointment of Directors

Every appointment made to the Board is recommended by the Nomination and Remuneration Committee after considering various factors such as qualification, positive attributes, area of expertise and other criterias as laid down in the "Board of Directors Governance Standards". The same is further taken for shareholders approval, as and when required, under the provisions of applicable laws.

During the financial year ended March 31, 2017, there was no addition to the Board membership.

However, Mr. Varun Sood was appointed as an Additional Director and also as Managing Director of the Company w.e.f. May 02, 2017.

Pursuant to the provisions of Section 149 of the Act, all the Independent Directors hold office for a tenure of five consecutive years and are not liable to retire by rotation.

D. Shareholding of Non-Executive Directors

The shareholding of the Non-Executive Directors in the Equity Shares of the Company as at March 31, 2017 is as follows:

S. No.	Name	Number of Equity Shares held
1.	Mr. Atul Mandahar	Nil
2.	Mr. Daljit Singh	Nil
3.	Mr. Harjiv Singh	Nil
4.	Mr. Hemant Dhingra	Nil
5.	Ms. Kalpana Sinha	Nil
6.	Mr. Rama Krishna Shetty	Nil
7.	Mr. Nalin Nayyar	Nil
	TOTAL	Nil

E. Shareholding of Executive Director

The shareholding of the Executive Director in the Equity Shares of the Company as at March 31, 2017 is as follows:

S. No.	Name	Number of Equity Shares held
	NIL	

*Mr. Varun Sood was appointed as Managing Director w.e.f. May 02, 2017

III. COMMITTEES OF THE BOARD

As at March 31, 2017, the Board has **Three (3)** Committees - Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee.

All decisions pertaining to the composition of Board Committees, appointment of members and fixation of terms of service for members of the Committees are taken by the Board of Directors.

Details of the role and composition of Board Committees including number of meetings held during the financial year and attendance thereat are provided below:

(1) AUDIT COMMITTEE

(a) Composition

The Composition of the Audit Committee as at March 31, 2017 is as under:-

S. No.	Name	Designation
1.	Mr. Atul Mandahar, Non-Executive & Independent Director	Chairperson
2.	Mr. Hemant Dhingra, Non-Executive & Non-Independent Director	Member
3.	Mr. Rama Krishna Shetty, Non-Executive & Independent Director	Member
4.	Mr. Harjiv Singh Non-Executive & Independent Director	Member

The composition of the Committee meets the requirements of Section 177 of the Act and Regulation 18 of Listing Regulations. The Chairperson of the Committee is an Independent Director.

The Company Secretary of the Company acts as the Secretary to the Committee.

All the members of the Committee have the ability to read and understand the Financial Statements.

(b) Terms of Reference

The terms of reference of the Audit Committee are as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, remuneration, and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - 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.
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
20. Such other role/functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company and as specified in Listing Regulations.

(c) Number of meetings held and the dates on which held:

During the financial year 2016-17, **Four (4)** meetings of the Audit Committee were held on May 18, 2016, August 01, 2016, November 07, 2016, February 08, 2017 .

(d) Attendance of Members:

The attendance of Members at the meetings of the Audit Committee held during the financial year 2016-17 is as follows:

S. No.	Name of the Member	No. of Meetings Attended
1.	Mr. Atul Mandahar	3
2.	Mr. Hemant Dhingra	1
3.	Mr. Rama Krishna Shetty	4
4.	Mr. Harjiv Singh	2

The necessary quorum was present at all the meetings.

Chief Financial Officer and representatives of the Statutory and Internal Auditors normally attend the Audit Committee meetings by invitation.

(2) NOMINATION AND REMUNERATION COMMITTEE

(a) Composition

The Composition of the Nomination and Remuneration Committee ("NRC") as at March 31, 2017 is as under:-

S. No.	Name	Designation
1.	Ms. Kalpana Sinha, Non-Executive & Independent Director	Chairperson
2.	Mr. Atul Mandahar, Non-Executive & Independent Director	Member
3.	Mr. Hemant Dhingra, Non-Executive and Non-Independent Director	Member
4.	Mr. Harjiv Singh Non-Executive & Independent Director	Member

The composition of the NRC meets the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations. The Chairman of the NRC is an Independent Director.

The Company Secretary of the Company acts as the Secretary to the NRC.

(b) Terms of Reference

The salient accountabilities and responsibilities associated with the NRC include, but are not limited to, the following:

- (i) To establish a transparent Board nomination process and recommend for Board approval appropriate criteria for the selection and removal of Board and Board committee members;
- (ii) To identify suitable candidates as members of the Board and recommendation of compensations norms;
- (iii) Devising of remuneration policy and Board diversity policy for the Board Members;
- (iv) To monitor and review Board Evaluation Framework;
- (v) To assess the performance of the Board, the Independent Directors, each Board Committee and the Chair of the Board against criteria as determined and approved by the Committee.
- (vi) To identify the persons who may be appointed as Key Managerial Personnel (KMP), evaluation of performances of KMP, monitoring their compensation packages, employment arrangements and remuneration policy;
- (vii) Review of terminations / replacements / severance of employments of KMP;
- (viii) Review and satisfy that succession plans are in place for orderly succession for the appointment of Board of Directors and Senior Management;
- (ix) To review and recommend to the Board for approval the long term incentives plan(s)/ scheme(s);
- (x) To review the adequacy of organization structure of the Company; and
- (xi) To review the adequacy and existence of a training and development framework to support the talent strategy of the Company.

(c) Number of meetings held and the dates on which held:

During the financial year 2016-17, **Four (4)** meetings of Nomination and Remuneration Committee were held on May 18, 2016, August 01, 2016, November 07, 2016, February 08, 2017 .

(c) Attendance of Members:

The attendance of Members at the meetings of the Nomination and Remuneration Committee held during the financial year 2016-17 is as follows:

S. No.	Name of the Member	No. of Meetings Attended
1.	Ms. Kalpana Sinha	2
2.	Mr. Atul Mandahar	3
3.	Mr. Hemant Dhingra	2
4.	Mr. Harjiv Singh	2

The necessary quorum was present at all the meetings.

(e) Performance Evaluation criteria for Independent Directors

Pursuant to the provisions of Section 149 read with Schedule IV of the Act and Regulation 17 of the Listing Regulations, the Board has carried out the performance evaluation of Independent Directors, excluding the Director being evaluated.

The performance evaluation criteria for independent directors is determined by the NRC.

The provisions and procedures relating to Performance Evaluation of the Directors forms part of the Board Report.

(f) Remuneration Policy

The remuneration policy of the Company is aimed at rewarding the performance based on review of achievements on a regular basis and is in consonance with the existing industry practice. The Directors' remuneration policy of your Company is in line with the provisions of the Act.

The key components of the Company's Remuneration Policy for the Board Members are:

- Compensation will be based on credentials and the major driver of performance.
- Compensation will be competitive and benchmarked with industry practice.
- Compensation will be fully transparent and tax compliant.

The Governance Document for Board which inter alia includes the Remuneration Policy of the Company can be accessed through the link <http://www.healthfore.com/Board-of-Directors-Governance-Standards.pdf>

(g) Remuneration of Executive Directors

The remuneration paid/payable to the Managing Director is decided by the Board based on recommendation of Nomination and Remuneration Committee and approved by the Shareholders and Central Government, wherever required.

The remuneration paid to the Managing Director during the financial year ended March 31, 2017 and the disclosure as per the requirement of Schedule V of the Act and the Listing Regulations, are as follows:

(₹ In Lacs)

Name of the Director	Salary & Allowances	Commission payable	Perquisites	Retiral Benefits	Total	Stock Options Granted	Service Contract	
							Tenure	Notice Period
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note Mr. Varun Sood was appointed as Managing Director of the Company for a period of three years w.e.f. May 02, 2017

(h) Remuneration of Non-Executive Directors

Non-Executive Directors including Independent Directors do not have any pecuniary relationships or transactions with the Company. The Independent Directors are being paid only the sitting fees for attending the meetings of the Board of Directors within the limits as prescribed under the Act.

Details of sitting fees paid to Independent Directors during the financial year 2016-17 is as follows:

S. No.	Name of Director	Gross Sitting Fees (Rs.)	Commission (Rs.)	Stock Options
1.	Mr. Atul Mandahar	60,000	Nil	Nil
2.	Mr. Harjiv Singh	40,000	Nil	Nil
3.	Ms. Kalpana Sinha	40,000	Nil	Nil
4.	Mr. Rama Krishna Shetty	80,000	Nil	Nil

(3) STAKEHOLDERS' RELATIONSHIP COMMITTEE

(a) Composition

The Composition of the Stakeholders' Relationship Committee as at March 31, 2017 is as under:-

S. No.	Name	Designation
1.	Mr. Rama Krishna Shetty, Non-Executive & Independent Director	Chairperson
2.	Mr. Daljit Singh, Non-Executive & Non-Independent Director	Member
3.	Mr. Hemant Dhingra, Non-Executive & Non-Independent Director	Member

The composition of the Committee meets the requirements of Section 178 of the Act and Regulation 20 of the Listing Regulations. The Chairman of the Committee is a Non-Executive Independent Director.

The Company Secretary of the Company acts as the Secretary to the Committee.

(b) Terms of Reference

The terms of reference of the Stakeholders' Relationship Committee are as under:

1. Overseeing and reviewing all matters connected with securities of the Company;
2. Redressal of Shareholders' / Investors' / Debenture holders' / other security holders complaints / queries related to transfer / transmission / consolidation / splitting of shares, non-receipt of Balance Sheet, dividend etc.;
3. Overseeing the performance of the Registrar and Share Transfer Agent of the Company and recommends measures for overall improvement in the quality of Investor services; and
4. Such other role/functions as may be specifically referred to the Committee by the Board of Directors and / or other committees of Directors of the Company and as specified in SEBI LODR Regulations.

(c) Number of meetings held and the dates on which held:

During the financial year 2016-17, **Four (4)** meetings of the Stakeholders' Relationship Committee were held on May 18, 2016, August 01, 2016, November 07, 2016, February 08, 2017

(d) Attendance of Members:

The attendance of members at the meetings of the Stakeholders' Relationship Committee held during the financial year 2016-17 is as follows:

S. No.	Name of the Member	No. of Meetings Attended
1.	Mr. Rama Krishna Shetty	4
2.	Mr. Daljit Singh	4
3.	Mr. Hemant Dhingra	1

The necessary quorum was present at all the meetings.

(e) Investor Grievance Redressal:

The details of Investors Complaints received and resolved during the financial year 2016-17 is as under:

No. of Investor Complaints pending as at April 1, 2016	No. of Investor Complaints received from April 1, 2016 to March 31, 2017	No. of Investor Complaints resolved from April 1, 2016 to March 31, 2017	No. of Investor Complaints pending as at March 31, 2017
NIL	11	11	NIL

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent/ issues are resolved usually within 15 days from the date of receipt.

IV. GENERAL BODY MEETINGS

(a) Annual General Meetings

Details of the Annual General Meetings held during the last three financial years are as follows:

Financial Year	Date	Day	Time	Venue	Special Resolution (s) passed
2013-14	11.09.2014	Thursday	12:00 Noon	Sri Satya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110003	# 4 Special Resolutions were passed
2014-15	18.09.2015	Friday	12:00 Noon	Sri Satya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110003	Nil
2015-16	23.09.2016	Friday	02:30 P.M.	Sri Satya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi - 110003	Nil

Resolutions pertaining to the following matters were passed as Special Resolutions with requisite majority:

- Increase in Borrowing Powers of the Board of Directors of the Company.
- Creation of Mortgage and/or Charge on Movable and Immovable Properties of the Company.
- Amendment in Articles of Association of the Company by inserting new Article 159A.
- Increase in remuneration of Mr. Maninder Singh Grewal as Managing Director of the Company.

No special resolution was put through Postal Ballot at the last Annual General Meeting nor is proposed at the ensuing Annual General Meeting.

