August 29, 2023

National Stock Exchange of India Limited,
Compliance Department,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051,
Maharashtra, India

BSE Limited,
Compliance Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001,
Maharashtra, India

Dear Sir/Madam,

Subject : ***Notice of the 25th Annual General Meeting, Integrated Annual Report for the financial year 2022-23.***

Stock Code : ***BSE – 539787, NSE – HCG***

With reference to captioned subject, we wish to inform that, the Twenty Fifth (25th) Annual General Meeting ("AGM") of the members of HealthCare Global Enterprises Limited ("the Company"), is scheduled to be held on Wednesday, September 20, 2023, at 10.00 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in compliance with the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 08, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 05, 2022 and 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs ('MCA circulars') and circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 (collectively "SEBI Circulars") and other applicable provisions of the Companies Act, 2013, to transact the business as set forth in the Notice of the AGM.

Pursuant to Section 108 of the Companies Act, 2013 and Regulations 30, 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other regulations, as may be applicable, we are enclosing herewith the following:

1. Notice of the 25th AGM (including e-voting instructions)
2. Integrated Annual Report for FY 2022-23.

Further, the Notice of 25th AGM and the Annual Report for FY 2022-23 are also made available on the website of the Company at https://www.hcgoncology.com/annual-reports/ and are being dispatched to all eligible shareholders whose email IDs are registered with the Company/Depositories.

The schedule of events is set out below:

Events	Date	Time
Record date / Cut-off date for the purpose of e-voting	September 13, 2023	NA
Commencement of e-voting	September 17, 2023	09:00 a.m. IST
End of e-voting	September 19, 2023	05:00 p.m. IST
Annual General Meeting	September 20, 2023	10:00 a.m. IST
Last date for publishing results of the e-voting	September 22, 2023	NA

Kindly take the intimation on record.

Thanking you,

For **HealthCare Global Enterprises Limited**

SUNU MANUEL ABEY

Digitally signed by SUNU MANUEL ABEY
Date: 2023.08.29 19:48:06 +05'30'

Sunu Manuel
Company Secretary & Compliance Officer

Encl: a/a.

adding life to years

HealthCare Global Enterprises Limited

CIN: L15200KA1998PLC023489

Registered Office: HCG Towers, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru - 560027, Karnataka, India

Corporate Office: Unity Buildings Complex, No. 3, Tower Block, Ground Floor, Mission Road, Bengaluru – 560027, Karnataka, India, **Telephone:** +91-80-4660 7700,

E-mail: investors@hcgel.com, **Website:** https://www.hcgoncology.com/

NOTICE OF THE 25TH ANNUAL GENERAL MEETING

Dear Shareholders,

Notice is hereby given that the Twenty Fifth (25th) Annual General Meeting ("AGM") of the members of HealthCare Global Enterprises Limited ("the Company"), will be held on Wednesday, September 20, 2023, at 10.00 a.m. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1) To receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.

2) To appoint a Director in place of Mr. Amit Soni, (DIN: 05111144), who retires by rotation and being eligible, offers himself for re-appointment.

3) To appoint a Director in place of Mr. Meghraj Arvindrao Gore ("Raj Gore") (DIN:07505123), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4) To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

   To ratify the payment of remuneration to the Cost Auditors for the financial year 2023-24.

   "**RESOLVED THAT**, pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the approval of the shareholders of the Company be and is hereby accorded for the ratification of remuneration of INR 1,75,000 (Rupees One Lakh Seventy-Five Thousand Only) (exclusive of taxes and re-imbursement of actual out-of-pocket expenses) payable to M/s. Rao, Murthy & Associates, Cost Accountants, (Firm Registration No. 00065) appointed as Cost Auditors, for conducting audit of cost records of the Company for the Financial Year 2023-24, as recommended by the Audit Committee and approved by the Board of Directors of the Company.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

Date: August 10, 2023
Place: Bengaluru

Sunu Manuel
Company Secretary

NOTES:

1. Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, Circular no. 02/2021 dated January 13, 2021, General Circular no. 19/2021 dated December 08, 2021, General Circular no. 21/2021 dated December 14, 2021, General Circular No. 2/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022 (collectively "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 on May 13, 2022, and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 (collectively "SEBI Circulars"), have permitted companies to conduct AGM through VC or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 25th AGM of the Company is being convened and conducted through VC.

2. In compliance with the provisions of the Companies Act, 2013 ("the Act"), Listing Regulations and MCA Circulars, the 25th AGM of the members will be held through video conferencing ('VC') or other audio visual means ('OAVM'). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith.

3. The Company has appointed M/s. KFin Technologies Limited, Registrar and Transfer Agent ('RTA' or 'KFintech') of the Company, to provide VC/OAVM facility for the AGM of the Company.

4. The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM is 1800 309 4001 (toll free).

5. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, where physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

6. The facility for joining AGM through VC/OAVM will be available for up to 1,000 Members and members may join on first come first serve basis. However, the above restriction shall not be applicable to members holding more than 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Board, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 15 (fifteen) minutes prior to the scheduled time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.

7. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. The explanatory statement pursuant to Section 102(1) of the Act, which sets out details relating to Special Businesses at the meeting, is annexed hereto.

9. Institutional/Corporate members are encouraged to attend and vote at the meeting through VC/OAVM. We also request them to send, a duly certified copy of the Board Resolution authorizing their representative to attend the AGM through VC/OAVM and vote through remote e-voting on its behalf at, sree@sreedharancs.com or investors@hcgel.com and einward.ris@kfintech.com, pursuant to Section 113 of the Companies Act, 2013.

10. In case of Joint Holders attending the AGM, only such Joint Holder whose name appear first in the order of names will be entitled to vote.

11. Only bonafide members of the Company whose name appear first on the Register of Members, will be permitted to attend the meeting through VC/OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.

12. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to inspect, may send their request through an email at investors@hcgel.com up to the date of AGM.

13. Members holding shares in Electronic (Demat) form are advised to inform the particulars of their Bank account, change of postal address and email IDs to their respective Depository Participants only. The Company or its RTA i.e. KFin Technologies Limited, cannot act on any request received directly from the members holding shares in demat mode for changes in any Bank mandates or other particulars.

14. Members holding shares in physical form are advised to inform the particulars of their Bank account, change of postal address and email IDs to our RTA i.e. KFin Technologies Limited, Plot 31-32, Karvy Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the Secretarial Department of the Company.

15. Members holding shares in Electronic (Demat) form or in physical mode are requested to quote their DPID & Client ID or Folio details respectively in all correspondences,

to the RTA i.e. KFin Technologies Limited, Plot 31-32, Karvy Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the Secretarial Department of the Company.

16. Members who have not registered their email ID with the depository participants, are requested to register their email ID with their depository participants in respect of shares held in electronic form and in respect of shares held in physical form, are requested to submit their request with their valid email ID to our RTA at einward.ris@kfintech.com or investors@hcgel.com for receiving all communications including annual report, notices, letters etc., in electronic mode from the Company.

17. Pursuant to Section 101 and Section 136 of the Act, read with The Companies (Management and Administration Rules), 2014, and Regulation 36 of Listing Regulations, companies can serve Annual Report and other communications through electronic mode to those Members who have registered their email ID either with the Company or with the Depository Participants.

18. In line with MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for FY 2022-23, are being sent only through electronic mode to those Members whose email IDs are available with the Company/Depository Participants/RTA.

19. Members may note that the Notice of the AGM and Annual Report for FY 2022-23 will also be available on the Company's website https://www.hcgoncology.com/annual-reports/ and website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at https://www.bseindia.com/ and https://www.nseindia.com/ respectively, and on the website of KFin Technologies Limited at https://evoting.kfintech.com.

20. Since the AGM will be held through VC/OAVM, the Route Map is not required to be annexed in this Notice.

21. Pursuant to Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the facility of remote e-voting to all the members as per applicable Regulations relating to e-voting. The complete instructions on e-voting facility provided by the Company are annexed to this Notice, explaining the process of e-voting with necessary user id and password. Members who have cast their vote by remote e-voting prior to the meeting may attend the meeting but will not be entitled to cast their vote again.

22. The Company has fixed Wednesday, September 13, 2023 as Cut-off date for determining the eligibility of Members entitled to vote at the AGM. The remote e-voting shall remain open for a period of 3 days commencing from September 17, 2023 9.00 a.m. to September 19, 2023 5.00 p.m (both days inclusive).

23. Members who are present in meeting through video conferencing facility and have not cast their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.

24. The Company has appointed Mr. V Sreedharan (FCS 2347; CP 833), and in his absence Mr. Pradeep B Kulkarni (FCS 7260; CP 7835) or Ms Devika Sathyanarayana (FCS 11323; CP 17024), partners of M/s V Sreedharan & Associates, Practising Company Secretaries, Bengaluru as Scrutinizer to scrutinize the e-voting process in fair and transparent manner.

25. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 hours to 18:00 hours) on all working days up to and including the date of AGM of the Company. Members who wish to seek inspection, may send their request through an email at sunumanuel@hcgel.com and/or investors@hcgel.com up to the date of AGM.

26. Information required under Regulation 36 of Listing Regulations in respect of Directors seeking Appointment/Re-appointment at the AGM is furnished as annexure to this Notice. The Directors have furnished consent/declarations for their appointment/re-appointment as required under the Act and rules made thereunder.

27. In line with the measures of "Green Initiatives", the Act provides for sending Notice of the AGM and all other correspondences through electronic mode. Hence, Members who have not registered their mail IDs so far with their depository participants are requested to register their email ID for receiving all the communications including Annual Report, Notices etc., in electronic mode. The Company is concerned about the environment and utilises natural resources in a sustainable way.

28. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can only be transferred in demat form with effect from April 1, 2019, except in case of request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or RTA for assistance in this regard.

29. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN to the Company or to RTA.

30. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent, the details of such folios together with the share certificates

for consolidating their holding in one folio as per the procedure stipulated in SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022.

31. Non-Resident Indian Members are requested to inform RTA / respective depository participants, immediately of any:

    (a) Change in their residential status on return to India for permanent settlement.

    (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

32. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to KFinTech in case the shares are held in physical form.

33. Procedure for joining the AGM through VC/OAVM:

    The Company will provide VC / OAVM facility to its Members for participating at the AGM through platform provided by M/s KFin Technologies Limited.

    a. Members will be able to attend the AGM through VC/OAVM or view the live webcast at https://emeetings.kfintech.com by using their e-voting login credentials.

       Members are requested to follow the procedure given below:

       i. Launch internet browser (chrome/firefox/safari) by typing the URL: https://emeetings.kfintech.com

       ii. Enter the login credentials (i.e., User ID and password for e-voting).

       iii. After logging in, click on "Video Conference" option.

       iv. Then click on camera icon appearing against AGM event of HealthCare Global Enterprises Limited, to attend the Meeting.

    b. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.

    c. Members will be allowed to attend the AGM through VC/OAVM on first come, first serve basis.

    d. Facility to join the meeting shall be opened fifteen minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.

    e. Members who need assistance before or during the AGM, can contact KFinTech on evoting@kfintech.com or call on toll free number 1800-309-4001. Kindly quote your name, DP ID-Client ID/Folio no. and E-voting Event Number in all your communications.

    f. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

    g. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

34. Shareholders who would like to express their views/ask questions during the meeting may register themselves by logging on to https://emeetings.kfintech.com and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during Friday, September 15, 2023 to Saturday, September 16, 2023. Members shall be provided a 'queue number' before the meeting. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

35. The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be open from Friday, September 15, 2023 to Saturday, September 16, 2023.

36. All the shareholders attending the AGM will have option to post their comments / queries through a dedicated Chat box that will be available below the meeting screen.

37. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform. Members may click on the voting icon ('vote now') on the left side of the screen to cast their votes.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

The following statement sets out the material facts relating to all the Special Business mentioned in the Notice of the Annual General Meeting.

ITEM NO. 4

The Board of Directors of the Company on August 10, 2023, on the recommendation by the Audit Committee, reappointed M/s. Rao Murthy & Associates, Cost Accountants, as the cost auditors of the Company for the financial year 2023–24, at a remuneration of INR 1,75,000 (Rupees One Lakh Seventy-Five Thousand) and re-imbursement of out of pocket expenses, subject to ratification of the remuneration payable to the cost auditor, by the shareholders of the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and Companies (Audit and Auditors) Rules, 2014 (the Rules), the remuneration of the cost auditor is required to be ratified by the shareholders subsequently in accordance to the provisions of the Act and Rule 14 of the Rules. None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

ANNEXURE – INFORMATION TO SHAREHOLDERS

Details of Directors seeking appointment/re-appointment at the 25th Annual General Meeting to be held on September 20, 2023.

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard for General Meetings (SS-2) in respect of director(s) recommended for appointment and re-appointment]

Name of the Director	Mr. Amit Soni	Mr. Raj Gore
Date of Birth	January 28, 1980	January 01, 1975
Age	43 years	48 years
Date of appointment as Independent Director / Director under the Companies Act, 2013 and Listing Regulations	July 28, 2020	February 10, 2022
Relationships with other Directors inter-se & KMPs	None	None
Expertise in specific functional area	Corporate Governance, Business/ Management Leadership Experience Functional and managerial Experience Industry / Sector Knowledge Information Technology	Corporate Governance, Business/ Management Leadership Experience Functional and managerial Experience Industry / Sector Knowledge Information Technology
Qualification(s)	i. MBA from Wharton ii. Bachelor of Technology in Electrical Engineering from IIT, Delhi	i. Bachelor of Chemical Engineering from Jawaharlal Nehru Engineering College ii. Master of Science in Information Technology iii. Master of Business Administration from University of Denver, USA.
Other Listed companies in which the Director is a Director as on August 10, 2023	Nil	Nil
Chairmanships/Memberships of the Committees of other public limited companies as on August 10, 2023	Nil	Nil
No. of meetings of the Board attended during the year	4	5
Number of shares held in the Company	Nil	Nil

Notes:

1. The Directorships do not include positions in foreign companies and private companies, position as an advisory board member and position in companies under Section 8 of the Companies Act, 2013. With regard to Committees, Memberships/Chairmanships in the Audit Committee and Stakeholders' Relationship Committee/Investor Grievances Committee have only been considered.
2. Information pertaining to remuneration, terms and conditions and the number of Board Meetings attended during the financial year 2022-23, wherever applicable, have been provided in the Corporate Governance Report forming part of the Annual Report.

Profile of Directors retiring by rotation and seeking reappointment at the Annual General Meeting are as under:

Amit Soni, Non-Executive Non-Independent Director

Amit is a Partner at CVC and joined CVC in 2017. Amit is a member of the CVC India team and based in Mumbai. Prior to joining CVC, he was a principal at General Atlantic where he spent nine years and led the firm's India investment strategy for internet, business services, software and financial technology. Prior to that Amit worked at 3i, Bill & Melinda Gates Foundation and McKinsey & Co. Amit's previous investment in healthcare includes CitiusTech, a leading healthcare IT services provider and MedExpress, a leading chain of urgent care centres. Amit holds an MBA from Wharton and a Bachelor of Technology in Electrical Engineering from IIT Delhi.

Raj Gore, Whole-time Director and CEO

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

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

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

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

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

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ARE AS UNDER:-

I. Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and Regulation 44 of the Listing Regulations, read with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Members are provided with the facility to cast their vote electronically, through any of the modes listed below, on all resolutions set forth in this Notice, by way of remote e-voting:

MODES OF E-VOTING	THROUGH DEPOSITORIES		THROUGH DEPOSITORY PARTICIPANTS
	NSDL	CDSL	
Individual shareholders holding securities in demat mode	1. Members already registered for IDeAS facility may follow the below steps: a) Visit the following URL: https://eservices.nsdl.com b) On the home page, click on the "Beneficial Owner" icon under the 'IDeAS' section. c) On the new screen, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" under e-voting services. d) Click on Company name or e-voting service provider name i.e. KFintech and you will be re-directed to KFintech website for casting your vote. 2. Members who have not registered for IDeAS facility may follow the below steps: a) To register for this facility, visit the URL: https://eservices.nsdl.com b) On the home page, select "Register Online for IDeAS" c) On completion of the registration formality, follow the steps provided above. 3. Members may alternatively vote through the e-voting website of NSDL in the manner specified below: a) Visit the URL: https://www.evoting.nsdl.com/ b) Click on the "Login" icon available under the 'Shareholder/Member' section. c) Enter User ID (i.e. 16-digit demat account number held with NSDL), Password / OTP, as applicable, and the verification code shown on the screen. d) Post successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-voting page.	1. Members already registered for Easi/Easiest facility may follow the below steps: a) Visit the following URL: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com b) Click on the "Login" icon and opt for "New System Myeasi" (only applicable when using the URL: www.cdslindia.com) c) On the new screen, enter User ID and Password. Without any further authentication, the e-voting page will be made available. d) Click on Company name or e-voting service provider name i.e. KFintech to cast your vote. 2. Members who have not registered for Easi/Easiest facility may follow the below steps: a) To register for this facility, visit the URL: https://web.cdslindia.com/myeasi/Registration/EasiRegistration b) On completion of the registration formality, follow the steps provided above. 3. Members may alternatively vote through the e-voting website of CDSL in the manner specified below: a) Visit the URL: www.cdslindia.com b) Enter the demat account number and PAN c) Enter OTP received on mobile number & email registered with the demat account for authentication. d) Post successful authentication, the member will receive links for the respective e-voting service provider i.e. KFintech where the e-voting is in progress. 4. For any technical assistance, Members may contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call at 022-23058738 or 022-23058542-43.	Members may alternatively log-in using the in credentials of the demat account through their Depository Participants registered with NSDL/CDSL for the e-voting facility. On clicking the e-voting icon, members will be re-directed to the NSDL/CDSL site, as applicable, on successful authentication. Members may then click on Company name on or e-voting service provider name i.e. KFintech and will be redirected to KFintech website casting their vote.

MODES OF E-VOTING	**THROUGH DEPOSITORIES**		**THROUGH DEPOSITORY PARTICIPANTS**
	NSDL	**CDSL**	
	e) Click on company name or e-Voting service provider name i.e. KFintech and you will be redirected to KFintech website for casting your vote. Members can also download NSDL Mobile App "NSDL Speede" facility. 4. For any technical assistance, Members may contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 18001020990 or 1800224430.		
Non-individual shareholders holding securities in demat mode and Shareholders holding securities in physical mode	i. Initial password is provided in the body of the e-mail. ii. Launch internet browser and type the URL: https://evoting.kfintech.com in the address bar. iii. Enter the login credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes. iv. After entering the correct details, click on LOGIN. v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. vi. You need to login again with the new credentials. vii. On successful login, the system will prompt you to select the EVENT. viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head. ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account. x. Cast your votes by selecting an appropriate option and click on 'SUBMIT.' A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution. xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at sree@sreedharancs.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BFL_EVENT No.' xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of https://evoting.kfintech.com or call KFin on 1800 309 4001 (toll free).		

GENERAL INSTRUCTIONS ON E-VOTING

1) Members who are unable to retrieve User ID/Password are advised to use "Forgot User ID"/"Forgot Password" options available on the websites of Depositories/Depository Participants.

2) The remote e-voting period commences at 9 a.m. IST on Sunday, September 17, 2023 and ends at 5 p.m. IST on Tuesday, September 19, 2023. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, September 13, 2023, may cast their votes electronically as per the process detailed in this Notice. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

3) The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e., Wednesday, September 13, 2023.

4) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date of Wednesday, September 13, 2023, under "FOR/AGAINST" for each item of the notice separately or alternatively, you may partially enter any number "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as on the Cutoff date. You may also choose the option "ABSTAIN". If the Member does not indicate either "FOR" or "AGAINST", it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

5) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

6) You may then cast your vote by selecting an appropriate option and click on "Submit".

7) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on all the resolution(s).

8) In case of any query and/or grievance, in respect of voting by electronic means through KFintech, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com or may contact Mr. Ganesh Chandra Patro, Asst. Vice President (Unit: HealthCare Global Enterprises Limited) of KFin Technologies Limited, Selenium, Plot 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032 or at einward.ris@kfintech.com and evoting@kfintech.com or call KFintech's toll free No. 1-800-3094-001 for any further clarifications.

9) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

10) The Scrutinizer will submit his report to the Chairman after the completion of scrutiny, and the result of the voting will be announced by the Chairman or any Director of the Company duly authorized, on or before Friday, September 22, 2023 and will also be displayed on the website of the Company (https://www.hcgoncology.com/corporate/investor-relations/), besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent.

VOTING AT AGM

1) Only those members/shareholders, who will be present in the AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote.

2) Members who have voted through remote e-voting will still be eligible to attend the AGM.

3) Members attending the AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

4) Voting at AGM will be available at the end of the AGM and shall be kept open for 15 minutes. Members viewing the AGM, shall click on the 'e-voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC

1) Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by KFin at https://emeetings.kfintech.com by using their remote e-voting login credentials and by clicking on the tab "video conference". The link for AGM will be available in members login, where the EVENT and the name of the Company can be selected.

2) Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for seamless experience.

3) Further, members registered as speakers will be required to allow camera during AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.

4) Members may join the meeting using headphones for better sound clarity.

5) While all efforts would be made to make the meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

6) Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by visiting the URL https://emeetings.kfintech.com/ and clicking on the tab 'Speaker Registration' during the period starting from September 15, 2023 9.00 a.m. up to September 16, 2023 5.00 p.m. Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Only questions of the members holding shares as on the cut-off date will be considered.

7) A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL https://emeetings.kfintech.com/, under the "How it Works" tab placed on top of the page.

8) Members who need technical assistance before or during the AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 309 4001.

Procedure for Registration of email and Mobile: securities in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or

b) Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

c) Through electronic mode with e-sign by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx#

Detailed FAQ can be found on the link: https://ris.kfintech.com/faq.html

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

HCG
adding life to years

Innovative. Tech-enabled. Patient-centric. Quality-focused.

HealthCare Global Enterprises Limited

Annual Report **2022-23**

Contents

For more information, please, visit our website:

About the Report

The fiscal year 2022-23 has been an extraordinary year in clinical advances in oncology across the country. Our 5th Annual report adopting the IIRC framework highlights our progress which attest to our ability to provide best-in-class patient care adopting cutting-edge technologies and globally acclaimed practices.

Through this report, we have strived to showcase a full and balanced picture of HealthCare Global Enterprises Limited's (HCG) material topics, related impacts and performance in the fiscal year ending March 31, 2023. The report is aimed at a broad audience including investors, non-governmental organisations, environmental, social and governance services, patients and suppliers.

Reporting Framework

The report has been produced with reference to the International Framework as developed by IIRC (www.integratedreporting.org) and should be read in conjunction with the financial statements included herein and the notes thereto. The financial and statutory data presented is in accordance with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable laws. The report is divided into six capitals with adoption of an integrated reporting framework as laid out by the International Integrated Reporting Council (IIRC), followed by Board report and financial statements.

Reporting Scope, Boundaries and Period

The Integrated Report largely focuses on information from business operations of HCG's oncology and consolidated operations, as available and applicable, aptly disclosed through six capitals as defined by IIRC. All the six capitals cover information on a comprehensive basis, unless otherwise stated.

The Integrated Report considers the primary reporting period as April 01, 2022 to March 31, 2023. However, some of the sections of the report represent facts and figures of previous years, of our multispeciality and fertility operations, our subsidiaries, to provide as much comprehensive overview as possible for consumption of those who are part of journey of HCG, such as our patients, employees, investors and all other stakeholders.

Our Capitals

Financial Capital

Capital available, deployed and returns generated by HCG.

Manufactured Capital

Business model, systems and processes, infrastructure and medical equipment.

Intellectual Capital

Brand value, research and academics, digitization and clinical excellence.

Human Capital

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

Social and Relationship Capital

Strategic partnerships, joint ventures, networks and social contributions.

Natural Capital

Our responsibility towards preserving earth's resources.

Assurance

To ensure the integrity of facts and information, the Board of Directors and management have reviewed the Integrated Report. The statutory auditors BSR & Co. LLP have provided assurance on the financial statements and the 'Independent Auditor's Report' has been duly incorporated as a part of this report

Stakeholder Feedback

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

- Email: investors@hcgoncology.com
- Mail: HealthCare Global Enterprises Ltd., (Corporate Office) #3 Tower Block, Unity Buildings Complex, Mission Road, Bangalore 560027
- Website: https://www.hcgoncology.com

Forward-looking statements

This report contains forward-looking statements based upon current expectations and assumptions regarding anticipated developments and other factors. They are not historical facts, nor are they guarantees of future performance since they are subject to numerous assumptions, risks, and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made, and various factors could cause actual performance to differ materially from that expressed or implied by these forward looking statements.

Genomics - Future for Cancer Care

**Every Cancer case is unique, just like every patient.
And no one understands this better than HCG.
We treat a broad spectrum of cancers with Genomic driven, personalized treatment plans.**

The main objective of genomics and precision medicine is to give the right diagnosis at the right time to choose the right treatment. Despite recent advances in the treatment of cancer with the advent of better surgical expertise, radiotherapy techniques and chemo-immune therapeutic advances over the past years, outcomes of metastatic cancer have increased marginally and 5-year survival of most advanced malignancies is still low. Many major drugs have initial response, but the non-response rates vary between 30% and 70%. Patients with same type of cancer might respond differently to different drugs. Also, a patient might show response to a particular drug for some time and then develop resistance to the same drug. A major challenge faced by an oncologist in the clinic is "Organotrophism" i.e. a particular cancer metastasizing (spreading) to different organs. Genomic sequencing/ Next generation sequencing (NGS) solves the diagnostic dilemma in difficult cases on histopathology and helps to understand the genetic background of cancer patients.

Sequencing technology is continuing to revolutionise genetic screening and testing with ever-evolving techniques becoming relatively inexpensive, fast and widespread. What once took years can now be performed in a matter of days or even hours, enabling investigators to simultaneously screen for tens of thousands of biologically relevant variants in a single individual. Sequencing of complete genes, chromosomes or even the entire genome can detect known or novel sequence variants at single nucleotide resolution and may provide potential biomarkers of disease.

The success of "Genomic Medicine" can already be seen in clinical practice and the generalized treatment is shifting towards "genome-based personalized treatment". Information of the comprehensive genomic profile of a patient is enabling the oncologist to break the cycle of 'trial and error' medicine, and adopt tailored action and evidence based therapy/ treatment plan. Targeted therapy, Immunotherapy, and personalised radiation therapy are being offered in variety of cancers such as lung cancer, renal cancers, melanomas, breast cancer, colorectal cancer, liver cancer, thyroid cancer etc. with significant improvement in survival.

Envisioned to drive a new standard of cancer care, HCG offers comprehensive genomic profiling (CGP) to broaden patient access to genomic testing. Comprehensive genomic profiling is an approach to detect multiple actionable cancer biomarkers at "one go" that helps optimize treatment for better clinical outcome. Understanding the genetic signature or profile of the cancer helps oncologists penetrate the root level cause of the disease at the molecular and genetic level.

1,000+
Patient samples processed with TSO500

1,291+
Total number of genomic alterations detected in cohort

54
RNA alterations detected in cohort

77%
Patients with actionable and prognostic genetic alterations

~80
Assigned to approved therapies (for specific indications)

~25%
Change in clinical management (for specific indications)

One-stop destination for Superior Clinical Expertise

As one of India's largest speciality cancer care hospitals, HCG remains committed to simplify diagnostic and treatment processes for patients as well as caregivers.

Staying at the forefront of the battle against cancer, we aim to redefine the future of healthcare in India. To deliver world-class services, we plan to be a one-stop destination for core clinical services focusing on tertiary care, best-in-class treatment facilities and use of high-end technology.

Our multidisciplinary approach enables us to employ the services of specialists for delivering timely and exceptional clinical outcomes. Besides, we have forayed into other areas of healthcare including fertility and reproductive medicine and precision diagnostics to improve the care continuum.

Our Corporate Philosophy

Vision

Adding life to years by redefining healthcare through global innovation.

Mission

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

Values

- Quality
- Innovation
- Integrity
- Innovation
- Collaboration

Unique Long-term Value Creation Opportunity in Single Specialty Healthcare

1

Market leadership in high growth industry

- 33+ years of patient trust
- India's largest oncology player
- Under-coverage in cancer care
- Differentiated services with rapidly evolving technology

2

Integrated cancer care for patient retention

- Only Indian integrated cancer care chain
- Superior patient outcomes with top-of-the-mind brand recall
- Cancer care is a lifetime association
- Potential risk for patient families

3

High entry barriers for differentiated care

- Specialized technical knowledge
- Rapidly evolving expensive technology
- Hub and spoke model –high patient volume
- Largest oncologist network with high doctor retention

4

Profitable scalable business model

- Historically superior patient outcomes
- Proven scalable model – strong operational KPIs
- Advanced treatments with high realizations
- Cost optimization in progress

5

Poised for high growth with limited capex

- Turnaround in emerging centers
- High-capacity headroom
- Asset Light expansion
- Ongoing digital transformation and marketing initiatives

One Stop Solution with Superior Clinical Expertise

END-TO-END CANCER CARE SERVICES AT HCG

DIAGNOSTICS

- Physical Examination
- Laboratory Tests
- Digital PET
- Digital Pathology

TREATMENT

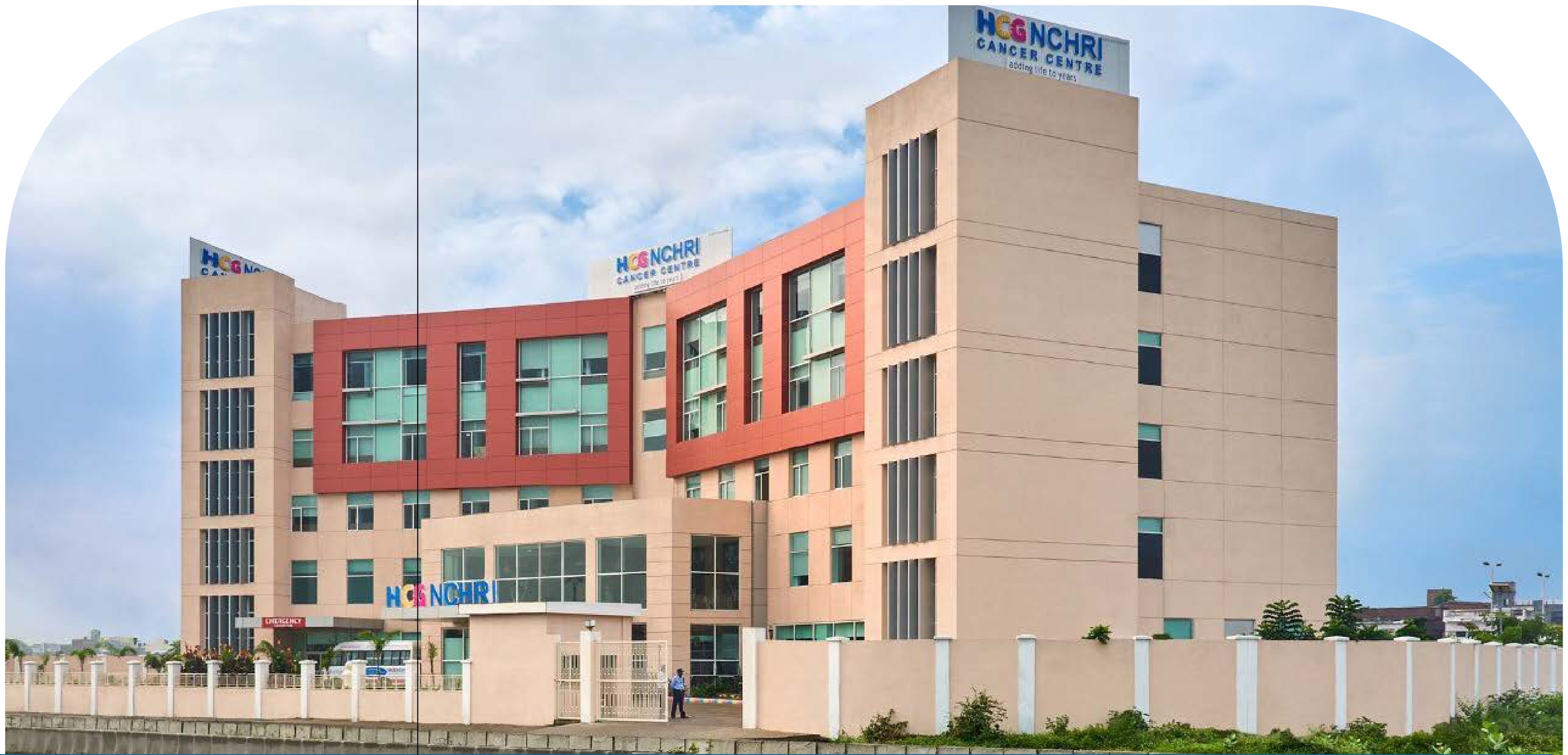
- Chemotherapy
- Endocrine Therapy
- Radiation
- Bone Marrow Transplant
- Robotic Surgery
- Nuclear Medicine
- Targeted Drug Therapy
- Genomics
- Immunotherapy
- Liver Transplant
- Psycho-oncology
- Pediatric Oncology

POST CARE

- Patient Care
- Home Health Services
- Psychological Support
- Preventive Oncology

Prioritising quality-focused care

Our understanding of cancer care is powered by a strong focus on innovation, adoption of advanced clinical procedures and a special emphasis on delivering personalised care. These tenets have strengthened the pillars of HCG and have enabled us to consistently make the highest standards of care accessible for patients in different parts of the country. To further expand the domain of our expertise, we have forayed into reproductive medicine and precision diagnostics. It has not only upgraded our care portfolio but, has also provided the opportunity to serve a larger number of people with specialised services.



HCG - the cancer care specialist

We are the largest oncology focused hospital chain with a pan India network, offering comprehensive cancer diagnosis, treatment and post care facilities. Our centres are equipped with latest technologies, experienced medical professionals and are recognised for offering specialised cancer care. It enables us to provide patients with timely diagnostic services and clinical assistance.

3.7+ Lakhs
New Cancer Patients treated in last 5 years

22*
Comprehensive Cancer Care Centres (CCC)

400+
Oncologists Network

* Includes 1 Centre in Kenya. Bhavnagar Multi-specialty also includes comprehensive cancer care and included in CCC count

Milann — the reproductive medicine specialist

The reproductive medicine arm of HCG, Milann, is renowned for offering advanced diagnosis and treatment in the field of Assisted Reproduction Technology (ART), Reproductive Endocrinology, Ovarian Biology, Reproductive Immunology and Genetics. It has also established a niche for IVF services in India, with a team of fertility specialists and embryologists.

7
No. of centres

5,265
Couple registration in FY23 (13.6% YoY growth)

1,936
IVF cycles in FY23 (10.8% YoY growth)

Triesta - Clinical Laboratory

Triesta Sciences offers state-of-the-art facilities for cancer diagnostics. It is an integration of laboratory services, research and development and clinical research for better diagnosis and prognosis of cancer. It is the largest network of CAP and NABL accredited oncology diagnostic laboratory service provider in the country offering a comprehensive range of routine to highly specialised diagnostic tests for hospitals and medical institutions in India and abroad.

1
Reference Lab

20
Current Network of Diagnostic Labs

6
Network Labs

HCG - Multispecialty hospital

Through our multispecialty hospitals, we provide tertiary care for cardiac, bone and joint, brain and spine, neuro and nephro and digestive care. It also offers critical care facilities for complex medical problems.

4*
Multispecialty hospitals

398*
Number of beds

31,000+
Patients treated in FY 2023

* including Bhavnagar

Chairman's Message

Today, cancer is fast becoming a chronic disease, and a sea change has occurred in the manner in which we stage cancer, how we adopt a multi-disciplinary approach to cancer care, and how we apply genomics and molecular diagnostics in this era of precision medicine to provide the right treatment the first time.

Dear Shareholders,

Ever since its inception way back in 1989 as a single cancer care hospital in Bangalore, HCG has been tirelessly striving to serve the larger cause of cancer care through breakthrough innovation and value-based care. Today, our strong presence across 18 cities in nine states, with one-third of our centres in tier-II and tier-III cities, is a resounding triumph of our unique focused factory approach and hub and spoke model of cancer care.

Going against the prevalent norm of multi-speciality hospitals, HCG has shown that it is possible to get sustainable cancer care outcomes at par with premier centers of the West, if patients are given the best treatment at the right time using best of breed talent, knowledge, technology, and infrastructure. HCG specializes in understanding the essence and progression of cancer and how it can affect every patient differently. At the core of this understanding are three aspects: our unique approach to treatment, intelligent technology adoption, and clinical excellence.

Historically, cancer treatment in India has always been fixated on the cost, not value. Since India is predominantly a country of low and middle income people, the focus on bringing the cost down is understandable. But there is a cost attached to low cost which becomes evident on a closer look at the cancer care spectrum and dynamics.

Today, cancer is fast becoming a chronic disease, and a sea change has occurred in the manner in which we stage cancer, how we adopt a multi-disciplinary approach to cancer care, and how we apply genomics and molecular diagnostics in this era of precision medicine to provide the right treatment the first time. Understanding the genomic correlates of response and resistance helps us stratify patients and avoid the perils of under/over treatment. Needless to say, this advancement in cancer care comes with a price tag. The expense is on three main counts:

One, towards recruiting the talent pool of competent resources including surgical oncologists, medical oncologists, radiation oncologists, organ-specific specialists, genomic experts, radiologists, pathologists, qualified nurses, and other support staff. Recruiting and retaining them has a significant cost attached to it; two, towards adopting best-of-breed technologies like digital PET scan, adaptive radiotherapy, and train people on these technologies, and; three, towards creating a certain margin to be used for reinvestments. In India, even after providing for all three components, we find that the cost of HCG's cancer care is 1/6th of that in the United States, not just in the case of our peripheral centres but also in the case of Centers of Excellence. This, we believe, is a phenomenal achievement.

Cancer prevention is one of the most important but least emphasized aspects of oncology. Early detection of cancer is a key element of the spectrum of cancer prevention. Over the last century, despite the therapeutic and technological advancements, 80 per cent of the cancers in low-and-middle income countries are invariably detected at an advanced stage. Notwithstanding the rapid progression in the science of medicine, a decisive way of improving clinical outcomes is early detection, more so given the slow pace at which technology travels from the developed to the developing populations.

At HCG, we are unflinchingly focused on the twin aspects of early detection: early diagnosis and screening. The former is focused on minimizing the cost and time of treatment while maximizing the survival rates and successful clinical outcomes through better and early diagnosis of patients with symptoms. The latter probes deeper into a seemingly disease-free population to detect the silent cancers which may be imminent due to genetic or other causative factors.

Needless to say, technology plays a pivotal role in our efforts aimed at early detection of cancer, to detect cancer at stage zero or at the early stages of 1 or 2. Having said that, mere abundance of technologies is not a solution in itself. It is the intelligent deployment of technology that helps us serve the larger cause of healthcare. HCG adopts a holistic approach to patient care – from pre-admission to post-discharge – aimed at enhancing outcomes, lowering costs, and better resource management based on risk and severity of the disease. Whether Linac technology, Cyclotron equipment, Cyberknife system, Robotic surgery, or Hololens-powered augmented reality for surgical interventions, HCG's technology adoption is unflinchingly focused on patient outcomes.

Being a leading cancer care provider, we are deeply engaged in academics and research. We conduct over 170 fellowship programs as also several DNB programs in oncology, not only in Bangalore, but also in Tier 2, and Tier 3 cities. Our doctors regularly contribute original research papers and participate in global discussions on artificial intelligence. In a breakthrough achievement, we have developed AI-based models to classify tumor habitat areas. Bringing research and academics together in a judicious blend, we have now initiated investigative trials focused on head and neck cancer.

We use technology to draw enlightening patterns out of biological and clinical data to help us tailor early interventions in certain forms of cancers – both preventive and therapeutic – that can in turn be tailored to individual patient needs. Our efforts in this direction are ripe with many interesting outcomes that will help us steer gene side medicine with the bedside medicine. The data we study is an interesting mix of patient data – personal and family information, genetic profiles, and history and disease and disorder, as also statistical outliers. We also have a psycho-oncology department focused on all key peripheral patient needs and considerations, which are all intelligent and integral inputs. We are collaborating with a few IT majors on niche Artificial Intelligence-based computational work, the key findings of which will be communicated in the next year's message.

Our Tuesday tumour board conversations, which are definitively molecular diagnostic and genomics-driven and unequivocally patient-centric, bring together multidisciplinary clinics across the entire HCG value chain of 22 centers to reimagine the future of cancer care and cure across the globe. This is a grand confluence of the brightest minds powering the whole gamut of our services, from cancer prevention to rehabilitation, including over 220 oncologists and 440 physicians across specific subspecialities including Head & Neck, Neurosurgery, Breast, Cardiothoracic, Hepatobiliary, Gastrointestinal, Gynaecologic, Orthopaedic, and Robotic surgery, besides other super-specialization areas including imaging and genomics.

Our tumour board helps enhance the performance of our preventive oncology packages, organ specific multi-disciplinary clinics, mortality reviews, organ preservation surgeries, and our hub and spoke model of delivery. The knowledge capsules span mainstream topics, specialized spheres like IGRT and IMRT, and emerging areas like Precision Medicine and Stem Cell Technology. The manner in which we use streaming data and employ a holistic multidisciplinary approach towards arriving at the right therapeutic decisions is one-of-a-kind initiative in oncology practices across the globe.

The future is ripe with measurable outcomes through advances in genomics, proteomics, and metabolomics. Thanks to a dynamic tech-enabled innovation spree, cancer therapies and procedures are changing for the better every 25-30 days. We are excited to make the most of this continuum to enhance cancer staging and grading and develop more effective and sustainable therapies.

I would like to take this opportunity to thank all our stakeholders for placing their faith in our ability and agility. Your encouragement and unconditional support have helped us set new benchmarks in cancer care with unfailing regularity. I look forward to another year of spectacular, industry-leading growth towards making value-based, patient-centric care accessible to as many patients as possible.

Regards,

Dr. B. S. Ajaikumar
Executive Chairman

CEO's Message

"HCG's unparalleled growth journey over many years is primarily due to our pan-India network, specialized and differentiated cancer care model, and local market leadership across our locations, which we have established over the past several years."

Dear Shareholders,

Over the past three years, communities, patients, and the healthcare ecosystem as a whole have been tested in unimaginable ways. The collective response and resilience demonstrated by our team and our stakeholders have been nothing short of inspirational. The war with the pandemic might have waned, but the war with one of the most dreaded diseases, cancer, is yet to be won. The global burden of cancer is growing steadily, and India is no exception to this trend. HCG has been a pioneer and the leader in India's war against cancer and has been making quality cancer care more accessible and affordable across metro and non-metro locations since its inception. We have not only provided the latest technology and treatments available across the world but also been able to deliver outcomes comparable to those of leading institutions across the world at a fraction of the cost, as acknowledged in a Harvard business case study.

I am delighted to share with you that in FY 2023 we continued our journey to bring the most advanced, precise, and personalised cancer treatment to our patients by introducing a few more 'first in India' technologies like Artificial Intelligence (AI)-driven Varian Ethos™ Adaptive Radiotherapy, the Illumina Nextseq 2000 Sequencing System for comprehensive genomic profiling (CGP), and the Cell Search™ platform, the only US-FDA-approved technique for the detection of circulating Tumour Cells (CTCs) from a simple blood test that provides information on the prognosis, disease-free progression (PFS), and overall survival (OS).

Moving onto our financial performance, we are proud to report that our relentless focus on reaching out to a wider patient base, enhancing capacity, and driving higher utilisation has enabled us to achieve the highest-ever revenue for nine consecutive quarters by the end of FY 2023. Furthermore, we have sustained eight quarters of consecutive EBITDA growth during the same period. Our revenue from operations grew by 21% YoY, from INR 13,978 Mn in FY 2022 to INR 16,944 Mn in FY 2023. This was mostly on account of an increase in patient footfall in mature geographies, which has enabled us to make inroads into emerging markets. We also recorded our highest-ever annual revenue from medical value travel with a stellar YoY growth of 91%, reaching 1.5x the highest level achieved in the pre-COVID period. Our revenue through digital channels has grown by more than 3x YoY in FY 2023. Our adjusted EBITDA showed robust growth of 31% YoY from INR 2,453 Mn in FY 2022 to INR 3,208 Mn in FY 2023. Notably, our adjusted EBITDA margins have also seen a significant enhancement, progressing from 17.6% in the previous year to an impressive 18.9% this year, recording a phenomenal improvement of 139 basis points (bps). These remarkable achievements in our financial performance fill me with an optimistic outlook for the future.

HCG's unparalleled growth journey over many years is primarily due to our pan-India network, specialized and differentiated cancer care model, and local market leadership across our locations, which we have established over the past several years. Over the next few years, we intend to expand our bed capacity organically as well as inorganically while continuing to invest in advanced technologies, superior clinical expertise, and brand building to fuel future growth and further fortify our leadership in the industry. We are adding 125 beds through ongoing greenfield expansion in our core markets, like Bengaluru and Ahmedabad. To further strengthen our presence across the country, we are exploring the possibilities of acquiring hospitals and partnering with smaller healthcare facilities to provide tertiary and quaternary care to many patients.

At HCG, our commitment to the environment, sustainability, and governance remains resolute. We take pride in being the first healthcare organisation in India to eliminate mercury-based medical devices to provide safer care to patients, a safer work environment for healthcare workers, and decrease mercury pollution in the environment. The commissioning of a 2.25 MW solar power plant in the Davangere district of Karnataka is another important step towards reducing our carbon footprints and achieving sustainability goals. Big data and advanced techniques like AI, ML, and NLP can play transformative roles in managing disease burden, delivering better outcomes, and improving the quality of life for patients in oncology more than in any other specialty. Our digital transformation initiatives across clinical and patient experience areas are key to our quest to be the knowledge-driven cancer care leader. Achieving ISO 27001:2022 certification for our information security management system (ISMS) is a very important step towards securing our healthcare data and protecting our patients' right to privacy.

I would like to thank everyone who supported us through this year filled with progress and achievement. We are honored to have earned the trust of our patients and the communities we serve, and we are committed to upholding that trust every day. Through our relentless endeavor, we assure our patients the best of the treatments available across the globe and live up to our promise of **"Adding Life to Years"**.

I look forward to the year ahead and am excited about what we can achieve together.

Thank you.

Raj Gore
Chief Executive Officer

Board of Directors

From left to right

Board of Directors

1. Jeyendran Venugopal
Non-Executive, Independent Director
M M

2. Pradip Kanakia
Non-Executive, Independent Director
M M

3. Anjali Ajaikumar
Executive Director-Strategy
M

4. Raj Raghavan
Non-Executive, Independent Director
M C M

5. Siddharth Patel
Non-Executive, Non-Independent Director (Nominee Director)
M M M

6. Dr B S Ajaikumar
Executive Chairman
M C M C C

7. Rajiv Maliwal
Non-Executive, Independent Director

8. Geeta Mathur
Non-Executive, Independent Director
C M M

9. Raj Gore
Whole-time Director and CEO
M

10. Amit Soni
Non-Executive, Non-Independent Director (Nominee Director)
M C M

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

C - Chairperson M - Member

GOVERNANCE FRAMEWORK

GOVERNANCE

By Shareholders

By Committees of Board of Directors

By the Board of Directors

By the Management Process

BOARD COMPOSITION

2
Non-executive, non-independent directors

3
Executive directors

5
Independent directors

Dr B. S. Ajaikumar
Executive Chairman

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

Dr Ajaikumar's contributions to the field of cancer care in India and his success as a first-generation physician entrepreneur have been widely recognized. He has been awarded the Ernst and Young Entrepreneur of the Year Award, the CII Regional Emerging Entrepreneurs Award, and the BC Roy Award by the Indian Science Monitor. Dr Ajaikumar is also the recipient of the Karnataka Rajyotsava Award.

Dr Ajaikumar has been a practicing oncologist in the US and India for over three decades. He completed his residency training in Radiotherapy from the MD Anderson Hospital and Tumour Institute of the University of Texas, and his residency training in Oncology from the University of Virginia Hospital, Charlottesville. He received his MBBS from St. Johns Medical College, Bengaluru.

Siddharth Patel
Non-Executive, Non-Independent Director (Nominee Director)

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

Amit Soni
Non-Executive, Non-Independent Director (Nominee Director)

Amit is a Partner at CVC and joined CVC in 2017. Amit is a member of the CVC India team and based in Mumbai. Prior to joining CVC, he was a principal at General Atlantic where he spent nine years and led the firm's India investment strategy for internet, business services, software and financial technology. Prior to that Amit worked at 3i, Bill & Melinda Gates Foundation and McKinsey & Co. Amit's previous investment in healthcare includes CitiusTech, a leading healthcare IT services provider and MedExpress, a leading chain of urgent care centres. Amit holds an MBA from Wharton and a Bachelor of Technology in Electrical Engineering from IIT Delhi.

Anjali Ajaikumar
Executive Director

Anjali Ajaikumar Rossi is a seasoned professional and social entrepreneur with more than 12 years of experience in the healthcare sector with a focus on transforming the healthcare system through technological advancements. As the Vice President of Quality and Strategy for HCG, she has headed quality implementation and strategic growth planning for the network of twenty HCG hospitals nationwide. In this capacity, she has managed the departments of Operational Excellence, Home Health, Nursing and Quality.

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

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

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

Geeta Mathur
Non-Executive, Independent Director

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

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

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

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

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

Raj Raghavan

Non-Executive, Independent Director

Rajagopalan Raghavan ("Raj Raghavan") is the Chief Human Resources Officer at CoreStack, a global multi-cloud governance provider. As a former HR Head at IndiGo, he helped the organization sustain its position as India's largest airline by market share. As a key member of IndiGo's Executive Committee, he successfully oversaw all aspects of Human Resources, including its learning academy, Corporate Social Responsibility and diverse administration functions.

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

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

Jeyendran Venugopal

Non-Executive, Independent Director

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

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

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

Meghraj Arvindrao Gore

Whole-time Director and CEO

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

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

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

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

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

Pradip Kanakia

Non-Executive, Independent Director

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

Several of these companies have won prestigious awards for the Best Presented Annual Reports. As a leader in both Price Waterhouse and KPMG, he played a major role in transforming the businesses of both the firms leading to accelerated growth and profitability by demonstrating the ability to 'turn around' underperforming business units with strong strategic and execution skills. He has led several thousand people in both the firms and cultivated a culture of high performance, collaboration and teamwork.

In Price Waterhouse, Pradip ran a flagship program for Non-Executive Directors and conducted more than 40 events for leading independent directors in both Mumbai and Delhi, covering the most relevant topics of corporate governance. Pradip enjoys strong relationships with leading Directors, CEOs, CFOs and other senior C suite professionals of companies across the country.

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

Rajiv Mailwal

Non-Executive, Independent Director*

Rajiv Maliwal is the Founder and Managing Partner of Sabre Partners. He is best known for having pioneered and successfully implemented a unique private sector solution for ailing and stressed financial institutions in India (e.g. Centurion Bank, Lord Krishna Bank etc.) and more recently, in spearheading growth of healthcare and Fintech in India by providing equity capital and structuring financing innovatively. Sabre Partners has raised three mid – market private equity funds and is now raising its fourth fund.

Prior to founding Sabre Partners in 2002, Rajiv was at Standard Chartered PLC as Global Head of Private Equity. He raised a $300m fund, built a global team and invested internationally with a focus on financial services and technology. Between 1993 and 1998, he was with Goldman Sachs, Hong Kong and JP Morgan, Singapore and was responsible for setting up and growing the investment banking and securities firms in India with domestic partners (Goldman Sachs/Kotak Mahindra JV and JP Morgan/ICICI JV), led many M&A, Equity and Debt underwriting and originated several private equity investments. Prior to 1993, Rajiv was with Citibank, where he was responsible for corporate and investment banking in Western India.

Rajiv sits on the board of several companies in India and globally. He is a member of the Board of Governors of IIM, Bangalore and was a member of Stanford Parents Advisory Board for 4 years. He is a frequent speaker at a number of educational institutions and forums internationally on entrepreneurship and financial services industry amongst other areas and regularly mentors start-ups. He is also closely associated with two not-for-profit healthcare initiatives in India in the fields of mental health and eye-care.

Rajiv graduated with an MBA from Indian Institute of Management, Bangalore in 1985 and holds a Bachelor of Engineering (Hons) degree in Mechanical Engineering from BITS, Pilani. He was awarded the IIM Bangalore, Distinguished Alumni Award in 2012.

Mr. Rajiv Maliwal is currently on the Boards of Wellspring Healthcare Private Limited, Monepeak Fintech Private Limited etc.

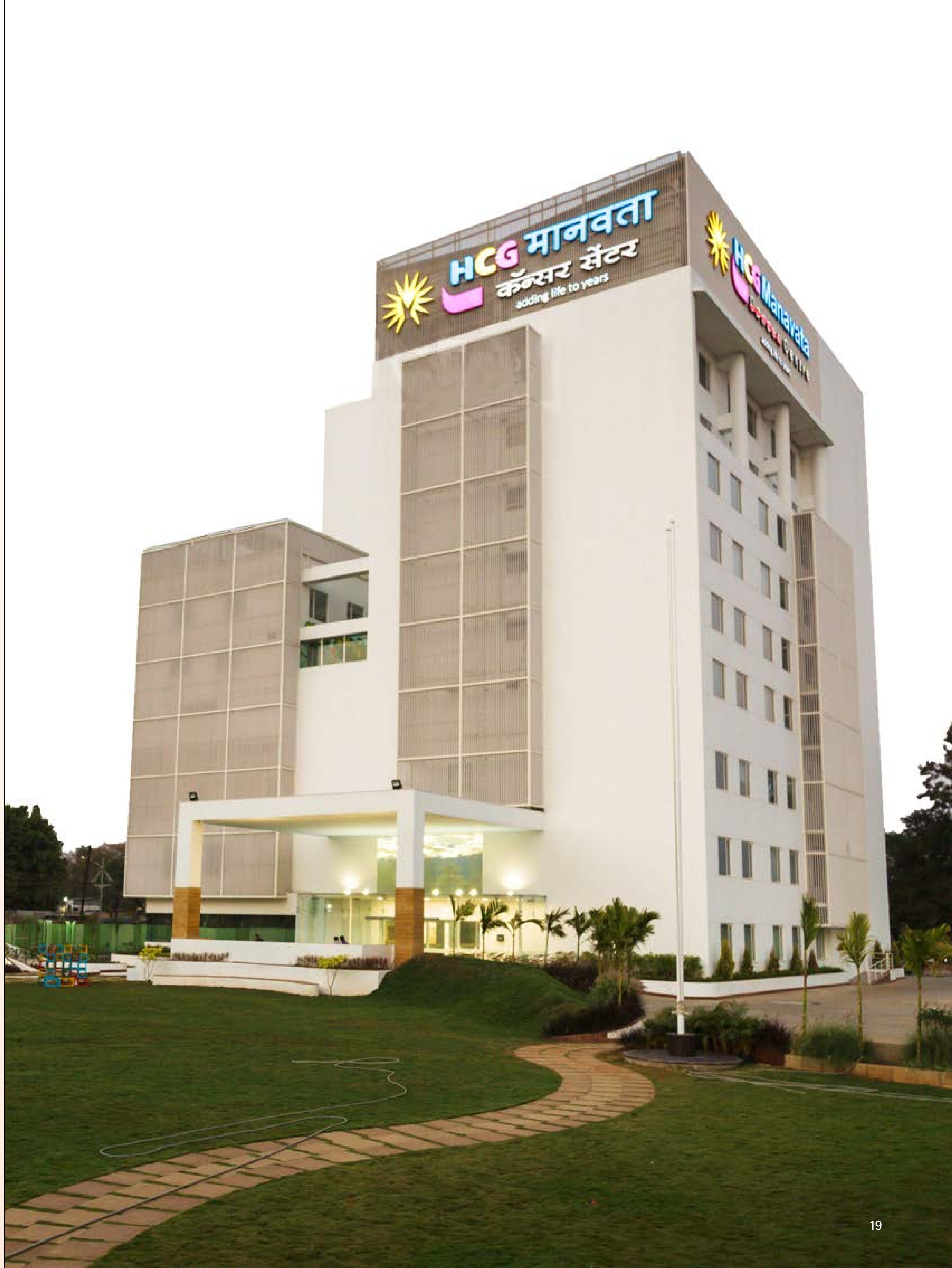
Abhay Havaldar

Non-Executive, Independent Director #

Abhay Prabhakar Havaldar is a non-executive, independent director of HCG. He holds a Bachelor's degree in Electrical Engineering from Mumbai University and a Master's degree in management from the London Business School. Previously, he was associated with General Atlantic, a global growth equity firm as an Advisory Director. Abhay was instrumental in establishing General Atlantic's India Office. He possesses a rich experience of investing in the Indian markets, including as a venture capitalist and growth investor. He is also a shareholder director at National Stock Exchange of India Ltd. He has a keen interest in developing future leaders through coaching and mentoring as well as building high-performance teams and culture. Outside work, he is an avid sports fan and a nature enthusiast with a passion for wildlife photography.

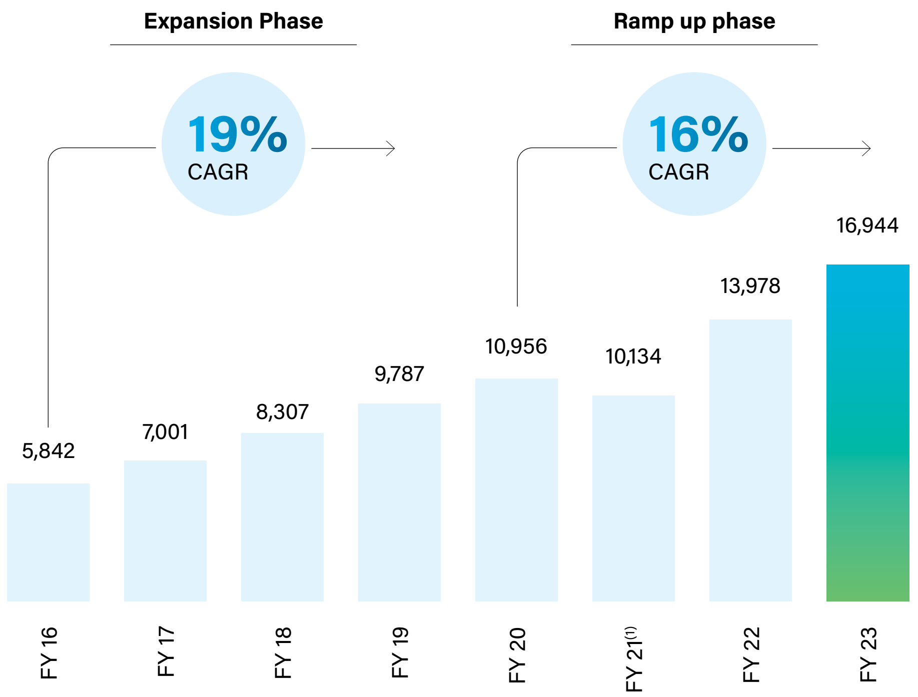
*Rajiv Maliwal has been appointed as a Director of the Company with effect from May 25, 2023.

Abhay Havaldar has resigned as a Director of the Company with effect from April 02, 2023.



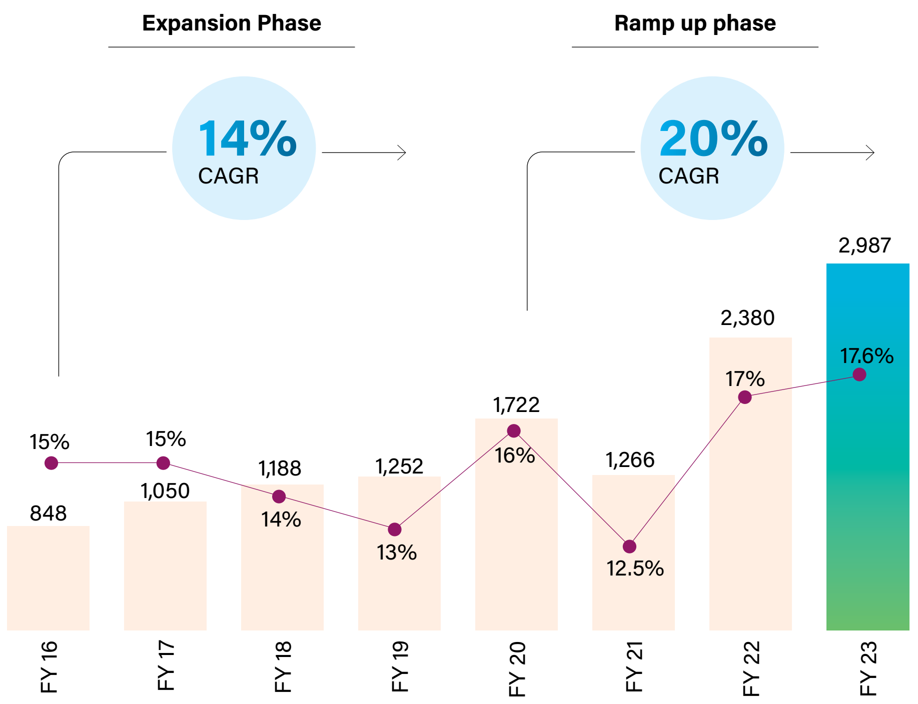
Proven Track Record of Outperforming the Industry

Revenue (INR mn)



- Consistently upward revenue trajectory
- Expansion mode by setting up new cancer centers till FY19 to achieve large scale
- Demonstrated high growth post Covid across centers

EBITDA (INR mn)[2]



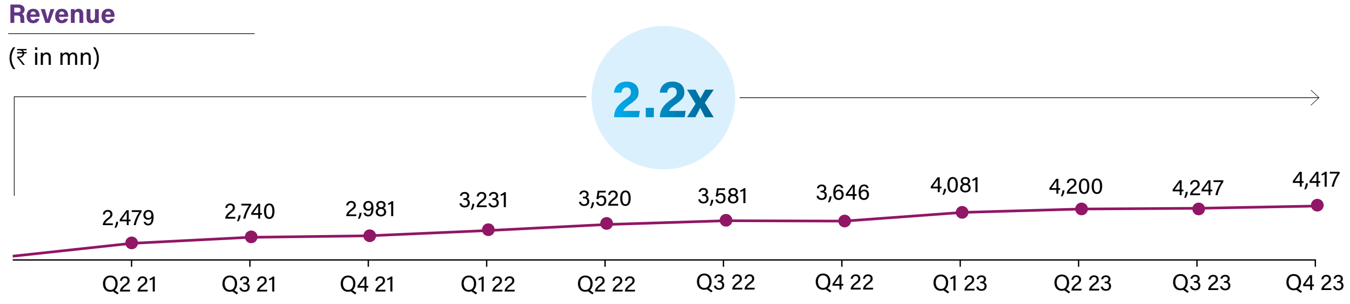
- Strong improvement in profitability
- Subdued in expansion phase due to setting up new centers
- Significant scale benefits; outpacing revenue due to operating leverage

[1] FY21 and H1'22 impacted due to covid-related headwinds
[2] EBITDA, post-corporate expenses. EBITDA for FY20-FY22 is after IND AS 116 adjustments

Improved Performance Leading to Profitability

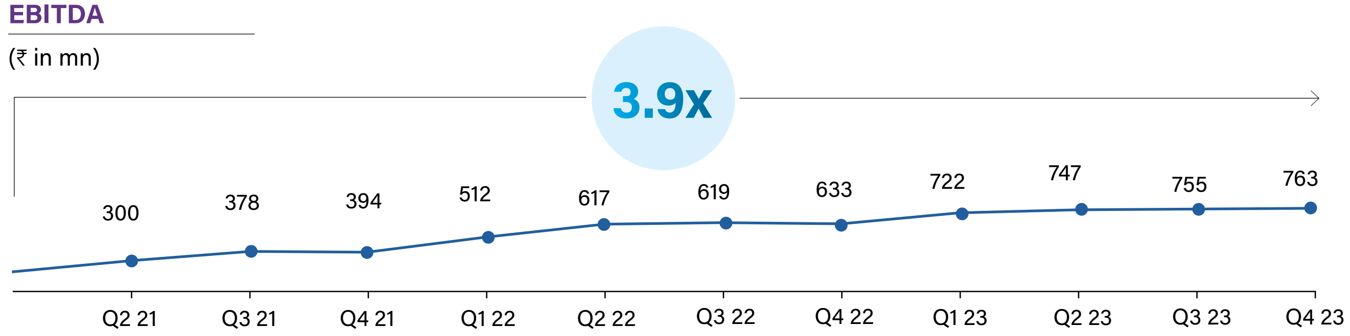
Revenue

(₹ in mn)



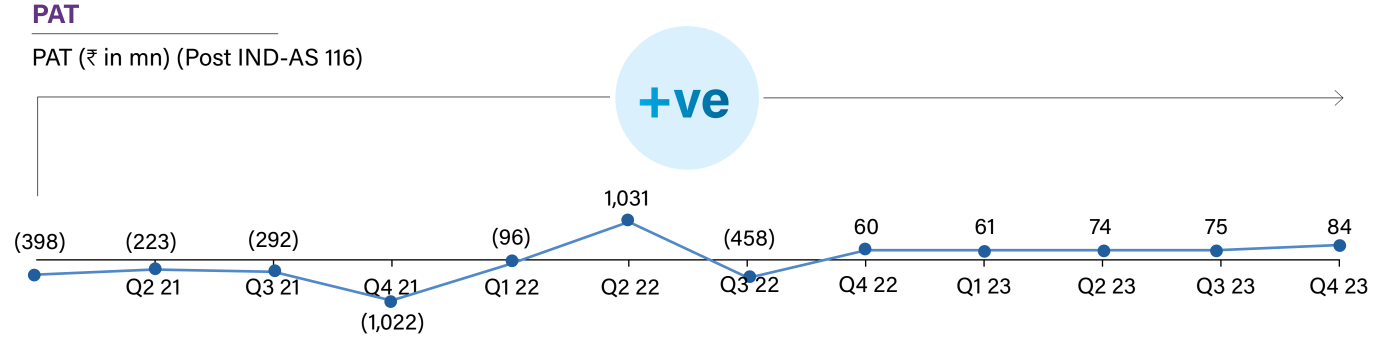
EBITDA

(₹ in mn)



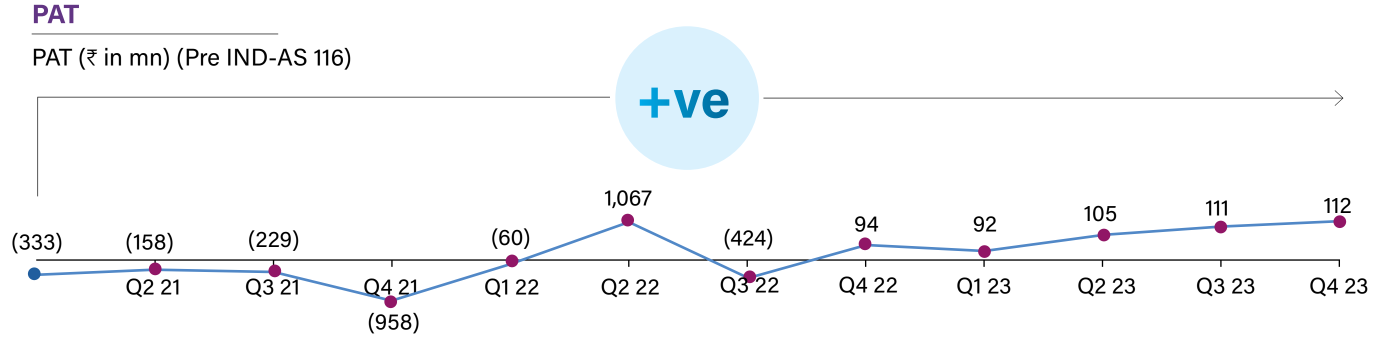
PAT

PAT (₹ in mn) (Post IND-AS 116)



PAT

PAT (₹ in mn) (Pre IND-AS 116)



Cancer : Unique challenges and dedicated treatment approach

Cancer is a multi-modal chronic illness. Unique challenges posed by cancer require our specific attention and a dedicated treatment approach. By understanding the various aspects of the disease, we craft specialised responses for each case. Our approach involves the use of cutting-edge technology, our specialised expertise, and personalised care. It is a dynamic model that aligns with the ever-evolving landscape of cancer care, aiming to provide better outcomes for our patients.

Heterogeneous Nature

Challenge
Cancer is a heterogenous disease; International Classification of Diseases (ICD) lists 600+ known of types cancer currently

Approach
Focused approach to diagnosis and treatment

Rapid Spread

Challenge
Cancer is an enigma; it can rapidly spread from source organ to other organs in the human body

Approach
Sub-specialists: organ / modality specific oncologists

Patient-Centric Care

Challenge
A patient may require multiple treatments; cancer care needs to be very patient centric and focussed

Approach
Personalized care and precision medicine

Team-Centric Approach

Challenge
Team centric approach with various specialists is required for effective treatment as the disease may continuously change its representation

Approach
Comprehensive and multi-modal treatment

Lifetime Management

Challenge
Cancer requires lifetime management that involves constant vigilance and post care

Approach
End-to-end including after-care support across patient lifetime

Cutting-Edge Technology and Techniques

Challenge
Worldwide focussed research on cancer care leads to ever-evolving advanced technologies, genomics, AI and techniques. Rapid adoption and innovation ensures better patient outcomes

Approach
Cutting-edge technology and latest advanced techniques

Leveraging Digital Transformation to Reshape Patient and Partner Engagement

HCG 2.0 marks a significant step towards reshaping healthcare through digital transformation. We have embarked on a transformative journey to align healthcare with the digital era. By broadening the reach of healthcare services and enhancing various aspects of patient care and engagement, we have established a cohesive digital healthcare ecosystem. This comprehensive approach integrates the entire patient lifecycle, focuses on customer convenience, and maintains ongoing digital interaction even after discharge.

Key Digital Transformation Imperatives for HCG 2.0

Increasing Reach and Awareness

Utilising digital channels to extend healthcare services to a wider audience.

Omnichannel Patient Engagement

Engaging with patients through multiple channels for a unified experience.

Ecosystem of Digital Healthcare

Creating an interconnected system of digital healthcare solutions.

Integrated Patient-Lifecycle Management

Utilising digital tools to oversee the complete patient journey.

Improving Customer Convenience

Implementing digital solutions to enhance the convenience of healthcare services.

Digitalised Post-Discharge Engagement

Ensuring ongoing digital engagement with patients even after discharge.

Transforming Patient Journey

Cloud Telephony

Enables seamless tracking of offline leads; auto-dialer for reduced Turnaround Time (TAT); controls for handling missed calls.

Patient Application

A self-service tool for managing appointments, consultations, medicines, and patient engagement.

CRM 360°

Provides a comprehensive patient view; omnichannel interface; real-time lead visibility; better lead management.

Business Intelligence

Unified single data repository; analytical models; real-time insights into the business.

E-Prescription

A doctor platform providing access to medical history; captures chief complaints, diagnosis, etc.

Digitisation and innovation to improve patient-care

Rapid evolution of scientific techniques and innovations in the digital domain have created enormous opportunities to improve patient care. With increasing demand for personalised care and accuracy in diagnostic procedures, it is of paramount importance for specialty hospital chains like ours to adopt latest advances in the technological domain. To streamline operations, hospitals and healthcare systems are turning to cloud computing, 5G telecommunications, artificial intelligence and interoperable data and analytics to address current challenges and build digitally empowered service models for the future of healthcare. Significant transformation has also been noticed in the way medical services are delivered and it is also helping healthcare professionals diagnose and treat diseases.

Adoption of potentially paradigm-changing cancer innovations

	Innovation	Efficacy	Reimbursement	Provider buy-in	Progress toward widespread adoption
Lead to earlier cancer diagnoses	Liquid biopsies for early cancer detection	◔	◔	◔	◔
	AI for cancer detection	◑	○	◑	◔
Enable patients to access more treatments earlier	Decentralized clinical trials	◕	●	◕	◕
	Neoadjuvant immunotherapy	◕	●	◑	◕
	Second line CAR T-cell therapy	●	○	●	◔
Lengthen remission	Novel maintenance therapies	◑	●	◕	◕
Recurrences caught earlier	Liquid biopsies for recurrence monitoring	◑	◕	◑	◑

About the adoption of various industry-leading technologies and our digitisation strategy in the Intellectual Capital section on Page 44 to 47.

Focused Factory Approach is critical for Quality of Life

Cancer, being a highly complex and often recurring disease, demands a specialised approach. This approach can only be provided by focused players who emphasise clinical expertise.

The term Quality of Life (QoL) is used to evaluate the general well-being of individuals and societies. According to the World Health Organization (WHO), quality of life (QoL) is defined as individual perception of life, values, objectives, standards, and interests in the framework of culture. A number of illnesses related factors exist that can affect QoL. The amount of symptoms of distress experienced by an individual has been related to QoL in a number of people with cancer. QoL is increasingly being used as a primary outcome measure in studies to evaluate the effectiveness of treatment. Patients, instead of measuring lipoprotein level, blood pressure and the electrocardiogram, make decisions about their health care by means of QoL, which estimates the effects on outcomes important to themselves. An increasingly important issue in oncology is to evaluate QoL in cancer patients. QoL is an important aspect of cancer care in all stages of this disease. At HCG, every personalised treatment plan that is devised gives equal importance to the preservation of QoL throughout and after the treatment.

Cancer has Unique Challenges that Requires a Specialist Approach

- Chronic, recurring, complex and heterogeneous
- Cancer is an enigma – can spread from source organ to other parts rapidly
- Multiple treatments and oncologists required by each patient
- Rapidly evolving landscape requiring constant research focus

Solutions available only at Comprehensive Cancer Care (CCC) Centers

- End-to-end and ancillary care solutions
- Sub-specialists by organ / modality
- Ability to detect and treat advanced forms of cancer
- Advanced technologies sourced via global research and innovation

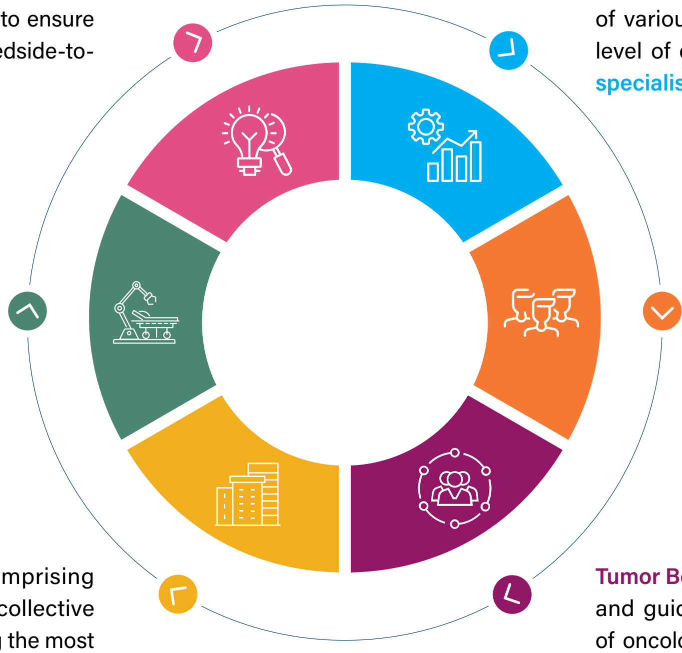
HCG's Focused Factory Approach for Most Effective CCC

- Personalized, patient-centric care and precision medicine
- Largest oncologist network with high clinical expertise
- Tumor Board driven best practices with focus on oncology related research
- Fastest technology adoption with flexibility to innovate

Superior patient outcomes ensuring quality of life

HCG demonstrates all the components for Comprehensive Cancer Care Framework

Comprehensive care is required to preserve and maintain quality of life. Exhaustive diagnosis and accurate treatment limits the advancement of cancer towards recurring or complex tumors



Continuous focus on research, academics and innovation to ensure better patient outcomes - Bedside-to-Bench and Back Again

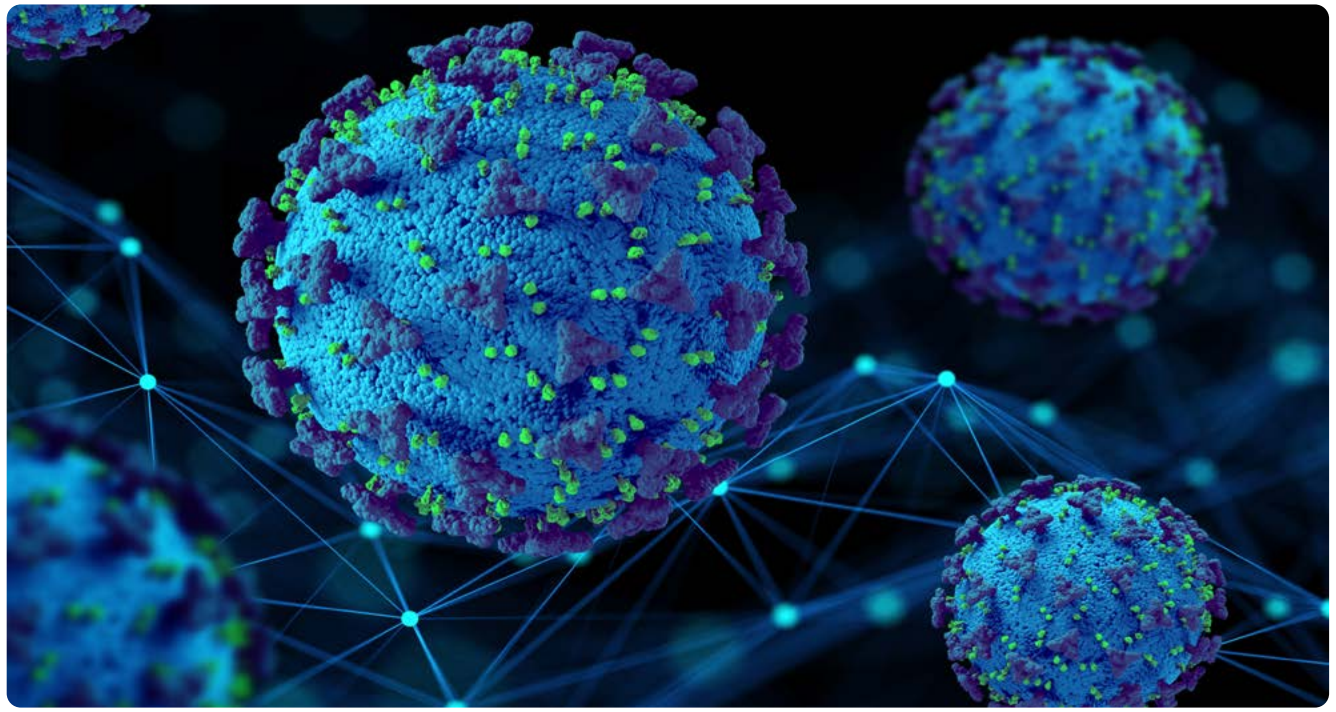
Largest oncologist network comprising of various sub-specialists with high level of expertise: **organ / modality specialists**

Access to **most advanced practices, leading technologies**, equipment, for treating rare and advanced forms of cancer

End-to-end cancer care and ancillary services offering a one-stop solution for patients

Case-specific panel comprising of multiple clinicians for collective planning and implementing the most efficient treatment plan

Tumor Boards to provide mentorship and guidance by large community of oncologists for complex / unique cancer cases



Pioneered Scalable Model for Comprehensive Cancer Care

Input we rely on

Financial Capital
- ₹ **8,605 Mn** Total Shareholder fund
- ₹ **816 Mn** Long-term borrowings
- ₹ **223 Mn** Equipment/ Capex funded in the form of vendor finance

Manufactured Capital
- ₹ **1,257 Mn** Capex
- **22** Comprehensive Cancer Care Centres
- **1,833** Operating Beds

Intellectual Capital
- **34 Years** of expertise in oncology
- Experienced Management Team
- Strong Clinical and Operating Processes, Systems and Protocols

Human Capital
- **6,693** number of employees
- **2,100** Nurses
- **141** Resident Doctors
- **2,760** Paramedical Staff
- **432** Oncologist, Radiologist, Pathologist & Other Specialists
- **67** Fellowship

Social and Relationship Capital
- **29,301** Shareholders
- **8** Joint Ventures /business partners

Natural Capital
- **32,597,058 kWh** Electricity consumption
- **4,46,832 KL** Water Consumption

End-to-end cancer care services provided by us

Diagnostics
Physical Examination | Laboratory Tests | Digital PET | Digital Pathology

Treatment
Chemotherapy | Radiation | Robotic Surgery | Targeted Drug Therapy

Immunotherapy | Psycho-oncology | Endocrine Therapy | Bone Marrow Transplant

Nuclear Medicine | Genomics | Liver Transplant | Pediatric Oncology

Post Care
Patient Care | Home Health Services | Psychological Support | Preventive Oncology

Not available or outsourced at multi-specialty hospitals

Output achieved

Financial Capital
- ₹ **16,944 Mn** Revenue from operations
- ₹ **38,042** per day Average Revenue per Occupied Bed (ARPOB)
- ₹ **2,987** Mn EBITDA
- ₹ **62** Mn Revenue generated from international patients
- **0.8x** Net Debt-Equity Ratio

Manufactured Capital
- **30** No. of LINACs (for radiation treatment)
- **17** No. of PET CTs (for staging and planning)
- **4.5k+** Genomic based Chemo sessions*
- **10.2k+** Organ Preservation Surgeries*

*cases handled in last 5 years

Intellectual Capital
- **2.8k+** No of Robotic Surgeries performed in Oncology*
- **21** Centres are NABH Accredited
- **4** Centres are NABH Certified
- **837** Total indexed publications till date

*cases handled in last 5 years

Human Capital
- **1,37,869** manhours Training Hours completed
- **39%** Women leadership
- **51:48** Male : Female Ratio (Board and Senior Management)

Social and Relationship Capital
- **2100+** People impacted through CSR initiatives
- **14.5%** Increase in new cancer patients registration
- **17%** Increase in inpatient and days care admission

Natural Capital
- **2.25 MW** Capacity of solar rooftop
- Average annual savings of up to ₹ **4.2 crore** from solar power plan
- **51,910 Kg** general waste generated

Outcomes

- Prudent financial management
- Consistent growth in top line and bottom line
- Efficient working capital management
- Healthy cash and cash equivalent

- Substantial footprint in metro, Tier II and Tier III cities.
- Making investments to strengthen our infrastructure
- Expanding our presence in existing and newer markets
- Ensuring superior treatment and care to patients throughout their treatment cycle
- Improving overall access to quality healthcare

- Investing in innovation, research and advanced technologies
- Improving the overall efficiency of our processes backed by digitisation
- Exploring new therapeutic avenues to move up the value chain of clinical excellence

- Attracting and retaining best industry talents
- Creating jobs, delivering training and imparting skills
- Ensuring a safe, diverse and inclusive workspace
- Increased collaboration with students for better knowledge and skill sharing

- Providing attractive returns to shareholders
- Engagement with regulators to ensure compliance with laws
- Constantly working towards enhancing our quality of care
- Contributing to economic growth

- Enhancing efficiency and optimising resource usage
- Minimising environmental impact

HCG is the First in India to unveil the path breaking AI based Adaptive Radiation treatment – ETHOS

HCG has set a new benchmark for Personalized cancer care with the launch of India's first innovative 'Ethos Therapy,' an AI-based adaptive radiation treatment designed to increase the capability, flexibility and efficiency of radiotherapy.

HCG is the first in India to unveil the pathbreaking Ethos therapy, which is a key milestone in HCG's pioneering strides towards precision and personalized cancer care, and for providing patients, access to world-class treatment facilities. Adaptive therapy is indeed the future of radiation therapy, and Ethos bears testimony to our ceaseless commitment to improve cancer treatment and enhance patient outcomes through the adoption of cutting-edge technology.

This new solution is designed to deliver an entire adaptive treatment in a typical 15-minute timeslot. It uses augmented intelligence, a convergence of people and artificial intelligence (AI) working together for better outcomes. This game-changing radiation therapy personalizes cancer care using Adaptive Intelligence based on the patient's anatomy and the position of the tumor at the time of treatment.

Ethos Therapy, the first-of-its-kind in India and a novel technique in the world provides the ability to alter the treatment plan based on tumor and anatomical changes. This unique technology can capture movements in internal or external anatomy during each treatment and enhance their pre-treatment plans by enabling them to gain insight through the advanced power of AI-enhanced image segmentation and treatment planning.

It also applies automated dose accumulation to forecast and monitor treatment progress and enhances the treatment ability by making radiation personalized and targeted that gives better outcomes with minimized side effects. The system enables clinicians to efficiently deliver an entire personalized treatment in a 15-minute timeslot which is significantly shorter compared with other treatment systems that take more than 40 minutes, often due to the manual reconfiguration of the treatment.

Prioritising shared value creation

We realise the importance of engaging with our stakeholders to fulfil their expectations and respond to their concerns. It allows us to gather insight and valuable information that can be used to strengthen relationships and maximise value creation.

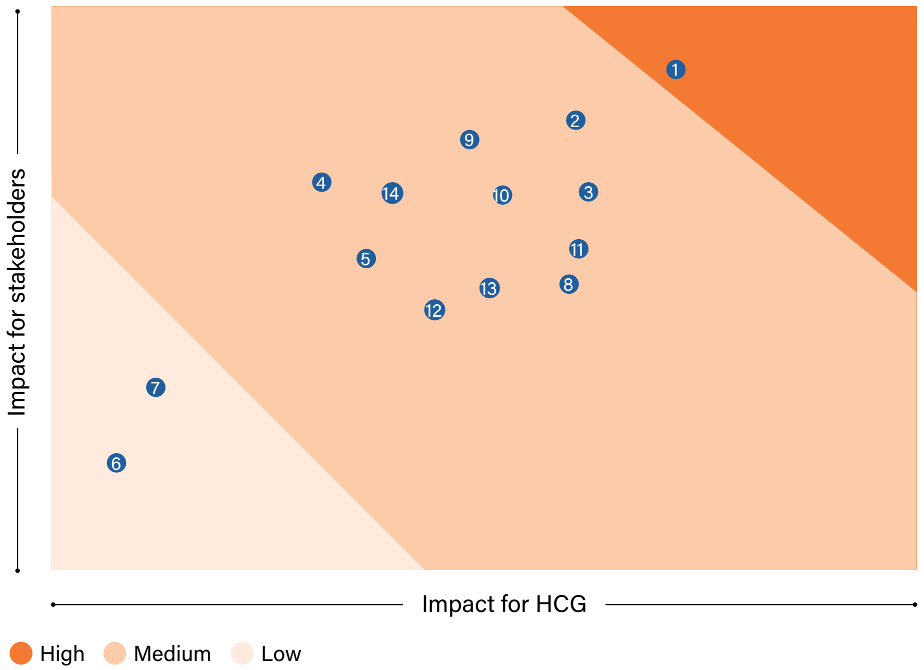
How did we engage?	Key topics covered	What did we do?
Patients		
- Customer Satisfaction Surveys - Seminars - Website - Social media - Patient care services	- Quality of treatment and services - Clinical results - Cost of treatment - Data confidentiality and security - Intellectual and technology backing	- Strengthened our infrastructure and adopted newer technologies to provide best-in-class care and treatment - Making our services more affordable by offering day care services and pay per use options - Leveraging digital platforms to understand and serve our patients better
Employees and medical professionals		
- Conferences and seminars - Regular ongoing visits - Advisory board meeting - Employee performance review and engagement survey - Town hall meetings - Training, wellness and recognition programmes	- Corporate strategy - Employment opportunities - Recognition and fair remuneration - Ethical, safe, fair and healthy working environment	- Providing opportunities to employees and medical professionals to grow and build their careers - Providing access to best practices, leading technologies, state-of-the-art OT, complex cases and catering to a large number of patients - Encourage professionals to build expertise and develop efficient methods to conduct day-to-day activities - Gather feedback from employees to improve our work culture
Government, regulatory bodies and industry associations		
- Conferences, formal correspondence and meetings - Filings of return and other statutory documents - Website - Representation on industry bodies and government boards	- Transparency and disclosure - Initiatives and collaboration on national challenges such as skills shortages and the cost of healthcare - Access to affordable and quality healthcare	- Ensured compliance with the laws and regulations of the land - Contributing towards upliftment of the economy - Generating employment - Proactively participated and contributed in industry meets
Business Partners, Suppliers & Associates		
- Meetings with medical and non-medical suppliers - Training and collaboration for events - Business partner surveys	- Fair and ethical code of conduct - Quality of supply and service - Returns	- Built and maintained mutually beneficial relationships - Ensured superior quality of products and services - Efficient supply chain management - Ensured compliance with applicable regulatory requirements and quality standards
Shareholders, investors and analysts		
- Financial Results - Analyst meetings - Conference calls - Earnings calls - Annual and quarterly reports and presentations - Press releases Annual General Meeting (AGM)	- Financial performance and long-term stability - Efficient capital allocation - Return on capital employed - Corporate strategy	- Provided attractive return on investment - Explored newer growth opportunities - Effective and timely communication with shareholders and investors through various modes
Local communities		
- Health awareness initiatives - Sponsorships and donations - Partnership for CSR activities	- Environmental sustainability - Preventive healthcare awareness - Upliftment of the communities	- Reduced our environmental footprint - Conducted cancer awareness programmes

Identifying topics material to us

Through regular engagement with stakeholders, we strive to understand their concerns as well as expectations. It allows us to adopt a holistic approach for identifying key material topics. The materiality assessment also plays an important role in enabling transparent operations and prioritise issues that have an impact on our operations

Our materiality assessment process includes

- Identification of material issues through an in-depth analysis
- Prioritisation of key issues and challenges faced by stakeholder groups
- Review, assessment and recording of its impact
- Taking relevant actions to reduce adverse impacts, if any



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

Stakeholders	Tasks
Employees	6. Promote employee engagement 7. Provide career growth opportunities 8. Ensure safety and health 9. Make continuous learning a prerogative
Suppliers	10. Sustainable supply chain 11. Ensure consistent quality of all materials
Shareholders	12. Sustained financial returns
Community	13. Ensure sustainable community development 14. Resource optimisation and waste recycle

We are actively engaging in various initiatives to enhance the overall value provided to our patients, thereby fostering long-term growth and stability for the business. Our approach to the distribution of capital is thoughtfully designed to align with this enduring focus on patient care.

Our Capitals

Financial Capital

Manufactured Capital

Intellectual Capital

Human Capital

Social and Relationship Capital

Natural Capital

Financial Capital

Our sound financial standing empowers us to operate with efficiency and integrity. It continues to create a solid foundation for adopting advanced methods, enhancing capital expenditure and improving our care portfolio.

In fiscal year 2022-23, HCG demonstrated strong financial solidity, despite challenges, reporting impressive performances. During the year under review, we efficiently and effectively executed our operational strategy to drive topline growth, ensure competitive margins and healthy cash flow.

Highlights for FY23

Highest ever

Revenue from operations for 9 consecutive quarters

Highest ever

EBITDA from operations for 8 consecutive quarters

~1.4x

Growth in revenue from matured centres in last 9 quarters

~2x

Growth in revenue from emerging centres in last 9 quarters

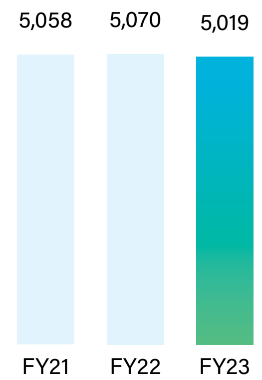
~1.5x

Growth in EBITDA from matured centres in last 9 quarters

Our Capital Structure

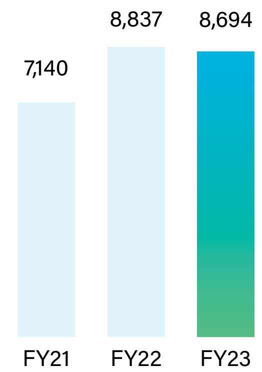
Capital Leases (IND AS 116)

(₹ in Mn)



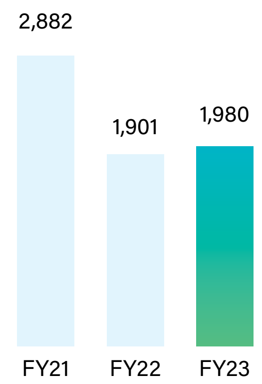
Equity Share Capital

(₹ in Mn)



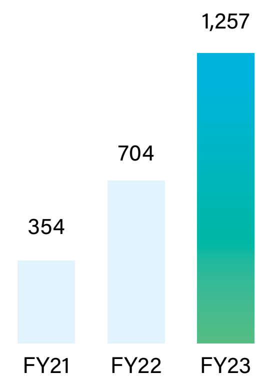
Net Debt

(₹ in Mn)



Capex

(₹ in Mn)

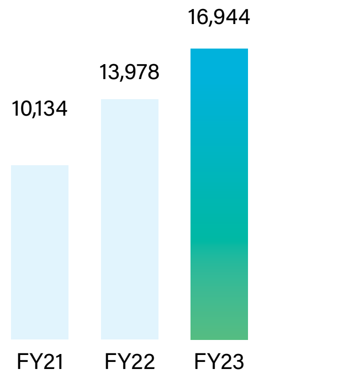


Results of our operations

Our exceptional performance during the year under review is a testament to our ability to offer end-to-end solutions for quality care under one roof. Our multispecialty hospitals have not only brought about a new dimension to treatment through the use of advanced technology but, have also fulfilled the promise of patient-centric care. We have also aggressively pursued growth opportunities in existing and newer geographies, with the endeavour to create value for all our stakeholders.

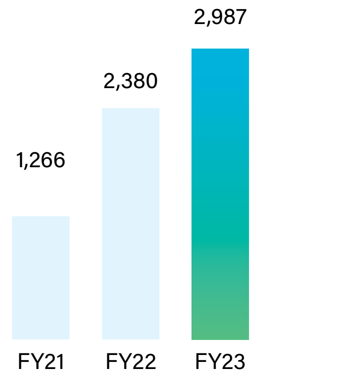
Revenue from operations

(₹ in Mn)



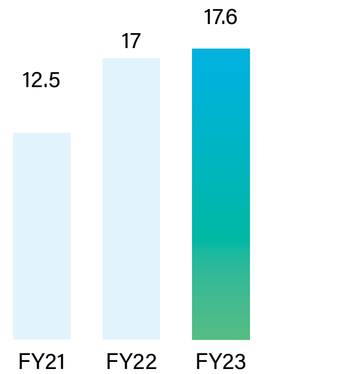
Operating EBITDA

(₹ in Mn)



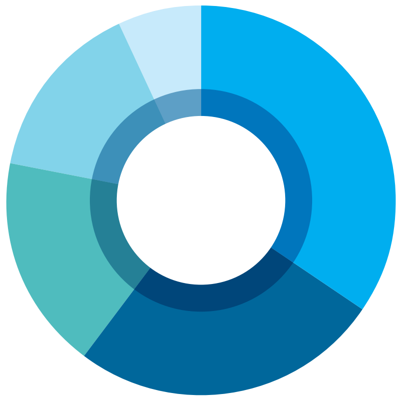
EBITDA Margin

(%)



Revenue mix by culture

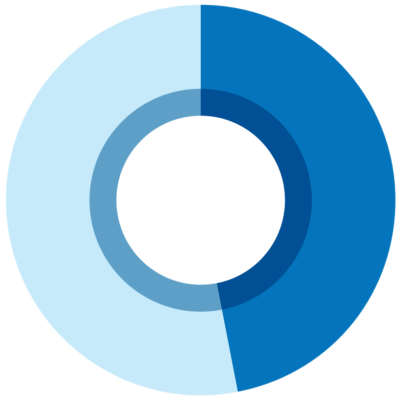
(in %)



Karnataka	35%
Gujarat & Rajasthan	26%
Andhra Pradesh & East India	18%
Maharashtra	15%
Others	7%

Revenue mix by city

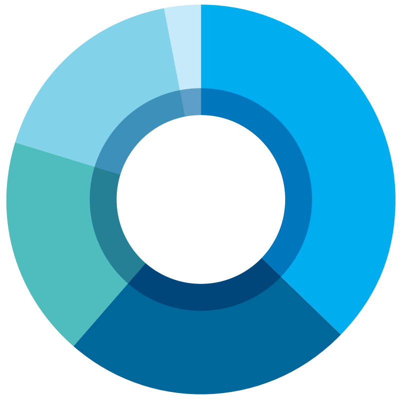
(in %)



Metro	47%
Non-metro	53%

Revenue mix from Various Modalities

(in %)

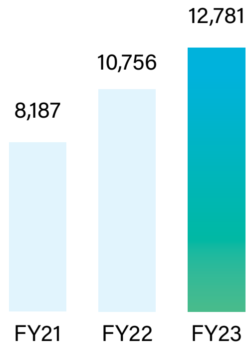


Medical Oncology	37%
Surgical Oncology	24%
Radiation Oncology	18%
Out-patients	17%
Others	3%

Performance of Matured Centres

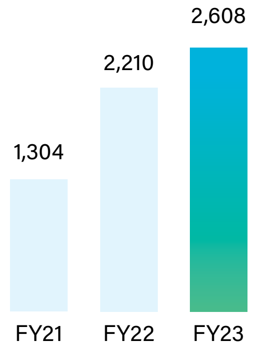
Revenue

(₹ in Mn)



EBITDA Margin

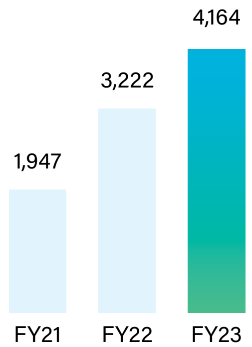
(in Mn)



Performance of Emerging Centres

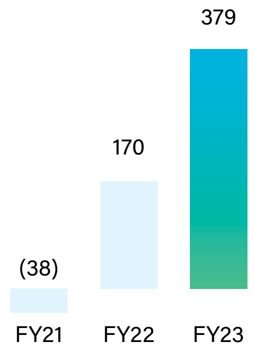
Revenue

(₹ in Mn)



EBITDA Margin

(in Mn)



Promising future

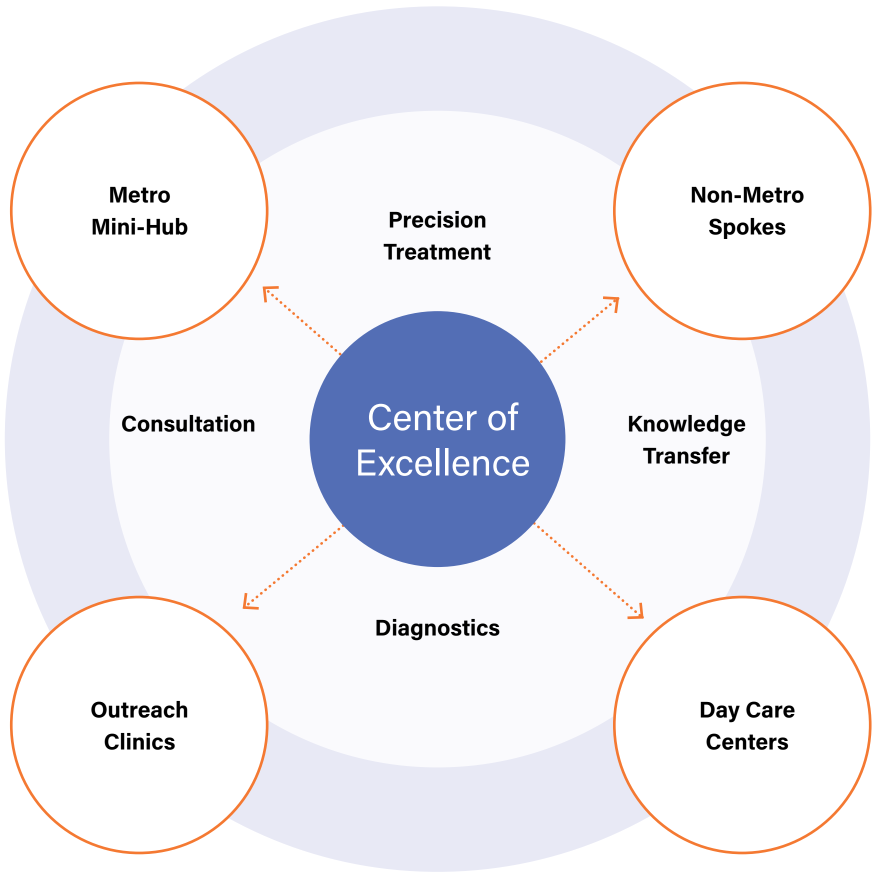
At HCG, we are focused on ramping up our existing and emerging centres and have, therefore, considerably reduced our future capex requirements. It will allow us to optimise cost, increase margins and create long-term value. We are now poised for consistent topline and bottom-line growth owing to our wide network of hospitals in different parts of the country and our foray into varied streams of medical care. Besides, we are determined to build an asset-light business model with day care beds, hub & spoke operations and pay per use approach for utilising advanced medical equipment. This, we believe, will enable us to achieve a RoCE of 18-20% over the medium term.

Manufactured Capital

Staying true to our motto of adding life to years, we are determined to support patients throughout their treatment journey with state-of-the-art hospitals and medical care facilities. We are also determined to make a considerable difference to healthcare paradigms with the introduction of newer diagnostic methods and therapies, backed by advanced medical equipment.

Hub-and-spoke model

We have undertaken an integrated approach to treat cancer by leveraging our one-of-a-kind hub and spoke model. Our main hub - CoE, Bangalore - provides access to centralised quality control and assurance services, establishes treatment protocols across the network, provides centralised treatment planning services and tele-radiology services and provides access to advanced technologies and specialised procedures. This has resulted in successful treatment of thousands of patients from small villages and Tier 2/3 towns. It has also aided our oncologists and doctors to directly consult with leading oncologists and our Tumour Board, thereby encouraging knowledge sharing across the network.



HCG launches country's first Extended Reality Lab using Microsoft HoloLens 2

During the financial year, HCG announced the launch of the country's first Extended Reality Lab using the innovative Microsoft HoloLens 2 at the HCG Cancer Hospital, Bengaluru to enhance patient treatment. With this Mixed Reality technology, specialist doctors can now collaborate with surgeons in Tier-2 cities and interact on immersive 3-D platforms to offer the best possible treatment.

By virtue of HoloLens 2 Mixed Reality technology, HCG's expertise in precision health services will be leveraged with senior doctors of hub centers sharing their expertise with surgeons working in smaller towns and cities.

HoloLens 2 will enable HCG's specialist doctors from hub centres in metro cities to share their expertise with surgeons operating in Tier-2 cities. This will not just empower the healthcare machinery to function independently, but HoloLens 2 will also reduce the time-to-care for patients. Healthcare experts will now be able to collaborate with surgeons, no matter their geographical distances and will also be able to interact on this immersive 3-D platform to provide the best possible treatment. It uses Dynamics 365 Remote Assist which can be accessed on Windows, Android and iOS devices.

Mixed reality will fulfil HCG's vision of bridging the gap in terms of medical expertise and talent that pervades Tier-2 and Tier-3 cities across India. This will bring about a reform in the healthcare industry through knowledge sharing, simulated training and personalized patient care.

Microsoft HoloLens 2 at HCG is a pivotal step towards serving healthcare. The fact that HoloLens allows users to interact with objects projected into their view is a blessing in disguise for the healthcare fraternity. This technology will definitely revolutionise cancer treatment as doctors from Tier-2 cities will now seamlessly work with specialists from metros, thereby enabling patients to avail best-in-class treatment. The future of healthcare is rooted in mixed reality, and HoloLens 2 promises to be at the heart of this transformation.