(b) Extra-ordinary General Meeting

During the period under review, no Extra-ordinary General Meeting was held.

(c) Postal Ballot

During the financial year 2016-17 the Company has initiated the process of passing the resolution through Postal Ballot in pursuance of Section 110 of the Companies Act, 2013 and Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 for merger of HealthFore Technologies Limited with Oscar Investments Limited through a High Court approved Scheme of Amalgamation on October 25, 2016 and the result of the postal ballot was declared on December 20, 2016.

Person conducting the postal ballot exercise

Ms. Shikha Rastogi Company Secretary of the Company, at that time, was appointed as persons responsible for conducting postal ballot process in a fair and transparent manner. Sanjay Grover and associates, Company Secretary in Whole-time Practice was appointed as Scrutinizer for the Postal Ballot process.

A detailed procedure followed by the Company for conducting the Postal Ballot process is provided hereunder:

Procedure followed

1. The Company issued the Postal Ballot Notice dated October 25, 2016, for the above mentioned resolutions. The draft resolutions together with the explanatory statement, the Postal Ballot Forms and self-addressed postage pre-paid envelope were sent to the Members through e-mail and post.;
2. Members were advised to read carefully the instructions printed on the Postal Ballot Form and return the duly completed form in the attached self-addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before close of working hours on December 16, 2016;
3. After due scrutiny of all the Postal Ballot Forms received upto the close of working hours on December 16, 2016, Sanjay Grover & Associates submitted his report on December 19, 2016;
4. The results of the Postal Ballot were declared on December 20, 2016. The date of declaration of the results of the postal ballot was taken as date of passing of the resolutions;
5. The results of the postal ballot were published in The Financial Express (English) and Jansatta (Hindi) and also placed at the website of the Company.

Details of Voting Pattern

After scrutinizing all the postal ballot Forms received, the scrutinizer reported as under:

Resolution No 1: Resolution for Merger of HealthFore Technologies Limited with Oscar Investments Limited through a High Court approved Scheme of Amalgamation

Particulars	No. of Postal Ballot Forms	No. of Equity Shares	Paid-up Value of the Equity Shares (Rs.)	% of Total Paid-up Equity Capital
Total Postal Ballot Forms received	35	6612517	66125170	81.33
Less: Invalid Postal Ballot Forms	13	4019040	40190400	49.44*
Net valid Postal Ballot Forms	22	2593477	25934770	31.90
Votes casted in Favour	22	2593477	25934770 (100.00%)	31.90
Votes casted Against	0	0	0 (0.00%)	0.00
Total Votes casted	22	2593477	25934770	31.90

* Promoters voting is being consider as invalid in terms of provisions of SEBI circular

V. DISCLOSURES

A. Related Party Transactions

All transactions entered into with related parties as defined under the Act and Regulation 23 of the Listing Regulations during the financial year 2016-17 were in the ordinary course of business and on an arm's length basis.

The required statements / disclosures with respect to the related party transactions, if any, as prescribed in the Listing Regulations, are placed before the Audit Committee on regular basis with appropriate disclosures and safeguards being implemented to isolate the conflict. Where required, external expert opinions are sought for Board consideration.

Suitable disclosures as required by the Accounting Standard-18 have been made in notes to the Financial Statements. Further, the details of all material transactions with related parties are also disclosed quarterly along with the compliance report on corporate governance.

Further, the Company has not entered into any transaction of material nature with Promoters, the Directors or the management, their subsidiaries or relatives etc. that may have any potential conflict with the interest of the Company at large. The Company's major related party transactions are generally with the group companies.

In accordance with Regulation 23 of the Listing Regulations, a policy relating to dealing with Related Party Transactions has been formulated by the Company and the policy has been uploaded on the website of the Company & can be accessed through the link <http://www.healthfore.com/Related-Party-Transactions-Policy.pdf>

B. Disclosure of accounting treatment in preparation of Financial Statements

The Company has followed the Guidelines of Accounting Standards notified under the Act and laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

C. Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Directors' Report.

D. Details of non-compliance by the Company

The Company has complied with all the requirements of the Listing Regulations as well as regulations and guidelines issued by SEBI. Hence, neither any penalty nor any stricture has been imposed by SEBI, Stock Exchange or any other Statutory Authority on any matter relating to capital markets, during the last three years.

E. Whistle-Blower Policy/ Vigil Mechanism

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism in the form of Whistle Blower Policy ("Policy or Mechanism") for reporting instances of illegal or unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. Through this Policy, the Company seeks to provide a procedure for all the employees and Directors of the Company to report concerns about unethical and improper practices taking place in the Company and provide for adequate safeguards against victimization of Director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Company has adopted a Whistle Blower Policy in line with the requirements laid down under the Act and Regulation 22 of the Listing Regulations. The Policy has been uploaded on the website of the Company & can be accessed through the link <http://www.healthfore.com/Whistle-Blower-Policy.pdf>. It is hereby confirmed

that no personnel has been denied access to the Audit Committee.

F. Details of compliance with mandatory requirements

The Company has fully complied with the mandatory requirements of the Listing Regulations. The Company has submitted the Quarterly Compliance Reports to the BSE Limited within the prescribed time limit.

M/s. Shashank Sharma & Associates, Company Secretaries in Practice, have certified that the Company has complied with the mandatory requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the BSE Limited..

G. Details of adoption of non-mandatory requirements

The Company has complied with and adopted the following non-mandatory requirements of Part E of Schedule II of the Listing Regulations:

- **Shareholder Rights**

The quarterly financial results are published in the newspapers as detailed under the heading "Means of Communication" at Sl. No. VII herein below and also displayed on the website of the Company. The results are not separately circulated to the Shareholders.

- **Audit Qualifications**

The Company believes in maintaining its accounts in a transparent manner and aims at receiving unqualified report of auditors on the financial statements of the Company. There are no audit qualifications in the Company's financial statements for the financial year under reference.

- **Reporting of Internal Auditor**

The Internal Auditors of the Company reports directly to the Audit Committee.

H. MD/CFO Certificate

The certificate required under Regulation 17(8) of the Listing Regulations duly signed by the Managing Director and Chief Financial Officer was placed before the Board and the same is annexed with this Report.

VI. SUBSIDIARY COMPANIES

During the financial year under review, the Company does not have any subsidiary company.

VII. MEANS OF COMMUNICATION

- **Quarterly Results:** The quarterly financial results are generally published by way of advertisement in one of the leading newspapers of country viz. Financial Express (English) and Jansatta (Hindi).

- **Website:** The financial results are posted on the Company's website viz. www.healthfore.com

- **News Release, Presentations:** Press Releases are sent to BSE Limited ("BSE") before sending the same to media and are also displayed on Company's website i.e. www.healthfore.com. Copies of the said disclosures and correspondences are also filed with the BSE.

- **Intimation to the Stock Exchanges:** The Company intimates the BSE on all price sensitive information or such other matters which in its opinion are material and of relevance to the Investors.

- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- **Designated Exclusive email-id:** The Company has designated an e-mail ID called investors@healthfore.com exclusively for redressal of shareholders complaints / grievances.

The Company's website (www.healthfore.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The presentations made to the Investors, if any, are also displayed on the website.

Investors can also mail their queries to Registrar and Share Transfer Agent at einward.ris@karvy.com

VIII. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

Date : September 21, 2017

Time : 011:00 A.M.

Venue : India Islamic Cultural Centre,
87 - 88, Lodhi Road, New
Delhi - 110003,

(ii) Financial Year

The financial year covers the period starting from 1st April and ending on 31st March.

Adoption of Quarterly Results (Tentative)

For the Quarter ended	On or Before
June 30, 2017	August 14, 2017 (Subject to Limited Review)
September 30, 2017	November 14, 2017 (Subject to Limited Review)
December 31, 2017	February 14, 2018 (Subject to Limited Review)
March 31, 2018	May 30, 2018 (Audited)

(iii) Book Closure Period

Thursday, September 14, 2017 to Thursday, September 21, 2017s (both days inclusive).

(iv) Dividend payment date

No dividend has been recommended for the financial year 2016-17.

(v) Listing details

The Company's equity shares are currently listed on the Stock Exchange as mentioned below:

Name	Address
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

The Company has paid annual listing fees for the financial year 2017 - 2018 to the BSE.

(vi) Scrip Code / ID

Scrip Code : 533525

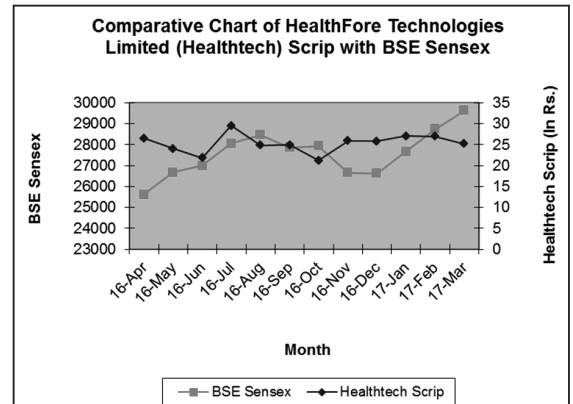
Scrip ID : The Scrip ID of the Company at trading platform of BSE is "HEALTHTECH".

(vii) Market Price Data: BSE Limited

(In ₹)

Month	High	Low
April' 16	29.50	26.50
May' 16	29.65	24.00
June' 15	24.95	20.35
July' 16	29.50	19.60
Aug' 16	30.95	24.50
Sep' 16	26.65	21.00
Oct' 16	25.10	20.40
Nov' 16	25.85	19.10
Dec' 16	29.00	23.45
Jan' 17	29.20	24.30
Feb' 17	28.95	23.40
Mar' 17	27.05	23.65

(viii) Performance of the share price of the Company in comparison to the BSE Sensex:



(ix) During the financial year 2016-17, the Equity Shares of the Company were not suspended from trading.

(x) Registrar and Share Transfer Agent

M/s. Karvy Computershare Private Limited
Karvy Selenium, Tower B, Plot no. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032
Phone: 040 - 67162222, Fax: 040 - 23420814
E-mail: einward.ris@karvy.com
Website: www.karvy.com

(xi) Share Transfer System

The Company's equity shares, being in compulsory Demat segment, are transferable through the depository system. However, the Company's share transfer authority (re. shares in the physical form), upto a limit of 5,000 (Five Thousand) has been delegated to the officials and the Registrar & Share Transfer Agent of the Company and above that limit, approved by the Stakeholders' Relationship Committee. The delegated authority(ies) attend the share transfer formalities on weekly basis to expedite all matters relating to transfer, transmission, transposition, split and re-materialization of shares, if any. Share transfers in physical form are processed and the share certificates are generally returned to the transferees within the prescribed statutory period provided the transfer documents lodged with the Company are complete in all respects. The share transfer process is reviewed by the Stakeholders' Relationship Committee of

the Company. Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

The Company obtains half-yearly certificate of compliance related to share transfer formalities from a Company Secretary in Practice as required under Regulation 40(9) of the Listing Regulations and files a copy of the Certificate with the Stock Exchange on or before the due date.

(xii) Nomination Facility

As per the provisions of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Company or Registrar and Share Transfer Agent of the Company. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

(xiii) Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit as stipulated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 was carried out by a Practising Company Secretary for each of the quarter in the Financial Year 2016-17, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with the depositories. The Audit Report for each quarter of the Financial Year 2016-17, has been filed with the BSE Limited within one month of end of the respective quarter.

(xiv) Shareholding Pattern as on March 31, 2017

Category	No. of Shares held	Percentage of Total Shareholding (%)
Promoters and Promoter Group (A)	4,019,012	49.44
Public Shareholding (B):		
Mutual Funds / UTI	Nil	0.00
Banks / Financial Institutions	Nil	0.00
FII's	247,485	3.04
Bodies Corporate	2,812,728	34.60
NRI's	55,772	0.69
HUF	16,110	0.20
General Public	978,356	12.03
Sub Total (B)	4,110,451	50.56
Total (A+B)	8,129,463	100.00

(xv) Distribution of Shareholding as on March 31, 2017:

Category (Amount) From – To	Shareholders		Equity Shares held	
	Number	Percentage to Total Shareholders (%)	Number	Percentage to Total Shares (%)
1-5000	12,458	98.30	387,826	4.77
5001-10000	86	0.68	62,155	0.77
10001-20000	46	0.36	64,230	0.79
20001-30000	21	0.17	53,015	0.65
30001-40000	9	0.07	33,387	0.41
40001-50000	3	0.02	13,906	0.17
50001-100000	13	0.10	83,677	1.03
100001 & Above	38	0.30	7,431,267	91.41
Total	12,674	100.00	8,129,463	100.00

(xvi) Dematerialization of Shares and Liquidity

The Company's Equity Shares are in compulsorily demat segment and are available for trading in dematerialized form. To facilitate trading in demat form, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company has entered into agreements with both these depositories. Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As on March 31, 2017, 7,960,091 Equity Shares (97.92% of the total number of equity shares) of the Company were held in dematerialized form.

The ISIN No. of the Company is INE402L01017 (with NSDL and CDSL).

(xvii) Outstanding GDRs / ADRs / Warrants or any other Convertible instruments, conversion date and likely impact on equity

HealthFore Employee Stock Option Scheme - 2013 ("HealthFore ESOS - 2013")

With the objective of rewarding the key employees for building up the value of the Company and for providing to the employees a sense of ownership and participation in the Company and also to provide them with an opportunity to share in the gains of its business, the Company has implemented the HealthFore ESOS - 2013 for the eligible employees / Directors of the Company.

The Shareholders of the Company had approved the HealthFore ESOS - 2013 on September 13, 2013. However, till date, no Stock Options have been granted by the Company under the above Scheme.

Other than above, there are no outstanding GDR/ADR/warrants, options or rights to convert loans or other instruments into the Equity Shares.

(xviii) Commodity price risk or foreign exchange risk and hedging activities

While the Commodity price risk is not applicable to the Company, the Company undertakes foreign currency transactions with its export customers.

Unhedged foreign currency exposure in relation to foreign currency debtor balances carries a risk of foreign currency exchange rate fluctuation which can directly impact company's profitability.

(xix) Plant Locations

Not Applicable

(xx) Code of Conduct

The Company has in place separate Code of Conducts applicable to the Board Members and the Senior Management Personnel of the Company and the same have been posted on the website of the Company i.e. www.healthfore.com. Code of Conduct for Board Members inter alia includes the duties of the Independent Directors as prescribed under the Act.

All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2017.

A declaration to this effect duly signed by the Managing Director of the Company is annexed and forms part of this Report.

(xxi) Procedures for fair disclosure of Unpublished Price Sensitive Information and Prevention of Insider Trading

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("**Fair Disclosure Code**") and Code of Conduct for Prevention of Insider Trading ("**Insider Code**") with a view to deal with Unpublished Price Sensitive Information and trading in securities by Directors, employees of the Company, Designated Employees and Connected Persons. The Company Secretary is Compliance Officer for the purpose of Insider Code and Chief Investor Relations Officer for the purposes of Fair Disclosure Code respectively. Both the Codes have been posted on the web-site of the Company i.e. www.healthfore.com

(xxii) Address for Correspondence with the Company:**For Securities held in Physical form**

M/s. Karvy Computershare Private Limited

Karvy Selenium, Tower B, Plot no. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032
Phone: 040 - 67162222, Fax: 040 - 23420814

E-mail: einward.ris@karvy.com

For Securities held in Demat form

To the Investors' Depository Participant(s) and/or M/s. Karvy Computershare Private Limited

Any Query on Annual Report

Mr. Varun Sood

Managing Director

HealthFore Technologies Limited

Prius Global Tower (A), 6th Floor

A-3/4/5, Sector-125 Noida, 201301

E-mail: investors@healthfore.com

(xxiii) Go Green Initiatives:

In order to save the precious forest, preserve the natural resources of the Country and to help your Company to save on cost, the Company requests your support in this context and Members who have not registered their e-mail address(es), so far, are requested to register their e-mail address(es), in respect of electronic holdings with the Depository through their concerned Depository Participants. The e-communication registration form is also available on the website of the Company i.e. www.healthfore.com and can be accessed through the link [http://www.healthfore.com/E-Communication Registration Form.pdf](http://www.healthfore.com/E-Communication%20Registration%20Form.pdf). Members who hold shares in physical form are requested to register their e-mail address(es) by writing to M/s. Karvy Computershare Services Limited, (Unit: HealthFore Technologies Limited), Karvy Selenium, Tower B, Plot no. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032 or through email to einward.ris@karvy.com

CEO / CFO CERTIFICATION

We, Varun Sood, Managing Director and Amit Gupta, Chief Finance Officer, of HealthFore Technologies Limited, hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - these statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable laws and regulations.
- (b) 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 violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that –
- there has not been any significant changes in internal control over financial reporting during the year under reference;
 - there has not been any significant changes in accounting policies during the year under review; and
 - there has not been any instances, during the year, of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi
Date : May 09, 2017

Sd/-
Varun Sood
Managing Director

Sd/-
Amit Gupta
Chief Finance Officer

DECLARATION BY MANAGING DIRECTOR

This is to certify that the Company has laid down Code of Conduct (“**the Code**”) for all Board Members and Senior Management Personnel of the Company and copy of the Codes have been placed on the Company’s website www.healthfore.com

It is further certified that the Board Members and Senior Management Personnel have affirmed their compliance with the Code for the year ended March 31, 2017.

Place : New Delhi
Date : May 09, 2017

Sd/-
Varun Sood
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

**TO THE MEMBERS OF
HEALTHFORE TECHNOLOGIES LIMITED
1,RAJESH PILOT LANE,
NEW DELHI-110011**

1. We have examined the compliance of conditions of Corporate Governance by **HEALTHFORE TECHNOLOGIES LIMITED (the company)**, for the year ended on 31st March 2017 as stipulated in SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the Compliance with the conditions of the Corporate Governance; it is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. As required by the Guidance Note issued by the Institute of Chartered Accountants of India in respect of 'Shareholders/ Investors Grievances, the Registrar of the Company, who have maintained the records pertaining to 'Shareholders/ Investors Grievances, have certified that there were no investor grievance remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Shashank Sharma & Associates
Practicing Company Secretaries

Place : New Delhi
Date : 09.08.2017

Sd/-
Shanshank Sharma
ACS No.19311
C P No.:7221

INDEPENDENT AUDITOR'S REPORT

To,
**The Members of
 HealthFore Technologies Limited**
Report on the Financial Statements

We have audited the accompanying financial statements of HealthFore Technologies Limited ("the Company"), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations and representation given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20A to the financial statements.
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

- iii. There were no amounts which were required to be transferred to Investor Education and Protection Fund. So, question of delay in transferring the amount into above funds does not arise.
- iv. The company has provided requisite disclosure in its financial statements as holding as well as dealings in Specified Bank Notes during the period from 8th November, 16 to 30th December, 16 and these are in accordance with the books of account maintained by the company. Refer Note No. 18.
- (ii) The Company is a service company, primarily rendering IT services. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firm, LLP, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub-clauses (a) to (c) of Clause (iii) of the order are not applicable.

For **Ravi Rajan & Co.,**
(Chartered Accountants)
Firm's registration number: 009073N

Sd/-
Ravi Kumar
Partner

Place : New Delhi
Date : 18th May, 2017

Membership number: 508424

Annexure - A to the Auditors' Report

Annexure A referred to Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. None of the fixed assets have been revalued during the year.
- (c) 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 immovable property held with the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other statutory dues whichever is applicable have been regularly deposited during the year by the Company with the appropriate authorities and no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us, the following dues towards Income tax, Sales tax/VAT, Service tax and Gratuity have not been deposited/ paid by the Company on account of disputes. (For details, refer Note 23A to the Financial Statements)

Name of the Statute	Nature of dues	Amount of Demand (₹)	Financial Year	Forum where dispute is pending
MVAT Act / VAT	VAT Demand	9,90,623	2009-10	Commissioner of VAT, Maharashtra
Income Tax, Act 1961	Non deduction of TDS	1,36,741	2008-09	CIT(Appeals)-XXX
Service Tax	Regular Assessment	5,40,824	2005-06 & 2006-07	A.O.
Service Tax	CENVAT Disallowance	37,56,456	2011-12	Commissioner of Service Tax, Delhi
PBVAT Act/VAT	VAT demand	10,74,026	2008-09	Commissioner of VAT, Kolkata
Payment of Gratuity Act, 1972	Non payment of full Gratuity Amount	3,85,000	2011-12	Assistant Labour Commissioner (Central), Chandigarh

(viii) In our opinion and according to the information and explanation given by the management and as per the records, the company has not defaulted in repayment of loans or borrowing to a financial institution or a bank.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported to us during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (i) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (ii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (iii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (iv) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Ravi Rajan & Co.**,
(Chartered Accountants)
Firm's registration number: 009073N

Sd/-
Ravi Kumar
Partner

Place : New Delhi
Date : 18th May, 2017

Membership number: 508424

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HealthFore Technologies Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated

in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

However, the following shortcoming identified which needs to further strengthen/control.

Attendance register covering all the employees whether they are on outdoor duty, work from home, leave and present is not being maintained. A register for present employees at head office, Nehru Place is being maintained from December' 16 onwards like visitor register. No attendance and leave records of Bangalore office are available for our verification. Headcount reconciliation of manpower is not being done.

For **Ravi Rajan & Co.,**
(Chartered Accountants)
Firm's registration number: 009073N

Sd/-
Ravi Kumar
Partner

Place : New Delhi
Date : 18th May, 2017

Membership number: 508424

BALANCE SHEET AS AT 31 MARCH 2017

Particulars	Note No.	As at 31 March 2017 (Amount in ₹)	As at 31 March 2016 (Amount in ₹)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	81,294,630	81,294,630
Reserves and surplus	4	(5,501,842,224)	(4,612,149,898)
Non - current liabilities			
Long - term borrowings	5	1,641,704,891	2,196,729,203
Other long term liabilities	6	-	293,228
Long - term provisions	7	7,271,056	8,441,377
Current liabilities			
Short - term borrowings	8	3,606,236,905	2,623,570,000
Trade payables	9	32,145,212	680,446
Other current liabilities	10	1,147,741,837	681,943,848
Short - term provisions	11	552,425	937,931
TOTAL		1,015,104,732	981,740,765
ASSETS			
Non - current assets			
Fixed assets			
Tangible assets	12	11,094,704	9,746,328
Intangible assets	13	313,837,504	371,117,588
Intangible assets under development	14	115,001,516	-
Non - current investments		-	-
Long - term loans and advances	15	49,182,510	50,370,331
Other non - current assets	16	254,831,738	237,919,191
Current assets			
Current investments		-	-
Inventories		-	-
Trade receivables	17	111,757,279	124,379,922
Cash and bank balances	18	15,741,729	22,356,208
Short - term loans and advances	19	45,611,122	54,398,029
Other current assets	20	98,046,632	111,453,168
TOTAL		1,015,104,732	981,740,765

Significant Accounting Policies & Notes to Financial Statements 1 & 2

Notes referred to above form an integral part of Balance Sheet and Statement of Profit and Loss

As per our Audit Report of even date attached

For and on behalf of

Ravi Rajan & Co.,
(Chartered Accountants)
Firm Registration No. 009073N

Sd/-
Ravi Kumar
Partner
Membership No. 508424
Place : New Delhi
Date : May 18, 2017

For and on behalf of Board of Directors of
HealthFore Technologies Limited

Sd/-
Varun Sood
Managing Director
(DIN: 06973985)