International footprint

Cancer Care Kenya (CCK) is our state-of-the-art centre in Kenya. It is East Africa's first private comprehensive cancer care centre delivering superior quality treatment to patients in the East African region. Through strategic collaboration, we were the first Indian cancer hospital chain to invest in the African continent.

Statistics show us that around 25% of Africans believe that cancer is a disease that has no cure, while 36% of them believe that cancer is a major health issue. Right awareness is the key to prevent these assumptions from overpowering the patients' will to look for quality cancer care. HCG CCK is also actively involved in creating cancer awareness amongst the masses that will not only help them reach out for the right treatment the first time but also give them a better understanding of cancer as a disease.

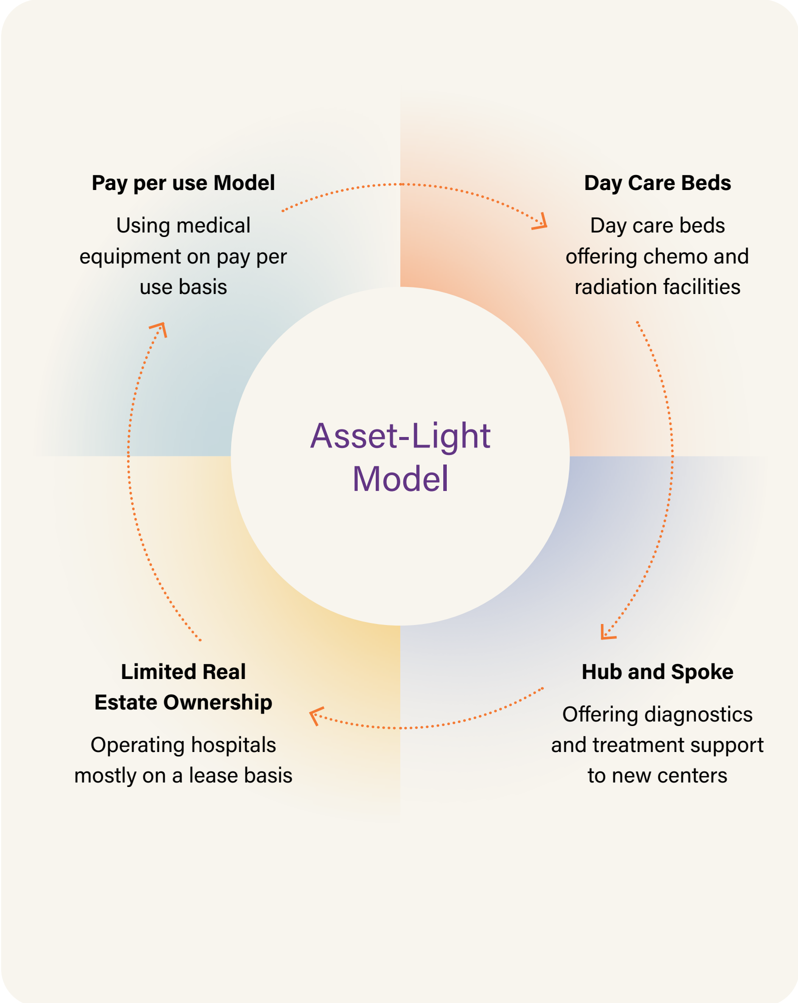
HCG CCK aims to deliver unmatched cancer care by providing patients with access to a wide range of services like prevention, screening, diagnosis, treatment, rehabilitation and palliative care. The centre houses the best cancer specialists in Kenya, who are highly qualified and experienced in administering high-end treatment protocols for almost every cancer type irrespective of its location and stage.

HCG CCK is equipped with advanced technology to provide optimum diagnostic support to patients in and around Kenya. We also have an in-house laboratory that offers diagnostic services like biochemistry, haematology, clinical pathology and cytology and helps our patients receive on-time diagnostic support.

HCG CCK Cancer Centre is the first comprehensive cancer centre in the East African region that houses all three major cancer treatment modalities under a single roof.

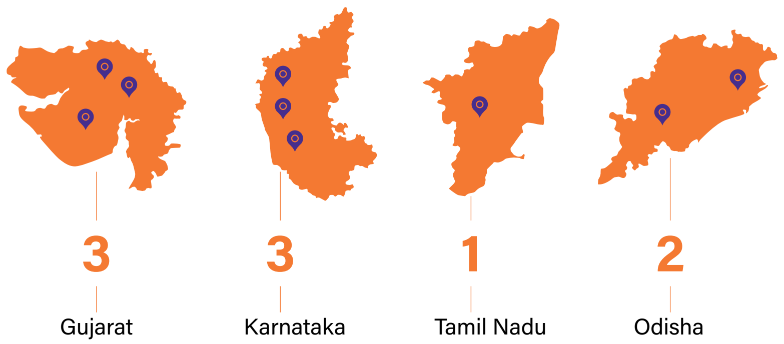
Unique business model

In a very short span of time, we have been able to expand our footprint across the country through our asset-light business model. It has allowed us to grow faster and reach deeper into the country to offer the best cancer care facilities to patients. It also provides us the flexibility to scale our operations as per specific requirements of particular regions. This has significantly improved our RoCE and reduced our capital investment in land and technologies.



Day Care centres

The Day Care centres of HCG are equipped with advanced-technologies to provide a gamut of services encompassing chemotherapy, outpatient consultations, onco-diagnostics, and pharmacy services. These facilities are designed to deliver a smooth patient experience without compromising clinical results. This has empowered patients to reduce their travelling cost and time to bigger centres for routine and follow-up treatment.



Our goal is to expand the HCG network across the country and strengthen our position as a leading cancer care provider by leveraging the potential of our world-class facilities. Our integrated healthcare service delivery modules continue to introduce pathbreaking advancements to build a comprehensive treatment portfolio.

Highlights for FY23

Market leadership in
13
Out of 18 cities

22
Comprehensive Cancer Care Centres across the country

1,833
Operating Beds

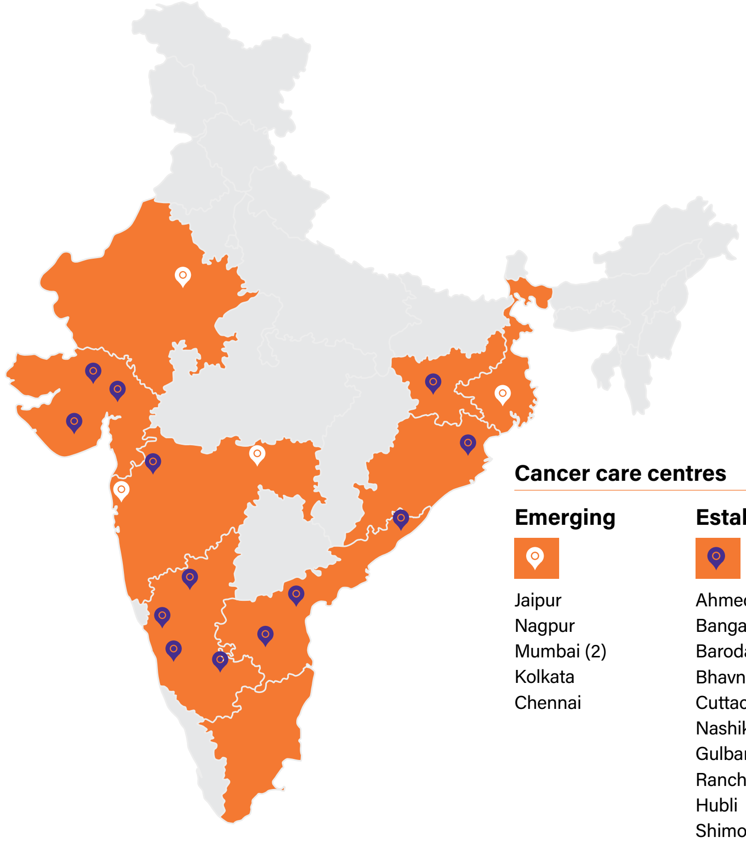
65.4%
Average Occupancy Rate

₹ 38,042
ARPOB

14.3%
Gross ROCE

Our Network

To support patients in their fight against one of the most deadliest diseases, we are creating awareness about our services and building a robust presence across the length and breadth of the country. We are constantly focusing on ramping up capacities to make cancer care easily accessible for patients.



Cancer care centres

Emerging
Jaipur
Nagpur
Mumbai (2)
Kolkata
Chennai

Established
Ahmedabad
Bangalore
Baroda
Bhavnagar
Cuttack
Nashik
Gulbarga
Ranchi
Hubli
Shimoga
Vijayawada
Ongole
Vishakhapatanam

	Centres	Revenue
Karnataka	7 Centres	₹ 5,692 Mn
Andhra Pradesh	3 Centres	₹ 1,204 Mn
Gujarat	5 Centres	₹ 4,163 Mn
Maharashtra	5 Centres	₹ 2,408 Mn
East India (Odisha, Jharkhand, West Bengal)	3 Centres	₹ 1,688 Mn
Others (Rajasthan, Tamil Nadu and Kenya)	3 Centres	₹ 1,126 Mn

Intellectual Capital

HCG is committed to address unmet cancer care needs through continuous research and innovation. To constantly upgrade existing treatment and diagnostic methods, we rely on our intellectual capital to uncover novel methods for improving the health and well-being of patients. It empowers us to challenge established treatment protocols and continuously aim for improvement in our care portfolio.

Brand Building

Our brand-building strategy encompasses a well-structured mix of digital innovation and traditional marketing methods. By balancing online engagement with offline reach, and melding targeted content with universal appeal, we employ modern marketing dynamics to build the HCG brand.

Digital Footprint

We have been developing our digital presence, as a critical component of our brand-building strategy. By offering content in several languages, we have broadened our reach and ensured that we communicate effectively with diverse audiences. With consistent content build-up, our social media efforts are in line with engaging with customers, amassing 12.8+ million followers in Facebook. A focus on SEO drives online traffic to HCG, reflecting a calculated approach to increasing brand exposure. Tailoring content to specific urban areas allows us to target and resonate with local populations.

2.7k post impressions

9.3k Total watch time

8.6k Post reach.

12.8mn Followers

40.1k post impressions

Offline Channels

In addition to our online efforts, we partake variety of initiatives of traditional means of brand promotion.

- **Print Campaigns:** Improving brand visibility by utilising media such as TV, radio, hoardings, and ads,.
- **Cancer Awareness Programs:** Our intent is to be a partner in building a community aware of critical health issues with our social welfare initiatives.
- **Launching Journals with Latest Oncology Developments:** Being a thought leader in the field, we keep both the medical community and the general public informed through our journals.

Initiatives that resonate

Our approach to brand building is a fusion of digital innovation and conventional marketing channels. The strategies deployed foster a compelling digital footprint, bolstered by offline initiatives that engage diverse communities.

World Cancer Day

In alignment with our core mission of delivering superior cancer care, our World Cancer Day campaign, themed 'Close the Care Gap,' aimed to magnify public awareness and inspire community involvement.

Our committed approach to cancer care involves constant research, technological advancements, and evidence-based treatment. Our latest initiative, the #BaldAndBold campaign for World Cancer Day 2023, achieved an enthusiastic response across the HCG network. This campaign was designed to inspire hair donations from the community and instil a sense of invincibility among cancer patients.

We were honoured to receive hair donations from a diverse demographic, ranging from toddlers to differently-abled individuals and professionals. Our collaboration with renowned Indian comedian Mallika Dua helped to magnify the campaign's outreach on social media platforms. The event garnered approximately 150+ coverage imprints across varied Indian media.

'Colors of Empowerment' Campaign: #InHerShoes

International Women's Day provided us an opportunity to shed light on the challenges faced by women and promote gender equality. Our unique initiative, 'Colors of Empowerment' - #InHerShoes, aimed to instigate conversations and foster empathy.

International Women's Day serves as a platform to celebrate women's achievements and to spotlight ongoing challenges. To mark this occasion, we launched the 'Colors of Empowerment' campaign—#InHerShoes, which aimed to create conversations about the obstacles women face daily. The initiative encouraged men to physically walk in stilettos, fostering empathy and a deeper understanding of the issues women experience.

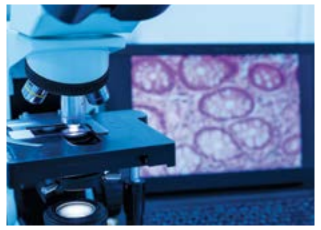
Our centres also held events like cyclothons and panel discussions with cancer survivors, which were executed to perfection. This campaign, too, received extensive media coverage, with approximately 110+ imprints across various Indian media channels.

Many Firsts of Cutting-edge Technology Introduction for Integrated Cancer Care

Diagnostics

17
Total PET CTs


Digital PET CT


Digital Pathology


Automated Breast Volume Scanner


Digital Mammography

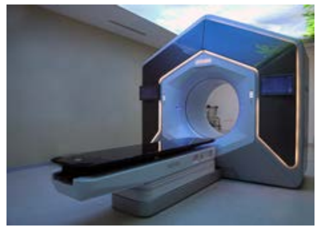

Skyra Tesla 3T for MRI


Molecular/Genomics Laboratory

Radiotherapy

30
Total LINACs

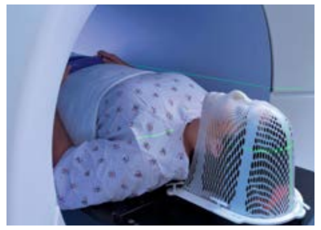

2 Cyberknife


Ethos


TrueBeam


Versa HD


Radixact


5 Tomotherapy

Medical/Surgical Oncology

3
Total Robots


DaVinci Robots


Versius Robot


HoloLens


Bone Marrow Transplants

With rapid changes in the technological landscape, we have adopted cutting-edge medical equipment, harnessed the power of technology to improve diagnostic facilities and embraced machine learning, artificial intelligence and robotics to create futuristic solutions that make patient-care quality focused as well as innovative.

HCG receives ISO 27001:2022 certification for ISMS

(HCG) has received ISO 27001:2022 certification for its Information Security Management System (ISMS). The ISO 27001:2022 standard is an internationally recognized framework for managing and protecting the confidentiality, integrity, and availability of the information handled within the Company. This has been implemented across the HCG network including the head office in Bengaluru and its 25 centers located across India.

HCG collaborated with Deloitte Touche Tohmatsu India LLP, a professional services organization, to support in the implementation of ISMS. The Information Security Management System was implemented over a five-stage approach and two rounds of audit by a third-party certification body.

HCG is first Healthcare delivery company in India to get an ISO 27001 : 2022 Certification for the Network.

We are also the first to get ISO 27001 : 2022 certified amongst the Healthcare delivery companies.

Adoption of state-of-the-art technology

During the year under review, we took strides to create a future-ready organisation that makes use of advanced scientific methods to fulfil the needs of our patients. We maintained a track record of being the first in India to launch advanced technologies in the oncology space through the introduction of AI based RIS PACS [full form needed]. In collaboration with Siemens, we have introduced Enterprise RIS PACS for AI based precision imaging to enhance our research capabilities.

Further, we are introducing AI enabled Adoptive Radiotherapy in our Centre of Excellence, Bangalore, to add a new dimension to precision radiation services for oncology care. During the year under review, we acquired Next Generation Sequencer and are in the process of acquiring circulating tumour cells (CTC) platform. We believe these additions will empower us to enhance our capabilities in precision diagnostics, leading to the early detection of recurrent tumours. It will also play an important part in genomic guided cancer therapy.

We are the first hospital in the country to adopt the following technologies:

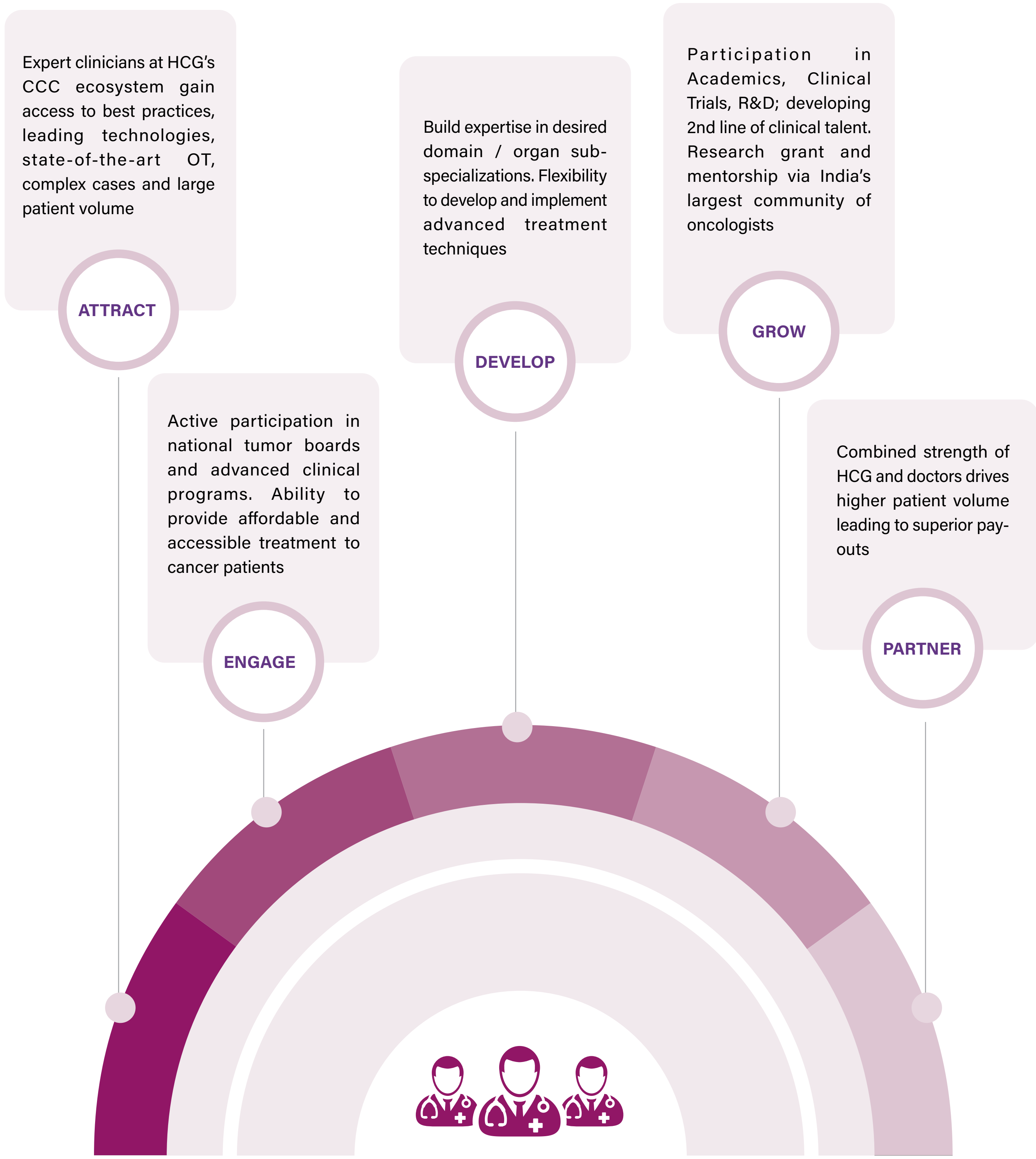
AI-based RIS PACS	2022
2022	Ethos / Adaptive Radiation
Radixact	2018
2016	Tomotherapy - H
Genomics	2013
2012	FFF Technology
Cyberknife, SRS/SBRT	2009
2006	Cyclotron

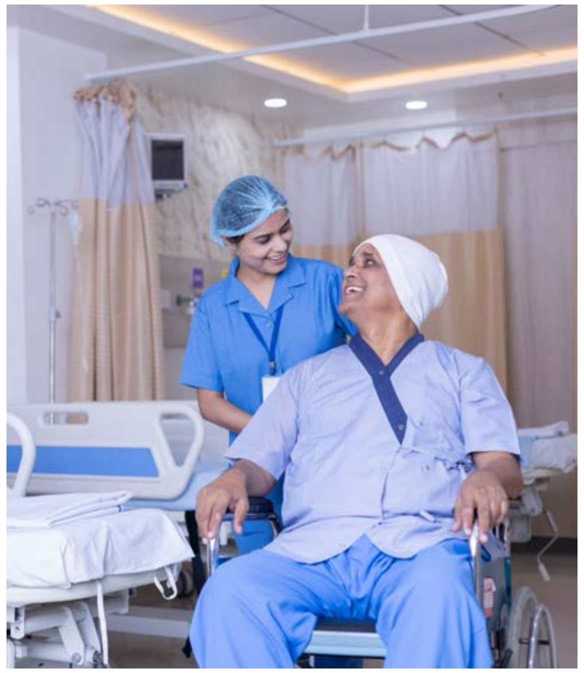
Human Capital

As a patient-centric and quality-focused caregiver, our success in intrinsically linked with our doctors, nurses, paramedical staff and others involved in our day-to-day operations. It is their strength, determination and relentless effort that provides us a competitive edge and empowers us to set new benchmarks of clinical excellence.

Unique Oncologist Engagement Model to Develop and Retain Expert Clinicians

HCG has emerged as a major hub for attracting and developing top clinical talent, with its unique offerings of multi-modality learning and sub-specialization expertise providing very high value proposition





Nurturing a dedicated talent pool

Over the years, we have attracted, retained and built a strong talent pool with oncologists, nurses, support staff, and other people who empower us to deliver quality care to patients. We also have sub-specialty and organ/modality specific clinicians including radiation oncologists, onco-radiologists, surgical oncologists, oncopathologists, nuclear medicine experts, and immunotherapists to provide specialised treatments from the very beginning of a patient's journey with us.

2,760+
Support staff

2,545
New Recruits

2,100
Nurses

141
Resident Doctors

Building a diverse and inclusive team

At HCG, we promote a culture of diversity and inclusion to create equal opportunities for our people. We do not discriminate on the basis of caste, creed, nationality, race, gender or physical disability. Instead, we encourage people from diverse backgrounds to join our workforce and provide us with varied perspectives to enrich our journey of clinical excellence.

Women form an integral part of our workforce and we strive to maintain healthy gender diversity at the workplace. We constantly work towards eliminating unconscious bias as well as appoint local employees who represent the communities we serve. We also employ specially-abled people and strive to be attentive to their needs.

2,998
Women employees

39:61
Gender diversity ratio of our top management / leadership team (Female:Male)

Sustaining Excellence through Research and Academics

HCG's pursuit of excellence in oncology is underpinned by a multi-dimensional approach that combines quality research, academics, innovation, and collaboration. Grant initiatives, including support from the Ministry of AYUSH and DST, fuel robust clinical trials. Over 300 have been conducted since 2004, focusing on genomics, immunotherapy, and innovative solutions such as the Aum Voice Box, which assists Laryngectomy patients in regaining their voice.

109
Publications

283
Students Registered

26
Fellowship Programs

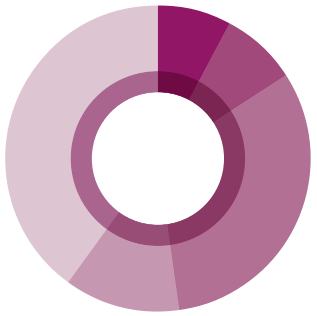
44
Courses Offered

Focused Research Capabilities leading to Better Outcome

Select Research Areas	Digital PET CT	Nuclear Medicine	Genomics
Research / Technology	We have access to 10 different isotopes in-house, a distinct advantage over the single molecule often available at other chains.	Our largest Theranostics facility in India enables us to provide advanced radiology-based therapies that lead to improved diagnoses and treatment methodologies.	Our focus on molecular genomics allows us to pave the way for the development of pioneering gene-based treatments.
Outcome	We offer 10 different PET scans, enabling us to detect rare forms of cancer accurately, a significant advancement over the limited options at other centres.	Our dedication to improved diagnosis leads to enhanced therapies for very advanced and recurring tumours.	We utilise gene analysis to trace the root cause of illnesses, enabling us to determine the right drug usage and preventive care measures accurately.

Clinical Research Organization (CRO)

We have established a robust Clinical Research Organization (CRO) framework that has enabled high standards for observational and interventional studies. Key sponsors and strategic partnerships contribute to our success, reflecting the concerted efforts that position us at the forefront of oncology excellence in India.



Waiting for	4
Treatment ongoing	4
Recruitment	16
Pipeline	6
Feasibility	20

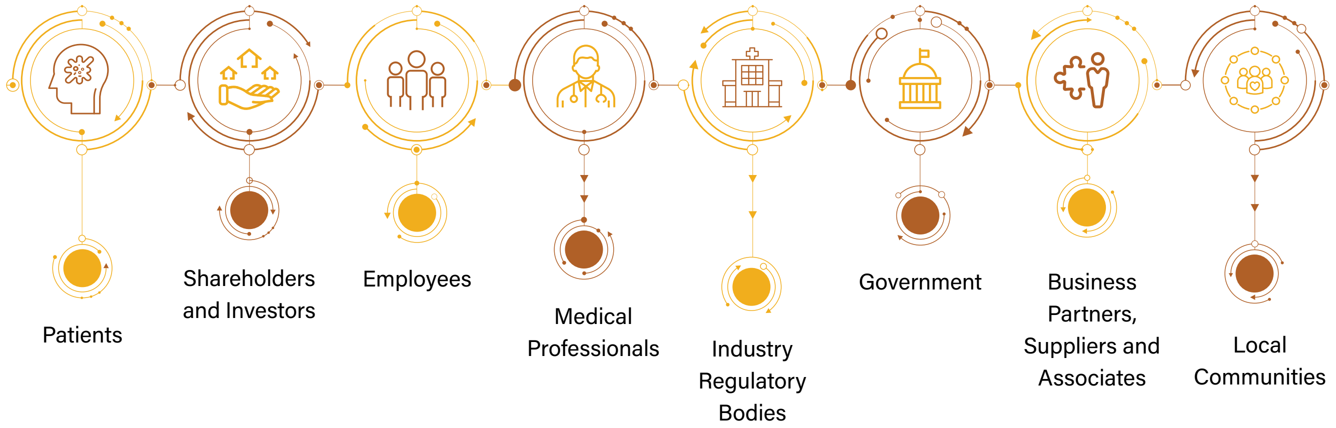
Key Sponsors

AstraZeneca, Pfizer, Bristol Myers Squibb, Zydus, Lilly, Novartis, Dr.Reddy's, Quintech, Johnson & Johnson, Roche, INTAS, Glenmark

Social and Relationship Capital

At HCG, our relentless efforts to deliver the highest standards of patient care are supported by strong relationships with patients, communities, medical professionals, business partners, regulatory bodies as well as shareholders. We strive to build mutually beneficial bonds that empower us to create shared value for a broad spectrum of stakeholders.

Our stakeholders



Creating value for our patients

People suffering from cancer and their family members require enormous support as the deadly disease can take a huge financial and mental toll on individuals. It also requires a dedicated and caring team of medical experts to overcome this challenge. At HCG, we have built a supportive care programme that compassionately stands by patients as well as their loved ones at every step of their journey.

Cancer treatments are no longer one-size-fits-all. Instead, every case is unique and every patient requires personalised treatment depending on the stage of their cancer. Our team of experts continue to work tirelessly to expand their knowledge base and applications of molecular testing, immunotherapy and other targeted therapies to treat the root cause of cancer. We are also making investments for precision medicine as a means to offer personalised cancer treatment. We are also harnessing the power of technology to increase transparency and improve patient experience.

Patient Testimonials

Made It Happen for my father

My father underwent 5 cycles of Chemo and 35 Radiations after recurrence of tumour. Received very good service from both the departments. Well, this is what you get from one of the best Oncology hospitals in the country. Our Heartfelt thanks to Shekar Patil & Dr. Shashidhara (oncology) and Dr. Belliappa & Dr. Pratima (Radiation).

Shrenik Mahendra
Son of Cancer Champion

Made It Happen for my Husband

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

Rose Pani
Wife of Cancer Champion

Made It Happen for me

I was anxious about my kids when I was diagnosed with cancer. Almost every institution gave up. Finally, HCG made it happen and I couldn't be happier! It's been 8 years now that I'm living a normal life.

Savita Devi
Cancer Champion

Regulatory bodies and industrial associations

At HCG, we are committed to uphold the law of the land and actively contribute towards the growth of the nation. The Company Secretarial, Legal and Compliance functions support operational management, monitor regulatory developments and, where necessary, obtain expert legal advice for the effective implementation of compliance initiatives across the network. Any development in the regulatory environment is immediately informed to the board and necessary actions are implemented.

Throughout our network, we ensure strict adherence to laws and regulations and encourage employees and stakeholders to report any unlawful act conducted within the organisation. We also participate in industry associations and it enables us to gain knowledge about new developments within and outside our industry, new thought processes and ideas which enable us to strengthen our operations.

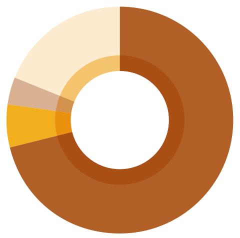
Creating shareholder value

We continue to maintain the trust of our investors and shareholders by delivering sustained results. Through our strategic initiatives, we constantly work towards reducing costs, ensuring optimum utilisation of funds and maximising returns. Our Investor Relations teams maintains open channels of communication with our shareholders and investors and their opinion and queries are forwarded to the board.

The CEO, CFO and Investor Relations have primary responsibility for managing effective, regular and transparent communications with shareholders and investors on matters such as operational and financial performance, regulatory changes, governance and strategy. The company's progress is communicated to everyone through our quarterly investor calls and presentations and an annual general meeting is also conducted to discuss the results and future plans of the Company. These meetings also enable us to understand the expectations of our stakeholders.

Shareholder mix

(in %)



Promoter and promoter group	71.37%
Foreign portfolio investors	5.99%
Mutual funds	3.88%
Others	18.76%

14.3%
Gross ROCE

29,301
Shareholders

Relationship with the masses

In this digital era, we honed our strategy for effective patient engagement through social media. Our public relations team collaborates closely with major media players to maximise brand awareness and reach.

Our customer portal is a unique online platform that we have developed for cancer survivors. This space has become a repository of hope, touching the lives of millions through compelling personal stories.

Our digital initiatives have a wide-ranging impact, offering tangible benefits to thousands of individuals, irrespective of age, gender or location. Moreover, our approach to create value for the patients has garnered positive coverage in reputable media outlets, such as TOI, Hindu Business Line, ET, NDTV, Daily Hunt, and Business World.

Business partners

We strive to maintain strong relationships with suppliers and business partners. Through responsible and ethical practices we have maintained long-standing relationships with technology vendors, suppliers, Third Party Administrators (TPAs) and insurance companies, pharmaceutical firms, hospital infrastructure providers, and specialised doctors to provide best-in-class care to our patients. We constantly stay in touch with our partners to understand any changes in the market or challenges faced by them. This allows us to remain attuned to changes in a dynamic operational environment and mould our ways to keep with rapid transformations in the field of medicine.

Key partners

Elekta | varian
ACCURAY | SIEMENS
PHILIPS | GE

Engagement with Communities

We recognise the value of nurturing enduring relationships within the communities we serve. A prominent illustration of this initiative is our alliance with The Times of India in their 'Happy Street' project. This community-led endeavour promotes the use of sustainable, non-motorised transport and serves as a public forum for social interaction through various physical activities, including jogging, walking and leisurely strolling.

Corporate Social Responsibility Initiatives

As part of our Corporate Social Responsibility (CSR) agenda, HCG has collaborated with IHDUA, a non-profit organisation founded in Mysuru in 1991. IHDUA focuses on tailoring programmes that align with community-driven development goals. During the previous fiscal year, HCG offered financial support to several impactful projects undertaken by IHDUA

- **Education in Rural Areas**

  HCG extends its support to educational facilities like Vinayaka Gnana Vidya Shale Mullur and Adarsha Academy near KRS Dam in Mysuru. These institutions collectively offer quality education to 441 students annually, enriching their educational journey with a range of interactive physical and cognitive activities.

- **Women's Empowerment**

  One of the core objectives of our CSR portfolio is the advancement of women. A leadership academy for women has been established to capacitate women from self-help groups. The aim is to equip them with technology-based skills, thereby enabling them to assume leadership roles both in their households and within the broader community.

- **Holistic Community Development**

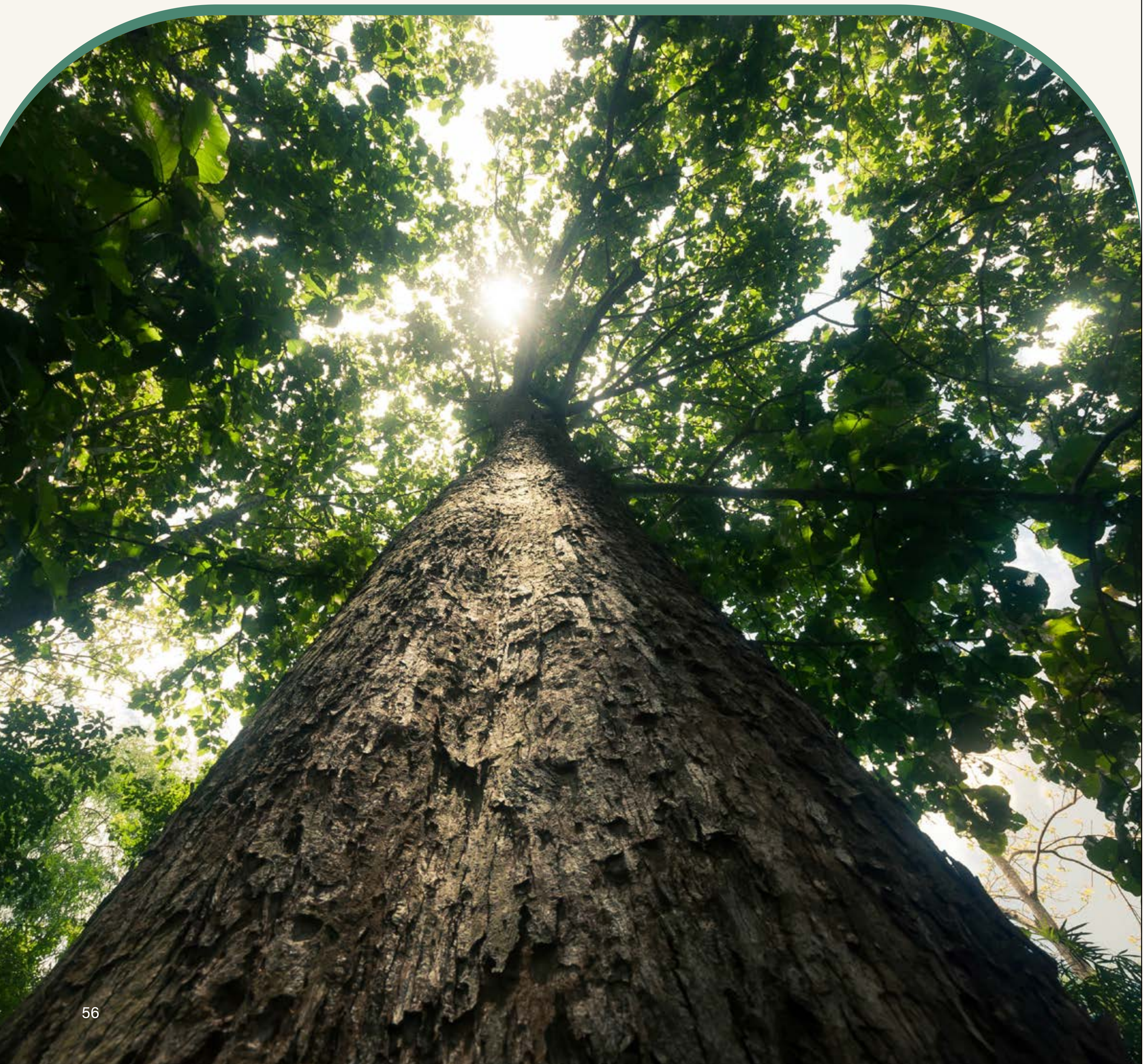
  In partnership with IHDUA, we are working towards the development of a prototype village in the Gundlupet area. Spearheaded by women, the village aims to offer modern education, universal healthcare, and improved infrastructure, such as roads and renewable energy sources.

- **Environmental Stewardship**

  Conscious of our environmental footprint, we have invested in tree-planting initiatives. The purpose is to bolster oxygen levels and heighten community awareness about climate change.

Natural Capital

At HCG, our relentless efforts to deliver the highest standards of patient care are supported by strong relationships with patients, communities, medical professionals, business partners, regulatory bodies as well as shareholders. We strive to build mutually beneficial bonds that empower us to create shared value for a broad spectrum of stakeholders.



Setting Standards in ESG for conserving Natural Capital

Pioneer among hospitals to adopt Integrated Reporting (IR) Framework in FY19, with disclosures covering performance against Financial, Manufactured, Social, Intellectual, Natural and Human Capital

Key Practices for Environment Conservation

- Implementing ESG policy and standards
- Assessing the impact of operations on the environment
- Raising awareness and initiating behavioral changes
- Auditing community contributions & sustainability
- Reviewing progress and evaluating the environmental management system, as and when needed

ESG Initiatives

Enhancing Water Use Efficiency

Monitoring of water consumption using water meters at discharge points

Energy Optimization and Emission Reduction

Reduction in paper consumption in FY 2020-21 by 74%

Proper Waste Management

Medical waste treatment facility, authorized by SPCB[1]

Increase in Renewable Energy Consumption

Solar rooftop capacity: 1,593 KVA

[1] State Pollution Control Board

A Commitment to Conservation and Sustainability

We undertake multi-faceted approaches in the domains of energy and emissions, waste management, and water conservation, we substantively contribute to global sustainability initiatives while enhancing our corporate responsibility profile.

Energy and Emissions Management

In the realm of energy and emissions, we have aligned our strategies with the broader objective of combating climate change. With the goal to mitigate the harmful effects of emissions, our plans and policies are designed to adhere to best practices in energy consumption. As a significant initiative, we have commissioned solar power plants and solar rooftops to reduce dependency on fossil fuels. Our solar rooftop capacity of 1,593 KVA marks an essential stride towards reducing dependence on non-renewable energy sources.

2.25 MW

Cumulative capacity of solar rooftop

Commissioned 2.25 MW Solar Power Plant to reduce carbon footprints for achieving sustainability goals

With the United Nations Climate Conference (COP 27) held in November 2022, once again highlighting the importance of large, quick and consistent reductions in global greenhouse gas emissions to limit global warming to 1.5 degrees, HCG has taken the initiate to commission a solar power plant to reduce its carbon footprint, and this augurs well for the hospital as well as the environment.

As part of its efforts to promote sustainable healthcare through decreased carbon footprint in its operations, HCG has installed a 2.25 MW solar power plant in Karnataka's Jagaluru Village, situated in Davangere district. The newly installed power plant, spread across 7.2 acres of land, is HCG's contribution towards a sustainable environment by using green energy with zero emissions. As phase one of the initiative, the solar project has been implemented at HCG's flagship center in Bengaluru and HCG Suchirayu Hospital in Hubli.

Optimizing the sun fully, the solar power plant is expected to generate power worth 104 million units over a period of 25 years and reduce carbon emissions by as much as 76,200 metric tons. Furthermore, it will result in average annual savings of up to INR 4.2 crore. As part of Phase 2, HCG intends to implement this initiative in all its centers across the country to expand and achieve its sustainability goals.

Maintaining our planet's ecosystems is imperative for creating a healthier world for the coming generations and what better sector than healthcare to recognize the criticality of this need. HCG is happy to steer this landmark solar-powered sustainability initiative across our network which will undoubtedly make a lasting contribution to our healthcare sustainability goals and objectives.

Waste Management

Effective waste management remains at the core of our sustainability practices. Our operations generate multiple types of waste, including biomedical and electronic waste, which are systematically processed through authorised channels, affirming our commitment to responsible waste management. Moreover, a substantial 74% reduction in paper usage, realised through digital transformation, has significantly reduced our waste output. Such focused initiatives, ranging from recycling e-waste to managing biomedical waste through State Pollution Control Board-approved facilities, ensure that we are fully compliant with statutory regulations and contribute meaningfully to societal welfare.

51,910 Kg

General Waste generated

3,01,160 Kg

Bio-medical waste generated

640 Kg

E-waste generated

HCG becomes mercury-free cancer care chain of hospitals

We have become a mercury-free hospital by eliminating mercury-based medical measuring devices to promote more stringent medical hygiene and eco-friendly practices. We phased out mercury-based instruments such as thermometers, sphygmomanometers, blood pressure monitoring devices, gastrointestinal devices, and calibrators, containing mercury across all 26 centres in India. These equipment are replaced with aneroid or digital machines thus making hospitals a safe working space with mercury-free zone.

We see our endeavour as an opportunity to protect the residents from mercury risks and improve their quality of life. By switching to digital technology, the hospital generates no mercury-based toxic waste. It is a positive move in the direction of a better environment.

Water Management

Water, an invaluable resource, necessitates judicious use and efficient management. Our focus on water conservation is evidenced by the installation of water meters at various discharge points across our facilities. These measures allow us to continuously monitor water usage and implement best practices for conservation. Moreover, our investment in water recycling facilities ensures that recycled water is efficiently utilised, further complementing our water conservation efforts. These concerted actions underscore our proactive approach to water management, ensuring alignment with sustainability best practices.

4,46,832 KL

Total water consumption

Awards and recognition

Leader in Oncology

All India Critical Care Hospital Ranking Survey 2020 – HCG Bangalore

Best Cancer Care Hospital Chain

Navbharat Healthcare Award - HCG Mumbai & Nagpur

Top Specialized – Best Hospitals

HCG Ahmedabad listed by The News Week

Nursing Excellence

Association of Healthcare Providers - India (AHPI) Award

Best Cancer Hospital Group

Best Cancer Hospital – HCG Andhra Pradesh

Center of Excellence for Oncology – HCG, Kolkata

Ranked 1st

Ranked 1st by All India Critical Care Hospital Ranking Survey

Accreditations

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Twenty Fifth Annual Report of your Company together with the audited standalone and consolidated financial statements and the auditors' report thereon for the financial year ended March 31, 2023.

1. Financial Highlights:

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

(INR in million)

Consolidated	2022-23	2021-22
Income from operations including income from Govt. Grants	16,944.47	13,977.83
Total Expenditure excluding Depreciation, Interest cost, tax and exceptional items	13,957.58	11,598.14
Profit including income from Govt. Grant and before other income, depreciation, interest cost, tax and exceptional items	2,986.89	2,379.69
Other income	131.84	126.67
Depreciation, Finance Charges and Exceptional items	2,669.75	1614.39
Share of (loss) of equity accounted investees	-0.18	-14.25
Profit before tax	448.80	877.72
Profit after tax attributable to the owners of the Company	293.49	537.33
Standalone		
Income from operations including income from Govt. Grants	10,075.94	8,519.61
Total Expenditure excluding Depreciation, interest cost, tax and exceptional items	8,253.11	7,029.61
Profit including income from Govt. Grants and before other income, depreciation, interest cost, tax and exceptional items	1,822.83	1,490.00
Other income	87.98	102.85
Depreciation, Finance Charges and exceptional items	1,334.60	782.44
Profit before tax	576.21	810.41
Profit after tax	401.91	382.53

2. Performance Overview:

The standalone and consolidated financial statements for the financial year ended March 31, 2023, forming part of this Annual Report, have been prepared in compliance with applicable provisions of the Companies Act, 2013 ('the Act"), Indian Accounting Standards ("Ind-AS") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Consolidated Operations:

The consolidated income from operations including income from government grant for FY 2022-23 was INR 16,944.47 million as compared to INR 13,977.83 million in the previous fiscal year, reflecting an increase of 2,967.17 million with year-on-year increase of 21.23%. EBITDA in FY 2022-23 was INR 2,986.89 million as compared to INR 2,379.69 million in FY 2021-22, reflecting year-on-year increase of INR 607.2 million. EBITDA margin for the year was 17.63% as compared to 17.02% in FY 2021-22, reflecting an increase of 0.61% year-on-year. Profit after tax in the current fiscal year was INR 293.49 million as compared to INR 537.33 million in FY 2021-22. PAT for the year 2021-22 was mainly on account of exceptional gain amounting to INR 946.1 million.

Standalone Operations:

The standalone income from operations including government grants for FY 2022-23 was INR 10,075.94 million as compared to INR 8,519.61 million for the previous financial year, reflecting an increase of 18.27%. Our EBITDA before exceptional items for FY 2022-23 was INR 1,822.83 million with EBITDA margin of 18.09% as against INR 1,490.0 million for FY 2021-22 with EBITDA margin of 17.5%.

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

3. Business and Strategy:

3.1 Business:

The Company is a provider of speciality healthcare focused on cancer and fertility. Under the "HCG" brand, we operate the largest cancer care network in India in terms of the total number of private cancer treatment centres licensed by the AERB (Government of India, Atomic Energy Regulatory Board).

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

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

As a group, we continue to deliver the highest standards of clinical outcomes across all our centres. Our standardised clinical protocols for diagnosis and treatment of cancer patients have allowed us to manage the large volume of patient cases across our HCG network with successful clinical outcomes. Mapping our own clinical outcomes and constantly evolving HCG treatment guidelines has paved way for standardization of clinical pathways and improvement in the functioning of the clinical departments. We believe that we are able to attract and retain highly skilled specialist physicians due to our reputation for clinical excellence, our technology-focused approach, the exposure and experience we provide in relation to clinical best practices and the training programmes we offer for their ongoing development. We believe that the abilities and expertise of our team of specialist physicians differentiate us relative to our competitors.

We also provide fertility treatment under our "Milann" brand. Our Milann fertility centres provide comprehensive reproductive medicine services, including assisted reproduction, gynaecological endoscopy and fertility preservation; and follow a multidisciplinary and technology-focused approach to diagnosis and treatment. Our Milann network also operates on a model similar to our HCG network, wherein the various Milann fertility centres aim to provide medical services following established protocols with a focus on quality medical care across diagnosis and treatment.

As of March 31, 2023, our HCG network consisted of 22 comprehensive cancer centres (including Kenya), and 4 multispecialty hospitals across India. HCG's comprehensive cancer centres provide expertise and advanced technologies for the effective diagnosis and treatment of cancer under one roof. Under the "Milann" brand, HCG operates 7 fertility centres. The details of our existing comprehensive cancer centres as on the date of this report and their facilities and service offerings, including those under development forms part of the Management Discussion and Analysis Report.

3.2 Strategy: Our strategy, includes, inter alia:

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

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

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

We believe that our HCG brand distinguishes us from our competitors; and one of the areas of focus is building our brand, enhancing our market presence, brand image and visibility. We intend to strengthen our patient support groups comprising cancer survivors to further spread awareness of cancer screening and to educate patients regarding cancer treatment options and their relative outcomes and benefits. Through these initiatives, we seek to further strengthen our brand and our commitment to the community, cancer patients and their families.

c) Technology adoption and strengthening our information technology infrastructure:

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

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

4. Management Discussion and Analysis Report:

In terms of Regulation 34 of Listing Regulations, the Management Discussion and Analysis Report (MD&A) on the Company's financial and operational performance, industry trends, business outlook and Initiatives and other material changes with respect to the Company and its subsidiaries, wherever applicable, are presented in separate section which forms part of the Annual Report. The MD&A Report provides a consolidated perspective of economic, social and environmental aspects material to its strategy and its ability to create and sustain value to your Company's key stakeholders.

5. Transfer to Reserves and Surplus/Retained Earnings:

The movements in reserves and surplus/retained earnings are available in the Statement of Changes in Equity, which forms part of the financial statements.

6. Dividend:

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

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

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

7. Transfer of unpaid and unclaimed amount to IEPF:

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

8. Consolidated financial statements:

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

9. Subsidiaries and Associates:

As on March 31, 2023, the Subsidiaries, Associates and Joint Venture Companies of the Company are as under:

Sl. No.	Name of the entity	Country of Incorporation	Primary business activity for which it was formed	% of ownership held by the Company as at March 31, 2023
1	HCG Medi-Surge Hospitals Private Limited	India	Cancer Care	74.00%
2	Malnad Hospital & Institute of Oncology Private Limited	India	Cancer Care	70.25%
3	HealthCare Global Senthil Multi Specialty Hospitals Private Limited	India	Cancer Care	100.00%
4	Niruja Product Development and Healthcare Research Private Limited	India	Research and Development	100.00%
5	BACC Health Care Private Limited	India	Fertility	100.00%
6	Suchirayu Health Care Solutions Limited	India	Multi Speciality	78.60%

Sl. No.	Name of the entity	Country of Incorporation	Primary business activity for which it was formed	% of ownership held by the Company as at March 31, 2023
7	HealthCare Diwan Chand Imaging LLP	India	Radiology/ Imaging	75.00%
8	HCG Oncology Hospitals LLP (formerly known as APEX HCG Oncology Hospitals LLP)	India	Cancer Care	100.00 %
9	HCG NCHRI Oncology LLP	India	Cancer Care	87.14%
10	HCG Oncology LLP	India	Cancer Care	74.00%
11	HCG EKO Oncology LLP	India	Cancer Care	50.50%
12	HCG Manavata Oncology LLP	India	Cancer Care	51.00%
13	HCG SUN Hospitals LLP	India	Health Care Services (Multi-Specialty)	100.00%
14	HCG (Mauritius) Pvt. Ltd. (along with the shareholding of Niruja Product Development and Healthcare Research Private Limited)	Mauritius	Health Care Services	100.00%
15	Healthcare Global (Africa) Pvt. Ltd.	Mauritius	Health Care Services	100.00%
16	HealthCare Global (Uganda) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Uganda	Cancer care	100.00%
17	HealthCare Global (Kenya) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Kenya	Cancer care	100.00%
18	HealthCare Global (Tanzania) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Tanzania	Cancer care	100.00%
19	Cancer Care Kenya Limited (Subsidiary of HealthCare Global (Kenya) Private Limited)	Kenya	Cancer care	81.63%
20	Advanced Molecular Imaging Limited (HealthCare Global (Kenya) Private Limited holds 50% of the share capital)	Kenya	Production of Fluro Deoxi Glucose (FDG)	50.00%

As on March 31, 2023, none of the companies other than HCG Medi-Surge Hospitals Private Limited is a Material Subsidiary, within the meaning of Material Subsidiary as defined under the Listing Regulations, as amended from time to time. The Company has also formulated a policy for determining material subsidiaries. The said policy is also available on the website of the Company at: https://www.hcgoncology.com/policies-and-guidelines/.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the Company's subsidiaries and associates in Form AOC-1, that forms part of this Report is attached as **Annexure 4**. Pursuant to Section 129 of the Companies Act, 2013, the consolidated financial statements of the Company, prepared in accordance with the relevant accounting standards specified under Section 133 of the Companies Act, 2013 read with the Rules made thereunder, forms part of this Annual Report.

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

a) The Annual Report of the Company, containing therein its standalone and consolidated financial statements, is placed on the website of the Company, i.e., https://hcgoncology.com/annual-reports/.

b) The audited financial statements of subsidiary companies together with related information and other reports of each of the subsidiary companies would be placed on the website of the Company https://www.hcgoncology.com/annual-reports/.

10. Acquisitions, Divestments, Investments

The Company, in October 2022, has acquired 11.14% from Nagpur Cancer Hospital and Research Institute Private Limited (NCHRI) and Dr. Ajay Mehta, minority partners of HCG NCHRI Oncology LLP ("LLP") increasing the Company's stake in the LLP to 87.14% In this regard, the Company has executed an Amendment Agreement with NCHRI and Dr. Ajay Mehta.

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

11. Public deposits:

Your Company has not accepted any deposits from public in terms of Section 73 and 74 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014; and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

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

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

13. Related party transactions:

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a policy on related party transactions. This policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for related party transactions on yearly basis for transactions which are of repetitive nature and entered in the ordinary course of business. All related party transactions entered during the year were in the ordinary course of business and at arm's length basis. No material related party transactions were entered into by your Company during the year.

A statement giving details of all related party transactions, entered pursuant to the omnibus approval so granted, is placed before the Audit Committee for their review, on a quarterly basis. The policy on related party transactions has been hosted on the Company's website https://www.hcgoncology.com/policiesandguidelines/ in terms of the Listing Regulations relating to Corporate Governance.

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

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

14. Disclosure under Foreign Exchange Management (Non- Debt Instrument) Rules, 2019 ("NDI Rules"):

The Company has made preferential allotment of 2,95,16,260 equity shares and 1,85,60,663 warrants (convertible to equal number of equity shares) of the Company at INR 130 per equity share, aggregating to INR 625 Crore, to Aceso Company Pte. Ltd., Singapore ("Aceso"). Pursuant to the preferential allotment of shares to Aceso, and further acquisition of shares of the Company by Aceso through open offer, the Company has become a foreign owned and controlled company under Foreign Exchange Management (Non- Debt Instrument) Rules, 2019 ("NDI Rules") and other applicable laws, on September 08, 2020. The Company has complied with the provisions relating to the same during the financial year, except to the extent provided under Sl. No. 37 (observations made by the Secretarial Auditor) of the Report.

15. Share Capital as on March 31, 2023:

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

15.2 Issued, Subscribed and Paid-up Share Capital

The Issued, Subscribed and Paid-up Share Capital of the Company has increased form INR 139,01,19,920 consisting of 13,90,11,992 equity shares of INR 10 each on March 31, 2022 to INR 139,11,60,620 consisting of 13,91,16,062 equity shares of INR 10 each on account of the following allotments of securities made by the Board of Directors of the Company during the year.

The Board of Directors of the Company has allotted 4,000 equity shares on May 26, 2022, 64,770 equity shares on August 10, 2022, 12,175 equity shares on November 10, 2022 and 23,125 equity shares on February 09, 2023, upon exercise of ESOPs by the employees as per HCG ESOS 2014 and HCG ESOS 2021.

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

16. Declaration by Independent Directors:

The Company has received necessary declaration from each Independent Director, in accordance with Section 149(7) of the Companies Act, 2013, that he/she met the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and the Regulation 16(1) (B) of the Listing Regulations. The Company has received and taken on record, the necessary declaration from each of the independent directors under Section 149 of the Companies Act, 2013 that they meet with the criteria of their independence. In the opinion of the Board, Independent Directors fulfil the conditions specified in Companies Act, 2013 read with the Schedules and Rules made thereunder as well as in Listing Regulations and are independent from the management.

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

17. Annual Return:

The Annual Return of your Company as on March 31, 2023, in Form MGT- 7 as provided under sub-section (3) of Section

92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at https://hcgoncology.com/corporate/investor-relations/.

18. Board of Directors:

Composition of Board of Directors

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

As on March 31, 2023, the composition of your Company's Board has an ideal combination of Executive, Non-Executive and Independent Directors and thereby ensuring separation of management and governance while maintaining its independence. In compliance with the terms of the Listing Regulations, Independent Directors constitute 50% of the Board strength including an independent women director.

Type of Directorship	No. of Directors	% of Board strength
Executive Directors	3	30%
Non-Executive Non-Independent Directors	2	20%
Independent Directors	5	50%
Total	**10**	**100%**

All 5 (five) Independent Directors are free from any business, pecuniary or other relationship that could materially influence their judgment and satisfy the criteria of independence as defined under the Companies Act, 2013 and Listing Regulations. The Company has 2 (two) woman Directors on the Board, one of whom is an Independent Non-Executive Director and one is a Whole-time Director. The profiles of these Directors forms part of the Annual Report.

18.1 Directors appointed during the financial year:

During the financial year, there were no new appointments to the Board. The appointments to the Board after March 31, 2023, till the date of the report are as under:

(a) Mrs. Anjali Ajaikumar Rossi, Whole-time Director, has been reappointed as Executive Director, effective from April 01, 2023, for a period up to: (a) June 30, 2026, or (b) termination of the employment of the 'Executive Chairman' in accordance with Article 14.6 of Part B of the Articles of Association of the Company, whichever is earlier.

(b) Dr. B. S. Ajaikumar, Executive Chairman, has been reappointed, effective from July 01, 2023, for a period up to June 30, 2025, or until the occurrence of the events set out under Article 14.6 of Part B of the Articles of Association of the Company, whichever is earlier.

(c) Mr. Rajiv Maliwal has been appointed as an Independent Non-Executive Director on May 25, 2023, for a period of 3 years.

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

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

Mr. Abhay Havaldar, Independent Non-Executive Director, has resigned from the Board of the Company, with effect from April 02, 2023. Mr. Abhay Havaldar has informed the Company that, considering his primary activity as an investor, he is required to join several other boards which unfortunately limits his ability to do justice to what is required to be an effective Board member of HCG, and that there are no other material reasons for his resignation from the Board. He has served as a director on the Board from August 20, 2020.

Members of the Board placed on record their appreciation for the remarkable support and guidance provided by Mr. Abhay Havaldar during his tenure as Director, and for his active participation in all the decision making processes of the Board.

18.3 Retirement by rotation:

Mr. Amit Soni (DIN: 05111144), Non-Independent Non-Executive Director of the Company and Mr. Meghraj Arvindrao Gore, Whole-time Director & CEO (DIN: 07505123), are liable to retire by rotation at the ensuing Annual General Meeting ("AGM") pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible offers herself for reappointment.

Appropriate resolutions for their re-appointment are being placed for the approval of the shareholders of the Company at the ensuing AGM. A brief profile of Mr. Amit Soni and Mr. Meghraj Arvindrao Gore and other related information is detailed in the Notice convening the 25th AGM of your Company.

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

19. Number of meetings of the Board:

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

The Board met 5 (five) times during the financial year 2022-23 viz., on May 26, 2022, August 10, 2022, November 10, 2022, February 09, 2023 and March 27, 2023. The maximum interval between any two meetings did not exceed 120 days.

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

20. Key Managerial personnel:

In accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following were the Key Managerial Personnel of the Company as on March 31, 2023.

a) Dr. B. S. Ajaikumar – Executive Chairman,
b) Mr. Meghraj Arvindrao Gore – Whole-time Director and Chief Executive Officer,
c) Mr. Srinivasa V Raghavan – Chief Financial Officer and
d) Ms. Sunu Manuel – Company Secretary

21. Committees of the Board and their constitution:

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

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

Keeping in view the requirements of the Companies Act, 2013 and Listing Regulations, as amended from time to time, the Board reviews the terms of reference of these Committees and the nomination of Board members to various Committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

(A). Audit Committee

The Audit Committee of the Board reviews, acts on and reports to the Board with respect to various auditing and accounting matters. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of Listing Regulations, and have been detailed in the Corporate Governance Report, forming part of this Annual Report.

Audit Committee met 5 (five) times during the financial year 2022 -23. The meetings were held on May 25, 2022, July 11, 2022, August 09, 2022, November 09, 2022 and February 08, 2023. All recommendations made by the Audit Committee have been accepted by the Board of Directors.

The composition of the Audit Committee during FY 2022 – 23 and the attendance at the committee meetings are given in the below table.

Name	Position	Number of meetings attended
Ms. Geeta Mathur	Chairperson	5
Mr. Rajagopalan Raghavan	Member	4
Mr. Amit Soni	Member	5
Mr. Pradeep Kanakia	Member with effect from May 26, 2022	4

Notes:

Mr. Pradip Kanakia, Independent Director, was appointed as a member of the Audit Committee effective from May 26, 2022.

(B) Nomination and Remuneration Committee

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations.

Nomination and Remuneration Committee of the Board has met 5 (five) times during the financial year 2022-23. The meetings were held on May 26, 2022, August 10, 2022, November 10, 2022, February 09, 2023, and March 27, 2023.

The composition of the Nomination and Remuneration Committee and the attendance at the committee meetings during FY 2022-23 are given in the below table.

Name	Position	Number of meetings attended
Mr. Rajagopalan Raghavan	Chairperson	5
Mr. Siddharth Patel	Member	5
Dr. B. S. Ajaikumar	Member	5
Mr. Abhay Prabhakar Havaldar	Member	4
Ms. Geeta Mathur	Member	5
Mr. Jeyandran Venugopal	Member	4

Note:

(i) Mr. Abhay Havaldar, Independent Non-Executive Director has resigned from the Board of the Company with effect from April 02, 2023.

(ii) Mr. Pradip Kanakia, Independent Non-Executive Director has been appointed as a Member of the Nomination and Remuneration Committee with effect from May 16, 2023.

(C) Stakeholders' Relationship Committee

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

Stakeholders' Relationship Committee of the Board has met once during the financial year 2022-23. The meeting was held on March 29, 2023. The Chairman of the Committee, Mr. Amit Soni is a non-executive director.

The composition of the Stakeholders' Relationship Committee and their attendance at the Committee meetings during FY 2022-23 are given in the below table.

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

Note:

(i) Mr. Abhay Havaldar, Independent Non-Executive Director has resigned from the Board of the Company with effect from April 02, 2023.

(ii) Mr. Rajagopalan Raghavan, Independent Non-Executive Director has been appointed as Member of the Stakeholders' Relationship Committee with effect from June 28, 2023.

(D). Corporate Social Responsibility Committee

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

The Committee did not meet during the financial year 2022-23, as there was no CSR spend for the financial year.

The composition of the Corporate Social Responsibility Committee is given in the below table:

Name	Position
Dr. B. S. Ajaikumar	Chairman
Mr. Siddharth Patel	Member
Mr. Jeyandran Venugopal	Member

(E) Strategy Committee

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

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

The Committee has met four times during the financial year 2022-23. The meetings were held on May 23, 2022, August 09, 2022, October 31, 2022 and February 01, 2023.

The members of the Committee and their attendance at the Committee meetings during FY 2022-23 are given in the below table:

Name	Position	Number of meetings attended
Dr. B. S. Ajaikumar	Chairman	4
Mr. Siddharth Patel	Member	4
Mr. Amit Soni	Member	4
Ms. Anjali Ajaikumar Rossi	Member	3

(F) Risk Management Committee

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

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

The Committee has met two times during the financial year 2022-23. The meetings were held on August 24, 2022 and January 16, 2023.

The composition of the Risk Management Committee and the attendance at the committee meetings during FY 2022-23 are given in the below table:

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

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

22. Board Evaluation:

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board was undertaken. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013, and the Listing Regulations, and in consonance with Guidance Note on Board Evaluation issued by SEBI in January 2019. The Board evaluation was conducted through questionnaire having qualitative parameters and feedback based on rating, where the Board has carried out annual evaluation of (i) its own performance; (ii) directors' performance on an individual basis; (iii) Chairman of the Board; and (iv) performance of all committees of the board for the Financial Year 2022-23.

Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board committees, review of performance and compensation to Executive Directors, succession planning, strategic planning, Board culture, various aspects of the Board's functioning, execution and performance of specific duties, obligations and governance etc.

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

Evaluation of committees were based on criteria such as adequate independence of each of the committees, frequency of meetings and time allocated for discussions at meetings, functioning of Board committees and effectiveness of its advice/recommendation to the Board, etc.

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

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

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

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

The Board also noted that the actions identified in the past evaluation had been acted upon. Subsequent to the evaluation done in the financial year 2022-23, given the changing external environment, some areas have been identified for the Board to engage itself with and these will be acted upon.

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

23. Risk Management and Enterprise Risk Management Policy:

Pursuant to Regulation 21 of Listing Regulations, your Company has developed and rolled out a comprehensive Enterprise Risk Management Policy. The policy aims at elimination or reduction of risk exposures through identification and analysis of various types of risks and facilitating timely action for taking risk mitigation measures. The Risk Management and Steering Committee (RMSC) reviews the Company's portfolio of risks and considers it against the Company's risk appetite and recommends changes to the Risk Management technique and / or associated frameworks, processes and practices of the Company. The enterprise risk management process of the Company is progressing satisfactorily, but the entire process is yet to reach a level of maturity. RMSC also advises and guides the Company for making the process more robust and to achieve prudent balance between risk and reward in both ongoing and new business activities. The Risk Management Committee periodically reviews the risk management process.

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

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

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

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

25. Compliance Management Framework:

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

26. Corporate Social Responsibility:

Your Company has been taking initiatives under Corporate Social Responsibility (CSR) for society at large, well before it has been prescribed thorough the Companies Act, 2013; and over the years, had been pursuing as a part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself and create an environment of partnership for inclusive development.

As per the provisions of Section 135 of the Companies Act, 2013, the Company has well defined policy on CSR which covers the activities as prescribed under Schedule VII of the Companies Act 2013. The CSR Policy is available on the website of the Company at https://www.hcgoncology.com/policies-and-guidelines/.

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

27. Internal Audit:

Your Company has continued its engagement with M/s. Ernst & Young LLP, to conduct internal audit across the organization during the year under review. We have also strengthened the in-house internal audit team to supplement and support the efforts of M/s. Ernst & Young LLP.

28. Internal Financial Control system and their adequacy:

The management has laid down internal financial controls to be followed by the Company. We have adopted policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The internal control system commensurate with the nature of business, size and complexity of operations and has been designed to provide reasonable assurance on the achievement of objectives in effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. In furtherance to this, your Company has instituted an online compliance management system within the organization to monitor compliances and provide update to senior management and Board on a periodic basis. The Audit Committee and the Board periodically monitor status of compliances with applicable laws.

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

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

The scope and authority of the Internal Audit Function is derived from the Audit Committee Charter approved by the Audit Committee of the Board. The Internal Audit function develops an internal audit plan to assess control design and operating effectiveness, as per the risk assessment methodology. The Internal Audit function provides assurance to the Board and management that a system of internal control is designed and deployed to manage key business risks and is operating effectively.

29. Whistle Blower/Vigil Mechanism for Directors and employees:

Section 177(9) and (10) of the Companies Act, 2013, mandates every listed company to establish a vigil mechanism for its directors and employees which shall function as a channel for receiving and redressing their complaints. The vigil mechanism provides for (a) adequate safeguards against victimization of persons who use the vigil mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases.

Under this policy, we have adopted a vigil mechanism which would encourage our directors, employees and all other stakeholders to report any incidence of fraudulent financial or other information to the stakeholders, reporting of instance(s) of leak or suspected leak of unpublished price sensitive information, and any conduct that results in violation of the Company's code of business conduct, to the management (on an anonymous basis, if employees so desire). Further, your Company has prohibited discrimination, retaliation or harassment of any kind against any employee who reports under the vigil mechanism or participates in the investigation.

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

The Audit Committee periodically reviews the functioning of this mechanism. No individual in the Company has been denied access to the Audit Committee or its Chairperson.

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

Mechanism followed under the process is appropriately communicated within the Company across all levels and has been displayed on the Company's intranet and website at https://www.hcgoncology.com/policies-and-guidelines/..

30. Code for Prevention of Insider Trading:

Your Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the Company's website at https://www.hcgoncology.com/policies-and-guidelines/.

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

The Nomination and Remuneration Committee has framed a policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel (KMP), senior management personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013.

Your Company believes that Board diversity, basis the gender, race, age will help build diversity of thought and will set the tone at the top. A mix of individuals representing different industry experience, qualification and skill set will bring in different perspectives and help the organization grow. The Board of Directors is responsible for review of the policy from time to time.

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

32. Particulars of employees:

The statement containing particulars in terms of Section 197 (12) of the Companies Act, 2013, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 for the year ended March 31, 2023 forms part of this Annual Report and is appended herewith as **Annexure 3** to this Report.

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

33. Significant or Material orders:

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

34. Statutory Auditors:

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

Since the first term of M/s. B S R & Co. LLP, Chartered Accountants, as Statutory Auditor, was coming to an end at the Annual General Meeting held on September 29, 2022, the Board of Directors of the Company at their meeting held on May 26, 2022, on the recommendation of the Audit Committee, had approved the reappointment of M/s. B S R & Co., LLP, Chartered Accountants as Statutory Auditors, for a second term of 5 (five) consecutive years commencing from financial year 2022-23 and ending with financial year 2026-27, subject to the approval of shareholders.

The shareholders at the 24th (Twenty Fourth) Annual General Meeting of the Company held on September 29, 2022, had approved the appointment of M/s. B S R & Co. LLP (Firm Registration No. 101248W/W-100022) as Statutory Auditors for a term of 5 (five) years commencing from the conclusion of the said Annual General Meeting of the Company, till the conclusion of the 29th (Twenty Nineth) Annual General Meeting to be held in the year 2027.

35. Statutory Auditors' Report:

There are no qualifications, reservations or adverse remarks made by M/s B S R & Co. LLP., Statutory Auditors, in their report for the financial year ended March 31, 2023. The Auditors' Report being self-explanatory does not call for any further comments from the Board of Directors, except for the following:

(a) *Title deeds of immovable properties disclosed in the standalone financial statements are held in the name of the Company, except for title deeds of the properties of the Company in Ahmedabad, Bengaluru and Vijayawada. Please refer to Clause (i) (c) of Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of the Company, and Clause (xxi) of Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of the Company for the year ended 31 March 2023, for the observations in detail.*

(b) *Proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears on their examination of those books and the reports of the other auditors, except that the back-up of Tally with respect to a subsidiary incorporated in India, whose financial statements reflects total assets (before consolidation adjustments) of INR 552.75 million as at 31 March 2023 and total revenues (before consolidation adjustments) of INR 663.29 million for the year ended on that date, as considered in the consolidated financial statements, which form part of the 'books of account and other relevant books and papers in electronic mode' have not been maintained on the servers physically located in India on a daily basis. The back-up of Tally has been maintained on the servers physically located in India as at the year end. Please refer to Sl. No.2 A(b) under the Report on Other Legal and Regulatory Requirements to the Independent Auditor's Report on the Consolidated Financial Statements of the Company, for the observation in detail.*

In this regard, the Board of Directors places its response as under:

(i) With respect to the observation under (a) above on the tittle deeds not in the name of the Company, all the three properties were owned by the subsidiaries of the Company viz., HCG Medi-surge Hospitals Private Limited (Ahmedabad), Banashankari Medical and Oncology Research Centre Private Limited (Bengaluru) and Healthcare Global Vijay Oncology Private Limited (Vijayawada).

Banashankari Medical and Oncology Research Centre Private Limited (Bengaluru) and Healthcare Global Vijay Oncology Private Limited (Vijayawada) have been amalgamated with the Company, and on account of the amalgamation, all the properties of these two companies have been transferred to the Company as per the order of the respective High Courts sanctioning the amalgamation. With respect to the property in Ahmedabad, it was owned by HCG Medi-surge Hospitals Private Limited, a subsidiary of the Company, where the legal ownership of the property has been transferred to the Company on account of the demerger of the multi-specialty business of HCG Medi-surge Hospitals Private Limited.

As per the Scheme of Amalgamation/Demerger as approved by the High Court, in respect of such of the assets belonging to the Transferor Company, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and / or be deemed to be transferred to and stand vested in the Transferee Company. However, the Company is in the process of updating the name of the Company in the title deeds of these properties as required under local jurisdictional authorities.

(ii) Regarding the observation on the maintenance of back up of Tally, this is with respect to BACC Health Care Private Limited, a wholly owned subsidiary of the Company (BACC), which is into the business of IVF, advanced diagnosis and treatment in the field of Assisted Reproduction Technology. IVF is one of the businesses which HCG entered into a decade ago and the business faced severe challenges last year given a rampant regulatory change which had taken the entire industry by storm. The Business stood up to the challenge and ensured all the regulatory compliances are duly met and has started to do quite well in the past few months, again.

BACC has a fully integrated Hospital Information System (HIS) which captures operational as well as certain financial information from the root level. This is the backbone of BACC's operations, and this application has been ring-fenced with all the adequate support infrastructure including maintenance, upgrades, backup etc. BACC uses Tally as its accounting software where entries are passed based on the information in the HIS and other data points. Tally is being backed up on a daily basis, while the HIS has been backed up on a daily basis. There were no instances of any information loss, or such matters due to Tally not being backed up daily, earlier. HCG places utmost emphasis on adoption of Information Technology tools to foster growth of the business as appropriate.

Further, the Statutory Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or reenactment (s) for the time being in force).

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

No material changes and commitments, other than disclosed as part of this report, affecting the financial position of the Company have occurred between March 31, 2023 and the date of the report. There has been no change in the nature of business of the Company during the last financial year.

37. Secretarial Audit:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. V. Sreedharan, Partner, M/s V. Sreedharan & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended March, 31, 2023. The said Report of the Secretarial Auditor in Form MR 3 as required under Section 204 of the Companies Act, 2013 read with Regulation

24A(1) of the Listing Regulations is annexed herewith as **Annexure 1** and forms part of the report.

The Secretarial Auditors, in their report for the financial year ended March 31, 2023, have observed that:

As per Regulation 11(b) of Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 read with Rule 23(6) of Foreign Exchange Management (Non-Debt Instruments) Rules,2019, the first level Indian Company making downstream investment shall file Form DI with the Reserve Bank of India('RBI') within 30 days from the date of allotment of equity instruments.

The Company has made downstream investments in 3 of its subsidiaries during the year. Though (2) two of the subsidiaries of the Company had filed Form DI earlier (other than the LLP), those filings were rejected by the Authorized Dealer Bank, requiring these subsidiaries to file Form DI in relation to the investments made by the Company prior to becoming a Foreign Owned Controlled Company ('FOCC'). These 2 subsidiaries have again filed the form DI on August 04, 2023, including those for investments made prior to the Company becoming a FOCC, and is waiting for any further updates from Authorized Dealer/ RBI.

With respect to the other subsidiary - HCG Sun Hospitals LLP (LLP), the LLP had not filed Form DI for the investment made by the Company on February 06,2023, as on March 31, 2023. However, the LLP has filed the form DI on August 04, 2023, including those for investments made prior to the Company becoming a FOCC, and is waiting for any further updates from Authorized Dealer/ RBI

In this regard, the Board of Directors would like to inform that the Company was unable to complete the filings within the due date, on account a new requirement of the Authorized Dealer Bank (AD Bank) requiring the subsidiaries of the Company to file Form DI for all the investments made by the Company prior to the Company becoming a FOCC. The subsidiaries of the Company had been filing Form D1 from December 2020 till December 2022, and the AD Bank had never come up with such a requirement, earlier.

As per The Master Direction – Reporting under Foreign Exchange Management Act, 1999, states that "An Indian entity or an investment vehicle making downstream investment in another Indian entity which is considered as indirect foreign investment shall file Form DI with the Reserve Bank within 30 days from the date of allotment of equity instruments."

Regulation 4(11) of Foreign Exchange Management (Mode of payment and reporting of non-debt instruments) Regulations, 2019 provides that: "The reporting requirement for any Investment in India by a person resident outside India shall be as follows: Form DI: An Indian entity or an investment Vehicle making downstream investment in another Indian entity which is considered as indirect foreign investment for the investee Indian entity in terms of Rule 22 of the Rules shall file Form DI with the Reserve Bank within 30 days from the date of allotment of equity instruments."

The user manual for the FIRMS Portal for reporting in Form DI refers to the date on which the investment became indirect foreign investment having to be reported, along with the date of allotment. It is not clear if this is intended to cover past allotments as well.

The Company has separately checked with some authorised dealers and have been informed that the position in this regard is not clear, and different authorised dealers have taken different positions on this at different points of time.

In our view, the requirements of the RBI Master Directions indicate that the filing is to be made at the time of the downstream investment being undertaken, and not in respect of prior investments. However, as mentioned above, the feedback from authorised dealers in this regard is that the position does not appear to be certain.

In view of this uncertainty and lack of clarity, the Company has filed Form DI as per the advice of the Authorized Dealer, and as a measure of abundant caution.

Pursuant to Regulation 24A(2) of the Listing Regulations, the Secretarial Compliance Report, issued by M/s. V. Sreedharan & Associates, Practicing Company Secretaries, Bengaluru is annexed herewith as part of **Annexure 1**.

Other than the above, there are no other qualification, reservations or adverse remarks made by M/s. V. Sreedharan and Associates, Practicing Company Secretaries, Secretarial Auditor of the Company in their Secretarial Compliance Report, and all the other information that have been included in the certificate are self-explanatory.

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

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

38. Cost Records and Cost Auditor:

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year. Accordingly, such accounts and records were made and maintained for the financial year 2022-23.

The remuneration of M/s. Rao, Murthy & Associates, Cost Auditors of the Company for FY 2022-23, amounting to INR 1,75,000 (Rupees One Lakh Seventy-Five Thousand Only) (exclusive of taxes and re-imbursement of actual out-of-pocket expenses) in connection with the cost audit for FY 2022-23 has been ratified by the shareholders, at the AGM held on September 29, 2022.

Cost Audit Report for the financial year ended March 31, 2022 has been filed with the Registrar of Companies.

The board of Directors on the basis of the recommendations from Audit Committee has appointed M/s. Rao, Murthy & Associates (Firm Registration No. 00065), Costs Accountants as the Cost Auditors of the Company for FY 2023-24 at a remuneration of INR 1,75,000 (Rupees One Lakh Seventy-Five Thousand Only) (exclusive of taxes and re-imbursement of actual out-of-pocket expenses, if any, subject to the ratification of the said fees by the shareholders at the ensuing AGM.

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

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

40. Prevention of Sexual Harassment Policy:

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

The Company conducts sessions for employees to build awareness amongst employees about the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act. The Company's process ensures complete anonymity and confidentiality of information.

The below table provides details of complaints received/ disposed during the financial year 2022-23.

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

41. Green initiative:

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

The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The Annual Reports for FY 2022-23 are being sent in electronic mode, to all members who have registered their email ids for the purpose of receiving documents / communication in electronic mode with the Company and/or Depository Participants. The Annual Reports are also available in the "Investor Relations" section on the Company's website https://www.hcgoncology.com/annual-reports/.

The General Circular No. 14/ 2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated December 13, 2020, the General Circular No. 10/2021 dated June 23, 2021, the General Circular No. 20/2021 dated December 08, 2021, the General Circular No. 3/2022 dated May 05, 2022 and the General Circular No. 11/2022 dated December 28, 2022 in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID - 19" issued by the Ministry of Corporate Affairs, Government of India have permitted Companies to dispatch the Notice calling General Meeting and Annual Report by e-mail only.

The Company had during FY 2022-23 sent various communications including Annual Reports, by email to those shareholders whose email addresses were registered with the Company/Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, on a real-time basis without any delay.

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

42. Employee Stock Option Schemes:

As required under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the applicable disclosures as on March 31, 2023 are annexed to this Report as Annexure 2.

42.1 HCG ESOS 2014: Pursuant to regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014, the Company has obtained the approval of the members at the Annual General Meeting held on September 29, 2016, for ratifying Employee Stock Option Scheme of the Company (HCG ESOS 2014), the pre-IPO plan. HCG ESOS 2014 is in compliance with Securities and Exchange Board of India (Share Based

Employee Benefits) Regulation 2014 and there have been no material changes to the plan during the financial year.

42.2: HCG ESOS 2021: The Board of Directors of the company, on February 11, 2021, approved the new Employee Stock Options Scheme titled "HCG Employee Stock Option Scheme - 2021" (HCG ESOS 2021). The HCG ESOS 2021 allows the issuance of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The shareholders have approved HCG ESOS 2021 vide Postal Ballot on May 23, 2021.

As per the Scheme, the Nomination and Remuneration Committee can grant the options to the employees deemed eligible. The Exercise Price shall be a price that is not less than the face value per share per option. Under the HCG ESOS 2021, a maximum of 62,67,000 (Sixty-Two Lakh Sixty-Seven Thousand Only) Options can be Granted exercisable into 62,67,000 (Sixty-Two Lakh Sixty-Seven Thousand Only) Equity Shares of face value of INR 10 (Rupees Ten only) each. Vesting of Options would be a function of continued employment with the Company (passage of time) and achievement of performance criteria as specified by the Nomination and Remuneration Committee as communicated at the time of grant of options. The option holders may exercise those options vested within a period of 7 years from the date of grant, while in employment.

The Nomination and Remuneration Committee of the board evaluates the performance and other criteria of employees and approves the grant of options based on the recommendation of the Strategy Committee. These options vest with employees over a specified period subject to fulfilment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a price determined on the date of grant of options. Upon HCG ESOS 2021 coming into force, it has been decided that no future grants shall be made under HCG ESOS 2014.

The cost is determined by the fair value at the date when the grant is made using an appropriate valuation model and management's estimate of equity instruments that will vest. That cost is recognised over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. Total stock compensation cost for the year ended March 31, 2023 is INR 59.69 million (FY 2021-22: INR 28.33 million).

No employee was issued stock options during the year equal to or exceeding 1% of the issued capital of the Company at the time of grant.

The stock option plans are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and there have been no material changes to these plans during the financial year.

Disclosures on various plans, details of options granted, shares allotted upon exercise, etc. as required under the Employee Benefits Regulations read with Securities and Exchange Board of India circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 are available on the Company's website at httpsf://www.hcgel.com/investors/.

43. Director's Responsibility Statement:

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

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

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

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant Board committees, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2022-23.

44. Corporate Governance:

Your Company places utmost importance on its fiduciary role as a guardian of stakeholders' interest and strives to achieve a mutually aligned objective of value and wealth creation for all interested parties. The Board and the Management humbly acknowledges this role and continues to propagate this belief through all layers of the organization to create an environment of accountability and trust.

These responsibilities continue to be the focus of its attention through the tumultuous ride along the path of expansion, ensuring the highest standards of ethics and integrity in all its business dealings while avoiding potential conflicts of interest. The result of this is a corporate structure which serves its ever-expanding business needs while maintaining transparency and adherence to the above stated beliefs.

A Report on Corporate Governance has been appended to this report and forms an integral part of this Report. As required by Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the Executive Chairman, Wholetime Director & Chief Executive Officer and Chief Financial Officer have given appropriate certifications to the Board of Directors.

Further, pursuant to Regulation 34(3) of Listing Regulations read with Part E of Schedule V of the Listing Regulations, a certificate from M/s. V. Sreedharan, Partner, V Sreedharan & Associates, (CP Number 833), Bengaluru, Practicing Company Secretaries certifying the compliance with various provisions of the Corporate Governance is annexed to this Report.

The Company has received a certificate from M/s. V. Sreedharan, Partner, V Sreedharan & Associates, (CP Number 833) Bengaluru, Practicing Company Secretaries, pursuant to clause 10(i) of Part C under Schedule V of Listing Regulations that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority and same forms part of the Corporate Governance Report.

45. Business Responsibility and Sustainability Report

In November 2018, the Ministry of Corporate Affairs (MCA) constituted a Committee on Business Responsibility Reporting ("the Committee") to finalize business responsibility reporting formats for listed and unlisted companies, based on the framework of the National Guidelines on Responsible Business Conduct (NGRBC). Through its report, the Committee recommended that BRR be rechristened BRSR, where disclosures are based on Environmental, Social and Governance (ESG) parameters, compelling organizations to holistically engage with stakeholders and go beyond regulatory compliances in terms of business measures and their reporting. SEBI, vide its circular dated May 10, 2021, made BRSR mandatory for the top 1,000 listed companies (by market capitalization) from the financial year 2022-23.

Your Company has, on a voluntary basis, opted for the BRSR report for Financial Year 2021-22 and has provided as a separate section for the same. BRSR report for Financial Year 2022-23 forms an integral part of this Annual Report.

46. Disclosure related to Insolvency and Bankruptcy.

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

47. Declaration on Code of Conduct:

The Company has adopted the Code of Conduct for all its Senior Management Personnel and Directors and the same is affirmed by all the Board members and senior management personnel as required under Regulation 34 read with Part D of Schedule V of the Listing Regulations. A declaration signed by Dr. B. S. Ajaikumar, Executive Chairman and Mr. Raj Gore, Whole-time Director and CEO of the Company affirming the compliance with the Code of Conduct of the Company for the financial year 2022-23 has been annexed as part of this Report.

48. OTHER DISCLOSURES

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

b). Your Company has complied with the applicable Secretarial Standards relating to 'Meetings of the Board of Directors' and 'General Meetings' during the year.

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

49. Acknowledgements and Appreciations:

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

For and on behalf of the Board of Directors

Date: August 10, 2023
Place: Bengaluru

Dr. B. S. Ajaikumar
Executive Chairman

DECLARATION ON CODE OF CONDUCT

To,
The Members of
HealthCare Global Enterprises Limited.

We, Dr. B. S. Ajaikumar, Executive Chairman and Mr. Raj Gore, Whole-time Director and CEO of the Company, declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2023.

For and on behalf of the Board of Directors

Dr. B. S. Ajaikumar
Executive Chairman

Raj Gore
Whole-time Director & Chief Executive Officer

Date: August 10, 2023
Place: Bengaluru

Annexure 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2023

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

To
The Members
Healthcare Global Enterprises Limited
HCG Tower, No.8, P. Kalinga Rao Road
Sampangi Rama Nagar, Bengaluru - 560027

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2023 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowing by the Company during the period under review;

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

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

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

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

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

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

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable to the Company during the Audit Period**);

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

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

(vi) Other Laws Applicable Specifically to the Company namely:

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

b. Pharmacy Act, 1948

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

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

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

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

g. Drugs (Prices Control) Order, 2013 ("DPCO")

h. The Clinical Establishments (Registration and Regulation), Act, 2010

i. Narcotic Drugs and Psychotropic Substances Act, 1985 ("Narcotic Act")

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

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

l. The Transplantation of Human Organs Act, 1994 ("Transplantation of Organs Act")

m. Explosives Act, 1884 ("Explosives Act")

n. Indian Boilers Act, 1923 ("Boilers Act")

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

p. Legal Metrology Act, 2009 ("Legal Metrology Act") and rules thereunder

q. Indian Medical Council Act, 1956 ("IMCA")

r. Indian Medical Degree Act, 1916 ("IMDA")

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

t. Indian Nursing Council Act, 1947

u. The Air (Prevention and Control of Pollution) Act, 1981

v. The Water (Prevention and Control of Pollution) Act, 1974

w. Bio-Medical Waste Management Rules, 2016 ("BMW Rules")

x. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

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

z. e-waste (Management) Rules, 2016 ("e-waste Rules")

aa. Poisons Act, 1919 and the Karnataka Poison Rules, 1966

bb. Static and Mobiles Pressure Vessels (Unfired) Rules, 1981

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

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc., mentioned above except to the extent as mentioned below:

As per Regulation 11(b) of Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 read with Rule 23(6) of Foreign Exchange Management (Non-Debt Instruments) Rules,2019, the first level Indian Company making downstream investment shall file Form DI with the Reserve Bank of India('RBI') within 30 days from the date of allotment of equity instruments.

The Company has made downstream investments in 3 of its subsidiaries during the year. Though (2) two of the subsidiaries of the Company had filed Form DI earlier (other than the LLP), those filings were rejected by the Authorized Dealer Bank, requiring these subsidiaries to file Form DI in relation to the investments made by the Company prior to becoming a Foreign Owned Controlled Company ('FOCC'). These 2 subsidiaries have again filed the form DI on August 04, 2023, including those for investments made prior to the Company becoming a FOCC, and is waiting for any further updates from Authorized Dealer/ RBI.

With respect to the other subsidiary - HCG Sun Hospitals LLP (LLP), the LLP had not filed Form DI for the investment made by the Company on February 06,2023, as on March 31, 2023. However, the LLP has filed the form DI on August 04, 2023, including those for investments made prior to the Company becoming a FOCC, and is waiting for any further updates from Authorized Dealer/ RBI.

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

We further report that:

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

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

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

We further report that based on the review of the compliance mechanism adopted by the Company of providing adequate presentations by the concerned departments' heads at the

Board Meetings, regarding compliance with the applicable laws and its adherence, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

Without qualifying our report, we further report the following:

The Company was required to file the web-form CSR-2 on or before March 31,2023 as required under the second proviso to sub-rule (1B) of Rule 12 of Companies (Accounts) Rules, 2014 for the financial year ended March 31, 2022. The Company has not filed the same within the due date. However, the same has been filed on August 08,2023 vide SRN: F62966510.

There were no events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc., during the audit period.

For **V SREEDHARAN & ASSOCIATES**

(V Sreedharan)
Partner
FCS: 2347; CP No. 833
UDIN: F002347E000768816
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: August 09,2023

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

'Annexure'

To
The Members
Healthcare Global Enterprises Limited
HCG Tower, No.8, P. Kalinga Rao Road
Sampangi Rama Nagar, Bengaluru - 560027

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **V SREEDHARAN & ASSOCIATES**

(V Sreedharan)
Partner
FCS: 2347; CP No. 833
UDIN: F002347E000768816
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: August 09,2023

Secretarial compliance report of Healthcare Global Enterprises Limited

for the financial year ended March 31, 2023

[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Healthcare Global Enterprises Limited** (hereinafter referred as 'the listed entity'), having its Registered Office at HCG Tower, No.8 P, Kalinga Rao Road, Sampangi Rama Nagar, Bangalore - 560027.

Secretarial Review 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 listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the listed entity 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:

(a) all the documents and records made available to us and explanation provided by **Healthcare Global Enterprises Limited** ("the listed entity");

(b) the filings/ submissions made by the listed entity to the stock exchanges;

(c) website of the listed entity;

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification;

For the year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

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

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

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

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

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable to the Company during the Review Period**);

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

And circulars/ guidelines issued thereunder.

And based on the above examination, We hereby report that, during the Review Period:

I. (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder.

(b) The listed entity was not required to take any actions as there was no observations made by the Practicing Company Secretary (Secretarial Auditors) in previous reports.

II. The compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sl. No.	Particulars	Compliance Status (Yes/No/N.A)	Observations/ Remarks by PCS*
1.	**Compliances with the following conditions while appointing/re-appointing an auditor.**		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	**Not applicable**	The auditors of the listed entity have not resigned during the audit period.
2.	**Other conditions relating to resignation of statutory auditor**		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee: a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	**Not applicable**	The Auditors of the listed entity have not reported any concerns during the audit period.
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.	**Not applicable**	The auditors of the listed entity or it's material subsidiary have not resigned during the audit period.

III. We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sl. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ remarks by PCS
1.	**Secretarial Standards** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI) as notified by the Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	--
2.	**Adoption and timely updation of the Policies:**		
	▪ All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities.	Yes	--
	▪ All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations / circulars / guidelines issued by SEBI.	Yes	--
3.	**Maintenance and disclosures on Website:**		
	▪ The Listed entity is maintaining a functional website.	Yes	--
	▪ Timely dissemination of the documents/ information under a separate section on the website.	Yes	--
	▪ Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.	Yes	--
4.	**Disqualification of Director:** None of the Directors of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	--
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t:**		
	(a) Identification of material subsidiary companies.	Yes	--
	(b) Disclosure requirement of material as well as other subsidiaries.	Yes	--
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	--
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors, and the Committees at the start of every financial year/ during the financial year as prescribed in SEBI Regulations.	Yes	--
8.	Related Party Transactions:		
	(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions.	Yes	--
	(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit committee.	N.A	The Company has obtained prior approval from the Audit Committee for all the Related Party Transactions
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	--
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	--

Sl. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ remarks by PCS
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	--
12.	**Additional Non-compliances, if any:** No Additional non-compliance observed for all SEBI regulation / circular / guidance note etc.	Yes	--

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **V SREEDHARAN & ASSOCIATES**
Company Secretaries

(V Sreedharan)
Partner
FCS: 2347; CP No. 833
UDIN: FOO2347E000373542
Peer Review Certificate No. 589/2019

Place: Bengaluru
Date: May 25, 2023

Annexure 2

[Information pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

a) Employee Share Option Plans of the Company

(i) ESOP 2014

Pursuant to the approval received from the shareholders of the Company, at the Extraordinary General Meeting held on March 28, 2014, the Board of Directors formulated the Scheme titled "Employee Stock Option Scheme 2014" (ESOP 2014). The ESOP 2014 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The scheme is in compliance with the relevant regulations.

As per the Scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible. The Exercise Price shall be a price that is not less than the face value per share per option. Under the HCG ESOP 2014, a maximum of 36,04,923 (Thirty-Six Lakh Four Thousand Nine Hundred Twenty-Three) Options could be granted exercisable into 36,04,923 (Thirty-Six Lakh Four Thousand Nine Hundred Twenty-Three) Equity Shares of face value of INR 10/- (Rupees Ten only) each. Options Granted under ESOP 2014 would vest not less than one year and not more than five years from the date of Grant of such Options. Vesting of Options would be a function of continued employment with the Company (passage of time) and achievement of performance criteria as specified by the Nomination and Remuneration Committee as communicated at the time of grant of options. The option holders may exercise those options vested within a period as specified which may range upto 10 years from the date of grant.

Employee stock options will be settled by delivery of fresh shares.

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

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

The Board of Directors at the meeting held on February 11, 2021 approved the new Employee Stock Options Scheme titled "HCG Employee Stock Option Scheme - 2021" (HCG ESOS 2021). HCG ESOS 2021 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share. The scheme is in compliance with the relevant regulations.

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

As per the scheme, the Nomination and Remuneration Committee grants the options to the employees deemed eligible. The Exercise Price shall be a price that is not less than the face value per share per option. Under the HCG ESOS 2021, a maximum of 62,67,000 (Sixty-Two Lakh Sixty-Seven Thousand) Options can be Granted exercisable into 62,67,000 (Sixty-Two Lakh Sixty-Seven Thousand) Equity Shares of face value of INR 10/- (Rupees Ten only) each. Vesting of Options would be a function of continued employment with the Company (passage of time) and achievement of performance criteria as specified by the Nomination and Remuneration Committee as communicated at the time of grant of options. The option holders may exercise those options vested within a period as specified which may range upto 7 years from the date of grant.

Employee stock options will be settled by delivery of fresh shares.

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

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

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

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

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

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

Particulars	ESOP 2021	ESOP 2021	ESOP 2021
Date of grant	09-Nov-2021	10-Feb-22	10-Feb-22
Vesting basis	Performance based	Time based	Performance based
Fair market value of option at grant date (INR)	76.02	160.10	95.06
Fair market value of share at grant date (INR)	261.85	249.70	249.70
Exercise price (INR)	130.00	130.00	130.00
No. of options	3,22,000	73,500	1,71,500

Particulars	ESOP 2021	ESOP 2021	ESOP 2021
Date of grant	26-May-2022	26-May-2022	10-Aug-22
Vesting basis	Time based	Performance based	Time based
Fair market value of option at grant date (INR)	188.05	122.56	196.35
Fair market value of share at grant date (INR)	275.55	275.55	284.20
Exercise price (INR)	130.00	130.00	130.00
No. of options	6,000	14,000	34,500

Particulars	ESOP 2021	ESOP 2021	ESOP 2021
Date of grant	10-Aug-22	10-Nov-22	10-Nov-22
Vesting basis	Performance based	Time based	Performance based
Fair market value of option at grant date (INR)	123.93	211.54	133.51
Fair market value of share at grant date (INR)	284.20	298.85	298.85
Exercise price (INR)	130.00	130.00	130.00
No. of options	80,500	34,500	80,500

Particulars	ESOP 2021	ESOP 2021
Date of grant	09-Feb-23	09-Feb-23
Vesting basis	Time based	Performance based
Fair market value of option at grant date (INR)	200.22	139.21
Fair market value of share at grant date (INR)	287.45	287.45
Exercise price (INR)	130.00	130.00
No. of options	18,000	42,000

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

Time based options

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

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	26-May-22	10-Aug-22	10-Nov-22	09-Feb-23
Risk free interest rate	6.97% to 7.14%	6.91% to 7.10%	7.22% to 7.34%	7.18% to 7.26%
Expected life (years)	1 to 6	1 to 6	1 to 6	1 to 6
Expected annual volatility of shares	38.95% to 34.17%	39.52% to 34.44%	39.43% to 34.66%	39.01% to 34.73%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

Performance based options

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

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	26-May-22	10-Aug-22	10-Nov-22	09-Feb-23
Volume weighted average price of stock as on grant date	247.68	260.63	272.08	282.84
Risk free interest rate	7.04%	6.95%	7.23%	7.18%
Expected life (years)	4.60 years	4.39 years	4.14 years	3.89 years
Expected annual volatility of shares	37.62%	38.41%	39.13%	39.11%

The assumptions used for calculating fair value of the ESOPs granted during the previous year ended March 31, 2022 are as below:

Time based options

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

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

Performance based options

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

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

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

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Options (Numbers)	Weighted average exercise price per option (INR in Million)	Options (Numbers)	Weighted average exercise price per option (INR in Million)
Option outstanding at the beginning of the year:				
- ESOP 2014	1,19,880	35.20	5,38,390	27.26
- ESOP 2021	31,53,000	130.00	-	-
Granted during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
- ESOP 2021	3,10,000	130.00	33,05,000	130.00
Vested during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	44,910	10.00	86,080	17.02
- ESOP 2014	9,000	130.00	-	-
- ESOP 2021	2,61,600	130.00	-	-
Forfeited during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	-	-	-	-
- ESOP 2021	-	-	-	-
Exercised during the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	38,970	10.00	1,49,240	30.24
- ESOP 2021	65,100	130.00	-	-
Lapsed during the year:				
- ESOP 2014	12,610	10.00	2,69,270	28.42
- ESOP 2021	3,05,820	130.00	1,52,000	130.00
Options outstanding at the end of the year:				
- ESOP 2014	68,300	54.22	1,19,880	35.20
- ESOP 2021	30,92,080	130.00	31,53,000	130.00
Options exercisable at the end of the year:				
- ESOP 2010	-	-	-	-
- ESOP 2014	33,100	64.75	12,750	81.07
- ESOP 2021	2,34,444	130.00	-	-

* Options available for grant are as under:

- ESOP 2021: 31,09,820 as at March 31, 2023 (March 31, 2022: 3,114,000)

No further grants would be made under ESOP 2014.

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

The weighted average share price at the date of exercise for share options exercised during the year ended March 31, 2023 is INR 286.43 (March 31, 2022: INR 247.97).

The options outstanding at the end of the reporting period has exercise price in the range of INR 10 to INR 130 (March 31, 2022: INR 10 to INR 130) and weighted average remaining contractual life of 5.46 years (March 31, 2022: 6.34 years).

d) For details of expense recognised in statement of profit and loss please refer note 26 and for details of movement in share options outstanding account refer note 16.2 of financial statements.

(e) Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard

Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-19
2.88	2.83	(16.85)	(6.02)	0.82

(f) Variation in terms of options

Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar-19
None	None	None	None	None

(g)

Where the Company has calculated the employee compensation cost using the intrinsic value of stock options, difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options	The cost is determined by the fair value at the date when the grant is made using an appropriate valuation model and management's estimate of equity instruments that will vest. That cost is recognised over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

(h)

Impact on profit and EPS of the last three years if the accounting policies prescribed in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed	The Company has accounted for cost of options as prescribed under Ind AS. The cost of Employee Stock Options is recognised based on the fair value of the options as at the grant date.

(i)

Money realized by exercise of options (INR), if scheme is implemented directly by the Company	2022-23: INR 88,52,700 2021-22: INR 45,12,800 2020-21: INR 9,52,000

(j)

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

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

a) Senior Management Personnel:

Name of Senior Management personnel	Designation	No. of options granted	Exercise price (INR)
Nil	Nil	Nil	Nil

b) Other than Senior Management Personnel:

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

ANNEXURE 3:

Information pursuant to Section 197 (12) of the Companies Act, 2013, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 in respect of employees of the Company is detailed as under:

(a) Comparison and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2022-23

Name of the Executive Director	Designation	Remuneration for FY 2021-22 (INR in Mn.)	Remuneration for FY 2022-23 (INR in Mn.)	% increase in Remuneration	Median Remuneration of employees (INR in Mn.)	Ratio Remuneration of employees [8]
Dr. B. S. Ajaikumar [1]	Executive Chairman	25.90	40.87	NA	0.26	83.70:1
Mr. Meghraj Arvindrao Gore [2]	Whole-time Director and CEO	50.25	50.05	NA	0.26	82.13:1
Ms. Anjali Ajaikumar Rossi [3]	Executive Director - Strategy	7.98	7.95	NA	0.26	31.29:1
Mr. Abhay Havaldar	Independent Director	0.77	0.77	Nil		
Ms. Geeta Mathur [4]	Independent Director	0.59	1.24	Nil		
Mr. Rajagopalan Raghavan [5]	Independent Director	0.47	1.12	Nil		
Mr. Jeyandran Venugopal [6]	Independent Director	Nil	Nil	NA		
Mr. Pradip Kanakia [7]	Independent Director	Nil	0.83	NA		

[1] Remuneration of Dr. B.S. Ajaikumar for FY 2021-22 includes variable pay of INR 5 Mn. Remuneration for FY 2022-23 includes variable pay of INR 20 Mn.

[2] Mr. Meghraj Arvindrao Gore was appointed a Whole-time Director of the Company effective from February 10, 2022. Remuneration for FY 2021-22 includes INR 30.98 Mn. as fixed compensation (including variable pay) and in INR 19.27 Mn as Share Based Payment. Remuneration for FY 2022-23 includes INR 33.20 Mn. as fixed compensation (including variable pay) and in INR 16.85 Mn as Share Based Payment.

[3] Ms. Anjali Ajaikumar Rossi was appointed as a director on the Board - designated as an Executive Director - Strategy, effective from April 01, 2021. Remuneration includes variable pay of INR 0.8 Mn for both FY 2021-22 and FY 2022-23.

[4] Ms. Geeta Mathur has been appointed as an Independent Director of the Company effective from June 17, 2021.

[5] Mr. Raj Raghavan has been appointed as an Independent Director of the Company effective from August 12, 2021.

[6] Mr. Jeyandran Venugopal has been appointed as an Independent Director of the Company effective from November 11, 2021.

[7] Mr. Pradip M Kanakia has been appointed as an Independent Director of the Company effective from February 10, 2022.

[8] Based on actual remuneration paid/payable for FY 2022-23.

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

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

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

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

(b) The percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, during the financial year 2022-23

Name of Director/ KMP	Designation	Remuneration for FY 2021-22 (INR in Mn.)	Remuneration for FY 2022-23 (INR in Mn.)	% increase in Remuneration*
Mr. Meghraj Arvindrao Gore	Chief Executive officer	30.98	33.20	7.17%
Mr. Srinivasa V. Raghavan	Chief Financial Officer	12.74	13.84	8.63%
Ms. Sunu Manuel	Company Secretary	4.77	5.25	10.06%

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

Note:

Mr. Meghraj Arvindrao Gore has been appointed as a Whole-time Director effective from February 10, 2022. For FY 2021-22, he has been paid a remuneration of INR 30.98 Mn and Share Based Payment of INR 19.27 Mn. For FY 2022-23, he has been paid a remuneration of INR 33.20 Mn and Share Based Payment of INR 16.85 Mn.

For FY 2021-22, Mr. Srinivasa V Raghavan has been paid a remuneration of INR 12.74 Mn and Share Based Payment of INR 4.74 Mn. During the FY 2022-23, he has been paid a remuneration of INR 13.84 Mn and Share Based Payment of INR 3.76 Mn.

For FY 2021-22, Ms. Sunu Manuel has been paid remuneration of INR 4.77 Mn and Share Based Payment of INR 0.96 Mn. During the FY 2022-23, he has been paid a remuneration of INR 5.25 Mn and Share Based Payment of INR 0.86 Mn.

The share based payments made to the KMPs for the FY 2022-23 is as under:

Name of Director/ KMP	Designation	Share Based Payment for FY 2022-23 (INR in Mn.)
Mr. Meghraj Arvindrao Gore	Chief Executive officer	16.85
Mr. Srinivasa V. Raghavan	Chief Financial Officer	3.76
Ms. Sunu Manuel	Company Secretary	0.86

(c) The percentage increase in the median remuneration of employees during the financial year 2022-23 is 6.62%.

(d) The number of permanent employees on the rolls of Company as of March 31, 2023 was 5504.