Sd/-
Amit Gupta
(Chief Finance Officer)
Place : New Delhi
Date : May 18, 2017

Sd/-
Hemant Dhingra
Director
(DIN: 00043039)

Sd/-
Shikha Rastogi
(Company Secretary)
Membership No. A18226

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2017

Particulars	Note	For the year ended 31 March 2017 (Amount in ₹)	For the year ended 31 March 2016 (Amount in ₹)
Revenue			
Revenue from operations	21	173,069,166	183,609,115
Other income	22	13,329,168	45,538,636
Total revenue		186,398,334	229,147,751
Expenses			
Purchases of stock - in - trade		-	-
Employee benefit expenses	23	94,170,144	119,526,996
Finance costs	24	807,086,698	687,726,762
Depreciation and amortization expense	25	59,806,515	56,077,091
Other expenses	26	115,027,304	101,788,568
Total expenses		1,076,090,660	965,119,417
Profit/(Loss) before tax		(889,692,326)	(735,971,666)
Tax expense		-	-
Profit/(Loss) after tax		(889,692,326)	(735,971,666)
Earnings per equity share (Nominal value per share @ ₹ 10)	27		
Basic/Diluted (Including extraordinary items)		(109.44)	(90.53)
Basic/Diluted (Excluding extraordinary items)		(109.44)	(90.53)

Significant Accounting Policies & Notes to Financial Statements 1 & 2

Notes referred to above form an integral part of Balance Sheet and Statement of Profit and Loss

As per our Audit Report of even date attached

For and on behalf of

Ravi Rajan & Co.,
(Chartered Accountants)
Firm Registration No. 009073N

Sd/-
Ravi Kumar
Partner
Membership No. 508424
Place : New Delhi
Date : May 18, 2017

For and on behalf of Board of Directors of
HealthFore Technologies Limited

Sd/-
Varun Sood
Managing Director
(DIN: 06973985)

Sd/-
Amit Gupta
(Chief Finance Officer)

Place : New Delhi
Date : May 18, 2017

Sd/-
Hemant Dhingra
Director
(DIN: 00043039)

Sd/-
Shikha Rastogi
(Company Secretary)
Membership No. A18226

Cash Flow Statement annexed to and forming part of Balance Sheet as at March 31, 2017

Particulars	2016-17 (Amount in ₹)	2015-16 (Amount in ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax	(889,692,326)	(735,971,666)
Adjustments for:		
+Non fund items / losses		
Depreciation	59,806,515	56,077,091
Amount transferred to Cashflow Hedge Reserve	-	(180,190)
Interest Expense	707,408,573	652,272,649
Loan Processing Fees	99,678,125	35,452,003
Interest Income	(12,474,821)	(39,081,049)
Provision for Gratuity & Leave Encashment	2,651,872	937,518
Provision for Doubtful Debts and Bad Debts	505,969	-
Provision against advances	100,000	(1,046,959)
Profit on Sales of Mutual Fund	-	(214,971)
Balances Written Back	(413,549)	(1,560,011)
(Profit)/ Loss on Sale of Fixed Assets (Net)	64,595	498,621
Operating Profit before working capital changes	(32,365,046)	(32,816,964)
Adjustments for changes in Working Capital:		
(Increase) / Decrease in Trade Receivables	12,116,674	828,400
(Increase) / Decrease in Other Receivables	24,759,445	590,476,755
Increase / (Decrease) in Trade and Other Payables	644,550,024	39,217,521
Cash Generated from Operating Activities	649,061,098	597,705,712
Net Cash from Operating Activities (A)	649,061,098	597,705,712
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(119,061,638)	(113,925,977)
Purchase of Investments (Mutual Fund)	-	(113,000,000)
Proceeds from Sale of Fixed Assets	120,719	163,319
Proceeds from sale of investments	-	-
Proceeds from Sale of Mutual Fund	-	113,214,971
Interest received	4,408,397	33,042,043
Investment in Fixed Deposits (net)	265,155	915,563
Net Cash from Investing Activities (B)	(114,267,367)	(79,590,081)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts of Secured Loans (net)	2,588,891,340	(217,333,801)
Receipts of Unsecured Loans (net)	(1,995,250,000)	437,300,000
Loan Processing Fees	(120,599,999)	(78,187,496)
Interest Paid	(1,024,781,967)	(661,851,129)
Net Cash from Financing Activities (C)	(551,740,626)	(520,072,426)
Net Increase in cash and cash equivalents (A+B+C)	(16,946,895)	(1,956,795)
Cash and Cash equivalents as at the beginning of the Year	19,241,378	21,198,173
Cash and Cash equivalents as at the end of the Year	2,294,484	19,241,378
Cash and cash equivalents comprise of :-		
-Cash, cheques and drafts (in hand) and Remittances in Transit	32,282	429,002
-Balance with scheduled banks in Current	2,262,202	18,812,376
Total	2,294,484	19,241,378

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014
- Figures in bracket indicate cash outgo / income.
- Previous Year figures have been regrouped wherever necessary to confirm to the classification for the current year.

Significant Accounting Policies & Notes to Financial Statements 1 & 2

Notes referred to above form an integral part of Balance Sheet and Statement of Profit and Loss

As per our Audit Report of even date attached

For and on behalf of Board of Directors of
HealthFore Technologies Limited

For and on behalf of

Ravi Rajan & Co.,
(Chartered Accountants)
Firm Registration No. 009073N

Sd/-
Varun Sood
Managing Director
(DIN: 06973985)

Sd/-
Hemant Dhingra
Director
(DIN: 00043039)

Sd/-
Ravi Kumar
Partner
Membership No. 508424
Place : New Delhi
Date : May 18, 2017

Sd/-
Amit Gupta
(Chief Finance Officer)
Place : New Delhi
Date : May 18, 2017

Sd/-
Shikha Rastogi
(Company Secretary)
Membership No. A18226

NOTES TO FINANCIAL STATEMENTS

1 OVERVIEW

The Company was incorporated as a limited liability company by the name of Religare Technova Services Limited on 22nd May 2009. It received the certificate of Commencement of Business on 3rd June 2009.

W.e.f. June 12, 2009 name of the Company was changed from "Religare Technova Services Limited" to "Religare Technologies Limited".

W.e.f. April 29, 2013 name of the Company was changed from "Religare Technologies Limited" to "HealthFore Technologies Limited".

2 SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements of the company have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, as per the Guidance Notes issued by the Institute of Chartered Accountants of India. GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

b. USE OF ESTIMATES

The presentation of Financial Statements require estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

c. REVENUE RECOGNITION

- (i) Revenue from fixed price service contracts is recognized in proportion to the degree of completion of service by reference to and based on milestones/acts performed as specified in the contracts and in case of time and material service contracts, it is recognized on the basis of hours completed and material used.
- (ii) Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license.
- (iii) Revenue from annual maintenance contracts is recognized proportionately over the period in which services are rendered.
- (iv) Revenue from Software Consultancy and Support Services is recognized based on proportionate completion method as per specific agreements with the customers.
- (v) Interest and other dues are accounted on accrual basis.
- (vi) Revenue excludes Value added tax/sales tax and service tax.
- (vii) Revenue in excess of billings on service contracts is recorded as unbilled receivables and is included in Other Current Assets. Billings in excess of revenue that is recognized on service contracts are recorded as deferred revenue until the above revenue recognition criteria are met and are included in current liabilities

d. FIXED ASSETS

Fixed assets are stated at cost inclusive of incidental expenses, less accumulated depreciation.

Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date are treated as capital advance and the cost of fixed assets not ready for use before such date are disclosed under capital work in progress.

e. RESEARCH AND DEVELOPMENT

Revenue expenditure on research and development is charged to Statement of Profit and Loss and capital expenditure on development is shown as addition to fixed assets.

f. STOCK IN TRADE

Stocks of IT Products, if any, are valued at lower of Cost or Realisable Value. Cost is computed on 'Weighted Average Method'.

g. INTANGIBLE ASSETS

Revenue expenditure on research and development is charged to Statement of Profit and Loss and capital expenditure on development is shown as addition to fixed assets.

Computer software which is not an integral part of the related hardware is classified as an intangible asset and is being amortized over the estimated useful life.

h. DEPRECIATION/ AMORTISATION**(a) Useful lives/ depreciation rates**

The management has used useful lives for fixed assets as mentioned in Schedule II and has assumed the residual value of all assets as Rs. 0 and believes that depreciation rates currently used fairly reflect its estimate of the useful lives of fixed assets.

Leasehold Improvements are amortized over the lease period or 6 years whichever is lower.

Depreciation on Intangible assets is provided on straight line method as per the following rates:

Class of Assets	Put to use after March 31st 2010	
	Depreciation Rate (%)	Estimated Useful Life of the assets
HIS Software acquired from third parties and further developed	20	5 years
In-house develops software	10	10 years
Other software	33.33	3 years

i. INVESTMENTS

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments. Long term investments are accounted at cost and any decline in the carrying value other than temporary in nature is provided for. Current investments are valued at cost or market / fair value, whichever is lower.

j. EMPLOYEE BENEFITS

1. Provident fund is a defined contribution scheme and the contributions as required by the statute are charged to Statement of Profit and Loss as incurred.
2. Gratuity liability is a defined obligation and is wholly unfunded. The company accounts for liability for future gratuity benefits based on actuarial valuation.
3. The employees of the company are entitled to compensated absences and leave encashment as per the policy of the company. The liability in this respect is provided, based on actuarial valuation.
4. Actuarial gains and losses comprise experience adjustments and the effects of changes in the actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expenses.
5. The undiscounted amount of short – term employee benefits expected to be paid in exchange for services rendered by an employee is recognised during the period when the employee renders the services.

k. TAXES ON INCOME

- (i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- (ii) Deferred tax is recognised on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, subject to the consideration of prudence in respect of deferred tax asset.

l. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

m. IMPAIRMENT OF ASSETS

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

n. BORROWING COST

Borrowing costs incurred for the acquisition or developing of qualifying assets are recognized as part of cost of such assets when it is considered probable that they will result in future economic benefits to the company. While other borrowing cost are expensed in period in which they are incurred.

o. CASH FLOW STATEMENTS

Cash Flow is reported using indirect method, whereby net profits 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 flow from regular revenue generation, investing and financing activities of the company are segregated.

p. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. At the year end, all the monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rate. Exchange differences resulting from the settlement of such transactions and from the restatement of such monetary assets and liabilities are recognized in the Statement of Profit and Loss.

q. HEDGING TRANSACTIONS

“Forward currency contracts based on underlying assets

The premium or discount arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such a contract is recognized in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the period.

Forward currency contracts based on past performance/ highly probable transaction A part from forward exchange contracts taken to hedge existing assets or liabilities, the company also uses derivatives to hedge its foreign currency risk exposure relating to firm commitments and highly probable transactions.

A gain or loss on such forward contract is computed by multiplying the foreign currency amount of the contract by the difference between the forward rate available at the reporting date for the remaining maturity of the contract and the contracted forward rate (or the forward rate last used to measure a gain or loss on that contract for an earlier period).

In accordance with the relevant assessment of the Institute of Chartered Accountants of India, the company provides for losses in respect of such outstanding derivative contracts at the balance sheet date, or other reporting period as prescribed by other statutes, by marking them to market.