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

Particulars	For the Financial Year 2022-23
(A) Average percentile increase already made in the salaries of employees other than the managerial personnel	8.38%
(B) Percentile increase in the managerial remuneration	2%
Comparison of (A) and (B)	Percentile increase of B is less than A
Justification	NA
Any exceptional circumstances for increase in the managerial remuneration	None

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

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

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

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

Sl. No.	Name of the Employee	Designation	Qualification	Previous employment	Date of joining	Age (in Years)	Experience (in Years)	Remuneration received in INR Million	No and % of Equity Shares held in the Company		Relationship with irectors/ Manager
									Number of shares	% of equity shares	
1	Dr. B S Ajaikumar	Executive Chairman	MBBS,MD	Not Applicable	7-Mar-00	72	46	40.87	18,073,715	12.99	Father of Ms. Anjali Ajaikumar Rossi, Executive Director
2	Meghraj Arvindrao Gore	Whole-time Director & Chief Executive Officer	B E Chemical M.Sc.IT, MBA and HMP from IMA and Singapore	Apollo Hospitals	1-Feb-21	48	23	33.20	Nil	Nil	None
3	Dr. Bharat S. Gadhavi	Regional Director	MS- General Surgery	Sterling Hospital	15-Jan-08	59	33	10.95	83,106	0.06	None
4	Srinivasa Raghavan V	Chief Financial Officer	B.Com., Chartered Accountancy, Cost Accountancy	CSC Technologies India Private Limited	27-Jul-18	57	33	13.84	46,000	0.03	None
5	George Philip Alex	Vice President-Operations	MBA, Advanced Strategic Management Programme from IIM, Kozhikode	Jaslok Hospital	10-Oct-22	45	20	4.41	Nil	Nil	None
6	Vineesh Kumar Ghei	Senior Vice President-Sales	PGBMS & BE in Electronics	Apollo Hospitals	16-Aug-21	50	26	10.19	6,000	Nil	None
7	Sudeep Dey	Chief Information Officer	PG in System management & PGDBA	Fortis Healthcare Ltd	10-Dec-21	44	20	7.4	4,000	Nil	None
8	Anjali Ajaikumar Rossi	Executive Director-Strategy	MBA	Clarkston Consulting	10-Aug-09	36	15	7.95	1,000	0.00	Daughter of Dr. B.S. Ajaikumar, Executive Chairman
9	Manisha Kumar	Cluster-Chief Operating Officer	PGPM	Columbia Asia Hospital Pvt Ltd	12-Nov-21	36	14	6.01	Nil	Nil	None
10	Venkataramanan P	Senior Vice President-Finance & Accounts	CA, ICWA	Wep solutions	8-Jun-11	48	24	8.00	32,100	0.02	None

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

Variable Pay Compensation

The variable pay of Executive Directors including the Chief Executive Officer is based on clearly laid out criteria and measures, which are linked to the desired performance and business objectives of the organization. The criteria for variable pay, which is paid out annually, includes financial parameters and non-financial parameters. Financial parameters include revenue, profit achievement, operating margin achievement and other strategic goals as decided by the Board, from time to time.

For HealthCare Global Enterprises Limited

Date: August 10, 2023
Place: Bengaluru

Dr. B. S. Ajaikumar
Executive Chairman

Annexure 4

FORM AOC 1

Statement pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

Part A - Subsidiaries

(INR in Million)

Name of the subsidiary	Financial year ended	Reporting Currency	% of shareholding	Share capital	Reserve & surplus	Total assets	Total liabilities (excluding share capital and reserve & surplus)	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation
BACC Healthcare Private Limited	31-03-2023	INR	100.00%	0.94	280.04	552.75	271.78	-	663.29	9.16	11.22	-2.06
HCG Medi-Surge Hospitals Private Limited	31-03-2023	INR	74.00%	55.69	475.70	1,562.32	1,030.93	-	1,778.20	270.91	69.42	201.49
Malnad Hospital & Institute of Oncology Private Limited	31-03-2023	INR	70.25%	9.50	55.61	97.31	32.20	-	95.30	12.36	1.74	10.62
Niruja Product Development and Healthcare Research Private Limited	31-03-2023	INR	100%	48.00	-279.87	39.99	271.86	39.00	-	0.09	-	0.09
HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	31-03-2023	INR	100%	40.00	-38.57	1.42	-0.01	-	-	-	-	-
HealthCare Diwan Chand Imaging LLP	31-03-2023	INR	75.00%	32.72	-8.85	30.69	6.82	-	-	-0.11	-	-0.11
HCG Oncology LLP	31-03-2023	INR	74.00%	151.99	-328.69	646.08	822.78	-	621.89	-8.68	-	-8.68
HCG (Mauritius) Pvt Ltd	31-03-2023	INR	100.00%	511.14	-306.23	460.25	255.34	28.51	90.74	-71.18	-0.00	-71.18
	31-03-2023	USD	100.00%	6.22	-3.72	5.60	3.11	0.35	1.10	-0.87	-0.00	-0.87
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	31-03-2023	INR	100.00%	1,427.92	-1,252.01	1,741.89	1,565.98	-	629.02	-132.58	-	-132.58
HCG NCHRI Oncology LLP	31-03-2023	INR	87.14%	545.58	-571.93	699.03	725.38	-	517.39	-77.71	-	-77.71
HCG Manavata Oncology LLP	31-03-2023	INR	51.00%	657.03	-216.74	1,826.75	1,386.46	-	997.77	-73.28	15.82	-89.10
HCG EKO Oncology LLP	31-03-2023	INR	50.50%	787.94	-823.36	727.29	762.71	-	400.87	-222.13	-	-222.13
HCG SUN Hospitals LLP	31-03-2023	INR	100.00%	543.43	-359.37	463.15	279.09	-	436.04	-59.05	-	-59.05
Suchirayu Health Care Solutions Limited	31-03-2023	INR	78.60%	446.00	-526.39	1,094.32	1,174.71	-	854.25	52.70	-	52.70
As on 31.03.2023: 1 US$ = INR 82.2169												

Revenue number is only considered revenue from operations

Part B : Associates and Joint Ventures

Sl. No.	Name of associates/Joint Ventures	Advanced Molecular Imaging Limited
1	Latest audited Balance Sheet Date	31-Dec-22
2	Date on which the associate or joint venture was associated or acquired	07-Jun-19
3	Shares of Associate/Joint Ventures held by the company on the year end	
	a) No. of shares:	5,000 ordinary shares
	b) Amount of investment in associate / Joint venture:	Rs. 28.51 million
	c) Extend of holding % :	50%
4	Description of how there is significant influence	More than 20% shareholding
5	Reason why the associate/joint venture is not consolidated	No control and hence equity method followed in consolidation
6	Net worth attributable to shareholding as per latest audited Balance Sheet	INR 28.51 million
7	Profit/Loss for the year	
	Considered in consolidation	Loss: INR 0.18 million
	Not considered in consolidation	Loss: INR 0.18 million

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

Names of associates or joint ventures which have been liquidated or sold during the year: None

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

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

Date: August 10, 2023
Place: Bengaluru

Annexure 5

FORM NO. AOC-2

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

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

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

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

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

Name of related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the Contracts/ arrangements/ transactions	*Salient terms of the Contracts or arrangements or transactions including the Value (INR in million) if any	Date of approval by the Board, if any	Amount paid as advances, if any
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/ Common Director	Sale of goods	Ongoing	0.83	Not Applicable	Nil
Sada Sarada Tumor & Research Institute	Company with Common Director			2.47		
HCG Oncology LLP	LLP/Subsidiary			0.09		
HCG NCHRI Oncology LLP	LLP/Subsidiary			3.25		
HCG EKO Oncology LLP	LLP/Subsidiary			4.07		
Suchirayu Health Care Solutions Limited	Subsidiary Company/ Common Director			10.71		
HCG Foundation	Trust/Director of the Company is a trustee	Providing of services		2.44		
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/ Common Director			68.65		
Malnad Hospital & Institute of Oncology Private Limited	Subsidiary Company/ Common Director			1.91		
BACC Healthcare Private Limited	Subsidiary Company/ Common Director			0.28		
HCG SUN Hospitals LLP	LLP/Subsidiary			0.12		
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	LLP/Subsidiary			27.14		
HCG EKO Oncology LLP	LLP/Subsidiary			13.17		
HCG NCHRI Oncology LLP	LLP/Subsidiary			0.15		
Suchirayu Health Care Solutions Limited	Subsidiary Company/ Common Director			72.77		
HCG Oncology LLP	LLP/Subsidiary			2.49		
Sada Sarada Tumor & Research Institute	Company with common Director			7.98		
Sada Sarada Tumor & Research Institute	Company with common Director	Rent expenses		0.62		
HCG Oncology LLP	LLP/Subsidiary	Lab charges		7.55		
HCG EKO Oncology LLP	LLP/Subsidiary	Purchases of medical and non-medical items		0.37		
GHA Global Healthcare Academy Private Limited	Company with common Director	Promotion and Marketing of Offline and Online courses		2.24		
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/ Common Director	Corporate Guarantee Commission Income		4.27		
HCG Oncology LLP	LLP/Subsidiary			2.28		
HCG NCHRI Oncology LLP	LLP/Subsidiary			2.18		
HCG Manavata Oncology LLP	LLP/Subsidiary			3.04		

Name of related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the Contracts/ arrangements/ transactions	*Salient terms of the Contracts or arrangements or transactions including the Value (INR in million) if any	Date of approval by the Board, if any	Amount paid as advances, if any
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	LLP/Subsidiary	Employee stock option scheme cross charged by the Company	Ongoing	0.49	Not Applicable	Nil
HCG EKO Oncology LLP	LLP/Subsidiary			2.45		
HCG SUN Hospitals LLP	LLP/Subsidiary			1.39		
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/ Common Director			1.09		
HCG Oncology LLP	LLP/Subsidiary			0.35		
HCG SUN Hospitals LLP	LLP/Subsidiary			0.55		
HCG NCHRI Oncology LLP	LLP/Subsidiary			0.43		
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	LLP/Subsidiary			2.50		
BACC Healthcare Private Limited	Subsidiary Company/ Common Director			0.68		
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/ Common Director	Reimbursement of capital expenditure/ revenue expenditure cross charged by the Company		28.50		
HCG Oncology LLP	LLP/Subsidiary			15.05		
BACC Healthcare Private Limited	Subsidiary Company/ Common Director			0.94		
Malnad Hospital & Institute of Oncology Private Limited	Subsidiary Company/ Common Director			0.37		
HCG SUN Hospitals LLP	LLP/Subsidiary			8.99		
HCG NCHRI Oncology LLP	LLP/Subsidiary			4.49		
HCG EKO Oncology LLP	LLP/Subsidiary			0.61		
HCG Manavata Oncology LLP	LLP/Subsidiary			3.59		
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	LLP/Subsidiary			12.25		
Suchirayu Health Care Solutions Limited	Subsidiary Company/ Common Director			2.17		
Sada Sarada Tumor & Research Institute	Company with common Director			1.49		
HCG NCHRI Oncology LLP	LLP/Subsidiary	Payment to vendor on behalf of following subsidiaries		46.65		
Malnad Hospital & Institute of Oncology Private Limited	Subsidiary Company/ Common Director			6.96		
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	LLP/Subsidiary			46.02		
HCG SUN Hospitals LLP	LLP/Subsidiary			95.58		
HCG Medi-surge Hospitals Private Limited	Subsidiary Company/ Common Director			101.51		
HCG EKO Oncology LLP	LLP/Subsidiary			1.72		
BACC Healthcare Private Limited	Subsidiary Company/ Common Director			0.04		
HCG Oncology LLP	LLP/Subsidiary			28.02		
Suchirayu Health Care Solutions Limited	Subsidiary Company/ Common Director			2.19		
HCG EKO Oncology LLP	LLP/Subsidiary	Investment made during the year other than corporate guarantee		124.89		
HCG SUN Hospitals LLP	LLP/Subsidiary			163.09		
Niruja Product Development and Research Private Limited	Subsidiary Company/ Common Director			47.50		
HealthCare Global Senthil Multi-Specialty Hospital Private Limited	Subsidiary Company/ Common Director			30.70		
HCG (Mauritius) Private Limited	Subsidiary Company/ Common Director			53.60		
Niruja Product Development and Research Private Limited	Subsidiary Company/ Common Director	Recovery of loans given		47.00		
HealthCare Global Senthil Multi-Specialty Hospital Private Limited	Subsidiary Company/ Common Director			29.36		
Pradip M. Kanakia	Independent Director	Sitting fees to Directors		0.83		
Abhay Prabhakar Havaldar	Independent Director			0.77		
Geeta Mathur	Independent Director			1.24		
Rajagopalan Raghavan	Independent Director			1.12		

Name of related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the Contracts/ arrangements/ transactions	*Salient terms of the Contracts or arrangements or transactions including the Value (INR in million) if any	Date of approval by the Board, if any	Amount paid as advances, if any
Meghraj Arvindrao Gore	Whole-time Director and CEO-KMP	Share based payments	Vesting of Options granted	16.85	Not Applicable	Nil
Srinivasa Raghavan	CFO-KMP			3.76		
Sunu Manuel	CS-KMP			0.86		
Dr. B.S. Ajaikumar	Whole-time director and Exeutive Chairman	Remuneration	Employment Contract	40.87		
Ms. Anjali Ajaikumar	Whole-time director and daughter of Dr. B S Ajaikumar			7.95		
Meghraj Arvindrao Gore	CEO-KMP			33.20		
Srinivasa Raghavan	CFO-KMP			13.84		
Sunu Manuel	CS-KMP			5.25		
HCG NCHRI Oncology LLP	LLP/Subsidiary	Allowance for doubtful trade receivables	Not Applicable	50.55		
HCG SUN Hospitals LLP	LLP/Subsidiary			30.15		

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

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

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

Date: August 10, 2023
Place: Bengaluru

Dr. B. S. Ajaikumar
Executive Chairman

ANNEXURE 6

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

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

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

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

- **Hunger, Poverty, Malnutrition and Health:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- **Education:** Promoting education, including special education and employment-enhancing vocational skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies.
- **Gender Equality and Women Empowerment:** Promoting gender equality and empowering women; setting up homes and hostels for women and orphans; setting up of old age homes, day care centres and such other facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
- **Environmental Sustainability:** Ensuring environmental sustainability, ecological balance, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air & water.
- **National Heritage, Art and Culture:** Protecting national heritage, art & culture promoting and developing traditional arts and handicrafts.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. B. S. Ajaikumar	Chairman of the Committee, Executive Chairman	Nil	
2.	Mr. Siddharth Patel	Member of the Committee, Independent Director		
3.	Mr. Jeyandran Venugopal	Member of the Committee, Independent Director		

3. Web-link, where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

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

4. Details of executive Summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

The Company does not meet the criteria in terms of Rule 8 (3) of Companies (Corporate Social responsibility Policy) Rules, 2014 and hence impact assessment is not applicable.

5. Details of CSR expenditure:

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

Average net loss: INR 177.17 million.

b) Prescribed CSR Expenditure [two per cent of average net profit of the Company as per Section 135 (5)]:

Not applicable.

c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:

Nil.

d) Amount to be set-off for the financial year, if any:

Nil.

e) Total CSR obligation for the financial year [(b)+(c)-(d)]:

Nil

6. Details of CSR spent during the financial year:

a) Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project):

Nil.

b) Amount spent on Administrative Overheads:

Nil.

c) Amount spent on Impact Assessment, if applicable:

NA.

d) Total amount spent for the financial year [(a)+(b)+(c)]:

Nil.

e) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (in INR)	Amount Unspent (in INR)				
	Total amount transferred to Unspent CSR Account as per sub section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
Nil					

f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in INR)
(1)	**(2)**	**(3)**
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Nil
(ii)	Total amount spent for the financial year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Not applicable
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Not applicable

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: NA

Sl. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in INR)	Balance amount in Unspent CSR account under sub section (6) of section 135 (in INR)	Amount spent in the financial year (in INR)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in INR)	Deficiency, if any
1	FY-1						
2	FY-2			Nil			
3	FY-3						

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If yes, enter the number of capital assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR spent	Details of entity/authority/beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address
Not applicable.							

9. Specify reasons, if the Company has failed to spend the two per cent of the average net profit as per sub-section of Section 135:

The Company does not meet the criteria in terms of Section 135 of the Companies Act, 2013 and hence CSR spend is not applicable.

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

Meghraj Arvind Rao Gore
Whole-time Director & CEO
DIN: 07505123

Place: Bengaluru
Date: August 10, 2023

Annexure 7

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

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

A) Conservation of energy: The operations of your Company are not energy-intensive. However, significant measures are being taken to reduce energy consumption by using energy efficient equipment. The Company has reduced the internal energy consumption through the following initiatives:

- Phase out of CFL lamps to LED lights in the utility areas.
- Introduction of timer based operation of Air Handling Units to reduce power consumption.
- Introduction of micro processing energy saver for AHU Motors, in case of new units.
- Implementation of energy optimization practices in Transformer operation in existing as well as new units.
- VFD installation for AHU motor in a phased manner.
- Introduction of timer control for AHU motors to reduce running hours.
- Phase out of split air conditioner units with chilled water FCU to reduce power consumption and capital cost. Also, for the new units, it is being implemented in the initial stage of the project itself.
- Operation of all Lifts and OT AHUs with VFD panels.
- Installation of solar water heaters in hospitals for hot water requirements.
- Design new buildings to match high efficiency standards with respect to consumption of light and other energy resources.
- Improving overall efficiency of Utility by replacing older technology machines by newer technology. The Company has achieved conservation of energy by replacement of older technology boiler with energy efficient electric heat pump, cooling tower, pump, modification and optimization of chilled water line for building & LED lights at various units.

Plan for conservation of energy

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

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

B) Technology absorption:

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

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

Cancer surgery and radiation therapy are important areas of cancer management and we aim to lead these areas with our strong framework and technology infrastructure.

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

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

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

(iii) **Versa HD™:** Versa HD™ is a Versatile, all-in-one system which offers classic radiotherapy to advanced stereotactic precision. Equipped with sophisticated conformal beam-shaping technology and High Dose rate mode delivery, Versa HD™ is designed to provide the precision and speed necessary to deliver advanced stereotactic radiotherapy (SRT) and stereotactic radiosurgery (SRS), techniques that demand the maximum accuracy in tumor targeting and protection of critical structures. Versa HD™ the unique combination of ground-breaking MLC leaf speeds with High Dose Rate mode means clinicians can, for the first time, explore the full capabilities of high dose rate delivery and take advanced therapies to new levels. The equipment was imported in 2016 and the technology has been fully absorbed.

(iv) **TomoTherapy® H™:** This is one of the most innovative and precise radiation therapy for the first time in India. TomoTherapy is an advanced form of cancer treatment that combines Intensity Modulated Radiation Therapy (IMRT) with the accuracy of Computed Tomography (CT) scanning technology (IGRT- Image Guided Radiotherapy), all in one machine. With this advanced treatment modality, we can modulate powerful radiation beams to treat tumours with precision. Using the built-in CT scanning to confirm the shape and position of the tumour before each treatment, TomoTherapy reduces radiation exposure to healthy tissues and organs thereby minimising the side effects. This technology is very helpful in treating tumours in hard-to-reach sites, tumours that are advanced stage (locally and metastatic) and recurrent tumours which have been previously treated with other radiotherapy techniques. On each treatment day, the scanning technology provides a 3D image of the treatment area, so the radiation beams can be targeted according to the size, shape and location of the tumour(s) on that specific day. Hence there is no chance of missing the target. This minimizes the radiation that reaches the healthy tissues and organs, thereby, reducing the side effects. The TomoTherapy is a radiation therapy which efficiently treats cancer at any site on the body. Designed like a CT scanner, the TomoTherapy uses its integrated imaging to enhance treatment accuracy and a unique beam to improve treatment precision. The TomoTherapy can be used for any case which may need radiation therapy, including those involving large tumors or multiple tumors throughout the body. The TomoTherapy System may be used as the only treatment, or in combination with surgery and/or chemotherapy. The equipment was imported in 2017 and the technology has been fully absorbed.

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

(vi) **Skyra 3 Tesla:** This piece of cutting-edge technoloy allows clinicians to get an enhanced diagnosis which aids in deciding an optimal course of treatment and results in better outcomes. The Skyra 3 Tesla MRI incorporates Tim (Total imaging matrix) and Dot (Day optimising throughput) technology. In simple terms, this allows uniquely tailored and optimised scans that can be configured to the patient's condition or a clinical question. It also allows higher spatial and temporal resolution without having to reposition the patient. The Skyra 3T MRI is used in neuro-surgery (surgical planning), tractography, functional MRI and high resolution anatomical data. The Skyra 3T MRI offers high signal to noise ratio which translates into better quality images. It has faster scan times and 3-dimensional data in every body region, for every contrast available. Better exploitation of the magnetic properties of blood and other tissues allows diagnostic imaging of superior quality. For the patients there is no sedation required, there's more space to put claustrophobic patients at ease and motion correction for uncooperative patients. It can accommodate patients with special needs - pain and mobility issues, obesity, respiratory problems etc. The equipment was imported in 2010 and the technology has been fully absorbed.

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

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

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

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

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

The Company has a dedicated team of technically competent personnel who relentlessly work on technology upgradation and development related fields. Your Company also deploys its resources from time to time and imparts necessary training to keep abreast of the continuously changing technology.

C) Research and Development:

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

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

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

D) **Foreign exchange earnings and outgo:** The details of Foreign Exchange Earnings and Outgo during the year ended March 31, 2023 vis-a-vis during the year ended March 31, 2022 is as under:

	For the year ended INR	
Payments to auditors	**31 March 2023**	**31 March 2022**
Foreign Exchange Earnings	48,97,68,948	21,78,49,117
Foreign Exchange Expenditure	4,36,95,633	6,86,86,471

Annexure 8

SECRETARIAL AUDIT REPORT OF THE MATERIAL SUBSIDIARY FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HCG MEDI-SURGE HOSPITALS PRIVATE LIMITED** (hereinafter called the Company) (U85110GJ2000PTC037474). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on, 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The LODR)

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

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(v) Other laws as may be applicable specifically to the company

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

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

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

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

e) Pharmacy Act, 1948 ("Pharmacy Act")

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

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

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

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

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

k) Indian Medical Council Act, 1956 ("IMCA") and applicable rules made thereunder

l) Indian Nursing Council Act, 1947

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

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

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

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

Majority decision is carried through while the dissenting members' views are captured 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 there are no events/actions having a major bearing on the company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards taken place.

For **Thirupal Gorige & Associates LLP**
Practicing Company Secretaries

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680E000771840

Place: Bengaluru
Date: 09-08-2023

Note: This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

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

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

(1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

(2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

(3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

(4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

(5) The compliance of the provisions of Corporate and other Applicable Laws, Rules, Regulations, Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

(6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management as conducted the affairs of the company

For **Thirupal Gorige & Associates LLP**
Practicing Company Secretaries

CS Thirupal Gorige
Designated Partner
FCS No. 6680; CP No.6424
UDIN: F006680E000771840

Place: Bengaluru
Date: 09-08-2023

Corporate Governance Report

I. Company's philosophy on code of governance

We, at HealthCare Global Enterprises Limited ("HCG" or "the Company"), believe that effective governance is achieved through a culture of transparency and openness between Management and the Board of Directors ("Board") and across the stakeholders, where the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fair play and independence in its decision making.

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

a) Governance by Shareholders;
b) Governance by Board of Directors;
c) Governance by Committees of Board; and
d) Governance through management process.

This report, while detailing the required governance and regulatory assurances and disclosures, also provides an insight into how governance operates at HCG and how effective governance supports and guides our culture and behaviours.

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

II. Board of Directors

The Board of Directors is the apex body constituted by shareholders, for overseeing the Company's overall functioning. It provides strategic direction, leadership and guidance to the Company's management and also monitors the performance of the Company with the objective of creating long-term value for the Company's stakeholders. Our Board comprises of directors with a broad range of skills, experience, background and perspectives. This mix of skills, knowledge and experience enriches the Board discussion and contributes towards a high performing and effective Board.

A. Composition of Board

As of March 31, 2023, the Board comprised of 5 (five) Non-Executive Independent Directors, 2 (two) Non-Executive Nominee Directors, and 3 (three) Executive Directors/Whole-time Directors. Dr. B. S. Ajaikumar, Whole-time Director is the Executive Chairman of the Board. All 5 (five) Independent Directors are free from any business, pecuniary or other relationship that could materially influence their judgment and satisfy the criteria of independence as defined under the Companies Act, 2013, and the Listing Regulations. The Company has 2 (two) Women Directors on the Board, 1 (one) Non-Executive Independent Director and 1 (one) Executive Director. The profiles of our Directors forms part of the Annual Report.

During the financial year, the composition of Board has not undergone any changes. The changes in the Board composition after March 31, 2023, till the date of the report are as under:

(a) Mr. Abhay Havaldar, Non-Executive Independent Director, has resigned from the Board of the Company, with effect from April 02, 2023. Mr. Abhay Havaldar has informed the Company that, considering his primary activity as an investor, he is required to join several other boards which unfortunately limits his ability to do justice to what is required to be an effective Board member of HCG, and that there are no other material reasons for his resignation from the Board.

(b) Mrs. Anjali Ajaikumar Rossi, Whole-time Director, has been reappointed as Executive Director effective from April 01, 2023, for a period up to: (a) June 30, 2026, or (b) termination of the employment of the 'Executive Chairman' in accordance with Article 14.6 of Part B of the Articles of Association of the Company, whichever is earlier.

(c) Dr. B. S. Ajaikumar, Executive Chairman, has been reappointed, effective from July 01, 2023, for a period up to June 30, 2025, or until the occurrence of the events set out under Article 14.6 of Part B of the Articles of Association of the Company, whichever is earlier.

(d) Mr. Rajiv Maliwal has been appointed as an Non-Executive Independent Director on May 25, 2023, for a period of 3 years.

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

B. Information flow to the Board Members

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

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

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

C. Board Meetings

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

Our Board meetings are normally scheduled for a day. The Board met five times during the financial year 2022-23 viz., on, May 26, 2022, August 10, 2022, November 10, 2022, February 09, 2023, and March 27, 2023. The gap between two meetings did not exceed 120 days and necessary quorum was present for all the meetings. In line with Paragraph 4 of Schedule B of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, it is the endeavour of the Company that the gap between the clearance of accounts by audit committee and board meeting is as narrow as possible.

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

The attendance of the Directors at the Board Meetings for the year ended March 31, 2023, is provided in the below table:

Sl. No.	Name	Position	Number of Board Meetings attended
1.	Dr. B. S. Ajaikumar	Chairman	5
2.	Mr. Abhay Prabhakar Havaldar	Member	4
3.	Mr. Siddharth Patel	Member	5
4.	Mr. Amit Soni	Member	4
5.	Ms. Anjali Ajaikumar Rossi	Member	4
6.	Ms. Geeta Mathur	Member	5
7.	Mr. Rajagopalan Raghavan	Member	5
8.	Mr. Jeyandran Venugopal	Member	4
9.	Mr. Pradip Manilal Kanakia	Member	5
10.	Mr. Meghraj Arvindrao Gore	Member	5

D. Appointment of Directors

In terms of Section 149 of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation at the Annual General Meeting. The Board of Directors of the Company have adopted a Policy for Appointment of Independent Directors and for determining their independence, in conformity with the provisions of the Companies Act, 2013 and Listing Regulations, which sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Independent Directors, determining their independence, tenure and criteria for making suitable recommendations to the Board for their appointment. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director. The template of the letter of appointment is available on our website at https://hcgoncolgy.com/policies-and-guidelines/.

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

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

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

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

F. Criteria of selection of Directors

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

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

Key Competencies	Brief Description
Corporate Governance	Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests and Company's responsibilities, towards customers, employees, suppliers, regulatory bodies and the communities in which it operates.
Business/Management Leadership Experience	Strong management and leadership experience including in areas of business development, strategic planning and mergers and acquisitions, scientific research and development, senior level government experience and academic background or can demonstrate knowledge or expertise in, sound management and operational business processes and practices in the private or public sector including an understanding of topics such as managing complex projects, leveraging information technology, planning and measuring performance, and allocating resources to achieve outcomes.
Personal values	Personal characteristics matching the Company's values, such as integrity, accountability, and high-performance standards.
Information Technology	Knowledge and experience in the strategic use and governance of information management and information technology with ability to apply technology to the healthcare/hospital sector, emerging areas of technology such as digital, artificial intelligence, cloud and cyber security, intellectual property in information technology domain, and knowledge of technology trends.

Key Competencies	Brief Description
Functional and managerial Experience	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge, macro-economic perspectives, human resources, labour laws, international markets, sales and marketing, and risk management.
Industry/Sector Knowledge	Experience with or is able to demonstrate knowledge or expertise of healthcare industry including an understanding of particular trends, challenges and opportunities, or unique dynamics within the sector that are relevant to the Company.
Diversity	Diversity of thought, experience, knowledge, perspective, gender, and culture. Varied mix of strategic perspectives, and geographical focus with knowledge and understanding of key geographies.

Given below is a list of core skills, expertise and competencies of the individual directors, who are directors of the Company as on March 31, 2023:

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

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

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

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

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

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

G. Meeting of Independent Directors

The Company's Independent Directors are required to meet at least once in every Financial Year in compliance with the provisions of the Companies Act, 2013. Such meetings are conducted to enable Independent Directors to discuss the matters pertaining to the Company's affairs and put forth their views. Further, Independent Directors also review the performance of the Non-Independent Directors, Chairperson (after considering the views of Executive and Non-Executive Directors of the Company) and the Board as a whole. During the Financial Year under review, the Independent Directors met on March 03, 2023.

H. Familiarization programme of Directors

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

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

Details regarding familiarization programme are provided in Company's Corporate Governance Guidelines which is available in https://hcgoncolgy.com/corporate/investor-relations/.

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

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

a) sitting fees for each meeting of the Board or Committee of the Board attended by him or her, of such sum as may be approved by the Board within the overall limits prescribed under the Companies Act, 2013.

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

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

The shareholders of the Company, by way of Postal Ballot Notice dated May 26, 2023, have approved by way of a Special Resolution, the payment of remuneration of INR 20,00,000 per annum to each of the Independent Directors of the Company, effective from Financial Year 2023 – 2024, payable on a quarterly or yearly basis, as decided by the Board of Directors of the Company.

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

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

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

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

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

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

The Nomination and Remuneration Committee of the Board recommends to the Board, for payment of remuneration to the Executive Directors. The Board, subject to the approval of the shareholders, approves the payment of remuneration to the Executive Directors. Each of our Executive Directors have signed an agreement containing the terms and conditions of employment, including their remuneration which includes both fixed and variable remuneration. These agreements have varying terms ranging from two to four year periods. The Agreement cannot be terminated prior to the expiry of the Term by either Party, except for Cause to the Company or for Cause to the Employee and the period of notice to be given by or to the employee director, would depend upon the Cause due to which the employment agreement is terminated.

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

J. Details of Remuneration to Directors

The table below provides the remuneration paid to the Directors for the services rendered by them and the Independent Directors towards the sitting fees for the Board/Committee meetings attended by them during the financial year 2022-23. No stock options were granted to any of the Independent Directors and Promoter Directors during the year 2022-23. None of the Directors are related to each other, except Ms. Anjali Ajaikumar who is the daughter of Dr. B. S. Ajaikumar.

Details of remuneration paid to Directors during the year 2022-23:

(₹ in Millions)

Name of the Director	Dr. B. S. Ajaikumar	Anjali Ajaikumar Rossi	Meghraj Arvindrao Gore	Abhay Prabhakar Havaldar	Amit Soni	Siddharth Patel	Geeta Mathur	Rajagopalan Raghavan	Jeyandran Venugopal	Pradip Manilal Kanakia
Salary	Fixed: 20.87 Performance based: 20.00	Fixed: 7.15 Performance based: 0.8	Fixed: 21.00 Performance based: 10.50	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Allowances	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Commission/ Incentives	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sitting fees	Nil	Nil	Nil	0.77	Nil	Nil	1.24	1.12	Nil	0.83
Retirals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Stock options (number of options)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

Note:

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

(ii) There are no severance fees payable to any of the Directors.

(iii) Pursuant to Special Resolution passed by way of Postal Ballot on June 25, 2023, shareholders have consented to pay remuneration of INR 20 lakh per annum to each of the Independent Directors of the Company, effective from Financial Year 2023 – 2024, payable on a quarterly or yearly basis, as decided by the Board of Directors of the Company.

K. Key Information pertaining to Directors as on March 31, 2023 is given below:

Sl. No.	Name of the Director and DIN	Category	Date of appointment	Directorship in Companies* including this Company	Number of Chairmanship in Audit/ Stakeholder Committee held in listed entities including this listed entity	Number of Memberships in Audit/ Stakeholder Committees * including this listed entity	Attendance at the last AGM held on September 29, 2022	No. of shares held as on March 31, 2023	Directorship in other listed entities **
1.	Dr. B. S. Ajaikumar DIN: 00713779	Promoter, Executive Director	07/03/2000	12	Nil	1	Yes	1,80,73,715	Nil
2.	Mr. Amit Soni DIN: 05111144	Non-Executive Nominee Director	28/07/2020	3	1	2	Yes	Nil	Nil
3.	Mr. Siddharth Patel DIN:07803802	Non-Executive Nominee Director	28/07/2020	4	Nil	Nil	Yes	Nil	Nil
4.	Mr. Abhay Havaldar DIN: 00118280	Independent Director	20/08/2020	2	Nil	2	No	Nil	Jubilant Foodworks Limited
5.	Ms. Anjali Ajaikumar Rossi DIN: 08057112	Executive Director - Strategy	01/04/2021	2	Nil	Nil	No	1,000	Nil

Sl. No.	Name of the Director and DIN	Category	Date of appointment	Directorship in Companies* including this Company	Number of Chairmanship in Audit/ Stakeholder Committee held in listed entities including this listed entity	Number of Memberships in Audit/ Stakeholder Committees * including this listed entity	Attendance at the last AGM held on September 29, 2022	No. of shares held as on March 31, 2023	Directorship in other listed entities **
6	Mrs. Geeta Mathur DIN: 02139552	Independent Director	17/06/2021	11	5	9	Yes	Nil	1. Motherson Sumi Wiring India Limited 2. Onmobile Global Limited 3. IIFL Finance Limited 4. 360 One Wam Limited (Formerly known as IIFL Wealth Management Limited) 5. NIIT Limited 6. Info Edge (India) Limited
7.	Mr. Rajagopalan Raghavan DIN: 03627923	Independent Director	12/08/2021	2	Nil	1	Yes	Nil	Nil
8.	Mr. Jeyandran Venugopal DIN: 07085479	Independent Director	11/11/2021	2	Nil	Nil	No	Nil	Nil
9.	Mr. Pradip Manilal Kanakia DIN: 00770347	Independent Director	10/02/2022	8	2	3	No	Nil	1. JM Financial Limited 2. Camlin Fine Sciences Limited
10.	Mr. Meghraj Arvindrao Gore DIN: 07505123	Executive Director	10/02/2022	2	Nil	Nil	Yes	Nil	Nil

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

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

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

III. GOVERNANCE BY THE SUB-COMMITTEES OF THE BOARD OF DIRECTORS

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

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

We have the following six sub-committees of the Board as at March 31, 2023.

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

A. Audit Committee

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

(a) reviewing on a regular basis the adequacy of the internal audit function, coverage and frequency of internal audits including the structure of internal audit department.

(b) reviewing and discussing with internal auditors and management on issues / findings arising from the internal audit reports and follow up thereon. This would include reviewing the issues / findings arising from internal investigations into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the same to the Board.

(c) meeting separately with the Internal Auditors, Statutory Auditors and Management on a quarterly basis.

(d) reviewing and monitoring the Auditor's Independence, performance and effectiveness of audit process.

(e) to make necessary recommendations to the Board to engage, disengage and re-engage Statutory Auditors, pre-approve all audit engagement fees and terms; and pre-approve any non-audit relationship with the Statutory Auditor and the payment to be made for such services.

(f) discussion with Statutory Auditors before the audit commences, on the nature, scope and approach of the audit and to review the performance of the Statutory Auditors.

(g) post-audit discussion with Statutory Auditors to ascertain areas of concern and annually obtaining and reviewing a report by the Statutory Auditor describing material issues, if any raised by the most recent peer review of the firm, inquiry or investigation, if any by governmental or professional authorities within the preceding five years in respect of one or more independent audits carried out by the firm, or on steps, if any taken to deal with any such issues, relationships between the Statutory Auditor and the Company so as to assess the Auditor's independence, etc.

(h) review of the Company's accounting policies, internal accounting controls, internal financial controls and risk management systems and policies and such other matters as the Audit Committee deems appropriate.

(i) overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are materially correct.

(j) review and discuss the audited financial statements with management and the Statutory Auditors and determine whether they are complete and consistent with the information known to committee members; assess whether the financial statements reflect appropriate accounting principles.

(k) reviewing and examining with management the annual financial statements and the auditors' report thereon before submission to the Board of Directors for approval as required under the Companies Act, 2013, which includes changes in accounting policies and practices and reasons for the same, major accounting entries based on exercise of judgment by management, qualifications in draft audit report, significant adjustments made in the financial statements arising out of audit findings, disclosure of any related party transactions etc.,

(l) reviewing, with the management, the quarterly financial statements before submission to the Board for approval, including the statement of uses/application of fund raised through an issue (public issue, rights issue, preferential issue, etc.), and making appropriate recommendations to the Board to take up steps in this matter.

(m) review and approval of a policy on materiality of related party transactions, approval or any subsequent modifications of transactions with related parties, including review on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given, Statement of significant related party transactions, (as defined by the Audit Committee), if any, submitted by the Management.

(n) reviewing the financial statements of unlisted subsidiaries and in particular the investment made by unlisted subsidiaries.

(o) evaluation of internal financial controls, risk management systems and policies including review of cyber-security.

(p) review of utilization of loans and advances, from, and investment by, the Company in its subsidiaries exceeding Rs.100 crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans, advances and investments.

(q) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.

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

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

As on March 31, 2023, all the members of our Audit Committee are Non-Executive Directors, of whom one Director is a nominee Director and the remaining three directors are Independent Directors. The Chairman of Audit Committee has the accounting and financial management related expertise. Statutory Auditors as well as Internal Auditors hold independent meetings with the Audit Committee.

Audit Committee met five times during FY 2022-23, i.e., May 25, 2022, July 11, 2022, August 09, 2022, November 09, 2022, and February 08, 2023.

The composition of the Audit Committee as on March 31, 2023, and their attendance at the committee meetings are given in the below table.

Name	Position	Number of meetings attended
Ms. Geeta Mathur	Chairperson	5
Mr. Rajagopalan Raghavan	Member	4
Mr. Amit Soni	Member	5
Mr. Pradeep Kanakia *	Member with effect from May 26, 2022	4

* Notes:

(i) Mr. Pradip Kanakia, Independent Director, was appointed as a member of the Audit Committee effective from May 26, 2022.

B. Nomination and Remuneration Committee

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

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

(b) review annually and approve for the executive directors and the senior management, the (a) annual base salary, (b) annual incentive bonus, including the specific goals and amount, (c) equity compensation, (d) employment agreements, severance arrangements or plans, and change in control agreements / provisions, and (e) any other benefits, compensation or arrangements.

(c) administer the Company's equity incentive plans, including the review and grant of awards to eligible employees under the plans and the terms and conditions applicable to such awards, subject to the provisions of each plan.

(d) recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees. This policy shall be such that the remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior employees of the quality required to run the company successfully. This policy shall set out a clear relationship between remuneration and performance, including appropriate performance benchmarks. The policy shall ensure that the remuneration to directors, key managerial personnel and senior employees involves a balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the Company and its goals, should be provided in the policy.

(e) formulate the criteria to determine the qualifications, qualities, skills, positive attributes, independence and other expertise required to be a director of the Company and to develop, and recommend to the Board for its approval, criteria to be considered in selecting director(s) (the "Director Criteria").

(f) identify (including through head-hunter agencies), screen and review candidates qualified to be appointed as executive directors, non-executive directors and independent directors, consistent with Director Criteria (including evaluation of incumbent directors for potential renomination), and making recommendations to the Board on candidates for: (i) nomination for election or re-election by the shareholders; and (ii) any Board vacancies that are to be filled by the Board. The nominations Committee may act on its own in identifying potential candidates, inside or outside the Company, or may act upon proposals submitted by the Chairman of the Board. The Committee will review and discuss all documents pertaining to candidates and will conduct evaluation of candidates in accordance with a process that it sees fit and appropriate, passing on the recommendations for the nomination to the Board.

(g) review annually, the Board's committee structure and composition and to make recommendations to the Board regarding the appointment of directors to serve as members of each committee and committee chairpersons.

(h) develop, subject to approval by the Board, a process for an annual evaluation of the performance of the Board, the individual directors and board committees in the governance of the Company and to coordinate and oversee this annual evaluation.

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

(j) annually review its own performance and present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

(k) maintain regular contact with the leadership of the Company, review of data from the employee survey and regular review of the results of the annual leadership evaluation process.

(l) identify persons to be appointed to positions of Senior Management in accordance with identified criteria and to recommend to the board their appointment and removal.

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

(n) develop and recommend a policy on Board diversity.

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

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

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually (including Independent Directors) as well as the evaluation of the working of all the Committees of the Board. Details of methodology adopted for Board evaluation has been provided in the Board's Report.

Nomination and Remuneration Committee of the Board has met five times during the financial year 2022-23. The meetings were held on May 26, 2022, August 10, 2022, November 10, 2022, February 09, 2023, and March 27, 2023.

The composition of the Nomination and Remuneration Committee and their attendance at the committee meetings during FY 2022-23 are given in the below table.

Name	Position	Number of meetings attended
Mr. Rajagopalan Raghavan	Chairman	5
Mr. Siddharth Patel	Member	5
Dr. B. S. Ajaikumar	Member	5
Mr. Abhay Prabhakar Havaldar	Member	4
Ms. Geeta Mathur	Member	5
Mr. Jeyandran Venugopal	Member	4

Note:

(i) Mr. Abhay Havaldar, Independent Director has resigned from the Board of the Company with effect from April 02, 2023.

(ii) Mr. Pradip Kanakia, Independent Director has been appointed as Member of the Nomination and Remuneration Committee with effect from May 16, 2023.

C. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee is constituted in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

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

(a) resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

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

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

(d) monitor and review the performance and service standards of the Registrar and Share Transfer Agents of the Company and provide continuous guidance to improve the service levels for investors;

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

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

(g) review movement in shareholdings and ownership structure;

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

(i) review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / Annual Reports / statutory notices by the shareholders of the company;

(j) monitor and review any investor complaints received by the Company or through SEBI, SCORES (Sebi COmplaints REdress System) and ensure its timely and speedy resolution, in consultation with the Company Secretary and Compliance officer and RTA of the Company;

(k) perform any other function as required under the (i) Regulations of the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 (ii) The Companies Act, 2013 and Rules framed thereunder (iii) the equity listing agreement entered into between the Company and the Stock exchanges on which its equity shares are listed (iv) by the Board and (v) any other SEBI Regulations or any other applicable law, as amended from time to time;

(l) perform and review investor satisfaction surveys;

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

(n) monitor and review on an annual basis the Company's performance in dealing with Stakeholder grievances;

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

Stakeholders' Relationship Committee of the Board has met once during the year 2022-23, i.e., March 29, 2023.

The composition of the Stakeholders Relationship Committee and their attendance at the committee meetings during FY 2022-23 are given in the below table.

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

Note:

(i) Mr. Abhay Havaldar, Independent Director has resigned from the Board of the Company with effect from April 02, 2023.

(ii) Mr. Rajagopalan Raghavan, Independent Director has been appointed as Member of the Stakeholders Relationship Committee with effect from June 28, 2023.

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

Details of Shareholders Complaints

Ms Sunu Manuel, Company Secretary is the Compliance Officer.

The details of shareholders' complaints received and resolved till March 31, 2023, are as under:

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

D. Corporate Social Responsibility Committee

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

The Committee has not met during the financial year 2022-23.

The composition of the Corporate Social Responsibility Committee is given in the below table:

Name	Position
Dr. B. S. Ajaikumar	Chairman
Mr. Siddharth Patel	Member
Mr. Jeyandran Venugopal	Member

E. Strategy Committee

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

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

The Committee has met four times during the financial year 2022-23. The meetings were held on May 23, 2022, August 09, 2022, October 31, 2022 and February 01, 2023.

The composition of the Committee and the attendance at the committee meetings during FY 2022-23 are given in the below table:

Name	Position	Number of meetings attended
Dr. B. S. Ajaikumar	Chairman	4
Mr. Siddharth Patel	Member	4
Mr. Amit Soni	Member	4
Ms. Anjali Ajaikumar Rossi	Member	3

Primary responsibilities of the Committee, inter alia, are:

(a) oversight of the strategic direction of the Company.

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

(c) helping management identify critical strategic issues facing the organization, assisting in analysis of alternative strategic options.

(d) ensuring management has established an effective strategic planning process, including development of a three to five-year Strategic Plan with measurable goals and time targets.

(e) annually reviewing the Company's Strategic Plan and recommending updates as needed based on changes in the market, community needs and other factors.

(f) debate and discuss the outside-in-perspective (from a macro economic and technology trends) and see how this could possibly influence our choices as well as potential risks we may have to overcome.

(g) evaluate new investment proposals and expansions of existing business and make suitable recommendation to the Board for adoption.

(h) discuss thoughts on Mergers and Acquisitions and Strategic alliances and leverage Strategy Committee to suggest ideas and potentially open up sole sourced transactions.

(i) development of plans to implement the Company's strategy.

(j) review of the Company's progress with respect to implementation of its strategy. The Committee will regularly review, discuss, and, where appropriate, make recommendations to management on the Company's vision as well as share with management the Board's expectations for the strategic planning process.

(k) examine specific proposals such as acquisition or divestment of companies or similar such proposals requiring the approval of the Board and

(l) make appropriate recommendations to the Board.

(m) advising and guiding CFO of the organization for developing models for financial analysis of new projects, mergers and acquisitions etc., and

(n) presenting financial information for evaluating investment opportunities.

F. Risk Management Committee

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

The Committee has met two times during the financial year 2022-23. The meetings were held on August 24, 2022 and January 16, 2023.

The composition of the Risk Management Committee and the attendance at the committee meetings during FY 2022-23 is given in the below table:

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

Primary responsibilities of the Committee, inter alia, are:

(a) To formulate a detailed risk management policy which shall include:

(i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(ii) Measures for risk mitigation including systems and processes for internal control of identified risks.

(iii) Business continuity plan.

(b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(d) Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management including the risk management plan;

(e) Review and approve Enterprise Risk Management (ERM) policy;

(f) To periodically review the Enterprise Risk Management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(g) To review the alignment of the ERM framework with the strategy of the Company;

(h) Monitor the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, cyber security risk, forex risk, commodity risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks;

(i) Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels;

(j) Review and analyze risk exposure related to specific issues, concentrations and limit excesses, and provide oversight of risk across organization;

(k) Review compliance with risk policies, monitor breaches / trigger trips of risk tolerance limits and direct action;

(l) Nurture a healthy and independent risk management function in the Company;

(m) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

(n) Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable;

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

IV. Governance Through Management process

A. Code for Prevention of Insider Trading:

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

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

B. Disclosure Policy:

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

C. Whistle Blower Policy:

Under this policy, we have adopted a vigil mechanism which would encourage our directors, employees and all other stakeholders to report any incidence of fraudulent financial or other information to the stakeholders, reporting of instance(s) of leak or suspected leak of unpublished price sensitive information, and any conduct that results in violation of the Company's code of business conduct, to the management (on an anonymous basis, if employees so desire). Further, your Company has prohibited discrimination, retaliation, or harassment of any kind against any employee who reports under the vigil mechanism or participates in the investigation.

Mechanism followed under this policy is appropriately communicated within the Company across all levels and has been displayed on the Company's intranet and website at https://www.hcgoncology.com/policies-and-guidelines/. This policy of the Company was amended to align with the requirements under Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This meets the requirement under Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of Listing Regulations.

D. Policy for Preservation of Documents:

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

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

Your Company has constituted an Internal Complaints Committee, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has a policy and framework for employees to report sexual harassment cases at workplace. The Company's process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization. The below table provides details of complaints received/disposed during the financial year 2022-23.

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

V. Other Disclosures

A. Disclosure of materially significant related party transactions:

All transactions entered into with the related parties as defined under the Companies Act, 2013, during the financial year were in the ordinary course of business and on an arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the company at large.

In terms of Regulation 23 of the Listing Regulations, the Company has adopted a policy on Related Party Transactions and process for purpose of identification, monitoring and reporting of such transactions. The policy on Related Party Transactions as approved by the Audit Committee and the Board is available on the Company's website at https://www.hcgoncology.com/policies-and-guidelines/.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company, other than the managerial remuneration paid/payable to the Executive Directors and sitting fee to the Independent Directors. During the year 2022-23, no transactions of material nature had been entered into by the Company with the Management or their relatives that may have a potential conflict with interest of the Company and the concerned officials have given undertakings to that effect as per the provisions of the Listing Regulations. Register of Contracts or arrangements in which Directors are interested in terms of Section 189 of the Companies Act, 2013 is maintained and particulars of transactions are entered in the Register, wherever applicable.

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

The company listed its shares with National Stock Exchange of India Limited and BSE Limited with effect from March 30, 2016. The Company has complied with all the requirements of the Stock Exchange, SEBI and other statutory authorities on the matters related to Capital Markets, as applicable, since listing on the stock exchanges.

During the financial year 2022-23, there were no non-compliances by the Company on the matters related to capital markets resulting into any penalties being imposed by Stock Exchange or SEBI or any statutory authority.

During the financial year 2021-22, there was a delay of 10 days by the Company in filing the listing application for the allotment of equity shares on December 08, 2021. In this regard, both BSE and NSE have advised the Company to pay fine of Rs. 2,00,000 each excluding GST. Other than this, the Company has not been imposed with any penalty/fines in respect of non-compliance with regulations by Stock Exchanges or SEBI or any statutory authority related to capital markets during the period.

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

The Company has adopted a Whistle Blower Policy which is a channel for receiving and redressing of employees' complaints. No personnel in the Company have been denied access to the Audit Committee or its Chairperson.

D. Policy for determining material subsidiary:

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

In terms of the said policy, HCG Medi-Surge Hospitals Private Limited has become a Material Subsidiary during FY 2019-20. Necessary compliances with regard to material subsidiaries have been adhered to. HCG Medi-Surge Hospitals Private Limited was incorporated on March 03, 2000 at Ahmedabad, Gujarat, India. B S R & Co. LLP, Chartered Accountants were appointed as Statutory Auditors of the Company on September 28, 2017 and reappointed on September 26, 2022 for a second term to hold office till the conclusion of the Annual General Meeting to be held in the year 2027.

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

The policy for determining material subsidiary is available on the Company's website at https://www.hcgoncology.com/policies-and-guidelines/.

E. Framework to Monitor Subsidiary companies:

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

(i) financial statements, statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies forming part of the financials.

(ii) Minutes of the meetings of the board of unlisted subsidiary companies are placed before the Company's Board, as required under the Companies Act, 2013 and Listing Regulations.

F. Certificate on Compliance with norms of Corporate Governance:

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

G. Unclaimed Shares:

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

The disclosure as required under Listing Regulations is given below:

(i) Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year: **Nil**

(ii) Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year: **Nil**

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

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

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

(vi) Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: **NA**

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

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

As regards Discretionary Requirements specified in Part E of Schedule II of the Listing Regulations the Company has complied with clauses C and E therein.

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

J. Certificate by Practicing Company Secretary:

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

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

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

Bengaluru
August 10, 2023

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

DECLARATION AS REQUIRED UNDER REGULATION 34 (3) AND SCHEDULE V OF THE LISTING REGULATIONS

All Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2023.

Bengaluru
August 10, 2023

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

Raj Gore
Wholetime Director and CEO
DIN: 07505123

Annexure

General Shareholder Information

A. Corporate Identity Number (CIN)

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

B. Annual General Meeting

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

The day, date and time : Wednesday, the 20th day of September 2023 at 10.00 a.m.

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

General Body Meetings

i. Details of last three Annual General Meetings

Particulars	Date & Time	Venue	Special Resolutions passed
For the Financial year ended March 31, 2022 – Twenty Fourth AGM	September 29, 2022 at 4.00 p.m.	Unity Building Complex, No. 3, Tower Block, Mission Road, Bengaluru – 560027, Karnataka. Meetings were held through OAVM.	None
For the Financial year ended March 31, 2021 – Twenty third AGM	September 29, 2021 at 3.00 p.m.		None
For the Financial year ended March 31, 2020 – Twenty second AGM	September 29, 2020 at 3.00 p.m.		None

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

Date	Agenda
Postal Ballot completed on February 20, 2020	Re-appointment of Dr. Sudhakar Rao as an Independent Director of the Company.
	Re-appointment of Mr. Shanker Annaswamy as an Independent Director of the Company.
Postal Ballot completed on June 12, 2020	Increase of Authorized Share Capital of the Company and alteration of the Capital Clause of the Memorandum of Association of the Company.
	Issue of equity shares on preferential allotment/private placement basis to Investors other than Promoters.
	Issue of Warrants on preferential allotment/private placement basis to Investors other than Promoters.
	Issuance of Warrants convertible into Equity Shares to Dr. B.S. Ajaikumar, Promoter on Preferential basis.
Postal Ballot completed on September 25, 2020	Re-appointment of Ms. Bhushani Kumar (DIN:07195076) as an Independent Director of the Company.
	Appointment of Mr. Amit Soni (DIN:05111144) as Non-Independent Non-Executive Director, nominee of Aceso Company Pte Ltd (Ordinary Resolution).
	Appointment of Mr. Siddharth Patel (DIN:07803802) as Non-Independent Non-Executive Director, nominee of Aceso Company Pte Ltd (Ordinary Resolution).
	Adoption of amended and restated Articles of Association.
Postal Ballot completed on January 14, 2021	Reclassification of certain individuals from Promoters/Promoter Group category to public category.

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

iii. Details of resolutions passed through postal ballot during Financial Year 2022-23 and details of the voting pattern:

The Company sought the approval of shareholders through notice of postal ballot during the Financial Year 2022-23 as detailed below:

Date of Postal Ballot Notice	Special/Ordinary Resolution	Agenda	Date of announcement of results of Postal ballot
April 01, 2022	Special	Appointment of Mr. Jeyandran Venugopal (DIN: 07085479), as an Independent Director of the Company.	May 06, 2022
	Special	Appointment of Mr. Pradip Manilal Kanakia (DIN: 00770347), as an Independent Director of the Company.	
	Special	Appointment of Mr. Meghraj Arvindrao Gore (DIN: 07505123) as a Whole-Time Director of the Company.	

Mr. V. Sreedharan and in his absence Mr. Pradeep B. Kulkarni / Ms. Devika Sathyanarayana, Partners of V. Sreedharan & Associates, Practicing Company Secretaries, were appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Sl No	Special Resolutions	No. of Votes Polled	No. of Votes Cast in Favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes Cast Against on Votes Polled
1.	Appointment of Mr. Jeyandran Venugopal (DIN: 07085479), as an Independent Director of the Company.	11,10,57,309	11,10,48,519	8,790	99.99	0.01
2.	Appointment of Mr. Pradip Manilal Kanakia (DIN: 00770347), as an Independent Director of the Company.	11,10,57,309	11,10,48,317	8,992	99.99	0.01
3.	Appointment of Mr. Meghraj Arvindrao Gore (DIN: 07505123) as a Whole-Time Director of the Company.	11,10,57,309	11,04,94,083	5,63,226	99.49	0.51

Procedure for Postal Ballot

The postal ballot is conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. In view of the COVID-19 pandemic, the MCA permitted companies to transact items through postal ballot as per the framework set out in General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 08, 2021, General Circular No. 3/2022 dated May 05, 2022 and the General Circular No. 11/2022 dated December 28, 2022 the shareholders were provided the facility to vote through remote e-voting. The postal ballot notice is sent to shareholders in electronic form to the email addresses, where available. The shareholders were also given a facility to register their e-mail id for the limited purpose of receiving the Postal Ballot Notice for that event alone. The Company also publishes a notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

C. Means of Communication

i. Means of Communication with Shareholders /Analysts: We have established procedures to disseminate, in a planned manner, relevant information to our shareholders, analysts, employees and the people at large. All our news releases and presentations made at investor conferences and to analysts are posted on the Company's website at https://hcgoncology.com/corporate/investor-relations. Our quarterly results are published in widely circulated newspapers such as The Business Standard (English), and Vijayawani (Kannada).

ii. Website: The Company's website contains a separate dedicated section "Investors" where information sought by shareholders is available. The Annual Reports of the Company, press releases, quarterly reports of the Company apart from the details about the Company, Board of Directors and Management, are also available on the website in a user friendly and downloadable form at https://hcgoncology.com/corporate/investor-relations

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

D. Financial year of the company

The Financial year of the Company starts from 1st April of every year and ends on 31st March of succeeding year and the current financial year is from April 1, 2022, to March 31, 2023. The Company got its securities listed on BSE Limited and National Stock Exchange of India Limited on 30th March 2016.

E. Dividend

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

F. Unclaimed Dividends

The Company has not declared dividend in the previous years and hence no amount was due for transfer of the unpaid or unclaimed dividend to the Investor Education and Protection Fund administered by the Central Government pursuant to Section 124 and 125 of Companies Act, 2013.

G. Listing on Stock Exchanges

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

(i) National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400051.

Website: www.nseindia.com

(ii) BSE Limited, Phiroze Jheejheebhoy Towers, Dalal Street, Fort, Mumbai-400001.

Website: www.bseindia.com

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

H. International Securities Identification Number (ISIN)

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

I. Stock Code

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

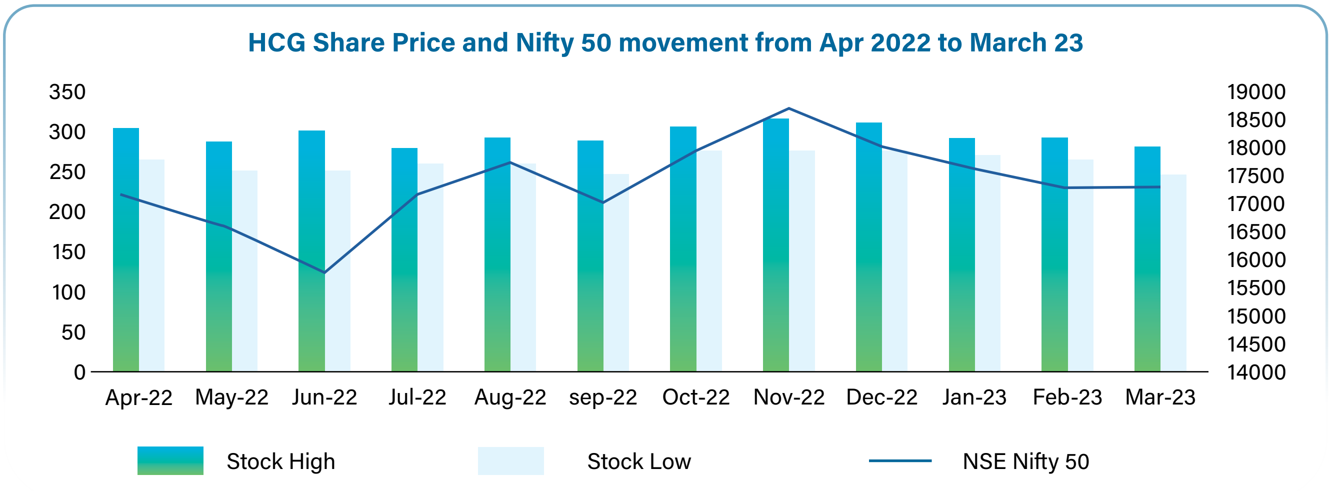
Distribution of shareholding as on March 31, 2023

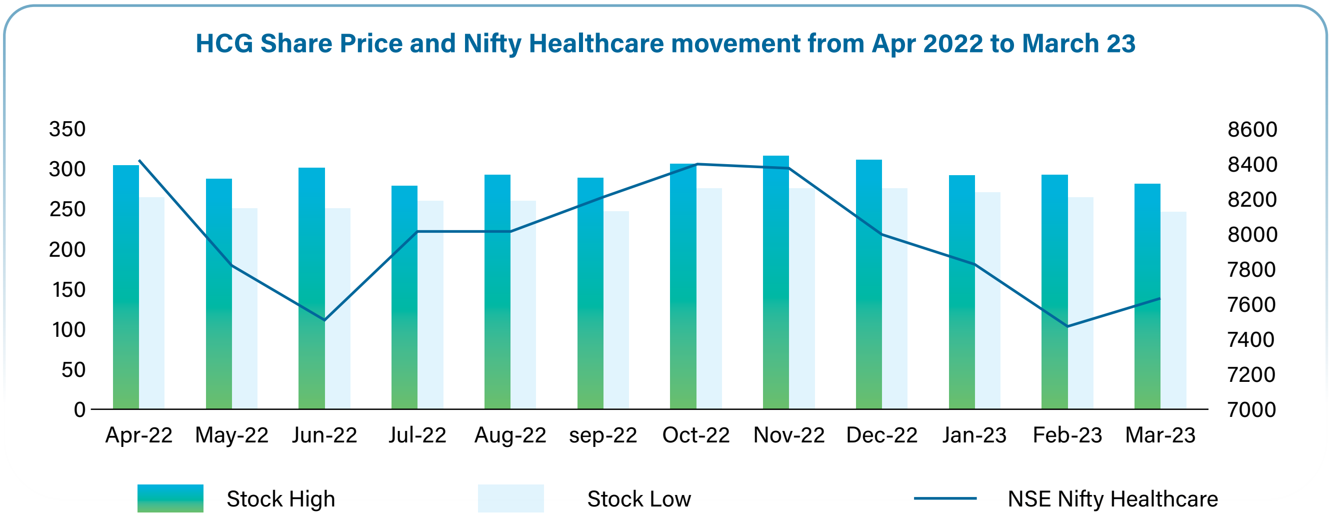
Sl. No	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 – 500	25,691	87.68	20,85,468	1.50
2	501 – 1000	1,714	5.85	13,05,435	0.94
3	1001 – 2000	870	2.97	12,64,605	0.91
4	2001 – 3000	274	0.94	6,91,830	0.50
5	3001 – 4000	153	0.52	5,37,524	0.38
6	4001 – 5000	97	0.33	4,45,657	0.32
7	5001 – 10000	215	0.73	15,72,042	1.13
8	10001 and above	287	0.98	13,12,13,501	94.32
	TOTAL:	**29,301**	**100.00**	**13,91,16,062**	**100.00**

J. Share Price Data

i. National Stock Exchange of India Limited

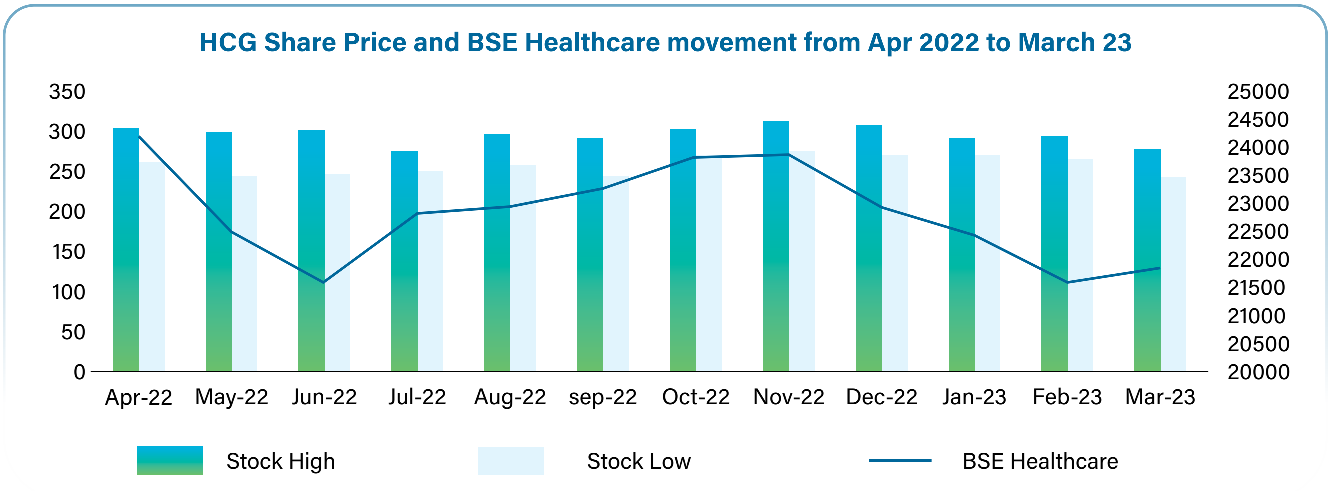
Month	Share Price (INR)				Turnover (INR Million)
	Open Price	High Price	Low Price	Close Price	
Apr-22	268.00	308.80	268.00	281.85	1412.48
May-22	280.00	292.05	254.20	280.85	777.18
Jun-22	281.55	304.90	254.00	278.05	1376.41
Jul-22	275.20	282.00	265.00	273.20	663.99
Aug-22	272.65	296.00	264.75	273.50	570.00
Sep-22	274.05	290.45	250.00	270.40	786.44
Oct-22	286.10	308.00	278.45	288.25	1245.00
Nov-22	290.15	318.00	281.10	295.85	1505.94
Dec-22	297.30	314.40	282.80	287.45	912.22
Jan-23	292.00	295.95	275.95	283.95	375.17
Feb-23	282.90	294.90	270.95	279.30	346.56
Mar-23	280.15	282.85	253.15	262.45	638.66

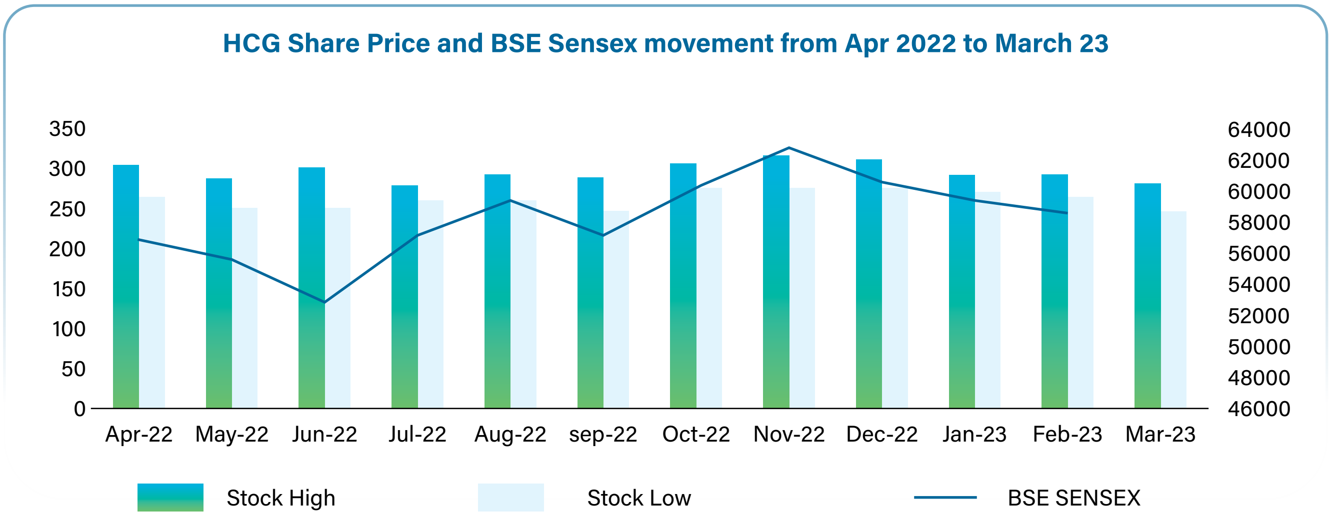




ii. BSE Limited

Month	Share Price (In INR)				Turnover (INR Million)
	Open Price	High Price	Low Price	Close Price	
Apr-22	271.15	312.80	268.70	283.85	99.77
May-22	285.00	305.90	251.00	281.45	80.70
Jun-22	279.00	307.90	254.90	278.00	564.59
Jul-22	281.15	281.95	255.80	269.30	47.41
Aug-22	270.55	303.30	264.00	273.35	46.76
Sep-22	271.50	296.10	251.75	286.85	56.35
Oct-22	285.15	308.50	278.80	287.60	65.95
Nov-22	289.55	320.00	281.50	295.75	94.13
Dec-22	296.85	314.70	280.15	287.60	62.50
Jan-23	288.05	297.00	276.00	284.85	36.70
Feb-23	282.85	300.00	269.45	280.35	21.51
Mar-23	280.00	282.70	249.10	262.70	178.18





K. Shareholding pattern – Physical Vs DEMAT

The pattern of shareholding in physical as against in DEMAT mode as on March 31, 2023, is as under:

Sl. No	Description	Cases	Shares	% Equity
1	PHYSICAL	120	5,09,596	0.37
2	NSDL	12,732	12,76,92,704	91.79
3	CDSL	16,449	1,09,13,762	7.84
	Total:	**29,301**	**13,91,16,062**	**100.00**

L. Registrar and Transfer Agents

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

Address for correspondence

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

M/s. KFin Technologies Limited
Unit: HealthCare Global Enterprises Limited
Selenium, Tower B, Plot 31-32, Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032, Telangana
Toll free number - 1800-309-4001

Contact person name, designation, e-mail id:

Mr. Ganesh Chandra Patro, Asst. Vice President, einward.ris@kfintech.com

M. Share Transfer System and Reconciliation of Share Capital Audit

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

The Reconciliation of Share Capital Audit as stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 is carried out by a Practicing Company Secretary for every quarter to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and total issued and listed capital. The Reconciliation of Share Capital Audit Report confirms that the total issued/paid up capital is same as the total number of shares in physical form and the total number of dematerialized shares held with the depositories.

The reports for all the quarters have been filed with the stock Exchanges within the time stipulated under Listing Regulations.

N. Dematerialisation of shares and liquidity

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

O. Email based Query Redressal System

Members may utilize this facility extended by the Registrar & Transfer Agents for redressal of their queries. Please email your queries to einward.ris@kfintech.com.

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

For Shareholder Grievance Redressal
Ms. Sunu Manuel
Company Secretary and Compliance Officer
HealthCare Global Enterprises Limited
Registered Office: HCG Towers, No. 8, P. Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru – 560027
Corporate Office: Unity Building Complex, No. 3,
Tower Block, Mission Road, Bengaluru – 560027
Phone: 080-46607700, e-mail: investors@hcgel.com

P. Credit Ratings

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

Q. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

During the year 2020-21, the Company had issued the securities on preferential basis as described below:

Name of allottee	Type of securities	No. of securities	Issue price (in INR)	Consideration received (in INR)
ACESO Company Pte Ltd	Equity shares	2,95,16,260	130	383,71,13,800
	Warrants Convertible to Equity Shares, and converted into equity shares during the year	70,57,195	130	91,74,35,350
	Warrants Convertible to Equity Shares	1,15,03,468	130	37,38,62,710
Dr. B. S. Ajaikumar	Warrants Convertible to Equity Shares	20,00,000	130	6,50,00,000

Objects for which funds have been raised and where there has been a deviation, in the following table

Original Object	Modified Object, if any	Original Allocation (INR in Million)	Modified allocation, if any	Funds Utilised (INR in Million)	Amount of Deviation/ Variation for the quarter according to applicable object	Remarks, if any
The proceeds from the preferential issue of Equity Shares shall inter-alia be utilized to repay a significant portion of existing debt, meet other financial obligations, provide liquidity to support working capital needs of the business in the current environment and capital requirements.	NA	5,128	NA	5,128	NIL	NA

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

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

Objects for which funds have been raised and where there has been a deviation, in the following table

Original Object	Modified Object, if any	Original Allocation (INR in Million)	Modified allocation, if any	Funds Utilised (INR in Million)	Amount of Deviation/ Variation for the quarter according to applicable object	Remarks, if any
The proceeds from the preferential issue of Equity Shares shall inter-alia be utilized to repay a significant portion of existing debt, meet other financial obligations, provide liquidity to support working capital needs of the business in the current environment and capital requirements.	NA	1316.588	NA	1316.588	NIL	NA

R. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

(INR in Million)

Payments to auditors	31 March 2023	31 March 2022
Audit fee excluding OPE and applicable taxes	13.2	11.95
Others	2.4	1.6
Total	**15.6**	**13.55**

S. Chairman and Managing Director / CFO Certification

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

T. Hospital units/locations

Your Company, with its subsidiaries provides healthcare services across India and Africa. Details of locations of units are available on our website https://www.hcgoncology.com.

U. Outstanding GDR's/ ADR's or Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued GDR's/ ADR's or any convertible instruments during the year under review.

V. Commodity price risk or foreign exchange risk and hedging activities

Refer Note on financial risk management of the financial Statements for details on commodity price risk, foreign exchange risk and hedging activities.

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

The Board of Directors
HealthCare Global Enterprises Limited
Bengaluru

Dear members of the Board,

1. We have reviewed the financial statements and the cash flow statement of HealthCare Global Enterprises Limited for the year ended 31st March, 2023 and to the best of our knowledge and belief:

a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee:

   a. that there are no significant changes in internal control over financial reporting during the year;

   b. that there are no significant changes in accounting policies during the year; and

   c. that there are no instances of significant fraud of which we have become aware.

	Dr. B. S. Ajaikumar	**Raj Gore**	**Srinivasa V. Raghavan**
Bengaluru	Executive Chairman	Wholetime Director and CEO	Chief Financial Officer
August 10, 2023	DIN: 00713779	DIN: 07505123	

Corporate Governance Compliance Certificate

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

To
The Members,
HEALTHCARE GLOBAL ENTERPRISES LIMITED,

We have examined all the relevant records of **HEALTHCARE GLOBAL ENTERPRISES LIMITED (CIN: L15200KA1998PLC023489)** for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory requirements of Corporate Governance as stipulated in Schedule II of the said Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with items C and E.

For **V. SREEDHARAN & ASSOCIATES**

V. Sreedharan
Partner
FCS: 2347; CP No. 833
Date: August 09, 2023
Place: Bengaluru
UDIN: F002347E000768717
Peer Review Certificate No. 589/2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HEALTHCARE GLOBAL ENTERPRISES LIMITED**, having **CIN L15200KA1998PLC023489** and having registered office at HCG Tower, No.8, P. Kalinga Rao Road, Sampangi Rama Nagar, Bengaluru - 560027 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).

Details of Directors:

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

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V. SREEDHARAN & ASSOCIATES**

V. Sreedharan
Partner
FCS: 2347; CP No. 833
Date: August 09, 2023
Place: Bengaluru
UDIN: F002347E000768651
Peer Review Certificate No. 589/2019

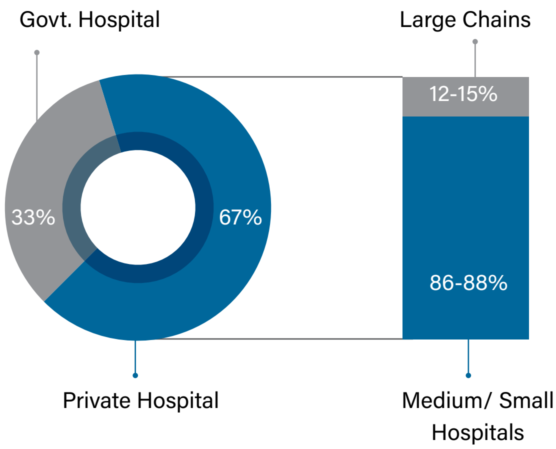
Management Discussion and Analysis Report

Indian healthcare market

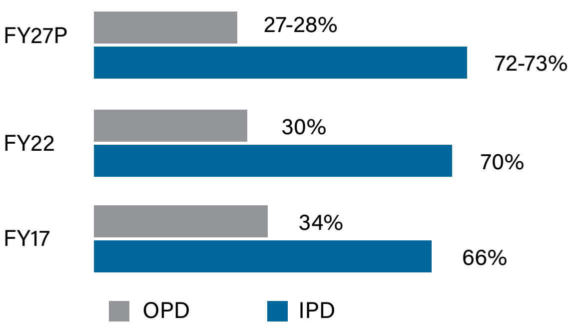
The overall economic development and rising population of the country has led the Healthcare sector to become amongst the largest sectors of the Indian economy, both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services, and increasing expenditure by public as well private players. In recent years, medical tourism has also emerged as a promising prospect for the industry.

India's healthcare delivery system is categorised into two major components - public and private. The government, i.e., public healthcare system, comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of Primary Healthcare Centers (PHCs) in rural areas. The private sector provides majority of secondary, tertiary, and quaternary care institutions with major concentration in metros, tier-I, and tier-II cities. Industry is dominated by private sector which contributes ~ 67% of the total hospital facilities.

Industry dominated by private hospitals

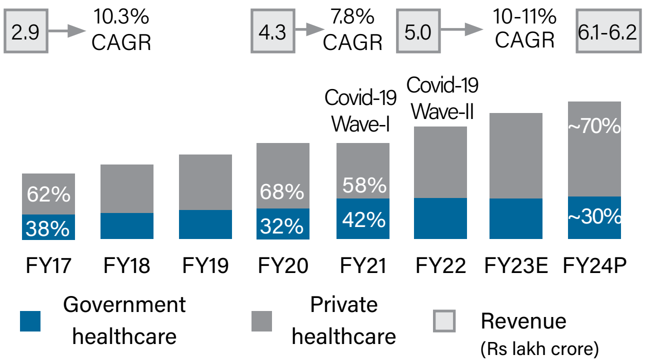


Share of IPD steadily increasing over the years



Source CRISIL MISA Research Company annual reports

Private hospitals growth bounces back, will continue to outpace government hospitals



- Share of private hospitals to increase to nearly 70% by next fiscal on the back of higher growth
  - In fiscal 2021, during the first wave of Covid-19share dropped to 58%; however, recovered to 65% thereafter
- Private hospitals to grow at a faster 11-12% between the current and next fiscals vis-à-vis 7-8% for government hospitals
- IPD (in-patient department) share to rise to 72-73% by fiscal 2027 from ~66% in fiscal 2017

India's competitive advantage lies in its large pool of well-trained medical professionals. India is also cost competitive compared to its peers in Asia and western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe. The low cost of medical services has resulted in a rise in the country's medical tourism, attracting patients from across the world. Moreover, India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research.

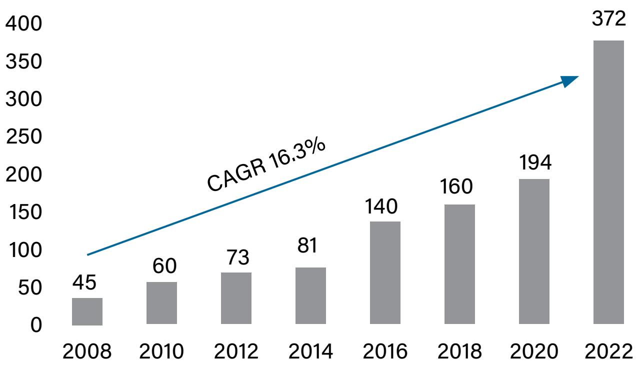
The healthcare market in India has drawn attention more than ever both from public and private service providers post Covid-19 pandemic. It continues to advance at a rapid pace owing to increased coverage, better facilities and greater participation by public and private players.

The growing prevalence of lifestyle diseases, demand for affordable healthcare delivery services and technical advances continue to drive this segment. Moreover, with the advent of telemedicine, accelerated penetration of health insurance and government measures such as e-health, healthcare has become easily accessible for a large majority of the Indian population. Over the past few decades, India witnessed a systematic shift in the healthcare industry as it continued to create more diagnostic centres, nursing homes, hospitals, health clubs, 24*7 pharmacies and blood banks.

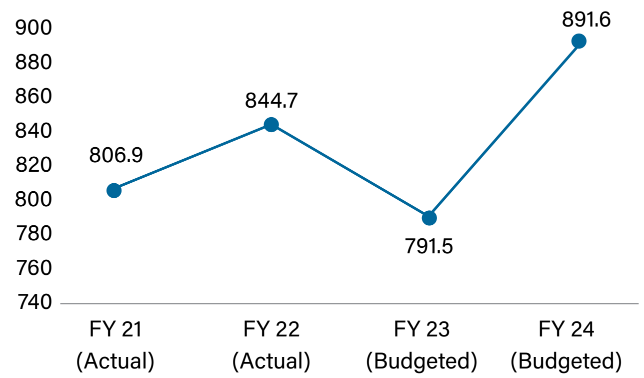
With rapid advancements in the medical industry, the quality of clinical care has improved significantly. It has also ensured cost efficiency and made India an attractive medical tourism destination. Many hospitals in India, today, meets international standards and deliver the expertise of highly qualified and trained medical professionals. It continues to boost the country's reputation as a favoured destination for patients from around the world.

The healthcare industry in India is expected to touch $372 Bn in 2022[1]. Out of the total size of the Healthcare Sector, the Hospital segment carve out an important share i.e.~ 35% contributing ~US$ 130 Bn.

Indian Healthcare Sector Market Size (US$ in Bn)



Budget Allocation for Healthcare (INR in Bn)



Major Industry Developments

- **New medical device policy will be a game changer for industry:** The Union Cabinet recently approved the new Medical Device Policy, 2023. This is anticipated to help the medical devices industry to increase from its current $11Bn to $5Bn by 2030. Experts believe that this new policy will reduce the countries reliance on importing high-end medical equipment and can potentially optimize innovations and boost the manufacturing of medical devices within the country. Currently India has about 70 to 80% import dependency on medical devices.

- **India emerging as favourable destination to conduct global clinical trials:** India has the potential to increase the global clinical trial in the country by 5 times in the coming years. There are significant opportunities for biopharma companies to leverage India's rich diversity and robust healthcare infrastructure to develop innovative treatments. The total number of investigators have more than doubled in the last three years, with the majority of the increase occurring in the internal medicine and oncology specialisations.

- **World bank to support India with $1Bn to boost public health infra:** The Government of India and the World Bank have signed two complementary loans of $500Mn each to support and enhance India's healthcare sector development. This amount will directly support India's flagship Pradhan Mantri-Ayushman Bharat Health Infrastructure Mission (PM-ABHIM), launched in October 2021, to improve the public healthcare infrastructure across the country.

- **Center should regulate manufacturing of drugs instead of state bodies, new bill moots:** During the ongoing consultations on the draft Medical Devices and Cosmetics Bill, 2023, the think tank of the government, NITI Aayog, endorsed the newly-introduced provision of giving the powers to the CDSCO to issue manufacturing licenses for drugs and cosmetics instead of the state regulators, saying it will ensure uniform and effective implementation of the law and it implies a huge change towards resting all manufacturing duties with a central licensing authority. This new bill seeks to replace the existing Drugs and Cosmetics Act of 1940.

Government policies and initiatives

The Indian government plays a significant role in healthcare funding through effective mobilization of resources. Some of the major initiatives taken by the Government of India to promote the Indian healthcare industry are as follows:

(i) In the Union Budget 2023-24:

   (a) the Ministry of Health and Family Welfare has been allocated INR 89,155 crore (US$10.76Bn), an increase of 3.43% compared to INR 86,200.65 crore (US$10.4Bn) in 2021-22.

   (b) Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was allocated INR 3,365 crore (US$ 0.41 Bn)

   (c) Human Resources for Health and Medical Education was allotted INR 6,500 crore (US$ 780 Mn).

   (d) National Health Mission was allotted INR 29,085 crore (US$ 3.51 Bn).

   (e) Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) was allotted INR 7,200 crore (US$ 870 Mn).

(ii) In July 2022, the World Bank approved a US$ 1 Bn loan towards India's Pradhan Mantri-Ayushman Bharat Health Infrastructure Mission.

(iii) To promote medical tourism in the country, the government of India is extending the e-medical visa facility to the citizens of 156 countries.

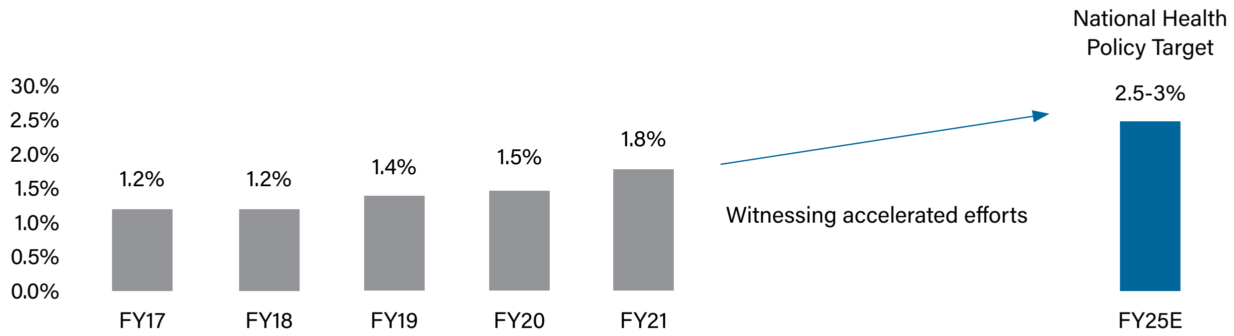
(iv) In May 2022, the Union Government approved grants for five new medical colleges in Gujarat with a grant of INR 190 crore (US$ 23.78 Mn) each. These colleges will come up in Navsari, Porbandar, Rajpipla, Godhra and Morbi.

India has one of the highest shares of out-of-pocket

[1]India Brand Equity Foundation: Indian Healthcare Industry Analysis

expenditure in healthcare; however, the government aims to increase public healthcare expenditure to 2.5-3% of GDP by 2025 from the current ~2%, as per the National Health Policy.

Expenditure on health by center and state government as % of GDP in India (2017 onwards)



Source: National health profile, budget documents, CRISIL Research

Digital Transformation of Healthcare Sector

Digital transformation has pervaded all facets of society and it has also changed the way healthcare is delivered to a large majority of the population. The government's National Digital Health Mission is expected to augur the digital transformation of the country's healthcare sector and encourage the development of an interconnected environment that promotes universal healthcare coverage. Artificial Intelligence, Telemedicine, the use of remote technologies and many more systems are being constantly used in the healthcare arena since 2019 and it is expected to increase phenomenally over the next few years.

After the Covid-19 pandemic, telemedicine has emerged as an effective method for consultation. The Indian telemedicine market stood at US$1.3Bn in 2021 which is further forecasted to reach US$7.1Bn in 2026. GOI has promoted various initiatives to boost technology adoption in healthcare system; launched Ayushman Bharat Digital Mission (ABDM) and eSanjeevini, as per the Economic Survey 2020-21, eSanjeevani OPD (a patient-to-doctor teleconsultation system) has registered nearly a Mn consultations since its launch in April 2020. The COVID-19 pandemic has highlighted the importance of technology-enabled networks as a digital delivery mechanism for healthcare services. Given India's complex struggles to reach out to patients in different parts of the country, technology enabled services can provide a new dimension to the healthcare delivery system in India.

Outlook

Indian healthcare delivery market poised for robust growth in the medium term.

India is a land full of opportunities for players in the medical devices industry. The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of the population. Besides, Indian medical service consumers have become more conscious towards their healthcare upkeep. Rising income levels, an ageing population, growing health awareness and a changing attitude towards preventive healthcare is expected to boost healthcare services demand in the future. Greater penetration of health insurance aided the rise in healthcare spending, a trend likely to intensify in the coming decade.

Breaching pre-covid level in FY22, CRISIL MI&A Research estimates the Indian healthcare delivery industry to post healthy 10-12% compound annual growth rate between fiscals 2022 and 2027, driven by long term structural factors, strong fundamentals, increasing affordability and potential of the Ayushman Bharat scheme.

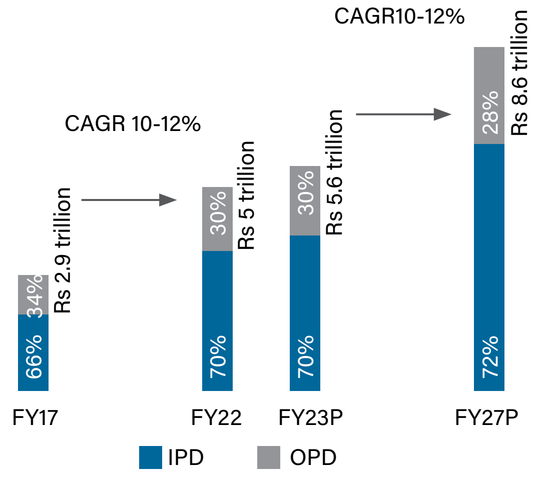
Healthcare delivery industry to grow 10-12% from FY22 to FY27

With long term structural factors supporting growth, renewed impetus from PMJAY and government focus shifting onto healthcare sector, the healthcare delivery market in India is expected to grow at 10-12% compound annual growth rate (CAGR) and reach INR 8.6 trillion in fiscal 2027.

From fiscal 2018 to fiscal 2022, major hospital chains have added supply (~2-3% of their incremental supply during the period). The supply was largely affected during the covid period as from fiscal 2020 to fiscal 2022, major hospital chains supply was declined by ~1-2%. The government is also expected to augment this via the Ayushman Bharat scheme which aims to create 1,50,000 Health and Wellness centers (~1,54,338 HWC's created till Dec 2022) for strengthening primary & secondary infrastructure in the country. The other contributors to the demand are more structural in nature, like, increase in lifestyle-related ailments, increasing medical tourism, rising incomes and changing demography.

In India, healthcare services are provided by the government and private players, and these entities provide both IPD and OPD services. However, the provision of healthcare services in India is skewed towards the private players (both for IPD and OPD). This is mainly due to the lack of healthcare spending by the government and high burden on the existing state health infrastructure. The share of treatments (in value terms) by the private players is expected to increase from 60% in fiscal 2018 to nearly 70% in fiscal 2027, the share only witnessing a slight dip in fiscal 2021. The skew is more towards the private players owing to the expansion plans of private players being centered on it, further buttressed by increasing reliance on private facilities till government infrastructure is properly put in place.

Overall Healthcare Delivery Market in India



Note: IPD stands for in-patient department and OPD stands for out-patient department. According to CRISIL MI&A Research out-patients are those who are not required to stay at the hospital overnight. It includes consultancy, day surgeries at eye care centres, and diagnostics, and excludes pharmaceuticals purchased from standalone outlets.

Source: CRISIL MI&A Research

Oncology

Global Overview

According to World Health Organization (WHO), cancer is growing at an unprecedented rate worldwide and stronger prevention measures are necessary for combating the disease. Cancer is the second major cause of deaths worldwide, accounting for almost 10 Mn deaths per year. The disease is responsible for almost 1 in every 6 deaths around the world[2]. These recent estimates send a clear message that urgent action is required to prevent its occurrence and improve treatment methods for better cure and care.

The growing rate of population, increasing consumption of tobacco and alcohol, unhealthy eating habits and sedentary lifestyles are some of the major factor's contributing to growing incidences of cancer around the world. These factors are also the shared risk factors for various other non-communicable diseases. In many cases, risks of certain cancers increase with age and an ageing population can be a cause of concern for the medical fraternity.

Since 2015, the worldwide oncology/cancer medicines industry has grown at a compound annual growth rate (CAGR) of 9.8 percent, reaching about $167.9Bn in 2019[3]. The oncology drugs industry is projected to shrink by 11 percent in 2020, from $167.9Bn in 2019 to $149.9Bn in 2020. The downturn is mostly attributed to the recent global economic crisis caused by the COVID-19 pandemic.

Patients with cancer are more vulnerable to serious infections, particularly after chemotherapy, stem cell transplants and surgeries. Oncology services have experienced severe implications after the pandemic in 2020. COVID-19 also delayed clinical trials for oncology drugs, production had been suspended in many parts of the world due to the lockdown and this has triggered supply chain issues of massive proportions. However, post successful vaccination drive across the globe, the oncology industry has returned to normalcy.

Strategic partnerships in the oncology drugs industry continues to produce better results. Companies are designing new products and exchanging skills and knowledge to stay afloat in a highly competitive environment. New developments and technological advances in cancer care are also gaining traction. The use of artificial intelligence in research and development and in 3D printing systems to simulate the human body for drug trials and testing have proved to be extreme.

India overview

Cancer is on the rise in India, a pattern that is coinciding with the overall rise in non-communicable diseases (NCDs). Cancer cases are estimated to touch 20 lakhs by 2040, up from about 11.6 lakh in 2018. In 2018, it was reported that India's cancer prevalence has more than doubled in comparison to the previous 26 years.

While incidences of cancer in India are lower than most Western countries, the sheer size of its population becomes a significant public health burden. In India, cancer is the second leading cause of death. Breast cancer, prostate cancer, oral cancer, gastric cancer, and cervical cancer are the most prevalent cancers affecting the country's population.

According to the National Cancer Registry Programme (NCRP) Report 2020, published by the ICMR and the National Centre for Disease Informatics and Research in Bengaluru, the number of cancer cases in 2020 was estimated to be 13.9 lakhs and it is projected to increase to 15.7 lakhs by 2025. The report also suggested that females are more prone to cancer than males, with 712,758 cases of cancer reported in females in 2020 and 679,421 in men. Moreover, the results indicate that one in 68 males (lung cancer), one in 29 females (breast cancer), and one in 9 Indians will grow cancer between the ages of 0-74.

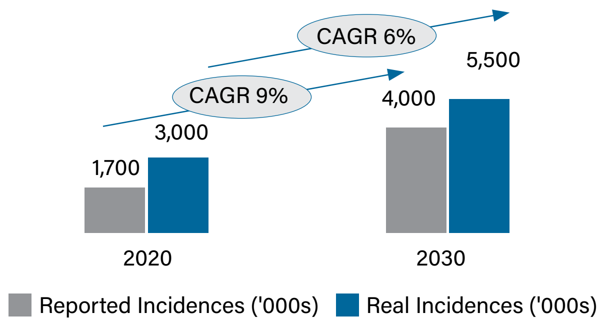
While lung, throat, stomach, and esophageal cancers are most common among men, breast and cervix uteri cancers are on the rise among women in India. Incidences of breast cancer have also touched alarming proportions. It continues to affect a larger proportion of women in metropolitan cities such as Hyderabad, Chennai, Bengaluru and Delhi, than in other parts of the country.

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

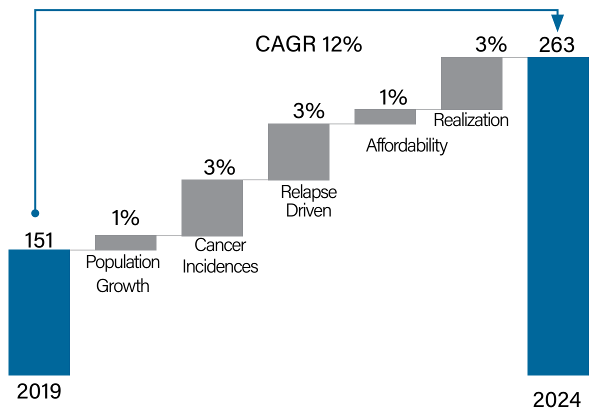
[2] https://www.who.int/news-room/fact-sheets/detail/cancer

[2] https://www.globenewswire.com/news-release/2020/10/06/2104100/0/en/Oncology-Market-Size-2020-Particularly-Prone-To-Disruption-DuringPandemic-In-The-Global-Oncology-Market.html

Increasing Cancer Incidences in India



Indian Cancer Care Industry (INR bn) - Projected Growth



Ageing Population

Population over the age of 50 years is expected to rise in India

Exposure to Risk Factors

Lifestyle changes like tobacco use, alcohol consumption, processed food, pollution etc

Rising Awareness

Growing awareness and greater public emphasis on screening

Affordability

Active roll out of government schemes, increased insurance penetration

Source: Globacan 2018, ICMR, Industry Reports

Incidence across countries

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

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

Based on the historical growth in reported cancer incidence (CAGR of 5% between 2012-16), India's cancer incidence crude rate is estimated to be 122 per lakh population and age specific incidence (ASR-W*) rate is estimated to be 116 per lakh population in 2020. While the estimated age-specific incidence rate (ASR rate) for India is lower compared to other geographies, India's real ASR rate is expected to be higher than Thailand and Indonesia, and comparable with China and Brazil (refer Chart below)

Despite the crude rate of incidence not being amongst the highest in India compared to other geographies, the total incidence burden is high due to the large population size of the country. Considering growth in population and crude rate, India's cancer incidence is estimated to be growing at a CAGR of 6.8% (2015 to 2020) which is significantly higher than other developing countries such as China (1.3%) (which has a comparable population size), Brazil (4.5%) and Indonesia (4.8%) as well as developed countries such as UK (4.4%).

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

	Estimated#	Real	Reported - 2020					
	India		Brazil	Thailand	Indonesia	China	US	UK
Overall new cases (In 000s)	1,714	2,570 -3,430	475	131	397	4,569	2,282	458
Incidence CAGR (15-20)	6.8%		4.5%	7.8%	4.8%	1.3%	6.6%	4.4%
Estimated Incidence, 2020 (Crude rate)	122	182-242	279	273	145	316	689	675
Estimated incidence, 2020 (ASR-W*)	116	174-232	215	164	141	205	362	320

Source: NCRP 2020 Annual report, Global cancer observatory for Brazil, Thailand, US, UK, China and Indonesia

#Estimated incidence considering only population growth and crude rate CACR, without considering impact of changes in risk factors and improvement in diagnosis

*ASR-W is a weighted mean of the age-specific incidence rates. The weights are taken from the population distribution of the "world Standard Population defined by WHO, and the estimated incidence rate is expressed per lakh population for comparisons between different geographies.

*CAGR: Compound annual growth rate, measures the annual growth over multiple years by compounding over the time period.

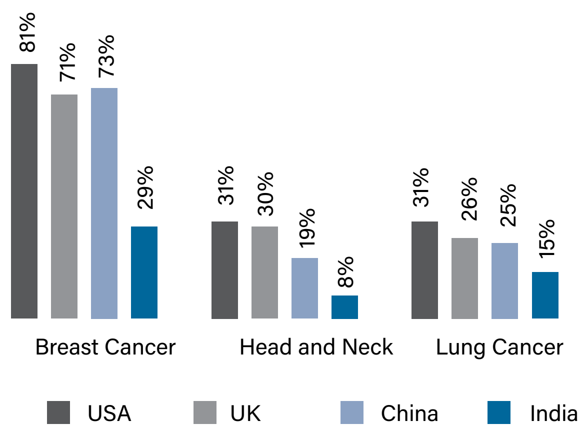
Head and Neck, Gastrointestinal and Lung contributes to 50% incidences in males and Breast, Cervix uteri and Gastrointestinal organs in case of females. Head and Neck, Prostate and Ovarian cancer are growing at a faster pace than other cancers.

- Out of ~14 lakhs Cancer cases in 2016 based on published estimates from national cancer registries, males contributed to 49% (47% in 2012) and females contributed to 51% (53% in 2012).
- Cancers of the Head and Neck and Gastro-intestinal organs constitute 21% and 18% respectively for males and 6% and 11% respectively for females out of the total incidence across the respective genders.
- Cancers of the Head and Neck are growing at highest overall CAGR (12-16) of 23% (CAGR of 25% in males, vs 16% in females). In males, it is followed by Prostate cancer at 19% while in females by ovarian and lung cancer at ~11%.
- Breast cancer is the highest contributor (29%) to total incidence among females in India in 2016 and the incidence has been rising among women at high CAGR of 8% between 2012-16.
- Cervix Uteri, which was one of the top contributing cancers in female (23% in 2012 compared to 11% in 2016) has seen a significant reduction with negative CAGR of 13% (2012-16) driven by screening, awareness programs and preventive measure.

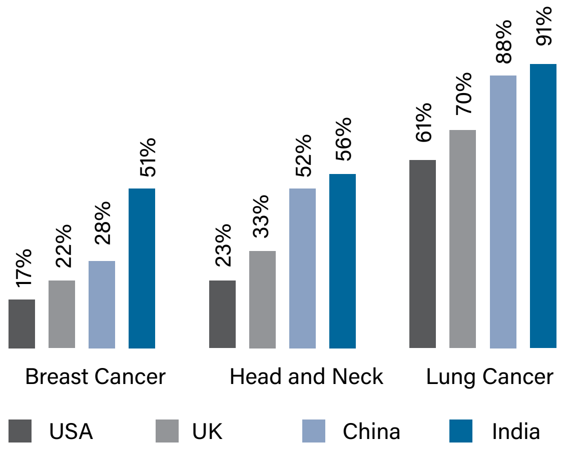
The issue of high disease burden is compounded with late stage detection caused mainly due to lack of awareness and poor screening programs

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

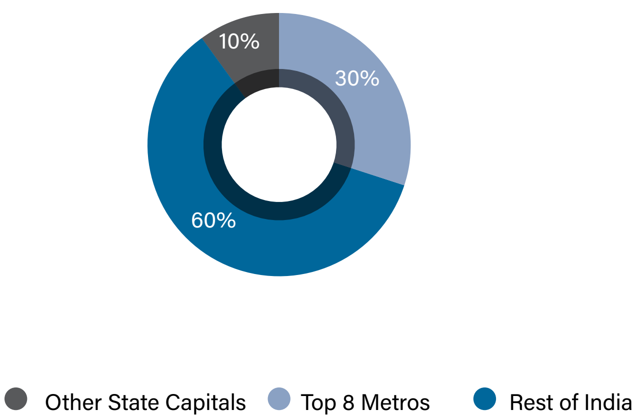
Low Early-stage Diagnosis in India...



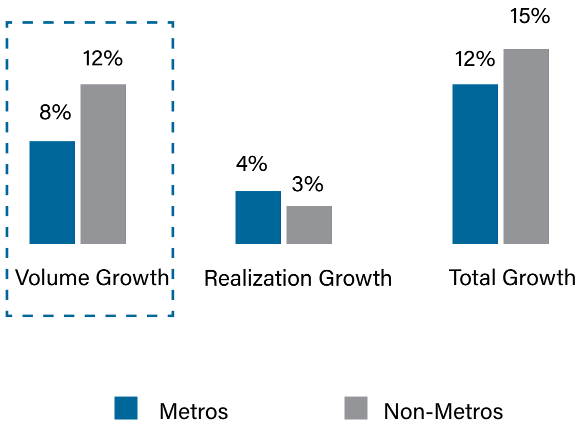
leading to High Mortality to Incidence Ratio



Majority of the Comprehensive Cancer Centers concentrated in Metros....