The company records the gain or loss on effective hedges in the Hedging reserve until the transactions are executed. On execution, the gain or loss is transferred to the Statement of Profit and Loss of that period. The contracts are aggregated category-wise, to determine the net gain/ loss. The premium or discount on the forward exchange contract is not recognized separately. However in case of contract which expires, only the losses are transferred to P&L and not the gain.

r. PREPAID EXPENSE

Prepaid Expenses are recognized only where the amount of prepaid expense is in excess of Rs 20000/-.

s. PROVISION FOR BAD DEBTS

Provision against doubtful debtors to be created based on the age and category (good, doubtful, disputed and irrecoverable) of the debtors. Provision for Bad and Doubtful debts have been created on case to case basis after assessing the recoverability aspect

t. OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

u. GOVERNMENT GRANT

Grants related to specific Fixed Assets are disclosed as a deduction from the value of concerned Assets. Grants related to revenue are credited to the statement of Statement of Profit and Loss. Grants in the nature of promoter's contribution are treated as Capital Reserve.

v. SEGMENT ACCOUNTING

The following accounting policies have been followed for segment reporting:

Segment Revenue includes revenue from operations and other income directly identifiable with/allocable to the segment. Expenses that are directly identifiable with / allocable to segment are considered for determining the segment result. The expenses which relate to the company as a whole and not allocable to segment are included under unallocable expenses. Segment assets and liabilities include those directly identifiable to respective segments. Unallocable corporate assets & liabilities represent the assets and liabilities related to company as a whole and not allocable to any segment.

3 Share capital

Particulars	As at 31 March 17		As at 31 March 16	
	Number	Amount (₹)	Number	Amount (₹)
Authorised				
Equity Shares of ₹ 10/- each				
Opening	46,500,000	465,000,000	46,500,000	465,000,000
Additions	-	-	-	-
Deductions	-	-	-	-
Closing	46,500,000	465,000,000	46,500,000	465,000,000
Preference shares of ₹ 10/- each				
Opening	3,500,000	35,000,000	3,500,000	35,000,000
Additions	-	-	-	-
Deductions	-	-	-	-
Closing	3,500,000	35,000,000	3,500,000	35,000,000
Total	50,000,000	500,000,000	50,000,000	500,000,000
Issued, Subscribed & Fully Paid Up Capital				
Equity Shares of ₹ 10/- each				
Opening	8,129,463	81,294,630	8,129,463	81,294,630
Additions	-	-	-	-
Deductions	-	-	-	-
Closing	8,129,463	81,294,630	8,129,463	81,294,630
Preference shares of ₹ 10/- each				
Opening	-	-	-	-
Additions	-	-	-	-
Deductions	-	-	-	-
Closing	-	-	-	-
Total	8,129,463	81,294,630	8,129,463	81,294,630

The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital :

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is entitled to one vote per share. The company declares and pays dividend in Indian Rupee. The dividend proposed by the Board of the Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. During the year ended March 31, 2017 the amount of dividend per share recognised as distribution to equity holders was ₹ Nil (March 31, 2016 ₹ Nil). The total dividend appropriation for the year ended March 31, 2017 amounts to ₹ Nil (March 31, 2016 ₹ Nil) including Corporate Dividend Tax of ₹ Nil (March 31, 2016 ₹ Nil). In the event of the liquidation of the company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of the number of the equity shares held by the equity share holders.

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares. Details of share held by shareholders more than 5% of aggregate share of the company are as under :

Name of Shareholder	As at 31 March 17		As at 31 March 16	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
a. Equity Shares				
- RHC Holding Private Limited	1,659,225	20.41	1,659,225	20.41
- Logos Holding Company Private Limited	967,907	11.91	967,907	11.91
- Shivi Holdings (P) Limited	801,037	9.85	801,037	9.85
- Malav Holdings Private Limited	744,840	9.16	744,840	9.16
- Oscar Investments Limited	494,980	6.09	494,980	6.09
TOTAL	4,667,989	57.42	4,667,989	57.42

4 Reserves and Surplus

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
General reserve		
Balance as at the beginning of the year	(4,612,149,898)	(3,876,178,232)
(+) Net Profit/(Net Loss) For the current year as per the statement of Profit and loss	(889,692,326)	(735,971,666)
Balance as at the end of the year	(5,501,842,224)	(4,612,149,898)

5 Long-term borrowings

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
Secured term loans		
- From scheduled banks	1,641,704,891	2,196,729,203
Total	1,641,704,891	2,196,729,203

The requisite particulars in respect of borrowings are as under:

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
Term loans -from banks		
Balance outstanding		
- Yes Bank	1,444,444,443	1,666,666,665
- IndusInd Bank	833,333,334	1,000,000,000
- Vehicle loan - Yes Bank	4,751,904	4,888,423
Overdue maturity		
Current Maturity*		
- Yes Bank	222,222,222	223,524,054
- IndusInd Bank	416,666,665	249,999,999
- Vehicle loan - Yes Bank	1,935,745	1,301,832
Non - current amount		
- Yes Bank	1,222,222,221	1,443,142,611
- IndusInd Bank	416,666,669	750,000,001
- Vehicle loan - Yes Bank	2,816,001	3,586,591

Yes Bank

Brief: Yes bank has sanctioned Secured Term Loan of Rs. 200 cr on 3rd August-13. The Loan was disbursed on 19-Aug-2013
Rate of interest: 10.00% as at 31st Mar'17 (3M MCLR + 4.40%) (11.40% as at 31st Mar'16 (base rate + 1.15%))

Hypothecation/Security: First pari-passu charge against present and future Current assets & Movable fixed assets of the company, exclusive Charges on commercial Land (measuring 10.35 acre at Sector 62, Golf course extension road in Gurgaon) Owned by RS Infrastructure Pvt Ltd, Unconditional and Irrevocable Corporate guarantee of RS Infrastructure Pvt. and non disposal undertaking from Lowe Infra and Wellness Pvt. Ltd. for their entire share holding in RS Infrastructure Pvt Ltd; Debt service reserve account equivalent to 3 months interest payment in form of lien-marked FD; pledge over redeemable preference shares of Religare Enterprises Ltd with an aggregate value of at least INR 4.70 Billion; pledge over listed equity shares of Fortis Healthcare Ltd and Religare Enterprises Ltd in equal proportion providing at least security cover of at least INR 5 Billion
Loan Facility and Repayment schedule: Tenure of the loan is 120 months, including moratorium period of 12 months from the date of disbursement, subject to put/call option due on 15th Feb'19 Repayment to be made in 36 equated quarterly repayments after 12 months of Moratorium period.

Repayment of Interest: Interest will be due and payable on last day of each month"

IndusInd Bank

Brief: IndusInd bank has sanctioned Secured Term Loan of ₹ 100 Cr. on 26th June-14. The Loan has been disbursed on 30-June-2014

Rate of interest: 11.55% as at 31st Mar-17 (base rate + 1%) (11.6% as at 31st Mar-16 (base rate + 1%))

Hypothecation/Security: First pari-passu charge over entire Current assets & Movable fixed assets of the company, Pledge of shares of Fortis Healthcare Limited and Religare Enterprises Limited and cross collateralization of immovable properties at Mohali, owned by M/s. Tiger Developers Limited.

Loan Facility and Repayment schedule: Tenure of the loan is 60 months including moratorium period of 24 months from the date of disbursement, subject to put/call option at the end of 36/48/60 months from the date of disbursement and quarterly thereafter. Repayment to be made in 36 equated quarterly repayments after 36 months of Moratorium period.

Repayment of Interest: Interest will be due and payable on last day of each month"

Vehicle Loan - Yes Bank

Brief: Yes Bank has disbursed Vehicle Loan of Rs. 0.50 Cr. during FY 2015-16 and Rs. 0.13 during FY 2016-17.

Rate of interest: 10.3% pa for ₹ 0.50 Cr. and 9.5% pa for ₹ 0.13 Cr.

Hypothecation/Security: Hypothecation of Vehicle

Loan Facility and Repayment schedule: Tenure of the loan is 36/40 months in equal installments from the date of disbursement.
Repayment of Interest: Interest will be due and payable on last day of each month

* Current maturity is calculated based on the number of installments which will be due and payable in the course of the next operating cycle.

6 Other long term liabilities

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
Security Deposit	-	293,228
Total	-	293,228

7 Long-term provisions

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
Provision for employee benefits		
Gratuity	5,569,514	7,468,052
Leave Encashment	1,701,542	973,325
Total	7,271,056	8,441,377

8 Short-term borrowings

Particulars	As at 31 March 17		As at 31 March 16	
	Secured	Unsecured	Secured	Unsecured
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Loan repayable on demand from bank	100,000,000	-	71,000,000	-
Loans and advances from related parties	2,948,916,905	557,320,000	-	2,552,570,000
Total	3,048,916,905	557,320,000	71,000,000	2,552,570,000
Grand Total	3,606,236,905		2,623,570,000	

The requisite particulars in respect of borrowings and Unsecured borrowings are as under:

Particulars	As at 31 March 17	As at 31 March 16	Particulars of security / guarantees / terms of repayment / default
	Amount (₹)	Amount (₹)	
Secured Borrowings			
Loan repayable on demand from banks			
- Yes Bank	100,000,000	71,000,000	Nature: Facility of Working Capital Demand Loan (WC DL) is availed. The maximum drawing power limit is fixed at Rs.15 cr. on 29-Dec-14 Security: First pari-passu charge on all Current Assets and Movable Fixed Assets, both Present and future. In addition, unconditional and irrevocable corporate guarantee of RHC Holding Pvt. Ltd. Rate of Interest : 12.8% as on 31st Mar-17 (13.5% as on 31st Mar-16) Tenure: Rs. 6.15 Cr due for renewal on 17th June, 2017, Rs. 1.70 Cr due for renewal on 22nd June, 2017, Rs. 1.45 Cr due for renewal on 27th June, 2017, Rs. 0.50 Cr due for renewal on 29th June, 2017 and Rs.0.20 Cr due for renewal on 28th May, 2017
Loans and advances from related parties repayable on demand			
- Inter corporate Loans - RHC Holding Pvt. Ltd.	2,948,916,905	1,995,250,000	Nature: Secured Demand Loan facility to extent of Rs.400cr. (Previous Year Rs.200cr.) Security - All intangible assets Rate of Interest & Payment: 14.5% p.a. (Previous Year 14.5% p.a.) at the end of Financial Year it is due and payable at quarterly rest or such other intervals as mutually agreed Tenure: Due for renewal on 31st Mar'18

Particulars	As at 31 March 17	As at 31 March 16	Particulars of security / guarantees / terms of repayment / default
	Amount (₹)	Amount (₹)	
Unsecured Borrowings			
Loans and advances from related parties repayable on demand			
- Inter Corporate Loans - Oscar Investment Limited	557,320,000	557,320,000	Nature: Unsecured Demand Loan facility to extent of Rs. 160 cr. (Previous Year Rs. 160 cr.) Rate of Interest: 14.5% p.a. (previous year 14.5% p.a.) at the end of Financial Year Tenure: Due for renewal on 30th Nov'17
- Total of Loans and advances from related parties repayable on demand	557,320,000	2,552,570,000	

9 Trade payables

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
Dues to MSMED parties	-	-
Dues to other than MSMED parties	32,145,212	680,446
Total	32,145,212	680,446

Details relating to Micro, Small and Medium Enterprises is as under -

a) Principal amount	Nil
b) Interest thereon	Nil
c) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil
d) The amount of interest due and payable for the period of delay in making payment without adding the interest specified	Nil
e) The amount of interest accrued and remaining unpaid as at March 31, 2017	Nil
f) The amount of interest remaining due and payable even in the succeeding years, until such date when the the interest is actually paid	Nil

10 Other current liabilities

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
- Current maturities of long-term debt (Secured)	640,824,632	474,825,885
- Interest accrued and due on Secured Loans	338,690,750	16,974,005
- Interest accrued and due on Unsecured Loans	72,730,260	77,073,611
- Unearned Income	17,714,964	52,024,154
- Others Payable	77,781,231	61,046,193
Total	1,147,741,837	681,943,848

11 Short-term provisions

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
Provision for employee benefits		
Gratuity	366,532	829,784
Leave Encashment	185,893	108,147
Total	552,425	937,931