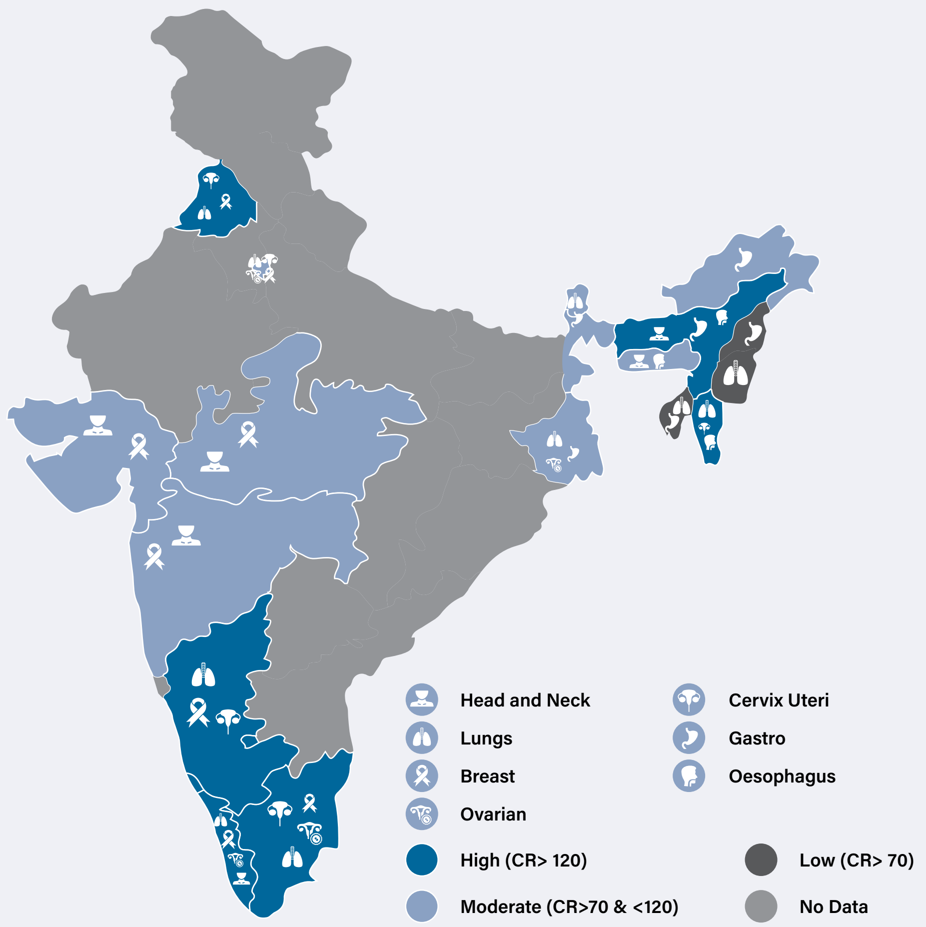
........but Non-Metros to Grow Faster than Metros mainly driven by Volume Growth (FY19-FY24)



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

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

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



Source: NCRP annual reports, EY analysis

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

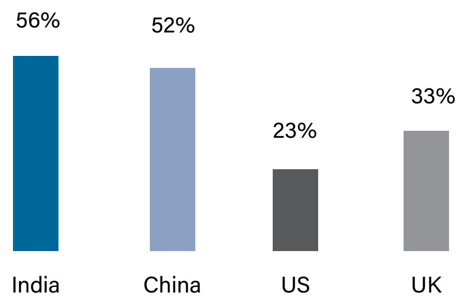
State/UT (No. of Registries)	Crude rate per lakh population					
		Overall		Male		Female
Kerala (2)	↑	181.6	↑	188.7	↑	175.4
Karnataka (1)	↑	151.7	↑	132.3	↑	172.6
Tamil Nadu (1)	↑	148.6	↑	135.4	↑	161.5
Punjab (1)	↑	144.0	↑	126.4	↑	163.7
Mizoram (1)	↑	141.7	↓	143.5	↑	139.9
Assam (3)	↑	138.6	↑	151.6	↑	125.8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

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

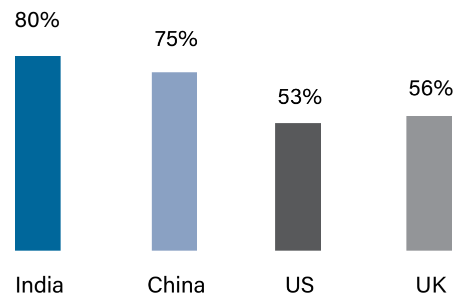
While at one hand incidence is rising, the mortality to incidence ratio for different cancer types in India is among the poorest compared to global counterparts. India has sub-optimal mortality to incidence ratio across almost all organ types compared to China, US and UK. Late-stage detection is one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

Mortality to Incidence ratio comparison across countries

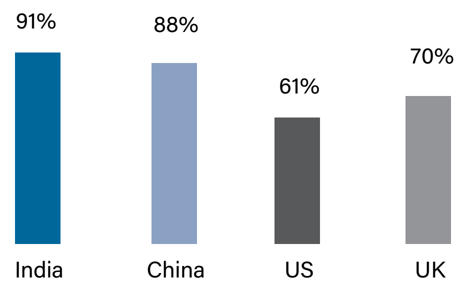
Head & Neck



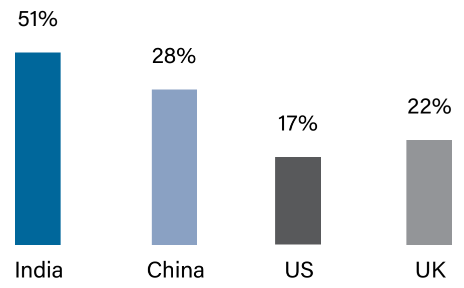
Gastrointestinal



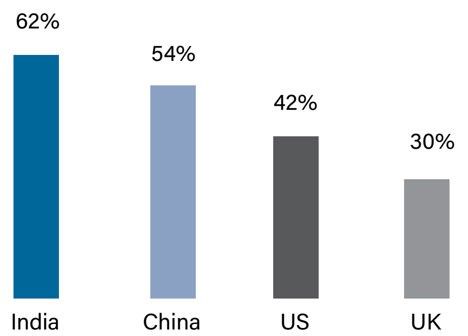
Lung



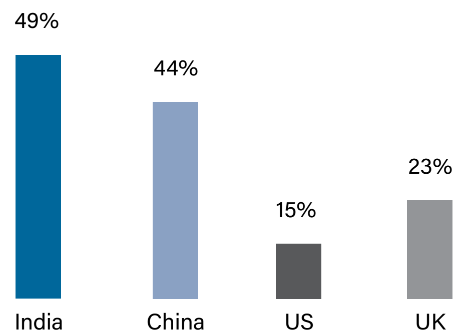
Breast



Cervix Uteri



Prostrate



[source: NCRP annual report 2020, Global Cancer Observatory, 2020]

Advancements in cancer treatment in India

With the rising incidence of cancer in recent years, India has significantly improved the processes for cancer diagnosis and treatment. Recent advancements have also transformed cancer care and has given hope to Mns of people.

- **Genomic guided Immunotherapy:** Immunotherapy, also known as biologic therapy, is widely used for cancer care and cure. It boosts the body's natural defence to help combat the disease. The treatment promises much better outcome for the cancer patients.
- **Liquid biopsy:** The sampling and examination of non-solid biological tissue, usually blood, is known as liquid biopsy or fluid phase biopsy. It's a ground-breaking method for detecting cancer at an early stage and determining the effectiveness of chemotherapy.
- **Artificial Intelligence (AI):** Recent advancements in artificial intelligence have largely enhanced the efficacy of various treatment methods. AI has helped medical practitioners to predict the effectiveness of cancer immunotherapy and is extremely useful for the diagnosis of different types of cancer.
- **Adaptive Radiation Therapy:** Through this new technology the treatment is adapted to account for internal anatomical changes as some organs in the body that require radiation therapy can change in size and shape over the days and weeks that a course of treatment can take.
- **Multiparametric-magnetic resonance imaging (mp-MRI) and Fluorescence lifetime imaging (FLI):** These imaging techniques aid in breast cancer detection. The scan shows signs of proteins that aid the growth of cancer cells and allows doctors to quickly diagnose and decide a clear path for treatment.

India, therefore, stands at the cusp of offering remarkable cancer care through numerous innovative and patient centric treatments. The country has achieved important breakthroughs in cancer research that help better care and treatment of cancer patients. Besides, the use of advanced technology has enabled caregivers to rely on innovative pathways for cancer detection

Fertility

India is the second-most populous country in the world accounting for 17.7% of the world's population. However, over the past few years, fertility rates have severely declined in India. The fertility rate in 2019 was 2.22 births per woman, a 0.89% fall from 2018. In 2020, the fertility rate further reduced to 2.2 births per woman, a fall of 0.9% from 2019[4].

Infertility is among the most prominent health issues faced by many young couples around the world. In India too, it has become a grave problem in recent years. Sedentary lives with little or no physical exercise, increasing stress levels, erratic sleep patterns and unhealthy lifestyle choices are some of the major factors causing infertility. As a result, artificial methods of conception have become quite popular in large metros as well as small towns.

Risk factors leading to high prevalence of infertility

PCOS	• PCOS incidence in India reported to range between -4% to 23% • Mean global prevalence rate of 5% to 10%
Endometrial Tuberculosis	• Endometrial TB causes endometrial and tubal damage resulting in infertility • Prevalence is estimated to be ~18% among infertile women in reproductive age in India vis-à-vis 1% in the USA
Obesity	• Prevalence of obesity in men has increased from 17% (2010) to 20% (2014) • Increased from 11% (1998) to 25% (2014) in women
Tobacco	• Tobacco prevalence in India estimated at 17% • Approaching the levels of use in the UK (21%) and the US (19%)
Alcohol	• Overall alcohol consumption per capita increased from 3.6 liters in 2005 to 4.3 liters in 2010
STD	• High prevalence of STDs • Estimated to range between 10-34%

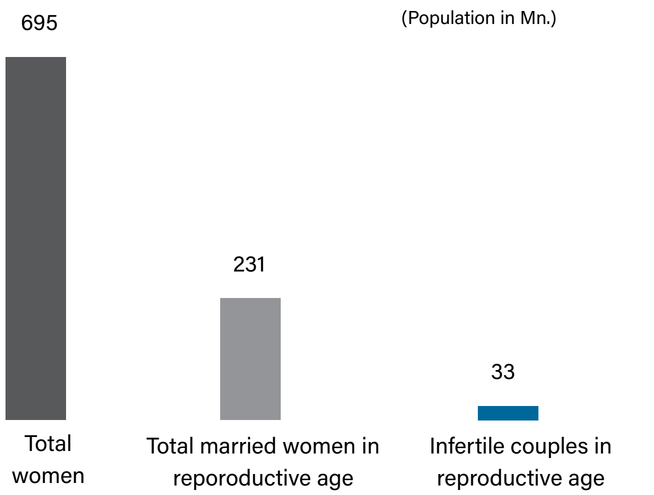
[4]https://www.macrotrends.net/countries/IND/india/fertility-rate#:~:text=The%20fertility%20rate%20for%20India,a%201.37%25%20decline%20from%202017.

The growing prominence of advanced research has opened up new avenues for infertility treatment in India. It has provided patients with safe and secure solutions including IUI (intrauterine insemination), IVF (in vitro fertilisation), and ICSI (Intracytoplasmic sperm injection). In India, the most common method of treatment is in-vitro fertilization and IVF clinics continue to report a very high number of successful conceptions.

The future of infertility treatment in India relies largely on the adoption of digital methods of treatment. With growing importance of artificial intelligence and machine learning in the field of medicine, infertility treatments are also expected to be remodelled in the coming years. The incorporation of AI in therapeutic Anti-retroviral therapy (ART) opens up promising possibilities in this field. It is not only expected to offer high efficacy rates, but is also anticipated to reduce treatment costs considerably. By processing and analysing more data accurately and in greater detail, AI is anticipated to distinguish high-quality embryos from chromosomally defective ones, a method that is intended to save healthcare practitioners enormous time and effort.

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

Prevalence of Lifetime Infertility in India, 2021

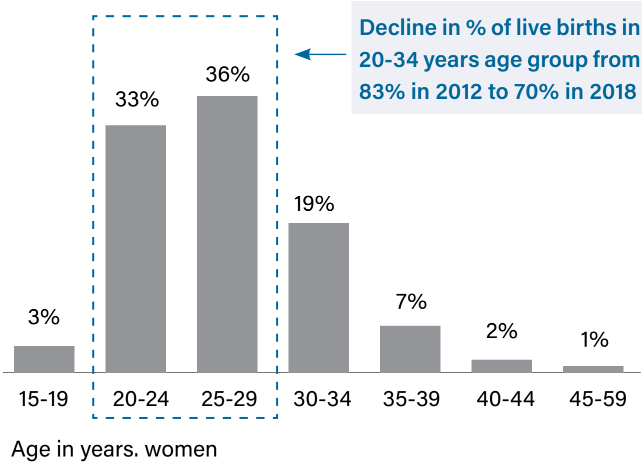


Source: Primary interviews with KOLs and leading pharmaceutical companies, Census of India 2001 and 2011, EY analysis, PLOS Medicine - Infertility trends since 1990 (December 2012)

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

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

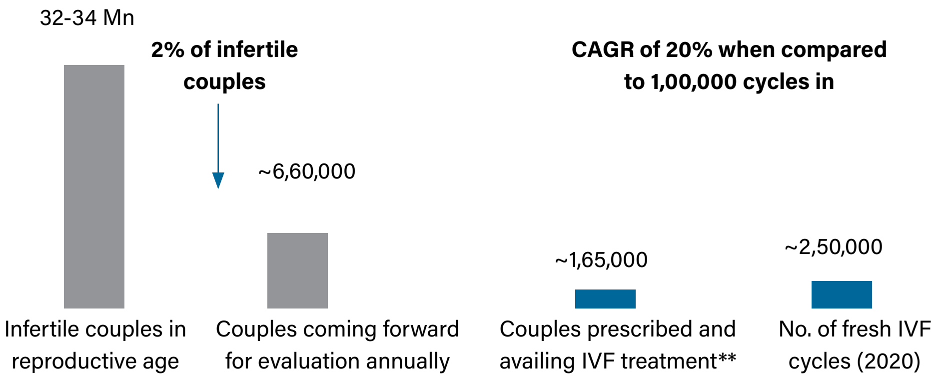
Percentage of live births per age-group
(based on age-specific marital fertility rate, 2018)



Source: Sample registration survey 2018

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

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



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

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

12%-15%
prevalence of infertility in India

2%
of the total infertile couples currently seek infertility treatment

20%-25%
of the total couples registering at an infertility centre undergo IVF

~1.5 IVF
cycles performed per couple (80% couples go for 2 cycles)

4-9%
couples coming forward for treatment annually as observed in developed nations, IVF cycles would be 2X-4X higher than current levels

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

Our business

Oncology

The Company is the largest provider of cancer care in India under the "HCG" brand. It owns and operates comprehensive cancer diagnosis and treatment services (through radiation therapy, medical oncology and surgery). As of March 31, 2023, our HCG network consisted of 22 comprehensive cancer centres, including 1 centre in Africa. Each of our comprehensive cancer centres offers, at a single location, comprehensive cancer diagnosis and treatment services (including radiation, medical oncology and surgical treatments). Our freestanding diagnostic centres and our day care chemotherapy centre offer diagnosis and medical oncology services, respectively.

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

In our HCG network, our specialist physicians adopt a technology-focused approach to diagnosis and treatment. For instance, we use advanced technologies, including molecular pathology and molecular imaging for accurate diagnosis and staging of cancer, which enable us to decide upon the appropriate course of treatment for each patient. We believe that owing to the relationships we enjoy with such medical technology vendors and pharmaceutical and biotechnology companies and our involvement with them in the areas of research and development, we have been able to introduce in India and adopt across our HCG network the latest advances in technology relatively early.

Each of our comprehensive cancer centres offers, at a single location, comprehensive cancer diagnosis and treatment services including radiation, medical oncology and Multidisciplinary approach to cancer care across our HCG network, wherein specialist physicians from various disciplines collaborate to provide the best course of treatment for each patient.

For instance, we were among the first healthcare providers in India to standardize molecular diagnostics technologies, including genomic testing and molecular imaging, including 128 slice PET-CT scans in the diagnosis and staging of cancer, as well as to introduce high intensity flattening filter free mode radiotherapy, stereotactic and radiosurgery and robotic radiosurgery, in the treatment of cancer in India. We were also the first healthcare provider in India to perform computer assisted tumour navigation surgery. We believe this gives us a distinct advantage relative to our competitors in delivering high quality and standardized cancer care to our patients. We also utilize targeted nuclear medicine therapies as well as advanced radiation treatments to minimize side effects and improve the outcome of treatments. By ensuring that we adopt these diagnostic and treatment technologies throughout our HCG network, we are able to provide consistent quality of care to all patients.

Given the large number of patient cases treated across our HCG network, we believe that we are able to efficiently utilize our equipment, technologies and human resources, thereby deriving economies of scale. Furthermore, efficiently utilise our equipment, technologies and human resources, thereby deriving economies of scale.

Through the adoption of a centralised drug and consumables formulary, we are able to lower the overall cost of drugs and consumables. We believe that our business model is scalable and when combined with efficient utilisation of resources, it enables us to operate within a competitive cost structure.

HCG key differentiators :

1) **Clinical outcomes a major driver in selecting doctor/ hospital; survival rate a lead indicator of clinical outcome:** A Patient chooses a hospital based on clinical outcomes which are different in different hospitals based on the in-depth practice (specialization, sub-specialisation), research, machines, technology, tools, knowledge sharing, domain expertise and various such factors. One does not decide hospital on basis of multi-speciality or single speciality.

   HCG is the largest oncology focused hospital which does extensive research on cancer care which allows it to stay one step ahead compared to other hospitals. Based on the sheer volume that HCG caters our belief is that the clinical outcomes at HCG should be far superior compared to other hospitals when it comes to oncology and has higher success ratio/survival rate matters in case of oncology which is one of the major driving force when it comes to selecting HCG.

2) **Sub-specialization is need of the hour:** With ever increasing complexity of cancer and need for accurate treatment there are various sub-specializations which have emerged. There are close to 53 different types of cancer each requiring unique treatment & know-how. HCG has highest number of oncologists (400+) in the country with various sub-specialist oncologists which is a determining factor to choose hospital.

3) **Largest tumor-board in India:** Tumor board is a unique approach whereby group of oncologists meet every week to discuss critical case and decide what treatment needs to be given to a particular patient taking into account various factors. This helps in enhancing the accuracy level and outcome levels are far better. HCG has the largest tumor board in India which is a key differentiating factor in itself.

4) **Pioneers of research in India:** Very few institutes like HCG and Tata memorial in India are focused on R&D and academics. HCG has been at the forefront of Research and Development when it comes to cancer research. HCG till date has published close to 837 research papers.

5) **All modalities under one roof:** Most of the multi-speciality hospitals have one department for oncology but they lack comprehensive cancer care centres. HCG has dedicated 21 comprehensive cancer care centres in India which provides all modalities (diagnostics, radiotherapy, medical, surgical oncology) under one roof.

6) **Largest gene sequencing in the country (Genomics Lab):** HCG has taken a leadership role in genomics-driven tumor boards and gene-profiling. HCG is First in Asia to complete ~105 Clinical runs (1000+patients) of Comprehensive Genomic Profiling (CGP). This has given insights into patient-centric approach, particularly for advanced and recurring tumors, not only from India, but from Africa and Middle East, making HCG a destination for cancer care. This approach helps in better outcome and indirect more patient referrals.

Fertility

milann
THE FERTILITY CENTER

BACC Healthcare Private Limited, our wholly owned subsidiary, is the leading provider of fertility treatment under the brand "Milann". It owns and operates comprehensive reproductive medicine services including assisted reproduction, gynaecological endoscopy and fertility preservation. Milann has been Ranked No. 1 in India and first in the South India region continuously for 3 years in the fertility segment in the Times Health All India Critical Care Hospital Ranking Survey 2018. (Source: All India Critical Care Hospital Ranking Survey 2017, All India Critical Care Hospital Ranking Survey 2017, published on Times Health, Times of India on December 16, 2016).

Milann is led by a team of qualified and experienced fertility specialists with successful track record of providing fertility treatments. Our Milann fertility centres provide comprehensive reproductive medicine services, including assisted reproduction, gynaecological endoscopy and fertility preservation; and follow a multidisciplinary and technology focused approach to diagnosis and treatment. Our Milann network also operates on a model similar to our HCG network, wherein the various Milann fertility centres aim to provide medical services following established protocols with a focus on quality medical care across diagnosis and treatment.

This World Cancer Day, Milann and HCG have come together for the digital campaign #PledgeToPreserveFertility to #CloseTheCareGap to raise awareness amongst people diagnosed with cancer. The purpose of the campaign is to educate people so that they can make informed choices to preserve their fertility before they begin cancer treatments.

Precision Diagnostics

Triesta Sciences is an integrated speciality diagnostics vertical of HCG with end to end capabilities in precision medicine through proprietary analytics, clinical research, genomic technologies, assay development and validation and a network of laboratories offering a broad menu of tests.

Triesta Sciences is a one- stop solution for oncology diagnostics, Genomics (Next Generation sequencing based diagnostics), biomarker and translational research, laboratory services, and clinical research services for several hospitals across India with a focus on innovation, quality and accuracy for better diagnosis and prognosis of Cancer.

Triesta offers proprietary data analytical engines for research and clinical applications for genomic testing, and also offers hospital laboratory management services by way of establishing and operating laboratory within the hospital premises. It also provides clinical reference laboratory services in India with specialization in oncology, rare diseases and reproductive health and its offerings include molecular diagnostic services and genomic testing. Triesta central reference laboratory is located in Bengaluru and is accredited by NABL in India, as well as by CAP for quality assurance of laboratory tests performed. Additionally, Triesta offers research and development services to pharmaceutical and biotechnology companies in the areas of clinical trial management and biomarker discovery and validation and is led by a team of specialist onychopathologies, molecular biologists and clinical researchers.

As part of clinical diagnostics, Triesta offers precision tests like Inherited Cancer Risk Analysis, Tumour Mutation Analysis for Precision Treatment, Liquid Biopsy Analysis for Precision Treatment, Response Monitoring, and Early Detection of Relapse, in addition to an entire gambit of traditional tests.

Multispecialty

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

HCG Multispecialty in Ahmedabad, Rajkot and Hubli are tertiary care hospitals with 103, 60 and 118 beds respectively, as of 31 March 2023. These hospitals provide comprehensive inpatient and outpatient treatments. Their key specialties include cardiology, neurology, orthopaedics, gastroenterology, urology, internal medicine and pulmonary and critical care. Suchirayu Health Care Solutions Limited, in Hubli, is a multi-speciality quarternary hospital. With 118 operational beds and capacity to go to 250 beds, the hospital offers state of the art facilities and infrastructure in the region.

Hospital Network

Existing HCG cancer centres in India

As of March 31, 2023, we operate a network of 22 comprehensive cancer centres across nine states in India and 1 centre in Nairobi, Kenya. All of these centres are owned and operated by the Company, with some of the centres in joint-venture with oncologists or healthcare groups where majority ownership is with the Company. The following table sets out our existing comprehensive cancer centres as on the date of this report and their facilities and service offerings:

Location of the comprehensive cancer centre	Commencement of operation (calendar year)	Facilities and services				
		Number of beds[3]	Number of RT-LINACs	Number of operation theatres[7]	Number of PET-CT scanners	Laboratory
Karnataka Cluster						
Bengaluru – double road	1989	48	1	3	-	Yes
Shimoga[1]	2003	47	2	3	-	Yes[8]
Bengaluru- Kalinga Rao road[2]	2006	202	3[6]	5	2	Yes
Bengaluru- MS Ramaiah Nagar	2007	33	1	2	-	Yes
Hubli	2008	32	1	2	1	Yes[8]
Gulbarga	2016	42	1	2	-	Yes[8]
Gujrat cluster						
Ahmedabad [1]	2012	90	2	5	1	Yes
Baroda[1]	2016	63	1	3	1	Yes
Bhavnagar	2018	87	1	3	-	Yes
East India cluster						
Ranchi	2008	74	1	3	1	Yes
Cuttack	2008	116	2	3	1	Yes
Kolkata [1]	2019	49	1	2	1[4]	Yes
Maharashtra cluster						
Nashik[1]	2007	95	1	4	1	Yes
Borivali[1]	2017	63	1	5	1	Yes
Nagpur[1]	2017	63	1	4	1	Yes
South Mumbai	2019	25	2[6]	2	1	Yes
Nashik Phase II[1]	2018	75	2	5	1	Yes
Andhra Pradesh cluster						
Vijayawada	2009	87[5]	2	4	-	Yes
Ongole	2012	32[5]	1	2	-	Yes
Vishakhapatnam	2016	73[5]	1	3	1	Yes
Others						
Chennai	2012	5	1	-	-	Yes[8]
Jaipur	2018	100	2	2	-	Yes

Notes

1. Operated through our Subsidiary.
2. Our comprehensive cancer centre located at Kalinga Rao Road in Bengaluru is our centre of excellence.
3. Number of beds includes ICU beds (as applicable).
4. We utilize PET-CT of our partner.
5. In addition, we have self-care beds of 83, 45 and 28 at our centres in Vijayawada, Ongole and Vizag respectively.
6. Includes a WBRRS system and Cyber Knife.
7. Includes major and minor operation theatres. Major operation theatres are used to perform complex surgeries and minor operation theatres are used to perform minor surgical procedures.
8. Lab services by Partner

As of March 31, 2023, we also had two freestanding diagnostic centres, of which one is located in Chennai and another in Vijayawada. Our freestanding diagnostic centres are equipped with PET-CT scanners and provide radiology and diagnostic services. We established some of these centres under partnership arrangements.

HCG cancer centres under development in India

New Centres

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

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

Location of new cancer care centres under development	Facilities and services				
	Number of beds	Number of RT-LINACs	Number of operation theatres	Number of PET-CT scanners	Laboratory
Bangalore (Whitefield)	20	1	2	1	Yes
Ahmedabad	200	-	7	-	-

Milann centres

The following table sets out our existing Milann fertility centres as of March 31, 2023 and their facilities and service offerings:

Loactions	Year	Number of Beds	IVF	Endoscopy Operation Theatre	Embryology Labortory	Neonatal ICU
Shivananda Circle, Bengaluru	1989	38	✓	✓	✓	✓
Jayanagar, Bengaluru	2010	26	✓	✓	✓	✓
Indiranagar, Bengaluru	2012	6	✓	✓	✓	-
MSR Nagar, Bengaluru	2015	6	✓	✓	✓	-
Delhi	2016	4	✓	✓	✓	-
Chandigarh	2016	3	✓	✓	✓	-
Whitefield, Bengaluru	2018	6	✓	✓	✓	-

Milann new centre in Whitefield was launched to strengthen presence and market share in Bengaluru region and has achieved break-even and continued to ramp-up.

Risks and concerns

Risks are integral part of any enterprise. Efficient management of business risks is a key factor that determines growth, profitability and at times, even survival. In the last few years, the healthcare industry in India has been witnessing increased consolidation even among the larger players. Further, Government intervention, by way of an active regulatory regime, be it in terms of price control or capping of margins on medicines has been stepped up. State and Central Healthcare coverage schemes are also impacting industry margins. The risks that might impact our business, prospects, financial condition and results of operations, inter-alia includes:

(a) Our results of operations in any given period can be influenced by a number of factors, many of which are outside of our control and may be difficult to predict, including political and economic conditions, the timing of opening and the number of new centres, changes in the competitive landscape in which we operate, government policies which may affect the pricing of our medical services, the operation of medical equipment's, the licensing and operation of our centres and hospitals and the licensing of our medical staff, delays in executing our growth strategies due to a number of factors, delays in project execution resulting in significant time and cost overruns, delays or failure in receiving government approvals, unavailability of human and capital resources, or any other risks that we may or may not have foreseen etc.

(b) The success of our business is dependent on our ability to maintain our relationships with our partners, to identify suitable partners and acquisitions targets and to undertake new partnership arrangements and acquisitions. We may be unable to continue to operate our centres and hospitals if there are any conflicts or disputes with our partners or if our partnership arrangements are not renewed at the end of their respective terms.

(c) Our patients include patients who pay for their medical expenses themselves and patients who are beneficiaries of third-party payer agreements. If we do not receive payments on time from our payers, our financial condition, cash flows and results of operations may be materially and adversely affected. We make provisions for disallowances and doubtful trade receivables in our financial statements on account of the probability of not being able to collect the amounts billed to third party payers, based on our actual experience of disallowances and collection from each category of payers. Provisions for disallowances reduce our revenue from operations and provisions for doubtful trade receivables increase our expenses and thus reduce our profitability.

(d) We face intense competition from other healthcare facilities. If we are unable to compete effectively, our business and results of operations may be materially and adversely affected. Our ability to effectively compete with our competitors is dependent on our ability to achieve high success rates in diagnosis and treatment and reduce risks and side effects in providing cancer care and fertility treatment, enhance the brand image and marketability of our "HCG" and "Milann" brands, increase new patient registrations across our HCG network, attract and retain specialist physicians, physicians and other skilled persons etc.

(e) We are highly dependent on our promoters, key clinicians, partners and the members of our senior management team, including some who have been with us since the establishment of the first cancer centre in our HCG network, to manage our current operations and to meet future business challenges. The loss of the services of our senior management or key management personnel, including our senior specialist physicians and physicians, or if we are unable to find a suitable replacement for them, could seriously impair our ability to continue to manage and expand our business.

(f) We may not realise the value of our goodwill or other intangible assets. We expect to engage in additional transactions that will result in our recognition of additional goodwill or other intangible assets. We evaluate on a regular basis whether events and circumstances have occurred that indicate that all or a portion of the carrying amount of goodwill or other intangible assets may no longer be recoverable and is therefore impaired. Under the current accounting rules, any determination that impairment has occurred, would require us to write off the impaired portion of our goodwill or the unamortised portion of our intangible assets, resulting in a charge to our earnings. We have written off goodwill in the past, and any future write off could have a material adverse effect on our financial condition and results of operations.

(g) Currently, our Company conducts a portion of its operations through its subsidiaries. Further, a portion of our Company's assets is held by, and a part of its earnings and cash flows is attributable to, our subsidiaries. If earnings from our subsidiaries were to decline, our Company's earnings and cash flows would be materially and adversely affected. We cannot assure you that our subsidiaries will generate sufficient earnings and cash flows to pay dividends or otherwise distribute sufficient funds to enable our Company to meet its obligations, pay interest and expenses or declare dividends.

(h) We rely on the financing arrangements with various banks and financial institutions to bridge the gap between cash flow from operating activities and investing activities (including put options of the partners). We cannot assure that the banks and financial institutions would fund us as per the planned timelines, and this could adversely affect our results of operations and financial condition.

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

We have revitalised our Risk Management framework with a detailed exercise aimed at a better and updated understanding of all our operational, financial, regulatory and strategic risks. Please refer to the section on Enterprise Risk Management forming part of the Management Discussion and Analysis Report to read more on the Risk Management framework.

Financial and operating highlights

Overview

HCG (the Company) stepped into the Financial Year 2022-23 ("Fiscal Year" or "FY"), after completing some key acquisitions in FY 2021-22. HCG continued to achieve newer heights in FY 2022-23 with highest ever revenue and EBITDA for 9 and 8 quarters consecutively. Along with continued efforts to improve operational efficiency and drive better margins, increased occupancy levels and better capacity utilisation, revenue for FY 2023 grew at 21% over FY 2022 and the adjusted EBITDA margin grew by 139 bps from 17.6% to 18.9%

Overview of key regions

Karnataka cluster

Karnataka cluster had 7 HCG centres during the year, including multispecialty hospital in Hubli. Revenue from Karnataka cluster increased to INR 5,692 Mn in FY 2023 from INR 4,748 Mn in FY 2022 with a 20% YoY growth. Oncology centres registered a growth of 23%, with centre of excellence growing at 27%. Multispecialty centre registered a growth of 5%. Share of Karnataka region as a percentage of total revenues for HCG Centres (excluding Fertility) was at 35% in FY 2023 with only a marginal reduction by 1% from FY 2022.

Revenue growth in FY 2023 is led by surgeries and better case mix which has also helped improve ARPOB. Post COVID recovery, this cluster witnessed a big jump in international revenue.

Gujarat cluster

During the year, Gujarat cluster had 5 operational centres. At a cluster level, revenue grew by 18% from INR 3,518 Mn in FY 2022 to INR 4,163 Mn in FY 2023. Oncology centres grew at 21% and multispecialty centres grew at 12%. Share of Gujarat region as a percentage of total revenues for HCG Centres (excluding Fertility) remains at 26%.

East India cluster

East India cluster had 3 operational centres during the year and revenue increased by 44% in FY 2023 to INR 1,688 Mn from INR 1,168 Mn in FY 2022, with Kolkata growing at 56% driven by medical oncology and Ranchi growing at 64%.

Andhra Pradesh cluster

During the year under review, Andhra Pradesh cluster had 3 operational centres. The revenues of the cluster have shown an increase of 15% to INR 1,204 Mn in FY 2023 from INR 1,047 Mn in FY 2022. We continue to strengthen our position in state of Andhra Pradesh, with continuing focus on improving revenue mix.

Milann Centres

During the year, Milann achieved 13.6% increase in new registrations (from 4,633 in FY 2022 to 5,265 in FY 2023) and 10.8% increase in IVF cycles (from 1,747 cycles in FY 22 to 1,936 cycles in FY 23) resulting in a revenue growth of 7% from INR 621

Mn as of FY 2022 to INR 663 Mn as of FY 2023. Milann continues to be one of the leading IVF brands in India with strong focus on clinical excellence, training and education as well. Lower volume growth during the year is attributed to regulations around surrogacy which has eased out in Karnataka and the volumes are expected to pick up.

Maharashtra

Our centres in Borivali in Mumbai and in Nagpur, both amongst the largest new centres launched in the last few years, are continuing to ramp up in volumes and revenues. South Mumbai centre was fully operationalised in FY 2021 and is one of the most advanced new cancer centres with substantial investment in radiation technology.

Overall Maharashtra cluster clocked revenue of INR 2,408 Mn during FY 2023 as against revenue of INR 2,275 Mn in FY 2022 registering a year-on-year growth of 6%. Excluding vaccination revenue for FY 2022, revenue growth at the cluster level is 15.3%. We continue to strengthen our position and scale, remain extremely positive about this region.

North India

Our new centre in Jaipur registered a revenue growth of 121% by clocking a revenue of INR 757 Mn for FY 2023 as against INR 343 Mn in FY 2022 in-spite of decrease in revenue in the last quarter of FY 2023 due to clinicians statewide protest against the state health bill. Revenue growth in this centre is driven by medical oncology.

Financial Performance

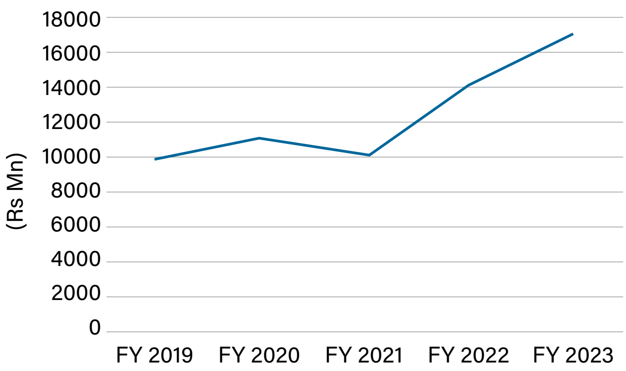
The financial statements of HealthCare Global Enterprises Limited and its subsidiaries (collectively referred to as "HCG" or the Group) and its joint venture are prepared in compliance with the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The discussions herein below relate to consolidated statement of profit and loss for the year ended March 31, 2023, consolidated balance sheet as at March 31, 2023 and the consolidated cash flow statement for the year ended March 31, 2023. The consolidated results are more relevant for understanding the performance of HCG.

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

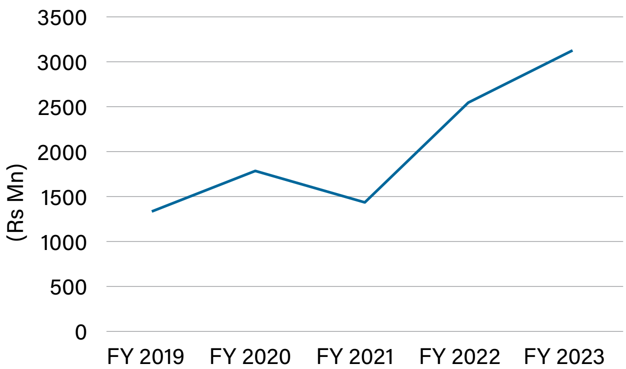
Significant accounting policies used for the preparation of the financial statements are disclosed in the notes to the consolidated financial statements for the year ended 31 March 2023.

Operating revenue*



* including income from Govt grant

Operating EBITDA#



including other income

Particulars	For the fiscal year ended March 31, 2023 (INR In Mn)	% of Revenue.	Growth vis- a`-vis FY 2022 In %	For the fiscal year ended March 31, 2022 (INR In Mn)	% of Revenue
REVENUE					
Revenue from operations					
Income from medical services	15,920.81	93.23%	22.25%	13,022.63	92.33%
Income from sale of medical and non-medical items	839.66	4.92%	3.82%	808.75	5.73%
Other operating revenue including income from government grant	184.00	1.08%	25.64%	146.45	1.04%
Total Revenue from Operations including income from government grant	**16,944.37**	**99.23%**	**21.22%**	**13,977.83**	**99.10%**
Other income	131.84	0.77%	4.08%	126.67	0.90%
Total Revenue	**17,076.31**	**100.00%**	**21.07%**	**14,104.50**	**100.00%**

Particulars	For the fiscal year ended March 31, 2023 (INR In Mn)	For the fiscal year ended March 31, 2023 % of Revenue	Growth vis- a`- vis FY2022 In %	For the fiscal year ended March 31, 2022 (INR In Mn)	For the fiscal year ended March 31, 2022 % of Revenue
EXPENSES					
Purchases of stock in trade	4,323.75	25.32%	19.78%	3,609.75	25.59%
(Increase)/ decrease in stock-in-trade	(83.14)	-0.49%	36.88%	(60.74)	-0.43%
Employee benefits expense	2,751.24	16.11%	17.75%	2,336.49	16.57%
Finance costs	1,035.02	6.06%	5.87%	977.65	6.93%
Depreciation and amortization expense	1,634.73	9.57%	3.28%	1,582.84	11.22%
Other expenses	6,965.73	40.79%	21.94%	5,712.64	40.50%
Total Expenses	**16,627.33**	**97.37%**	**17.44%**	**14,158.63**	**100.38%**
Profit/ (loss) before tax and exceptional items and share of loss of an associate/ joint venture	**448.98**	**2.63%**	**(929.26%)**	**(54.13)**	**(0.38%)**
Exceptional Items	-	0.00%		946.1	6.71%
Share of (loss) of equity accounted investees	(0.18)	0.00%		(14.25)	-0.10%
Profit/ (loss) before tax	448.80	2.63%		877.72	6.22%
TAX EXPENSE					
(1) Current tax	153.79	0.90%		237.09	1.68%
(2) Deferred tax	118.71	0.70%		251.38	1.78%
Net tax expense I (credit)	272.50	1.60%		488.47	3.46%
Profit I (loss) for the year	176.30	1.03%		389.25	2.76%
Share of loss of minority interest	(117.19)	(0.69%)		(148.08)	(1.05%)
Net Profit/ (loss) for the year	**293.49**	**1.72%**		**537.33**	**3.81%**

Revenue

Revenue from operations

The revenue from operations (other than other operating revenues) increased by INR 2,929.09 Mn, or by 21.18%, from INR 13,831.38 Mn in Fiscal Year 2022 to INR 16,760.37 Mn in Fiscal Year 2023. The increase is primarily attributable to increased patient footfalls and occupancy in Fiscal Year 2023.

During the Fiscal Year 2023, Our, Karnataka, Gujarat, Maharashtra East India and Andhra Pradesh clusters contributed to a revenue of : (a) Karnataka: INR 5,693 Mn, (b) Gujarat: INR 4,163 Mn, (c) MH: INR 2,408 Mn, (d) East India: INR 1,688 Mn; and (e) Andhra Pradesh: INR 1,204 Mn, respectively. All the centres registered year on year growth in revenues.

Existing centres registered a year-on-year growth of 19%, new centres registered a year-on-year growth of 29%.

Other operating revenues

Our other operating revenues including Govt. grants was INR 184.00 Mn during fiscal year 2022 as compared to INR 146.45 Mn in Fiscal Year 2022. Other operating income primarily consists of income from training, other operational arrangements and the government grant.

Other income

Our other income increased by INR 5.17 Mn, from INR 126.67 Mn to INR 131.84 Mn in Fiscal Year 2023. Increase in other income was primarily on account of Gain on termination of lease and Payables no longer required written-back aggregating to INR 6 Mn.

Expenses

Our total expenses increased by INR 2,468.70 Mn, or by 17.44%, from INR 14,158.63 Mn in Fiscal Year 2022 to INR 16,627.33 Mn in Fiscal Year 2023. Increase in cost of consumption, employment cost and other operating expenses is in line with increase in revenue and operations.

Cost of consumption

Cost of consumption comprises of our expenses related to purchases of medical and non-medical items and changes in inventories of medical and non-medical items. Cost of consumption related to usage of drugs, medical and nonmedical consumable items increased by INR 691.60 Mn, from INR 3,549.01 Mn in Fiscal Year 2022 to INR 4,240.61 Mn in Fiscal Year 2023.

Cost of consumption as a percentage of our total revenue including government grant & other income is 25% for Fiscal Year 2023 and Fiscal Year 2022.

Employee benefits expense

Our employee benefits expense increased by INR 414.75 Mn, or by 17.75%, from INR 2,336.49 Mn in Fiscal Year 2022 to INR 2,751.24 Mn in Fiscal Year 2023. This increase in Fiscal Year 2023 is attributed to increase in head count due to increase in volume of operations, increments during the year and higher performance payouts. Further, the diagnostic and clinical research management business acquired from Strand Life Sciences and acquisition of majority stake in Suchirayu Health Care Solutions Limited impacted primarily in the second half of Fiscal year 2022.

Finance costs

Our finance costs increased by INR 57.37 Mn, or by 5.87%, from INR 977.65 Mn in Fiscal Year 2022 to INR 1,035.02 Mn in Fiscal Year 2023. This marginal increase is primarily due to increased rate of interest as compared to previous year.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by INR 51.89 Mn, or by 3.28%, from INR 1,582.84 Mn in Fiscal Year 2022 to INR 1,634.73 Mn in Fiscal Year 2023. Such an increase is after factoring the impact of reduction in the expense in Fiscal Year 2023 by INR 56.6 Mn pursuant to revision in the estimated useful life for certain category of its Property, Plant and Equipment with effect from April 1, 2022 based on its technical evaluation.

Increase in expenditure during the Fiscal Year 2023 is due to impact of additions during the current year as well as additions (including assets acquired through business combinations) which primarily impacted later part of the previous year.

Other expenses

Our other expenses increased by INR 1,253.09 Mn, or by 21.94%, from INR 5,712.64 Mn in Fiscal Year 2022 to INR 6,965.73 Mn in Fiscal Year 2023. Increase in other expenses is mainly on account of increased medical consultancy charges in line with increase in revenue and operations, increase in legal and professional fees mainly due to spending towards advisory services for Value Creation Program, repairs and maintenance expenses of medical equipments and IT infrastructure and increase in sales and marketing activity. Overall, the other expenses for 41% of total revenue for both the Fiscal Years.

Profit / (loss) before tax and exceptional items and share of loss of associate/joint venture

Our profit before tax and exceptional items was INR 448.98 Mn in Fiscal Year 2023 as compared to a loss before tax amounting to INR 54.13 Mn in Fiscal Year 2022, as a result of significant revenue growth during the current year.

Exceptional items

There are no exceptional items in the Fiscal Year 2023 at the consolidated level. Exceptional items for the previous Fiscal Year 2022 are explained below:

(a) During the previous year, in accordance with the terms of Share Purchase Agreement dated 3 September 2021, the Company sold its investment in Strand Life Sciences Private Limited ('Strand') for a total consideration at fair value of INR 1,577.76 Mn, resulting in a gain of INR 1,419.36 Mn (net of expenses relating to the disposal amounting INR 5.62 Mn and amounts set aside for various contingencies INR 50 Mn).

(b) During the previous year, the company had been engaged in construction of greenfield project at leased premises in Gurugram ("project") since 2017. While the project was initially scheduled to be operational as of 2020, it was delayed due to changes in management's plan on account of operational priorities followed by the outbreak of COVID-19 pandemic. During the budgeting process in the previous year, the Management decided to focus on increasing marketing activities and driving operational efficiencies and further invest in the upgrading and consolidating the existing footprint. As a result, the management decided not to pursue the project. The Company then had about two years of non-cancellable lease of the said premise. Accordingly, the Company recognized impairment charge aggregating to INR 472.45 Mn of assets relating to this project (comprising impairment of CWIP INR 456.46 Mn, right of use asset INR 10.94 Mn and security deposit INR 5.05 Mn) during the previous year ended March 31, 2022, after considering minimum lease payable and other committed costs of the project. Additionally, during the year ended March 31, 2021, the Company had recognised impairment charge of INR 363.01 Mn of assets relating to this project (comprising impairment of CWIP INR 304.02 Mn and capital advances of INR 58.99 Mn).

(c) During the previous year, the group invested INR 330 Mn in the equity shares of Suchirayu Health Care Solutions Limited (Suchirayu) through primary funding, which resulted in increase in the Group's stake in Suchirayu from 17.7% to 78.6%. Suchirayu became subsidiary of the Group with effect from November 18, 2021, considering the Group's voting rights and its majority representation in the Board of Directors which gives it the current ability to unilaterally direct relevant activities of Suchirayu. The Group remeasured its previously held interest in Suchirayu at fair value on the date of acquisition of additional stake and recognised the resultant gain of INR 17.4 Mn, net as an exceptional item in accordance with the applicable Indian Accounting Standard.

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

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

(f) During the previous year, the Group incurred INR 5.5 Mn towards legal and professional fees in respect of acquisition of businesses.

Share of (loss) of equity accounted investees

Our investments in HealthCare Global (Africa) Private Limited, held by HCG (Mauritius) Private Limited was accounted under equity method as per Ind AS 28 'Investment in Associates and

Joint Ventures' till it was acquired on September 30, 2021, post which it has become a wholly owned subsidiary. Post acquisition of HCG Africa, its investments in Advanced Molecular Imaging Limited, Kenya, through its subsidiary Healthcare Global (Kenya) Private Limited, Kenya is accounted under the equity method as per Ind AS 28 'Investment in Associates and Joint Ventures.'

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

Accounting of the above investments under equity method till such dates have resulted in loss of INR 14.25 Mn in the previous fiscal year and INR 0.18 Mn during the current fiscal year.

Tax expense

We recorded current tax of INR 153.79 Mn and deferred tax of INR 118.71 Mn in Fiscal Year 2023 as a result of which total tax expense for FY 2023 was INR 272.50 Mn. We recorded current tax of 237.09 Mn and deferred tax of INR 251.38 Mn in Fiscal Year 2022 as a result of which total tax expenses for FY 2022 was INR 488.47 Mn.

Profit / Loss for the year

Our profit after tax before share of loss of non-controlling interest was INR 176.30 Mn in Fiscal Year 2023 as compared to a profit of INR 389.25 Mn in Fiscal Year 2022.

Share of profit/ (loss) of non-controlling interest

Non-controlling interest's share of loss was INR (117.19) Mn in Fiscal year 2023 as compared to a loss of INR (148.08) Mn in fiscal year 2022.

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

As a result of the foregoing, our net profit for the year attributable to owners of the Company was INR 293.39 Mn in Fiscal year 2023 as compared to a net profit attributable to owners of the Company amounting to INR 537.33 Mn in Fiscal Year 2022.

Assets

(INR in Mn)

Particulars	As at 31 March	
	2023	2022
Non-current assets		
Property, plant, and equipment	9,718.25	9,315.25
Capital work in progress	181.78	217.25
Right-of-use assets	3,812.71	4,045.40
Goodwill	1,812.34	1,812.68
Other intangible assets	186.73	298.03
Investments inequity accounted investees	28.51	30.13
Financial assets		
- Investments	68.38	58.03
- Other financial assets	542.55	545.61
Deferred tax assets (net)	52.74	59.57
Income Tax assets (net)	574.40	458.80
Other non-current assets	378.43	331.12
Total non-current asset	**17,356.82**	**17,171.87**
Current Assets		
Inventories	382.86	299.72
Financial Assets		
- Trade receivables	3,025.11	2,174.45
- Cash and cash equivalents	1,746.19	1,975.08
- Bank balance other than cash and cash equivalents above	220.20	-
- Loans receivable	17.69	16.08
- Other financial assets	72.08	341.25
Other current assets	339.22	216.78
Total current assets	**5,803.35**	**5,023.36**
Total assets	**23,160.17**	**22,195.23**

We had property, plant and equipment amounting to INR 9,718.25 Mn as of March 31, 2023, and INR 9,315.25 Mn as of March 31, 2022. Our property, plant and equipment assets primarily consist of medical equipment, buildings, land, leasehold improvements, furniture and fixtures and vehicles.

Increase in our property, plant and equipment assets is on account of net additions of INR 1,359.19 Mn which is offset by depreciation charge of INR 993.57 Mn during the fiscal year 2023.

Our Capital Work-in-progress, which was INR 217.25 Mn as of March 31, 2022, has decreased to INR 181.78 Mn as of 31 March 2023. There were no projects that were overdue or had exceeded its cost compared to its original plan as at 31 March 2023 and March 31, 2022.

The Right-of use assets increased by INR 109.66 Mn on account of new leases during the year ended March 31, 2023 and further increased by INR 214.20 Mn due to remeasurement of lease liabilities pursuant to change in lease rentals for certain lease premises. The Right-of use assets decreased by INR 530.29 Mn on account of depreciation and further decreased by INR 26.16 Mn due to termination of lease and foreign currency translation adjustments.

We had goodwill amounting to INR 1,812.34 Mn as of March 31, 2023 and INR 1,812.68 Mn as of March 31, 2022. Our goodwill mainly relates to our acquisition of Milann fertility centres, City Cancer Centre in Vijayawada and HCG Medi-Surge Hospitals, Diagnostic business acquired from Strand Life Sciences and our acquisition of controlling interest in Suchirayu Health Care Solutions Limited.

Decrease in our other intangible assets from INR 298.03 Mn as of March 31, 2022 to INR 186.73 Mn as of March 31, 2023 was mainly on account of amortization during the year.

Investments in equity accounted investee relate to investment made in Joint Venture - Advanced Molecular Imaging Limited, Kenya. We had non-current investments of INR 68.38 Mn as of March 31, 2023, and INR 58.03 Mn as of March 31, 2022.

We had other non-current financial assets of INR 542.55 Mn as of March 31, 2023, and INR 545.61 Mn as of March 31, 2022. This primarily comprises of Term Deposits and security deposits.

Our Deferred Tax Assets decreased from INR 59.57 Mn as of March 31, 2022, to INR 52.74 Mn as of March 31, 2023. Our income tax assets increased from INR 458.80 Mn as of March 31, 2022 to INR 574.40 Mn as of March 31, 2023 which is primarily on account of Advance tax and Tax Deducted at Source by our customers, net of tax provisions pending assessments and refunds in our holding company and our subsidiaries.

We had other non-current assets amounting to INR 378.43 Mn and INR 331.12 Mn as at 31 March 2023 and 2022 respectively. The increase is mainly on account of increase in our capital advances by INR 19.40 Mn and INR 20 Mn of advance paid to Radiant Hospital Services Private Limited for the acquisition of its radiation therapy centre, along with its assets located at Sambalpur, Odisha on a slump sale basis.

We had inventories of INR 382.86 Mn and INR 299.72 Mn as of March 31, 2023 and 2022 respectively. Our net trade receivables increased from INR 2,174.45 Mn as of March 31, 2022 to INR 3,025.11 Mn March 31, 2023. Our trade receivables comprise receivables from government payors, corporate bodies, insurers, and patients who pay directly to us.

We had other current financial assets (including Bank balance other than cash and cash equivalents) of INR 292.28 Mn as of March 31, 2023 and INR 341.25 Mn as of March 31, 2022.

We had other current assets of INR 339.22 Mn as of March 31, 2023, and INR 216.78 Mn as of March 31, 2022, which primarily comprised of prepaid expenses, advances to vendors, taxes paid under protest and receivable from revenue authorities.