12 Tangible assets Financial Year 2016-17

Particulars	Gross Carrying Value				Depreciation				Net Carrying Value	
	Balance as at 1 April 2016	Additions	Disposals/ Write-off	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation for the period	Other Adjustments	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 31 March 2016
Leasehold Improvements	103,426	1,493,482	103,349	1,493,559	32,494	165,907	43,039	155,362	1,338,197	70,932
Furniture and Fixtures	546,473	638,225	-	1,184,698	354,020	61,760	-	415,800	768,898	192,453
Vehicles	5,687,780	1,491,598	-	7,179,378	106,493	799,345	-	905,838	6,273,540	5,581,287
Office equipment	7,646,444	113,355	4,438,033	3,321,766	6,800,758	319,336	4,322,889	2,797,205	524,561	845,686
Computer Networking & Equipment	26,726,243	4,000	240,401	26,489,842	25,286,757	372,295	240,401	25,418,651	1,071,191	1,439,486
Computer & Peripheral	19,528,969	319,571	4,199,754	15,648,786	17,912,485	807,770	4,189,786	14,530,469	1,118,317	1,616,484
Total	60,239,335	4,060,231	8,981,537	55,318,029	50,493,007	2,526,433	8,796,115	44,223,325	11,094,704	9,746,328

Financial Year 2015-16

Particulars	Gross Carrying Value			Depreciation			Net Carrying Value				
	Balance as at 1 April 2015	Additions	Disposals/ Write-off	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation for the period	Other Adjustments	Balance as at 31 March 2016			
Leasehold Improvements	103,426	-	-	103,426	11,824	20,670	-	32,494			
Furniture and Fixtures	546,473	-	-	546,473	314,730	39,290	-	354,020			
Vehicles	961,633	5,687,780	961,633	5,687,780	256,340	221,891	371,738	106,493			
Office equipment	7,133,288	541,156	28,000	7,646,444	6,280,090	531,278	10,610	6,800,758			
Computer Networking & Equipment	72,529,119	1,041,659	46,844,535	26,726,243	69,431,709	2,685,485	46,830,437	25,286,757			
Computer & Peripheral	18,737,670	1,422,246	630,947	19,528,969	18,025,049	478,026	590,590	17,912,485			
Total	100,011,609	8,692,841	48,465,115	60,239,335	94,319,742	3,976,640	47,803,375	50,493,007			
										9,746,328	5,691,866

13 Intangible assets Financial Year 2016-17

Particulars	Gross Carrying Value				Amortisation				Net Carrying Value	
	Balance as at 1 April 2016	Balance as at 31 March 2017	Disposals/ Write-off	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation for the period	Other Adjustments	Balance as at 31 March 2017	Balance as at 31 March 2016	
Intangible Assets										
Brands /trademarks	77,374,825	77,374,825	-	77,374,825	77,374,825	-	-	77,374,825	-	
Computer software	624,589,786	624,589,786	-	624,589,786	254,275,216	56,477,066	-	310,752,282	370,314,572	
Website Development	3,219,919	3,219,919	-	3,219,919	2,416,903	803,016	-	3,219,919	803,016	
Total	705,184,530	705,184,530	-	705,184,530	334,066,944	57,280,082	-	391,347,026	371,117,588	

Financial Year 2015-16

Particulars	Gross Carrying Value				Amortisation				Net Carrying Value	
	Balance as at 1 April 2015	Balance as at 31 March 2016	Disposals/ Write-off	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation for the period	Other Adjustments	Balance as at 31 March 2016	Balance as at 31 March 2015	
Intangible Assets										
Brands /trademarks	77,374,825	77,374,825	-	77,374,825	77,374,825	-	-	77,374,825	-	
Computer software	592,992,822	624,589,786	73,765,972	624,589,786	277,013,936	51,027,252	73,765,972	254,275,216	315,978,887	
Website Development	3,219,919	3,219,919	-	3,219,919	1,343,704	1,073,199	-	2,416,903	1,876,217	
Total	414,640,317	705,184,530	73,765,972	705,184,530	355,732,465	52,100,451	73,765,972	334,066,944	317,855,104	

14 Intangible Assets under Development

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
Software Development	115,001,516	-
Total	115,001,516	-

15 Long-term loans and advances

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
Advance payment of Taxes & tax deducted at source <i>Unsecured, considered good</i>	-	-
Advances Tax	500,000	500,000
TDS Receivable	48,682,510	49,870,331
Total	49,182,510	50,370,331

16 Other non-current assets

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
- Unamortized Borrowings Cost	137,514,678	112,660,268
- Fixed Deposit Account (See note 21.1)	95,927,224	106,524,794
- Interest Accrued but not due on Fixed Deposits	21,389,837	18,734,129
Total	254,831,738	237,919,191

17 Trade receivables

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	23,336,557	35,984,322
Unsecured, considered doubtful	-	2,214
Less: Provision for doubtful debts	-	(2,214)
	23,336,557	35,984,322
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	88,420,722	88,395,600
Unsecured, considered doubtful	7,616,492	7,108,304
Less: Provision for doubtful debts	(7,616,492)	(7,108,304)
	88,420,722	88,395,600
Total	111,757,279	124,379,922

18 Cash and Bank Balances

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
a. Cash & Cash Equivalents		
Cash in hand	32,282	429,002
Balances with banks in :		
- Current Account (Scheduled Bank)	2,262,202	18,812,376
b. Other Bank Balances		
- Fixed Deposits Account (Refer note 21.1)	13,447,245	3,114,830
Total	15,741,729	22,356,208

Disclose the detail of Specified Bank Notes (SBN) held and transacted during the period from Nov 8, 2016 to Dec 30, 2016:

Particulars	SBNs	Other Denomination notes	Total
Closing cash in hand as on November 8, 2016	28,000	1,792	29,792
Add - permitted receipts	-	-	-
Add - withdrawn from banks	-	48,000	48,000
Less - permitted payments	-	24,220	24,220
Less - amount deposited in banks	28,000	-	28,000
Closing cash in hand as on December 30, 2016	-	25,572	25,572

18.1

Particulars	As at 31 March 17	As at 31 March 16
Fixed Deposit balance with Banks	Kept as Security (*)	Kept as Security (*)
- Upto 3 months maturity from the date of Acquisition	-	-
- Upto 12 months maturity from the date of Acquisition	-	-
- Original maturity more than 12 months but maturing within one year from the Reporting Date	13,447,245	3,114,830
Shown as Current Assets	13,447,245	3,114,830
- Maturity more than 12 months from the Reporting Date	95,927,224	106,524,794
Shown as Non-Current Assets	95,927,224	106,524,794
Total	109,374,469	109,639,624

* Details of FDRs kept as security

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
Margin money or security against Guarantee		
- Pledged with Bank Guarantees Taken	13,739,448	109,157,452
- Security with VAT Authorities	282,172	482,172
Total	14,021,620	109,639,624

19 Short Term Loans and Advances

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
a. Loans and advances to related parties		
Unsecured, considered good	-	2,102,102
	-	2,102,102
b. Other Loans & Advances		
a. Loans & Advances recoverable in cash or in kind		
Unsecured, considered good	323,697	2,544,533
	323,697	2,544,533
b. Prepaid		
	1,327,585	4,201,208
	1,327,585	4,201,208
c. Balances with Service Tax		
Unsecured, considered good	40,767,856	21,844,909
	40,767,856	21,844,909
d. Advances to Business Vendors		
Unsecured, considered good	671,890	12,771,655
	671,890	12,771,655

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
e. Earnest Money Deposit		
Unsecured, considered good	301,000	301,000
Doubtful	2,659,381	2,659,381
Less: Provision for doubtful Earnest Money Deposit	(2,659,381)	(2,659,381)
	301,000	301,000
f. Security Deposits		
Unsecured, considered good	2,218,618	10,530,313
Doubtful	325,000	225,000
Less: Provision for doubtful deposits	(325,000)	(225,000)
	2,218,618	10,530,313
g. Balance with Sales Tax & VAT Authorities		
Unsecured, considered good	476	102,309
	476	102,309
Total	45,611,122	54,398,029

20 Other Current Assets

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
Other Current Assets		
- Interest Accrued but not due on Fixed Deposits	5,465,989	55,272
- Unamortized Borrowings Cost	86,194,718	90,127,254
- Unbilled Receivables	6,385,925	21,270,642
Total	98,046,632	111,453,168

20A Contingent Liabilities

Particulars	As at 31 March 17	As at 31 March 16
	Amount (₹)	Amount (₹)
Money for which the company is contingently liable		
- Disputed Income Tax Demands not provided for	136,741	35,588,271
- Disputed Service Tax Demands not provided for	4,297,280	4,297,280
- Disputed VAT/ CST Demands not provided for	2,064,649	1,074,026
- Other contingent liabilities with respect to litigations	385,000	385,000
	6,883,670	41,344,577

DETAILS OF CONTINGENT LIABILITIES

- (i) Religare Technova IT Services Limited (now merged with Religare Technologies Limited) has received an order, passed by Service Tax department, Ludhiana dated December 4, 2009 under Section 73 of the Finance Act, 1994 wherein a demand of ₹ 5,40,824/- has been raised on the Company.
The Company had filed an appeal before the Commissioner of Central Excise (Appeals) - II, Chandigarh against the said order. The commissioner had confirmed the order against which appeal was filed to CESTAT where the order was given in favour for the company and sent back on remand. The proceedings are pending before the assessing officer for regular assessment.
- (ii) Appeal has been filed to the Commissioner (Appeal) of Value Added Tax, Kolkata in respect of VAT Demand for Financial Year 2008-09 amounting to ₹ 10,74,026/-. The proceedings are still pending before Commissioner (Appeal) of Value Added Tax, Kolkata.
- (iii) The Income Tax Assessment of Religare Technova IT Services Limited (now merged with Religare Technologies Limited) for the assessment year 2008-09 has been completed by the Deputy Commissioner of Income Tax, Circle-VII, Ludhiana under section 143(3) of the Act vide order dated December 24, 2010. Consequential to certain disallowances made in the assessment order, a demand of ₹ 35,451,530/- has been raised on the Company. The AO has also initiated penalty proceedings under section 271(1) (c) of the Act against the Company.

The Company has filed an appeal with Commissioner of Income Tax (Appeals), II, Ludhiana against the said assessment order. In reply to the notice for initiation of penalty proceedings, the Company has filed a letter with the AO requesting to keep the penalty proceedings in abeyance till the disposal of Appeal filed before CIT(A).

"During financial year 2016-17, the company has received appeal order from Commissioner of Income Tax (Appeals), II, Ludhiana dated February 16, 2017 wherein expenses of ₹ 96,300,000 has been allowed and ₹ 21,600,000 has been disallowed.

The Company has filed an appeal against disallowance made in the order issued by Commissioner of Income Tax (Appeals), II, Ludhiana with Income Tax Appellate Tribunal, Chandigarh.

- (iv) Religare Technova IT Services Limited (now merged with Religare Technologies Limited) ("the Company") has received order dated Mar-30, 2011 passed by Assessing officer u/s 201(1)/201(1A) of the Act for financial year 2008-09, wherein demand amounting to ₹ 20,05,580/- has been raised on the Company on account of TDS not deducted/TDS deducted but not paid by the Company. The said demand was primarily on account of mismatch in the online database of tax department with the returns/ challans filed by the Company.

The company has filed correction statement and status of liability as on 31 march 2012 is ₹ 136,741/-. The Company has also preferred an appeal against the same to CIT(A)-XXX and the same is pending for disposal.

- (v) The company has received a show cause notice dated 03 Feb 2012 from Service tax department on account of disallowance of GENVAT credit in relation to company's premises for which late registration was taken. The amount involve in such show cause notice is ₹ 37,56,456/- including interest.

The company has filled a suitable reply against such notice as the late intimation filed for few company's premises is a procedural gap only and management expects a favourable order on reply against such notice.

- (vi) HealthFore Technologies Limited (formerly Religare Technologies Limited) received a notice dated 16th May, 2011 from Presiding Officer, Industrial Tribunal, New Court Complex, Ludhiana regarding a complaint filed by Mr. Rajesh Bansal disputing his termination and claiming an amount of ₹ 3,85,000/-. Further a notice dated 30th September, 2011 was received from the Controlling Authority under Payment of Gratuity Act, 1972 and Assistant Labour Commissioner (Central), KendriyaSadan, Sector 9-A, Chandigarh with respect to an application filed by Mr. Rajesh Bansal regarding non-payment of alleged full gratuity payable to him. The matters are currently pending.
- (vii) Appeal has been filed to the Commissioner (Appeal) of Value Added Tax, Mumbai in respect of VAT Demand for Financial Year 2009-10 amounting to ₹ 9,90,623/-. The proceedings are still pending before Commissioner (Appeal) of Value Added Tax, Maharashtra.

21 Revenue from operations

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount (₹)	Amount (₹)
Revenue from IT Services		
Domestic Services	127,596,615	123,540,442
Export Services	45,472,551	60,068,673
Total	173,069,166	183,609,115

22 Other income

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount (₹)	Amount (₹)
Interest Income		
- Banks -FD	11,886,576	10,680,072
- ICD	-	23,842,466
- IT Refund	588,245	4,558,511
Profit on sale/redemption of Mutual funds	-	214,971
Other Non Operating Income (net of expenses)		
Exchange Fluctuation (Net)	-	4,836,062
Balances Writen Back	413,549	1,560,011
Miscellaneous Income	440,799	(153,457)
Total	13,329,168	45,538,636

23 Employee benefit expenses

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount (₹)	Amount (₹)
Salaries and Wages	83,313,079	106,008,636
Contribution to Provident and Other Funds	7,386,726	9,848,752
Staff Welfare and Training Expenses	1,484,027	1,357,282
Personnel Insurance	1,986,312	2,312,326
Total	94,170,144	119,526,996

24 Finance Costs

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount (₹)	Amount (₹)
Interest Expense		
- Inter Corporate Loans	423,937,228	317,195,438
- Interest on Term Loan	283,471,345	334,730,966
- Others	-	346,245
Other Borrowing Costs		
- Loan Processing Charges	99,678,125	35,452,003
- Bank Guarantee Commission	-	2,110
Total	807,086,698	687,726,762

25 Depreciation and amortization expense

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount (₹)	Amount (₹)
- Depreciation	2,526,433	3,976,640
- Amortization	57,280,082	52,100,451
Total	59,806,515	56,077,091

26 Other Expenses

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount (₹)	Amount (₹)
Rent	15,211,627	7,813,460
Repair to Others	1,852,897	1,216,445
Office Maintenance	4,110,746	3,825,241
Office General Expenses	805,437	535,548
Guest House Expenses	177,683	226,451
Corporate Meet Expense	427,581	153,033
Insurance	71,773	160,944
Rates and Taxes, excluding, taxes on income	374,534	1,446,836
License Expenses	852,714	100,500
Fees & Subscriptions	579,716	738,151
Printing & Stationery	842,066	784,004
Postage Telephone	4,079,701	3,955,318
Electricity and water expenses	1,883,059	794,898
Legal & Professional Charges	22,742,117	29,171,835

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount (₹)	Amount (₹)
Internal Audit Fee	599,948	205,805
Filing Fees	21,918	37,281
Advertisement & Sales Promotion	4,925,304	1,983,815
Travelling and Conveyance Expenses	10,203,385	17,063,721
Bank Charges	273,283	211,581
Commission and Marketing	15,330	205,862
Loss on sale of Fixed assets(Net)	64,595	498,621
Direct Expenses	40,966,334	25,055,016
Software/Website Charges	1,359,292	5,401,763
Provision/Reversal for bad & doubtful Debts	505,969	-
Provision against advances	100,000	(1,046,959)
Payment to Auditors (Refer Note below 30.1)	351,500	291,662
Exchange Fluctuation (Net)	1,571,115	-
Prior Period Items	-	(1,997)
Miscellaneous Expenses	57,681	959,733
Total	115,027,304	101,788,568

26.1 Payment to Auditor

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount (₹)	Amount (₹)
As Auditor:		
Statutory Audit fee	135,550	110,000
Tax Audit Fee	55,200	40,000
In other Capacity		
For Other Services	160,750	141,662
Total	351,500	291,662

27 Earnings per Equity Share

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount (₹)	Amount (₹)
(i) Net Profit after Tax available for Equity Shareholders	(889,692,326)	(735,971,666)
(ii) Weighted Average number of equity Shares for Basic and diluted EPS (Nos)	8,129,463	8,129,463
(iii) Nominal value of each share	10	10
(iv) Earning Per Share		
Basic and diluted (in Rs)	(109.44)	(90.53)

Transfer from / to Provisions

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount (₹)	Amount (₹)
Transfer to Provisions		
Provision for bad & doubtful Debts	505,969	-
Provision against advances	100,000	(1,046,959)
Total	605,969	(1,046,959)

Expenditure in Foreign Currency on account of:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount (₹)	Amount (₹)
Business & Sales Promotion	410,901	283,316
Other Operating Expenses	67,166	
Professional & Consultation Fee	-	1,460,096
Office Rent	9,080	709
Salaries	2,700,296	5,834,247
Travelling	567,951	578,342
Purchase of Fixed Assets	-	
Telephone	-	407,226
Bank Guarantee	-	
Other Expenses	361,788	91,609
Total	4,117,182	8,655,545

Earning in Foreign Exchange from:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
	Amount (₹)	Amount (₹)
Sale of products & services	45,472,551	60,068,673
Total	45,472,551	60,068,673

28 SEGMENT REPORTING:**Business Segment:**

- (i) The business segment has been considered as the primary segment.
- (ii) The company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns.
- (iii) The Company's primary business comprises of three segment viz., 'IT Services', 'Knowledge Services' and 'Healthcare Services'.
- (iv) Segment revenue, results, assets and liabilities include amounts identifiable to each segments allocated on reasonable basis.
- (v) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as stated in (2) above.

Geographical Segment:

As the company is primarily operating in one Geographic segment "Within India" hence no separate information for Geographic segment wise disclosure is required.

Particulars	Knowledge Services		IT Services		Health Care		Unallocated		Total	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
(i) Segment Revenue										
External Revenue	-	-	184,298	271,808	174,614,325	190,079,457	11,599,712	38,796,489	186,398,335	229,147,754
Inter-Segment Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenue	-	-	184,298	271,808	174,614,325	190,079,457	11,599,712	38,796,489	186,398,335	229,147,754
(ii) Segment Results	(2,603)	(34,022)	123,416	(10,277,905)	29,094,621	41,750,050	(918,907,759)	(767,409,785)	(889,692,325)	(735,971,662)
Total Segment Results	(2,603)	(34,022)	123,416	(10,277,905)	29,094,621	41,750,050	(918,907,759)	(767,409,785)	(889,692,325)	(735,971,662)
Income taxes (Current, Deferred and Fringe benefit tax)	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) after tax	(2,603)	(34,022)	123,416	(10,277,905)	29,094,621	41,750,050	(918,907,759)	(767,409,785)	(889,692,325)	(735,971,662)
(iii) Segment Assets	100,000	2,603	2,660,131	371,971	804,855,669	594,797,970			807,615,801	595,172,544
Unallocated Corporate assets							207,488,557	386,569,966	207,488,557	386,569,966
Total Assets	100,000	2,603	2,660,131	371,971	804,855,669	594,797,970	207,488,557	386,569,966	1,015,104,358	981,742,510
(iv) Segment Liabilities	-	-	127,657	-	120,071,960	(93,259,245)	6,315,452,439	(5,419,338,418)	6,435,652,057	(5,512,597,662)
Total Liabilities	-	-	127,657	-	120,071,960	(93,259,245)	6,315,452,439	(5,419,338,418)	6,435,652,057	(5,512,597,662)
(v) Capital Expenditure	-	-	-	-	2,277,777,777	114,055,777	-	-	2,277,777,777	114,055,777
Unallocated Capital expenditure	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	-	-	-	-	2,277,777,777	114,055,777	-	-	2,277,777,777	114,055,777
(vi) Depreciation/Amortisation	2,603	34,022	1,058	1,491,722	59,794,278	54,398,765	8,577	152,581	59,806,515	56,077,090
Total Depreciation	2,603	34,022	1,058	1,491,722	59,794,278	54,398,765	8,577	152,581	59,806,515	56,077,090
(vii) Non Cash Expenditure other than Depreciation	-	-	(2,084)	951,738	2,548,727	(1,753,078)	822,728	(354,770)	3,369,372	(1,156,110)
Total Non Cash Expenditure	-	-	(2,084)	951,738	2,548,727	(1,753,078)	822,728	(354,770)	3,369,372	(1,156,110)

29 Related Party Disclosures as required by Accounting Standard 18 “Related Party Disclosures” issued by Companies (Accounting Standard) Rules, 2006 and the relevant provisions of Companies Act are given below:

	Nature of Relationship	Name of Party
	Nature of Relationship	Name of Party
1	Holding company/Controlling Enterprises	NA
2	Fellow Subsidiary & Subsidiaries of Fellow-Subsidiaries.	NA
3	Associates and joint ventures of the reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associates or a joint venture.	NA
4	Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;	Mr. Malvinder Mohan Singh Mr. Shivinder Mohan Singh Mrs. Nimmi Singh Mrs. Japna Malvinder Singh Baby Nimrita Parvinder Singh Baby Nanaki Parvinder Singh Baby Nandini Parvinder Singh Mrs. Aditi Shivinder Singh Master Udayveer Parvinder Singh Master Anhad Parvinder Singh Master Vivan Parvinder Singh Master Kabir Parvinder Singh

	Nature of Relationship	Name of Party
5	Key management personnel and relatives of such personnel	Mr. Varun Sood (CEO) Mrs. Shilpa Khullar Sood Mr. Gopal Krishan Sood Mrs. Rashi Sood Sunaina Sood Satvika Sood Ms. Ritika Pahwa
6	Enterprises over which any person described in (4) or (5) is able to exercise significant influence. (includes the enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise)	Dion Global Solutions Limited RHC Holding Pvt. Ltd. Oscar Investments Limited Fortis Healthcare Limited Hiranandani Healthcare Private Limited Escorts Heart Institute & Research Centre Limited Fortis Hospitals Limited Fortis Malar Hospitals Limited Religare Enterprises Limited Religare Support Services Limited Religare Health Insurance Company Limited Spectrum Voyages Private Limited (Formerly known as Ligare Travels Private Limited) SRL Limited SRL Diagnostics Private Limited Finserve Shared Services Private Limited Dromni Services Private Limited

29 B- Following transactions were carried out with related parties in the ordinary course of business

Nature of Transactions	Name of the Related Party	Key management personnel and relatives of such personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Total
		2016-17	2015-16	2016-17	2015-16	
Sale of Fixed Assets						
Sale of Fixed Assets	Spectrum Voyages Pvt Ltd (Formerly Known As Ligare Travels Pvt Ltd)	-	-	5,000	5,000	5,000
	Religare Enterprises Limited	-	-	-	15,750	15,750
	Varun Sood	8,500	-	-	8,500	-
Sale of Fixed Assets Total		8,500	-	5,000	20,750	20,750
Finance Transactions						
Inter Corporate Deposits Taken	RHC Holding Private Limited	-	-	973,666,905	973,666,905	1,067,700,000
Inter Corporate Deposits Taken Total		-	-	973,666,905	973,666,905	1,067,700,000
Inter Corporate Deposits Repaid	RHC Holding Private Limited	-	-	20,000,000	20,000,000	653,000,000
Inter Corporate Deposits Repaid Total		-	-	20,000,000	20,000,000	653,000,000
Interest Paid on Inter Corporate Deposit	RHC Holding Private Limited	-	-	352,228,251	352,228,251	238,705,555
	Oscar Investments Limited	-	-	80,811,400	80,811,400	81,032,801
Interest Paid on Inter Corporate Deposit Total		-	-	433,039,651	433,039,651	319,738,356
Sale / Services Transactions						
	SRL Limited	-	-	-	21,333,400	21,333,400
	SRL Diagnostics Private Limited	-	-	-	16,436,275	16,436,275
	Hiranandani Healthcare Pvt. Limited	-	-	2,611,882	3,595,516	3,595,516
	Escorts Heart Institute & Research Centre Limited	-	-	6,300,947	9,042,513	9,042,513
	Fortis Malar Hospitals Limited	-	-	2,678,274	3,595,516	3,595,516
	Fortis Healthcare Limited	-	-	26,445,186	19,026,084	19,026,084
	Fortis Hospitals Limited	-	-	39,408,319	52,293,243	52,293,243
Sale / Services to other Companies Total		-	-	77,444,607	125,322,547	125,322,547
Sale / Services by other Companies	Spectrum Voyages Pvt Ltd (Formerly Known As Ligare Travels Pvt Ltd)	-	-	3,132,231	10,257,175	10,257,175

Nature of Transactions	Name of the Related Party	Key management personnel and relatives of such personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
	DrOmni Services Private Limited	-		17,912,075	3,778,500	17,912,075	3,778,500
	Religare Health Insurance Co. Ltd	-		-	53,624	-	53,624
	SRL Limited	-		71,430	214,056	71,430	214,056
	Religare Support Services Ltd (Formerly Known As Rel Infracilities Ltd)			421,095	518,445	421,095	518,445
	Finserve Shared Services Ltd (Formerly Known As Religare Corporate Services Ltd)	-		-	215,141	-	215,141
	RHC Holding Pvt. Ltd.			903,603	114,500	903,603	114,500
Sale / Services by other Companies Total		-	-	22,440,434	15,151,441	22,440,434	15,151,441
Reimbursement of expenses							
Expense Reimbursement by other Companies	Dion Global Solutions Limited	-		250,090	170,027	250,090	170,027
	Religare Support Services Ltd (Formerly Known As Rel Infracilities Ltd)	-		46,679	331,864	46,679	331,864
	DrOmni Services Private Limited			36,103		36,103	
	Religare Enterprises Limited	-		-	1,404,115	-	1,404,115
	SRL Limited	-		1,800,972	-	1,800,972	-
Expense Reimbursement by other Companies Total		-	-	2,133,844	1,906,006	2,133,844	1,906,006
Expense Reimbursement to other Companies	Dion Global Solutions Limited	-		2,086,233	6,131,124	2,086,233	6,131,124
Expense Reimbursement to other Companies Total		-	-	2,086,233	6,131,124	2,086,233	6,131,124
Professional Fees	Maninder Singh Grewal *	-	16,336,659	-		-	16,336,659
	Varun Sood	13,125,036	3,281,259			13,125,036	3,281,259
Professional Fees Total		13,125,036	19,617,918			13,125,036	19,617,918
Outstanding balances							

Nature of Transactions	Name of the Related Party	Key management and relatives of such personnel		Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence			Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	
Receivables								
	SRL Limited	-	-	41,361	-	41,361	-	-
	Religare Health Insurance Company Limited	-	-	-	7,749	-	7,749	-
	Escorts Heart Institute and Research Centre Limited	-	-	855,827	4,012,409	855,827	4,012,409	
	Fortis Hospital Limited	-	-	1,505,784	158,261	1,505,784	158,261	
	Fortis Healthcare Limited	-	-	5,709,742	-	5,709,742	-	
	Religare Enterprises Limited	-	-	15,750	15,750	15,750	15,750	
	Fortis Malar Hospitals Limited	-	-	258,220	4,363	258,220	4,363	
	Hiranandani Healthcare Pvt Ltd.	-	-	67,037	3,595,516	67,037	3,595,516	
	Dion Global Solutions Limited	-	-	1,120,916	2,558,692	1,120,916	2,558,692	
	Oscar Investments Limited	-	-	73,635	-	73,635	-	
Receivables Total		-	-	9,648,272	10,352,738	9,648,272	10,352,738	
Payables								
Inter Corporate Deposits	RHC Holding Private Limited	-	-	2,948,916,905	1,995,250,000	2,948,916,905	1,995,250,000	
	Oscar Investments Limited	-	-	557,320,000	557,320,000	557,320,000	557,320,000	
Inter Corporate Deposits Total		-	-	3,506,236,905	2,552,570,000	3,506,236,905	2,552,570,000	
Interest on Inter Corporate Deposits	RHC Holding Private Limited	-	-	317,005,426	58,940,861	317,005,426	58,940,861	
	Oscar Investments Limited	-	-	72,730,260	18,132,750	72,730,260	18,132,750	
Interest on Inter Corporate Deposits Total		-	-	389,735,686	77,073,611	389,735,686	77,073,611	
Other Payables	Finserve Shared Services Limited	-	-	-	152,959	-	152,959	
	DrOmni Services Private Limited	-	-	7,655,435	-	7,655,435	-	
	RHC Holding Private Limited	-	-	818,507	-	818,507	-	
	Religare Support Services Ltd (Formerly Known As Rel Infracilities Ltd)	-	-	187,793	127,666	187,793	127,666	
	Spectrum Voyages Pvt Ltd (Formerly Known As Ligare Travels Pvt Ltd)	-	-	465,832	138,601	465,832	138,601	
Other Payables Total		-	-	9,127,567	419,226	9,127,567	419,226	
Payables Total		-	-	3,905,100,158	2,630,062,837	3,905,100,158	2,630,062,837	

30 Disclosures relating to actuarial valuation of Leave Encashment and Gratuity Liability:

(Amount in ₹)

		Leave Encashment		Gratuity	
		2016-17	2015-16	2016-17	2015-16
I	Assumptions as at 31st March, 2017				
	Mortality	Indian Assured Lives Mortality (2006 - 08) Ultimate	Indian Assured Lives Mortality (2006 - 08) Ultimate	Indian Assured Lives Mortality (2006 - 08) Ultimate	Indian Assured Lives Mortality (2006 - 08) Ultimate
	Discount Rate	7.5% p.a.	8% p.a.	7.5% p.a.	8% p.a.
	Rate of Increase in Compensation	6% p.a.	6% p.a.	6% p.a.	6% p.a.
	Rate of return(expected) on plan assets	N.A	N.A	N.A	N.A
	Withdrawal Rates	2% p.a. to 20% p.a.	20% p.a. to 2% p.a.	2% p.a. to 20% p.a.	20% p.a. to 2% p.a.
	Expected Average Remaining Service	20	23	20	23
II	Changes in present value of obligations				
	PBO at beginning of period	1,081,472	1,589,755	8,297,836	13,099,010
	Interest Cost	130,033	130,824	595,482	1,041,889
	Current Service Cost	2,777,148	994,358	1,853,083	2,864,365
	Benefits Paid	631,534	801,680	2,349,413	5,445,295
	Actuarial (Gain)/Loss on Obligation	(1,469,684)	(831,785)	(2,460,942)	(3,262,133)
	PBO at end of period	1,887,435	1,081,472	5,936,046	8,297,836
III	Changes in Fair Value of Plan Assets	N.A.	N.A.	N.A.	N.A.
	Fair Value of Plan Assets at beginning of period				
	Expected Return of Plan Assets				
	Contributions				
	Benefits paid				
	Actuarial Gain / (Loss) on Plan Assets				
	Fair Value of Plan Assets at end of period				
IV	Fair Value of Plan Assets	N.A.	N.A.	N.A.	N.A.
	Fair Value of Plan Assets at beginning of period				
	Actual Return of plan assets				
	Contributions				
	Benefit paid				
	Fair Value of Plan Assets at end of period				
	Funded Status				
	Excess of actual over estimated return on Plan Assets				
V	Actuarial Gain/(Loss) Recognised				
	Actuarial Gain/(Loss) for the period (Obligation)	(1,469,684)	(831,785)	2,460,942	3,262,133
	Actuarial Gain/(Loss) for the period (Plan Assets)	N.A	N.A	N.A	N.A
	Total Gain/(Loss) for the period	(1,469,684)	(831,785)	2,460,942	3,262,133
	Actuarial Gain/(loss) Recognised for the period	(1,469,684)	(831,785)	(2,460,942)	(3,262,133)
	Unrecognised Actuarial Gain /(Loss) at the end of period	NIL	NIL	NIL	NIL
VI	Amounts to be recognised in the Balance Sheet				
	PBO at the end of period	1,887,435	1,081,472	5,936,046	8,297,836
	Fair Value of Plan Assets at end of period	N.A	N.A	N.A	N.A
	Funded Status	-	-	-	-
	Unrecognised Actuarial Gain /(Loss)	-	-	-	-
	Net (Asset)/Liability recognised in the Balance Sheet	1,887,435	1,081,472	5,936,046	8,297,836
VII	Expense Recognised				
	Current Service Cost	2,777,148	994,358	1,853,083	2,864,365
	Interest Cost	130,033	130,824	595,482	1,041,889
	Expected Return on Plan Assets	N.A	N.A	N.A	N.A
	Net Actuarial Gain /(Loss) recognised for the period	1,469,684	831,785	2,460,942	3,262,133
	Expense recognised in the statement of Profit & Loss A/c	1,437,497	293,397	(12,377)	644,121
VIII	Movements in the liability recognised in Balance Sheet				
	Opening Net Liability	1,081,472	1,589,755	8,297,836	13,099,010
	Expenses as above	1,437,497	293,397	(12,377)	644,121
	Contribution paid	631,534	801,680	2,349,413	5,445,295
	Closing Net Liability	1,887,435	1,081,472	5,936,046	8,297,836

31 OTHER NOTES

- (i) In view of accumulated losses, no provision for income tax is considered necessary.
- (ii) The Company has unabsorbed depreciation and carry forward losses under the Income Tax Act 1961. Accordingly, keeping in view absence of virtual certainty, deferred tax assets have not been recognised.
- (iii) Taking into account management's assessment of growth of business, the accounts of the company have been prepared on a "Going Concern" basis even though, the net worth of the Company has substantially eroded due to accumulated losses.
- (iv) The Shareholders of the Company had approved the HealthFore Employee Stock Option Scheme – 2013 ("Scheme") on September 13, 2013. However, till date no Stock Options have been granted by the Company under the Scheme
- (v) The Board of Directors of HealthFore Technologies Limited ("the Company") at their meeting held on December 14, 2015, inter-alia, considered and approved the scheme of Amalgamation ("Scheme") under Section 391 to 394 of the Companies Act, 1956 and corresponding sections of the Companies Act, 2013 (as and when such corresponding sections are notified in the Official Gazette by the Central Government) between Oscar Investments Limited ('Amalgamated Company') and HealthFore Technologies Limited ('HTL' or 'Amalgamating Company').

The Shareholders and Creditors of the Amalgamated as well as Amalgamating Companies have also approved the Scheme in their separate Court Convened Meetings held on December 17, 2016. Both the Companies have filed a joint petition with the Hon'ble National Company Law Tribunal for sanctioning of the said scheme by the Hon'ble Tribunal and are awaiting for the final Order.

32 PREVIOUS YEAR FIGURES

Figures of the Previous Year have been regrouped, rearranged and reclassified to conform to the current year classification

As per our Audit Report of even date attached

For and on behalf of

Ravi Rajan & Co.,
(Chartered Accountants)
Firm Registration No. 009073N

Sd/-
Ravi Kumar
Partner
Membership No. 508424

Place : New Delhi
Date : May 18, 2017

**For and on behalf of Board of Directors of
HealthFore Technologies Limited**

Sd/-
Varun Sood
Managing Director
(DIN: 06973985)

Sd/-
Amit Gupta
(Chief Finance Officer)

Place : New Delhi
Date : May 18, 2017

Sd/-
Hemant Dhingra
Director
(DIN: 00043039)

Sd/-
Shikha Rastogi
(Company Secretary)
Membership No. A18226



Prius Global (Tower A), 6th Floor, A-3/4/5, Sector-125, Noida-201301

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