Liabilities and Indebtedness

Liabilities

The following table sets forth the principal components of our liabilities as at March 31, 2023 and 2022:

Liabilities

(INR in Mn)

Particulars	As at 31 March	
	2023	2022
Non-current liabilities		
Financial Liabilities:		
- Borrowings	3,617.41	3,628.74
- Lease Liabilities	4,530.61	4,659.04
Provisions	131.86	105.11
Deferred tax liabilities (net)	123.66	12.79
Other non-current liabilities	359.27	254.97
Total non-current liabilities	**8,762.81**	**8,660.65**
Current liabilities		
Financial Liabilities:		
- Borrowings	375.94	447.58
- Lease Liabilities	488.02	411.40
- Trade payables		
Total outstanding dues of micro enterprises and small enterprises	48.94	20.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,435.60	1,919.18
- Other financial liabilities	1,403.81	935.94
Other Current liabilities	755.07	784.98
Provisions	171.14	172.82
Income tax liabilities (net)	24.68	5.31
Total current liabilities	**5,703.20**	**4,697.44**
Total liabilities	**14,466.01**	**13,358.09**

A significant portion of our liabilities comprise of non-current borrowings and lease labilities. We had non-current borrowings amounting to INR 3,617.41 Mn and INR 3,628.74 Mn as of March 31, 2023, and 2022 respectively. Non-current lease liabilities amounted to INR 4,530.61 Mn and INR 4,659.04 Mn as of March 31, 2023, and 2022 respectively.

Our other non-current liabilities primarily comprise of Deferred Government grant of INR 359.27 Mn as of 31 March 2023.

We had outstanding trade payables amounting to INR 2,484.54 Mn and INR 1,939.41 Mn as of March 31, 2023, and 2022 respectively. This primarily comprised of payables towards purchase of drugs, consumables, various services including medical consultancy charges, legal and professional fees, housekeeping charges and security charges.

We had other current financial liabilities amounting to INR 1,403.81 Mn and INR 935.94 Mn as of March 31, 2023, and 2022 respectively. These primarily comprised of liability on put options amounting to INR 970.00 Mn and accrued salaries and benefits amounting INR 343.18 Mn.

Our other current liabilities amounted to INR 755.07 Mn and INR 784.98 Mn as of March 31, 2023, and 2022 respectively. This primarily comprised of advance from customers amounting to INR 241.50 Mn and 294.49 Mn and statutory dues amounting to INR 109.78 Mn and INR 104.28 Mn as at March 31, 2023 and 2022 respectively. We also had a contingency provision for custom duty amounting to INR 374.87 as on March 31, 2023 as against INR 357.70 Mn as on March 31, 2022.

Liabilities - borrowings

(INR in Mn)

Particulars	As at 31 March	
	2023	2022
Secured loans		
- Term loans from banks	3,728.17	3,660.55
- Term loans from other parties	-	2.28
- Vehicle Loans	-	0.70
- Working capital loans (bank overdraft)	34.37	48.18
Total secured loans	**3,762.54**	**3,711.71**
Unsecured loans		
- Deferred payment liabilities	222.53	332.5
- From Other parties	8.28	32.11
Total unsecured loans	**230.81**	**364.61**
Total borrowings	**3,993.35**	**4,076.32**

To fund our working capital and capital expenditure requirements, we have entered into various loans and facility agreements with various financial institutions. All of our indebtedness outstanding as of March 31, 2023 was denominated in Indian Rupees except for INR 222.53 Mn (US$ and Euro denominated loans) outstanding loans taken from various equipment vendors.

Summary of cash flow statement:

(INR in Mn)

Particulars	For the fiscal year ended	
	31 March 2023	31 March 2022
Net cash generated from operating activities	2,515.91	2,201.24
Net cash generated from / (used in) investing activities	(1,330.32)	1,245.86
Net cash (used in) financing activities	(1,400.67)	(1,548.85)
Net cash flows generated for the year	(215.08)	1,898.25

Cash flow generated from operating activities

For the fiscal year ended March 31, 2023, we had profit before tax of INR 448.80 Mn and our operating profit before working capital changes was INR 3,201.74 Mn. Our cash generated from operations after adjusting for changes in working capital was INR 2,743.06 Mn.

After adjusting for changes in working capital and net income taxes paid amounting to INR 227.15 Mn, our net cashflow generated from operating activities was INR 2,515.91 Mn for the fiscal year ended in March 2023.

Cash flow used in investing activities

For the fiscal year ended March 31, 2023, our net cash outflow in investing activities was INR 1,330.32 Mn, mainly relating to acquisition of property, plant and equipment aggregating INR 1,332.37 Mn. Substantial additions to these relate to plant and medical equipments.

Cash flow used in financing activities

For the fiscal year ended March 31, 2023, our net cash outflow in financing activities was INR 1,400.67 Mn. This includes repayment of lease liabilities and interest thereon aggregating to INR 857.37 Mn and net repayment of loan and interest aggregating to INR 552.16 Mn.

Particulars	For the fiscal year ended March 31	
	2023	2022
Ratio Leverage		
Debt/Equity	0.46	0.46
EBIDT/interest *	3.01	2.56
Ratio Profitability		
**Operating Profit Margin % ** **	18.26%	17.76%
Net Profit Margin%	1.74%	3.90%
Return on equity %	3.39%	6.90%
RoCE %	8.36%	10.39%
Ratios Operations		
Inventory Turnover Ratio	12.43	13.90
Current Ratio	1.01	1.06
Ratio - Per Share		
EPS (Diluted)	2.10	3.97
P/E	124.98	67.99
Market Capitalisation/Total Revenue ***	2.14	2.66

*EBITDA includes other income

**Operating profits includes other income and income from govt. grants

***Based on closing share price as on 31 March 2023 on NSE

Notes to key ratio:

(i) Return on Equity: PAT/Average Shareholder's Equity

(ii) RoCE: EBIT/Capital Employed

(iii) Inventory Turnover Ratio: COGS/ Average Inventory of FY 23 and FY 22

(iv) Current Ratio: Current Assets/ Current Liabilities

(v) EPS: PAT post minority interest/ Nos. of diluted shares outstanding

(vi) P/E: Closing share price as on 31 March 2023, on NSE/EPS

(vii) EBIDTA/Interest: Interest includes Interests on lease liability.

(viii) Net profit margin: Profit / (loss) for the year/ Revenue from operations

Please refer to Note 49 of standalone financial statements for other relevant ratios and explanatory notes.

Credit Rating:

The long-term credit rating of HCG for FY 22 has been upgraded to A (+) by ICRA. (Associate of Moody's Investor's services) 'A' Rating for Instruments signifies adequate degree of safety regarding timely servicing of financial obligations. The outlook on the long term rating is Stable.

Internal Control System and Their Adequacy

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

The internal control framework is designed to manage and mitigate the risks faced by the Company. The company has designed and Implemented an entity level control framework setting the control philosophy and principles which guide the organization policy and operating process framework.

The organizational role, responsibility and accountability structures with appropriate performance oversight processes are defined and aligned to provide an enabling environment to the business units and functions to operate as per the design control environment. Review and oversight procedures are designed to monitor effective adherence as per design.

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

As a part of overall governance mechanism around financial reporting and as stipulated under the Companies Act, 2013, Internal Controls over Financial Reporting (ICoFR) framework have been institutionalized. The adequacy and operating effectiveness of the internal controls affecting financial reporting is assessed by the management.

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

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

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

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

The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of internal audit observations

Enterprise Risk Management

HCG operates in a business environment that is characterized by increasing competition and market uncertainties. It is exposed to a number of risks in ordinary course of business. This is inevitable, as there can be no entrepreneurial activity without the acceptance of risks and associated profit opportunities.

Accordingly, risk management activities at HCG are not aimed at eliminating all risks in their entirety, but rather at helping to identify and assess the risks the company encounters in its daily business. This allows the company to manage the risks in an efficient manner to take informed decisions, to exploit the opportunities available and thereby enhance the value of the company and its stake holders.

Risk Management Framework:

The Risk Management framework has been developed and approved by senior management in accordance with the business strategy.

The key elements of the framework include Risk Strategy, Risk Structure, Risk Portfolio, Risk Measuring & Monitoring and Risk Optimizing. The implementation of the framework is supported through criteria for risk assessment and categorization, risk escalation matrix, Risk forms & MIS.

The overall objective of risk management process is to optimize the risk-reward relationship.

Risk Categorization:

Risk Categorization into different buckets help to prioritize risks, within an entity. It assists management in ensuring that they have captured all categories of organizational risks, not just traditional, financial hazards.

HCG identifies and categorizes risks into:

The Risk Management Committee of the Board considers a number of factors for risk categorization during risk identification and assessment.

Risk Measuring and Monitoring

A risk review involves the re- examination of all risks recorded on the risk assessment repository to ensure that the current assessments remain valid and review the progress of risk reduction actions.

Risk Communication and Escalation need to be embedded in the culture of an organization to make it effective. At HCG, the Board of Directors drive the Risk Management Process through its Risk Management Committee by adopting the following communication and escalation procedure: Employees continuously identify needs to update / modify the risks and escalate them to their respective Unit / Functional Head.

The respective Unit/ Functional Head or designated personnel collate the identified risks/ modifications and forward the same to the respective Risk Coordinator for collation and escalation to Risk Management Committee. Standard forms for identification/ modification/ deletion of risks are used for this purpose.

The Risk Coordinator collates the risks and forwards the same to the Risk Management Committee on a periodic basis. The Risk Management and Steering Committee (RMSC) is responsible for reviewing and validating the risks/ modifications for all departments. The RMSC categorizes and rates the risks (using the risk appetite). Risk Owners for each risk are identified and approved by RMSC.

Risk Owners may be at any level in the organization depending on the nature and categorization (e.g. strategic, operational, compliance or reporting) of the risk.

Designated Risk Coordinator updates the Risk Assessment Repository on the basis of the approvals obtained from the RMSC.

RSMC, through the Chief Risk Officer, provides half yearly updates to the Chairman & Board of Directors for key risks, their assessment and status of action plans for mitigating these risks.

The escalation of key risk information will assist in ensuring that significant risks identified at the line level are available for consideration in the context of the overall operations of the business.

Risk Management Organization

A robust organizational structure for managing and reporting risks is a prerequisite for an effective risk management process. The organization structure needs to be supported by clearly defined non - overlapping roles and responsibilities which are communicated and understood.

In order to ensure that this policy is followed in letter and spirit, a Risk Management and Steering Committee (RMSC) is constituted comprising of Key personnel nominated from the following departments:

- Operations
- Finance
- Compliance
- Legal
- Procurement & Pharmacy
- IT
- HR

Quality Control and Audit

Monitoring the quality of our patient care is one of our prominent focus. We take action to identify and eliminate the recurrence of any expected or adverse incidents. As part of that, we embrace patient feedback, self-examination and peer review. We use these benchmarks to help us deliver high quality patient care in a safe environment and look at ways to continually improve our patient experience.

We review and publish our inpatient services performance against a number of important measures including hygiene, infection rate and patient satisfaction. We use these benchmarks to help us deliver high quality patient care in a safe environment and look at ways to continually improve our patient experience.

We are subject to various internal and external audits, incident reporting and feedback monitoring processes. Internal audits are carried out by members of our staff at each cancer centre on a half-yearly basis. Our internal audits are based on standard requirements set out by NABH and may impose corrective and preventive actions, as necessary, for any non-compliance with such requirements. The quality department of each cancer centre reviews all feedback received from patients daily and takes measures to appropriately address such feedback. Incident reports are collected and analysed by the quality departments weekly and appropriate remedial measures are undertaken.

External audits are carried out by NABH at our centre of excellence in Bengaluru and at HMS. External audits by NABL and CAP had been carried out at Triesta central reference laboratory. External audits by NABH, NABL and CAP are based on the standards set out by these bodies and are voluntary. The external accrediting bodies also set out certain quality standards, which are monitored by our internal quality departments and a monthly report of quality indicators is presented to our corporate quality team, which oversees the quality functions of our Company. Further, our internal quality teams document the policies and procedures mandated by the accrediting bodies. The accrediting bodies verify these policies and procedures. Our corporate quality team also develops specific quality indicators to monitor clinical outcomes based on documented clinical procedures.

In addition to the above, HCG has also developed case specific clinical protocols for the majority of the oncology cases that we see in the HCG Network. This standardization has helped us in achieving optimum level of care in all units without having to compromise.

Each cancer centre also has other committees which are responsible for quality control, such as hospital infection control committees, pharmacy and therapeutics committees, employee grievances committees and ethics committees.

From time to time, AERB also conducts audits at our cancer centres relating to quality assurance of radiation equipment, radiation safety measures taken by our cancer centres, any changes in the representations made by our cancer centres while obtaining the AERB approval and the adequacy of the skills and number of manpower and resources at each cancer centre.

We also have a quality management system structured as per the ISO9001:2008 guidelines for quality management systems across our Milann fertility centres. The key quality assurance practices at our Milann fertility centres include standardised treatment and management protocols, service delivery by experts in reproductive medicine, globally accepted medical equipment, regular calibration and maintenance of key equipment, quality control processes such as standardised processes for tests and audits.

Our Milann fertility centres undertake weekly clinical audits aimed at enhancing clinical outcomes, patient safety and care. The clinical audit process reviews and evaluates medical management in line with clinical and scientific best practice standards, clinical success rates, possible causes and courses of action for unsuccessful outcomes, quality metrics for clinical, embryology and laboratory outcomes and policies and action plans for continuous quality improvement.

Employee surveys are carried out twice a year by the human resource departments of each cancer centre and the results of such surveys are shared with the quality departments and the management team of each cancer centre for remedial measures.

Clinical Excellence

Clinical excellence is the core premise around which our healthcare operations are structured. Our Group continues to deliver the highest standards of clinical outcomes across all our business verticals. Our standardised clinical protocols for diagnosis and treatment of cancer patients have allowed us to manage the large volume of patient cases across our HCG network with successful clinical outcomes. The five-year survival rate for breast cancer patients at our HCG network is comparable to U.S. benchmarks. We believe that we are able to attract and retain highly skilled specialist physicians due to our reputation for clinical excellence, our technology-focused approach, the exposure and experience we provide in relation to clinical best practices and the training programmes we offer for their ongoing development. We believe that the abilities and expertise of our team of specialist physicians differentiate us relative to our competitors.

Department of Clinical excellence at HCG has been instrumental in synergizing the clinical functions at all HCG hospitals. This department under quality and strategy aims to improve the quality of clinical care and usher in uniform standards of care across all HCG centres. This has been facilitated through a systematic change in people, process, and function. Credentialing and privileging have been synergized with the functions and quality indicators of each department thereby ushering a sense of accountability. Identifying training needs and skill development has ensured improvement at the people level. At the process level upgradation of medical record departments, registry, implementation of uniform documentation practices across centres, clinical audits and deficiency monitoring has helped set high standards of clinical practice. Mapping our own clinical outcomes and constantly evolving HCG treatment guidelines has paved way for standardization of clinical pathways and improvement in the functioning of the departments. Research leveraged with genomics has ushered in an era of precision medicine at HCG. Biorepository specimens and the accompanying clinical repository is a treasure trove for novel drug targets and discovery. The department of clinical excellence strives towards an improvement in clinical care and health of the patients transcending beyond oncology. The vision is to make people's lives better than what they had before a cancer diagnosis using caring hands, clinical expertise, and high-end technology.

The Department of Clinical Excellence facilitates:

- Implementation of Uniform documentation standards
- Implementation of Uniform treatment protocols and clinical pathways
- Centralized Cancer registry
- Centralized Biorepository
- R&D activities and Investigator
- Centralized Clinical repository
- Initiated Trials
- Documentation of outcomes
- Development of clinical audit standards across departments
- Developments of clinical forms

Human Resources

The Human Resources (HR) department at HCG is driven by the mission to help HCGians realize their potential – to develop, grow and achieve their purpose, build the right culture and capabilities to enable us to serve our patients and to make HCG the best place to work for passionate, innovative people who want to make a difference.

We believe that we are able to attract and retain highly skilled specialist physicians due to our reputation for clinical excellence, our technology - focused approach, the exposure and experience we provide in relation to clinical best practices and the training programmes we offer for their ongoing development. We believe that the abilities and expertise of our team of specialist physicians differentiate us relative to our competitors. Several of our specialist physicians have received accolades and awards in recognition of their contribution to their respective fields of medicine.

Our senior management team has extensive experience in the management of healthcare businesses. We believe the experience, depth and diversity of our management team, complemented by the clinical expertise and relationship base of our physician Promoter, is a distinct competitive advantage in the complex and rapidly evolving healthcare industry in which we operate.

In order to maintain the quality of care we offer to our patients; our physicians and other medical staff must pursue a rigorous programme of continuing education. We offer a wide range of health education sessions and seminars on-site at our centres and hospitals to our physicians and medical staff, as well as to healthcare professionals outside our network of centres and hospitals. The sessions are led by expert physicians and other healthcare professionals from our network of centres and hospitals, who have first- hand knowledge of the latest clinical developments and research. We believe that these sessions provide an important forum to discuss recent developments to improve patient care and teach our physicians and medical staff new skills. In addition, we believe that they also provide an important opportunity for us to showcase the capabilities of our centres, hospitals and physicians and allow our physicians to grow their referral networks.

We also offer physicians the opportunity to consult with each other on challenging cases and treatments. For example, at our weekly tumour board discussions, we discuss selected complex cases from across our HCG network. This allows knowledge sharing and enables us to develop best practices and protocols which are implemented across our HCG network. We also evaluate the clinical activities of each centre and hospital as part of our annual evaluations to ensure that high quality treatments or services are provided to patients.

Furthermore, we have a dedicated learning and development department, which continuously monitors the learning and development activities and ensures that a high quality of service is provided to our patients, thereby improving patient satisfaction. Our learning and development department provides continuing education for quality improvement to our employees. It identifies areas in which training is required, and develops an employee development plan for each employee, pursuant to which employees are provided various skill enhancement trainings.

At our centre of excellence in Bengaluru, we offer a Diplomate of National Board medical residency programme for radiation oncology, medical oncology and pathology, in affiliation with the National Board of Examination.

In addition, we offer various certificate medical and nursing courses on oncology, a paramedical course on advanced radiotherapy technology, a laboratory research course and various other medical and non-medical courses for our employees.

Our Milann fertility centres also offer a post-graduate fellowship programme in reproductive medicine services to fertility specialists, in affiliation with the National Board of Examination. Additionally, our Milann fertility centres offer training programmes in IVF for fertility specialists and embryologists. We believe that these education and training programmes are critical capabilities that we have and these enable us to develop an in house trained team of specialist physicians.

Forward Looking Statement

Except for the historical information contained herein, statements in this discussion contain contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy, future business plans, our growth and expansion in business, the impact of any acquisitions, our financial capabilities, technological implementation and changes, the actual growth in demand for our services, cash flow projections, our exposure to market risks as well as other general risks applicable to the business or industry.

The Company undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof. These discussions and analysis should be read in conjunction with the Company's financial Statements included herein and the notes thereto.

Business Responsibility & Sustainability Report (BRSR)

SECTION A
GENERAL DISCLOSURES

1. Details of the listed entity

Corporate Identity Number (CIN) of the Listed Entity	L15200KA1998PLC023489
Name of the Listed Entity	HealthCare Global Enterprises Ltd.
Year of Incorporation	12/03/1998
Registered Office Address	HCG Towers, No.8, P. Kalinga Rao Road, Sampangi Rama Nagar, Bangalore, Karnataka, India – 560027
Corporate Address	No 3, G-Floor, Tower Block, Unity Buildings Complex, Mission Road, Bangalore, Karnataka, India – 560027
E-mail	investors@hcgel.com
Telephone	+91-80-4660 7700
Website	www.hcgoncology.com
Financial Year for which Reporting is being done	2022-23
Name of the Stock Exchange(s) where shares are listed	BSE Ltd. and National Stock Exchange of India Ltd. (NSE)
Paid-up Capital	INR 1,391,160,620
Name and Contact Details (telephone, email address) of the Person who may be contacted in case of any queries on the BRSR	Sunu Manuel- Company Secretary investors@hcgel.com +91-80-4660 7700
Reporting Boundary	Consolidated[1]

2. Products/services:

Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity (FY23)
1.	Medical and Healthcare	Medical and Healthcare	100

3. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% Of Total Turnover Contributed
1.	Medical and Healthcare	8610	99.09

4. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	22	1	23
International	1	4	5

[1] The Report covers HCG's 22 comprehensive cancer centers present in India and parts of Africa, 03 multi-specialty hospitals and 07 fertility centers operating under the brand Milann. More details on the entities covered are provided as response to Q.8 (a) 'Names of holding / subsidiary / associate companies / joint ventures. The reporting timeline for this Report is 1st April 2022 to 31st March 2023. For Advanced Molecular Imaging Limited (HealthCare Global (Kenya) Private Limited holds 50% of the share capital) the reporting timeline has been considered as January to December 2022.

5. Markets served by the entity:

a. Number of locations[2]

Locations	Number
National (No. of States)	9
International (No. of Countries)	1

b. What is the contribution of exports as a percentage of the total turnover of the entity? –

The contribution of exports as a percentage of the total turnover for FY 2022-23 is 5.18%[3].

c. A brief on types of customers

The Company provides health services to both insured and non-insured patients. The customer base includes those covered by different Indian government-sponsored schemes (such as CGHS, ECHS, and state government health schemes). The Company also caters to patients covered under social security options, sponsored by international institutions or organizations.

6. Employees

Details as at the end of Financial Year:

a. Employees and Workers* (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		Employees				
1.	Permanent	6,131	3,071	50.1	3,060	49.9
2.	Other than Permanent	1,294	736	56.9	558	43.1
3.	**Total Employees**	**7,425**	**3,807**	**51.3**	**3,618**	**48.7**

*The Company does not have any Workers as defined in the BRSR Guidance Note.

b. Differently abled Employees and Workers*

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		Employees				
1.	Permanent	5	3	60	2	40
2.	Other than Permanent	0	0	0	0	0
3.	**Total Employees**	**5**	**3**	**60**	**2**	**40**

*The Company does not have any workers as defined in the BRSR Guidance Note.

7. Participation/Inclusion/Representation of Women

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	2	20
Key Management Personnel	2	1	50

[1] The Company provides services to patients from various states, including those who travel to HCG for specialized cancer care from different parts of the country. Moreover, HCG offers its services not only in Kenya but also in other international regions such as Africa, the Middle East, SAARC nations, and CIS countries as part of medical tourism to India.

[2] This export value refers to our services provided in Kenya.

8. Turnover Rate[4] for Permanent Employees and Workers*

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees*	30%	34%	32%	38%	48%	43%	37%	40%	38%

*The Company does not have any Workers as defined in the BRSR Guidance Note.

9. Holding, Subsidiary and Associate Companies (including joint ventures)

Sr. No.	Name of the Holding/ Subsidiary/ Associate/ Joint Venture (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by Listed Entity	Does the Entity indicated at column A, participate in the Business Responsibility Initiatives of the Listed Entity? (Yes/No)
1.	HCG Medi-Surge Hospitals Private Limited	Subsidiary	74.00%	Yes
2.	Malnad Hospital & Institute of Oncology Private Limited	Subsidiary	70.25%	Yes
3.	HealthCare Global Senthil Multi Specialty Hospitals Private Limited	Subsidiary	100.00%	Yes
4.	Niruja Product Development and Healthcare Research Private Limited	Subsidiary	100.00%	Yes
5.	BACC HealthCare Private Limited	Subsidiary	100.00%	Yes
6.	HealthCare Diwan Chand Imaging LLP	Subsidiary	75.00%	Yes
7.	HCG Oncology Hospitals LLP (along with the Shareholding of Niruja Product Development and Healthcare Research Private Limited) (previously known as APEX HCG Oncology Hospitals LLP.	Subsidiary	100.00%	Yes
8.	HCG NCHRI Oncology LLP	Subsidiary	87.14%	Yes
9.	HCG Oncology LLP	Subsidiary	74.00%	Yes
10.	HCG EKO Oncology LLP	Subsidiary	50.50%	Yes
11.	HCG Manavata Oncology LLP	Subsidiary	51.00%	Yes
12.	HCG SUN Hospitals LLP (along with the shareholding of Niruja Product Development and Healthcare Research Private Limited)	Subsidiary	100.00%	Yes
13.	HCG (Mauritius) Pvt. Ltd. (along with the shareholding of Niruja Product Development and Healthcare Research Private Limited)	Subsidiary	100.00%	Yes
14.	Healthcare Global (Africa) Pvt. Ltd.	Subsidiary	100.00%	Yes
15.	HealthCare Global (Uganda) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Subsidiary	100.00%	Yes
16.	HealthCare Global (Kenya) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Subsidiary	100.00%	Yes
17.	HealthCare Global (Tanzania) Private Limited (Wholly Owned Subsidiary of Healthcare Global (Africa) Pvt. Ltd)	Subsidiary	100.00%	Yes
18.	Cancer Care Kenya Limited (Subsidiary of HealthCare Global (Kenya) Private Limited)	Subsidiary	81.63%	Yes
19.	Suchirayu Health Care Solutions Limited	Subsidiary	78.60%	Yes
20.	Advanced Molecular Imaging Limited (HealthCare Global (Kenya) Private Limited holds 50% of the share capital)	Subsidiary	50.00%	Yes

10. CSR Details

a. **Whether CSR is applicable as per section 135 of Companies Act, 2013:** (Yes/No) - Yes, CSR is applicable to the Company.

b. **Turnover (in Rs.)** - INR 10,075.94 million

c. **Net worth (in Rs.)** - INR 11,415.22 million

[4] Turnover rate for permanent employees has been calculated on a consolidated basis

11. Transparency and Disclosures Compliances

Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes	0	0	NA	0	0	NA
Shareholders	Yes	0	0	NA	0	0	NA
Employees	Yes	5	0	NA	5	0	NA
Customers	Yes	15	0	NA	74	24	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA

Please refer the below link for policies:

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

Customers reach out to us through our brand handles on Twitter, Facebook, Instagram, LinkedIn, Google Business profiles and other social media platforms. They also register their feedback through feedback@hcgel.com

12. Overview of the Entity's Material Responsible Business Conduct Issues

Please indicate Material Responsible Business Conduct and Sustainability Issues pertaining to Environmental and Social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Sr. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk / Opportunity	In case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity
1.	Patient Satisfaction and Wellbeing	Opportunity	Opportunity: As a health sector company, our primary imperative is to provide our patients with high quality care and improve their quality of life. Fostering positive patient experience is essential to the ethos of the Company. We are committed to providing for a culture of care that prioritizes the wellbeing of our patients and provides them with easy access to holistic healthcare.		Positive: Enhanced patient experience and high levels of patient satisfaction favorably impacts brand value. It also enhances reputation and trust of stakeholders and society in the Company.
2.	Medical Quality and Safety	Risk and Opportunity	Risk: Medical quality is a critical aspect that can have a significant impact on the Company's reputation and performance. Non-adherence to high standards of quality and safety can lead to compromised patient safety, regulatory noncompliance and legal and financial risks. Opportunity: The central ethos of the Company focuses on providing for a culture of care for all patients. This culture is significantly dependent on the quality and safety of services provided. As a health sector company, it is our imperative to provide our patients with services that are safe and can increase their quality of life.	The Company understands the criticality of providing services that are of high quality and prioritize patient safety. As such, stringent quality protocols have been established to ensure that all services are provided in a manner that is safe and efficient. All facilities of the Company have been provided with state-of-the-art facilities for a holistic patient experience. Further, all personnel are equipped with necessary skills and also receive training to ensure proper treatment and care.	Positive: Providing for safe and high-quality healthcare services to all patients will enhance business growth as well as brand value. Additionally, it also ensures that the Company is aligned with regulatory body requirements in the provision of safe medical care for all patients. Negative: Noncompliance with quality and safety standards may have an adverse impact on the Company's reputation. Further, it may also result in financial or legal consequences and loss of accreditation status.

Sr. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk / Opportunity	In case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity
3.	Energy Management	Risk and Opportunity	Risk: Ineffective management of Energy and the Company's environmental footprint may expose the company to climate related physical and transition risks which might lead to disruption of operations and affect business continuity. Opportunity: Adapting new low carbon technologies may unlock opportunities for more efficient processes and will contribute towards business resilience.	The Company has committed to a transition to renewable energy and several initiatives have been implemented for the same. This includes installation of solar panels with the potential to offset 3,300 tons of carbon emissions annually. Additionally, the company has also installed LED lights across facilities for greater energy efficiency.	Positive: Working towards efficient energy management may offer businesses opportunities to take advantage of emerging technologies and more efficient means of production. Negative: Failure to effectively manage the Company's energy consumption could have adverse impacts on business resilience. Further, it could also lead to loss of stakeholder trust and reputation.
4.	Waste Management	Risk	Risk: Management of waste is a critical issue for the Company to create a positive environmental footprint. Focused efforts for reduced waste generation and proper disposal are imperative to demonstrate the Company's commitment to a sustainable future and a healthy planet. This is particularly important with respect to bio-medical and radioactive waste generated across our hospitals. Proper treatment and safe disposal of the same is imperative to protect human and planet health.	The Company has developed robust Waste Management Manuals containing detailed information on the manner and mode of waste disposal. These Manuals ensure that strict alignment is maintained with regulatory requirements for the proper disposal of waste. Moreover, the Company continues to explore opportunities of increased recycling of waste, enabling a reduction in waste generation and a positive impact on the environment.	Negative: Improper management and disposal of waste can have adverse consequences for human health and the planet. It can also lead to financial losses and legal consequences in the event of non-compliance with laws and regulations. Further, brand value may be severely impacted.
5.	Data Security	Risk and Opportunity	Risk: Data security related risks and threats have an adverse consequence on the security and integrity of the IT system across the Company. Opportunity: The productivity and growth of the Company can be strongly supported through a robust governance mechanism for data integrity, technology and digitization that provides for a secure IT network.	In order to avoid data breaches and loss of confidential system, the Company undertakes regular reviews of the vulnerability and the threat of breaches to our IT system on a regular basis. Employees are also provided with cybersecurity training and awareness. Periodic information mailers are also shared to generate awareness on safe IT practices and behavior.	Positive: Front-line data privacy principles and practices integrated across the Company ensures compliance with data privacy related laws and regulations. Additionally, it provides for a protective environment against breaches, and fosters improved productivity, ultimately leading to sustainable growth. Negative: Lack of a robust data integrity and security mechanism could increase the rate of data breaches and result in the loss of valuable data that may have an adverse impact on the business. Breach of patient/stakeholder data may potentially expose us to litigations, fines and penalties.
6.	Health and Safety	Risk	Risk: Occupational health and safety is a vital component of the Company's commitment towards providing a safe and secure working environment. Ineffectiveness of the current Health and Safety management programs may lead to a large number of health and safety incidents.	The Company has developed a robust Employee Health and Safety Policy, applicable to all staff, to foster a safe working environment. It provides detailed information on process and procedures for a safe working environment and preventive measures to be instituted to mitigate potential risks. Employees are also provided with focused training on health and safety to promote safe working behavior. All services provided by the Company undergo Hazard Identification and Risk Assessment (HIRA). Compliance with standards and regulatory requirements is also regularly monitored through strict Quality Audits.	Negative: Frequent health and safety incidents will have a negative influence on the Company's performance in terms of both safety and workforce well-being. This will impact the brand image, reputation and the Company's ability to attract and retain talent.

Sr. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk / Opportunity	In case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity
7.	Business Ethics and Compliance	Risk and Opportunity	Risk: Failure to adhere to the highest standards of corporate governance and business ethics can result in regulatory repercussions, financial and / or reputational loss. Opportunity: Maintaining and demonstrating good governance practices and ethical behavior will enable long term value creation for all stakeholders.	The Company undertakes proactive and regular interactions with regulatory organizations across facilities to reduce the risk of noncompliance. Further, strict compliance with internal policies and regulatory requirements is ensured via training for all employee on business ethics and code of conduct.	Positive: The Company's commitment to and demonstration of ethical business practices will be viewed favorably by all stakeholders. It will enhance brand value and stakeholder trust. Negative: Reputation and business continuity of the Company may be adversely impacted due to non-compliance with regulatory standards.
8.	Water Management	Risk	Risk: Effective water management is imperative for a positive environmental impact. Given the nature of business, water is extensively consumed across our hospitals. Focused initiatives for higher water efficiency and reduced water consumption is therefore critical to prevent risks to business growth and adverse impacts on the environment.	The Company ensures regular and focused monitoring of water usage across locations. Water meters have been installed at all discharge sites to proactively monitor levels of water consumption. The Company has also adopted cutting-edge technologies for optimal water usage through enhanced recycling and reuse of water.	Negative: Ineffective management of water usage can lead to water scarcity, severely impacting business continuity and growth. It can also lead to loss of brand value and reputation.
9.	Human Rights	Risk and Opportunity	Risk: Absence of a protective environment for Human Rights can lead to increased incidences of discrimination and creation of a hostile work environment. It can also negatively impact the Company's reputation and lead to loss societal value. Opportunity: As a responsible corporate citizen, it is the Company's duty to protect and promote human rights. It will further foster a positive image, increase stakeholder trust and strongly demonstrate the Company's commitment to social responsibility.	Enshrined in the Code of Conduct, the Company's commitment to protecting and promoting human rights aims to provide for a supportive and robust governance structure. All employees are provided with training on these principles and are mandated to ensure strict adherence with the same. The Company is an equal opportunity employer and has a zero-tolerance approach to any form of discrimination and violation of human rights. Furthermore, focused efforts are also made to encourage value chain partner to uphold human rights across their operations.	Positive: Focused alignment with human rights principles boosts the Company's social value. It also reflects the integration of these principles within the business model to provide for a holistic approach. Negative: Absence of a strong governance system for the protection of human rights could lead to employee dissatisfaction and loss of productivity, thereby impacting the Company's business performance in the long run. Further, ineffective grievance redressal system increases the risk of non-compliance which can lead to financial, legal and / or reputational consequences.
10.	Sustainable Supply Chain and Responsible Procurement	Risk and Opportunity	Risk: Disruptions to the Company's supply chain will cause significant delays in the delivery of essential health services to all patients. Non-substitutable suppliers also pose a risk in terms of continued availability of critical supplies. Opportunity: Supply chain plays a determining role in the sustainability of an organization. Integrating suppliers into the ESG journey helps the Company to develop a resilient supply chain and cascade a virtuous cycle of environmentally and socially responsible behavior across the value chain.	The Company has developed long-term business relationships with dependable and reputable suppliers for a robust supply chain. Strong emphasis is placed on supplier knowledge, reputation and ethical values during supplier selection. Additionally, during onboarding, all suppliers are expected to submit a self-declaration on their social and environmental performance. Furthermore, focused monitoring is undertaken to ensure that all suppliers are compliant with the ESG principles adopted by the Company.	Positive: Effective redressal of supply chain disruptions as a result of unforeseen circumstances is ensured through responsible supply chain practices. Furthermore, adherence to responsible sourcing is a strong demonstration of the Company's commitment to its ESG performance. Negative: Long-term commercial partnerships with suppliers may be impacted if standards related to various social, environmental and safety aspects are not complied with by suppliers, leading to loss of business value.

SECTION B

MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sr. No.	Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and Management Processes										
1.	**Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes								
	Has the policy been approved by the Board? (Yes/No)	Yes								
	Web Link of the Policies, if available**	https://www.hcgoncology.com/policies-and-guidelines/								
2.	**Whether the entity has translated the policy into procedures. (Yes / No)**	Yes								
3.	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	Select policies like our Anti-Fraud policy, Anti-Bribe, Anti-Corruption policy, Whistleblower policy, ICW/POSH Policy extend to our value chain partners.								
4.	**Name of the national and international codes/ certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) mapped to each principle.**	1. ISO 15189 Medical Laboratory Accreditation 2. College of American Pathologists (CAP's) Laboratory Accreditation Program 3. National Accreditation Board for Testing and Calibration Laboratories (NABL) 4. National Accreditation Board for Hospitals & Healthcare Providers (NABH) 5. ISO Certification 27001:2022 on Information Security Management System								
5.	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	The Company has currently not undertaken any specific commitments, goals and targets. Efforts are underway for goal setting and establishment of an implement and achievement plan. Reporting on the same will be undertaken in subsequent financial years.								
6.	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**									

Governance, Leadership and Oversight

7. **Statement by Director responsible for the Business Responsibility and Sustainability Report, highlighting ESG related challenges, targets and achievements.**

Sustainability is a critical focus area at HCG. The Company is committed to sustainable development and positive social and environmental impact for all stakeholders. As a leading and responsible health care provider, the Company's operational and strategic approach encourages both business growth and long-term value creation.

As part of the Company's commitment to sustainable development, we recognize the importance of transparency and communication with stakeholders. The BRSR is a critical tool to provide an accurate and detailed account of our corporate responsibility initiatives, sustainability measures, and overall performance. This report demonstrates our efforts to integrate sustainability into our everyday operations while providing a holistic view of our social, environmental, and economic performance.

The Company's corporate governance framework is an integral factor to drive high standards of ethical business conduct, enabling sustainable outcomes for all stakeholders. This is further supported by our culture and commitment to providing accessible, affordable and high-quality healthcare to positively improve the lives of all our patients.

Our approach to workforce management and community welfare is built upon our culture of care. The Company makes strong efforts for an empowering and supportive work environment, wherein all employees are provided with ample opportunities of growth and development. Likewise, we are committed to protecting the communities we serve, and our CSR activities have been designed and implemented to provide them with adequate opportunities of social empowerment.

Across the business, focused efforts have also been undertaken to promote ESG and sustainability. The Company is committed to achieving a positive environmental footprint and significant investments have been made for energy conservation, water saving and safe waste management. This includes increased usage of renewable energy through solar plants, rainwater harvesting, usage of biodegradable bags to reduce usage of plastic, e-billing to prevent waste of paper, among others.

While the Company continues to integrate sustainability principles within the operating model, and deliver on our promises of sustainable value creation, we welcome your valuable feedback to help improve our sustainability performance.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies

The Chief Executive Officer (CEO) is the highest authority responsible for implementation and oversight of the Business Responsibility policies.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

The Risk Management Committee of the Board provides direct oversight with respect to all ESG issues and processes. The Committee further offers guidance to the business and management for effective management of sustainability in all strategic initiatives, budgets, and action plans of the Company.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
Performance against above policies and follow up action	Performance against above mentioned policies and follow up action is reviewed by the Board of Directors, Nomination and Remuneration Committee, Risk Management Committee and Audit Committee, as applicable. The periodicity of these reviews is once in every three years or whenever an update is required due to change in applicable laws.	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company maintains a proactive approach in monitoring and fulfilling its compliance obligations within the prescribed timelines. In the event of any non-compliances, they are promptly reported to both the Audit Committee and the Risk Management Committee for appropriate action and resolution.	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide the name of the agency.

Internal auditors review the policies on a periodic basis and evaluate working of the same and assess the adequacy and effectiveness in terms of best practices followed by other organizations of repute. For FY 2022-23, no external agency has undertaken an assessment/evaluation.

SECTION C
PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	▪ Human Resources – Engagement, development, and retention process ▪ Business model – verticals, major units/clusters ▪ Operation of units ▪ Strategy - our approach, methodology and execution. ▪ Financials, key metrics & drivers/Banking arrangements etc. ▪ Policies and compliance monitoring mechanism	100%
Key Managerial Personnel	1	▪ Human Resources – Engagement, development, and retention process ▪ Business model – verticals, major units/clusters ▪ Operation of units ▪ Strategy - our approach, methodology and execution ▪ Financials, key metrics & drivers/Banking arrangements etc. ▪ Policies and compliance monitoring mechanism	100%
Employees other than BoD and KMPs	30	▪ Anti-Fraud policy ▪ Anti-Bribery and Anti-Corruption policy ▪ Anti-Gift, Hospitality & Entertainment policy ▪ Whistleblower policy ▪ ICW/POSH Policy ▪ Inclusion ▪ Code of Conduct policy ▪ Grievance redressal policy	100%

*The Company does not have any workers as defined in the BRSR Guidance Note.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	0	NA	0	NA	NA
Settlement	0	NA	0	NA	NA
Compounding fee	0	NA	0	NA	NA

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	0	NA	NA	NA
Punishment	0	NA	NA	NA

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

   Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.**

   The Company's corporate governance framework mandates upholding of the highest standards of ethical governance and responsible business conduct. The Anti-bribery and Anti-corruption policy, applicable to all employees, subsidiaries, joint ventures and affiliated entities, provides detailed guidance and requirements to ensure the protection of stakeholder interests is undertaken with integrity, fairness, accountability and transparency.

   Further details can be found at: https://www.hcgoncology.com/wp-content/uploads/2022/01/HCG-ANTI-BRIBERY-AND-ANTI-CORRUPTION-Main-02.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.**

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0

*The Company does not have any workers as defined in the BRSR Guidance Note

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

   All value chain partners of the Company are provided with training and awareness sessions on critical components of the principles during onboarding, evaluation and periodic review meetings.

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

   The Company's Code of Conduct for the Board Members and Senior Management offers critical guidance on practices of ethics, integrity and honesty and provides details on mechanisms to manage conflict of interests. All Board Members are mandated with ensuring prevention of any conflict of interest and must make full disclosure to the Board or any other Committee as identified in case on any conflict.

   Further details can be found at: https://www.hcgoncology.com/wp-content/uploads/2022/01/Code-of-Conduct-for-the-Board-and-the-Senior-Management.pdf

Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	0	0	NA
Capex	0	0	NA

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

The Company procures all products and services through empaneled vendors, subject to robust and strict protocols and regulations. Efforts are focused on sourcing through vendors who demonstrate sustainable practices and are aligned with the Company's ESG agenda.

Further, utilizing a life cycle cost analysis approach, the Company continues to procure energy efficient supplies. Long term relationships with technology vendors, suppliers and other value chain partners have been cultivated, enabling provision of quality healthcare for all patients and sustainable value creation for all stakeholders.

b. If yes, what percentage of inputs were sourced sustainably?

The Company is committed to responsible sourcing and engaging with partners who demonstrate a strong commitment to sustainable and ethical practices. These efforts are evolving, and necessary efforts are being undertaken to bring about a holistic approach to sustainability across the value chain. Quantification of sustainability sourced inputs will be undertaken and reported on in subsequent financial years.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Waste reduction at the source is a critical element of the Company's waste management strategy. Focused efforts are continually made to enhance recycling efforts and ensure safe handling of waste for disposal. Detailed Waste Management Manuals have been developed containing clear guidance for effective waste management.

- Safe and proper disposal of **E-waste** is undertaken in line with the framework contained in the E-waste Management Manual. All e-waste is disposed of only through authorized collection centers or dealers through a designated take back service. The Manual includes Standard Operating Procedures (SOPs) for collection, storage and transportation of the E-waste in accordance with E-waste (Management) Rules 2016 and amendments thereof. It also provides details on safety procedures to be followed while storing, handling and transportation of E-waste and procedures for records retention.
- All **Hazardous Waste** generated is handled with careful precision and as per the Hazardous Waste Management Manual developed by the Company. This Manual includes applicability of Authorization and Grant from State Pollution Control Board (SPCB) under the Water (Prevention and Control of Pollution) Act, 1974 (25 of 1974) and the Air (Prevention and Control of Pollution) Act, 1981 (21 of 1981). Procedures for collection, storage and transportation of hazardous waste and procedures for records retention have also been specified.
- Other waste:
  - **Bio-medical waste** is handed over to the Common Bio Medical Waste Treatment Facility, authorized by SPCB as per Bio-Medical Waste Management Rules, 2016 Rules and amendments thereof.
  - **Used radiopharmaceutical products and vials** are disposed of through consulting manufacturers and other disposal options as per applicable regulations. A generator-return service offered by some manufacturers, enables disposal of generators through radioactive materials facilities for breakdown, lead-recycling, and radioactive- component disposal.
  - **General waste** is stored in a secured area and cleared regularly as per local municipality rules before collection by Municipal Authorities.
  - Disposal of **battery waste** is undertaken through buy back system with the supplier, covered through a PO/ MOU/Agreement. A Batteries Waste Management Manual has been developed for greater clarity of processes and procedures. It includes SOPs for collection, storage and transportation of the battery waste, safety procedures to be followed while storing, handling and transportation of waste and procedures for records retention.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

The Company has not conducted Life Cycle Perspective/ Assessments (LCA) for any of its services in FY 2022-23.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.

Category	FY 2022-23			FY 2021-22		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	1.54	0	0	0
E-waste	0	0	1.46	0	0	0.76
Hazardous waste	0	0	0.81	0	0	Not Monitored
Other waste	0	0	122.03	0	0	36.48

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable

Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. Details of measures for the well-being of employees.

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	3,071	3,071	100	3,071	100	-	-	3,071	100	-	-
Female	3,060	3,060	100	3,060	100	3,060	100	-	-	3,060	100
Total	**6,131**	**6,131**	**100**	**6,131**	**100**	**3,060**	**49.9**	**3,071**	**50.1**	**3,060**	**49.9**
Other than Permanent Employees											
Male	736	736	100	736	100	-	-	-	-	-	-
Female	558	558	100	558	100	507	90.9	-	-	507	90.9
Total	**1,294**	**1,294**	**100**	**1,294**	**100**	**507**	**39.1**	**-**	**-**	**507**	**39.1**

*The Company does not have any workers as defined in the BRSR Guidance Note.

2. **Details of retirement benefits.**

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	-	Y	100%	-	Y
Gratuity	100%	-	NA	100%	-	NA
ESI	30%	-	Y	64%	-	Y

*The Company does not have any workers as defined in the BRSR Guidance Note.

3. **Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

   Yes, all premises and offices of the Company are accessible to differently abled employees. To promote a culture of accessibility supported with inclusivity, necessary steps have been taken to bring about integration of relevant accessibility standards within all physical spaces comply.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.**

   As enshrined in our Code of Conduct, the Company is proud to be an equal opportunity employer. This commitment is integrated in all employment processes, including recruitment, hiring, promotion, and termination. The Company strongly upholds the merit-based principle and presents a zero-tolerance approach to discrimination based on race, color, religion, creed, caste, economic or social status, gender, nationality, citizenship, age, sexual orientation, physical disability, pregnancy, childbirth, marital status, medical condition, ancestry, language, sexual orientation, or any other characteristic. This commitment is also extended to any other protected classes as defined by applicable law.

   Further details can be found at: https://www.hcgoncology.com/wp-content/uploads/2022/01/HCG-Code-of-Conduct-Policy.pdf

5. **Return to Work and Retention Rates of Permanent Employees and Workers that took parental leave.**

Permanent Employees		
Gender	Return to Work Rate	Retention Rate
Male[5]	-	-
Female	89%	11%
Total	89%	11%

* The Company does not have any workers as defined in the BRSR Guidance Note

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

   The Company is committed to ethical and responsible business conduct, characterized by transparency and accountability. A robust Grievance Policy has been formalized to provide for an effective, equitable and secure management of grievances. All employees are provided with easy access to a safe channel of communication, wherein anonymity is offered to any complainant. The purpose of the system is to remedy grievances in a timely and satisfactory manner, while protecting the aggrieved.

   The policy provides clear guidance on the nature of grievances, the manner and mode of raising complaints and a clear escalation matrix. Further details can be found at: https://www.hcgoncology.com/wp-content/uploads/2022/01/GrevriancePolicy.pdf

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

   The Company does not recognize any employee associations.

[5] The Company currently does not offer paternity leave.

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Health and Safety Measures		Skill Upgradation		Total (D)	Health and Safety Measures		Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
Employees										
Male	3,807	3,121	82	3,025	79	2,862	Training on health and safety measures has not been tracked.		2,217	77.5
Female	3,618	2,999	83	2,906	80	2,817			2,047	72.7
Total	**7,425**	**6,120**	**82**	**5,931**	**80**	**5,679**			**4,264**	**75.08**

*The Company does not have any workers as defined in the BRSR Guidance Note.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	No. (B)	Total (C)	No. (D)	% (D/C)
Employees						
Male	3,071	2,523	82.2	2,862	1,795	62.7
Female	3,060	2,452	80.1	2,817	2,173	77.1
Total	**6,131**	**4,975**	**81.1**	**5,679**	**3,968**	**69.9**

*The Company does not have any workers as defined in the BRSR Guidance Note.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Inherent to the Company's culture of care is the provision of a safe and health workplace, wherein employee wellbeing is a critical priority. A comprehensive Employee Health and Safety Policy, applicable to both clinical and nonclinical staff, has been developed to provide a secure work environment for all employees. The policy is a strong indication of management's commitment to the health and safety of all employees and acknowledges the correlation between employee safety and optimal business performance.

Responsibilities of both the employer and employee in ensuring occupational health and safety and details on preventative measures are provided for in the policy. It covers a wide range of topics including work-related hazards, infection control practices, medical examinations, employee education on health and safety, radiation safety, and healthcare benefits.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The services provided by the Company are subject to the Hazard Identification and Risk Assessment (HIRA) method, which encompasses facility and gas cylinder safety. This method is implemented consistently across all HCG centers and emphasizes the importance of promoting awareness among both employees and management. To ensure compliance with these standards, the Quality department conducts regular audits.

The Quality Indicator Programs implemented by the Company include an incident management process that outlines the necessary steps for users to take in the event of a safety incident. The program also specifies how the Company records and tracks each occurrence at work units

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

The Company does not have any workers as classified in the BRSR Guidance Note. Details on processes available to employees for reporting of work-related hazards have been provided above.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, the Company provides its employees with access to medical and healthcare services not related to their occupation. Mediclaim coverage is offered to all employees, except for those covered under the ESIC. Employees under the ESIC coverage receive all relevant medical benefits as per the ESIC. In addition to this, all employees are entitled to receive discounted treatment at HCG Centers.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Employee	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Male	The Company tracks LTIFR on an internal basis. The same will be made publicly available in subsequent financial years.	
	Female		
Total recordable work-related injuries	Male	16	0
	Female	24	0
No. of fatalities	Male	0	0
	Female	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Male	0	0
	Female	0	0

*The Company does not have any workers as defined in the BRSR Guidance Note.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company has implemented several measures to ensure the safety and well-being of its employees at the workplace. These measures include regular training sessions that cover general health and safety practices as well as job-specific hazards. The Company also adopts the Hazard Identification and Risk Assessment (HIRA) method to identify potential risks associated with facility safety, occupational safety, chemical safety, fire safety, equipment safety, gas cylinder safety, and more. The Company also takes steps to minimize employees' and patients' exposure to radiation, and qualified personnel conduct regular assessments to assess potential risks.

Additionally, designated safety supervisors conduct periodic fire drills for enhanced emergency preparedness. The Company also provides periodic medical check-ups for employees based on the risk profile of their work area or applicable regulations.

13. Number of complaints on the following made by employees and workers.

Benefits	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	2	0	NA	0	0	NA
Health & Safety	7	0	NA	0	0	NA

*The Company does not have any workers as defined in the BRSR Guidance Note.

14. Assessments for the year.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	41%
Working Conditions	18%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Marsh Consultants (Life & Fire Safety) have audited HCG Eko Cancer Center Kolkata in New Town and HCG Cancer Centre Baroda. Suggested remedial actions include:

- Installation of glow luminous signage/indications for the fireman lift in floor areas
- Provision of inter-communication equipment in the lifts to communicate with the control room
- Placement of rubber mats in front of electrical panels in accordance with ISO 15652
- Ensuring quality of the fire system infrastructure for an effective and timely response
- Conducting an illumination study of the site
- Implementing staircase pressurization for the staircases

An auditor from IFC has audited Kolkata and KR unit for FY 22-23 for the verification of closure of the remedial actions suggested by Marsh consultants.

Significant efforts and investments are underway to assess the feasibility of the suggested measures and implementation strategy of the same.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

   Yes, as part of the Company's culture of care, life insurance and other compensatory packages are offered to bereaved family members in the event of demise of an employee. The objective of these provisions is to ensure family members receive timely support that prioritizes their safety and wellbeing.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   Payment of statutory dues is included as a contractual requirement with all value chain partners.

3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
FY 2021-22	0	0	0	0

*The Company does not have any workers as defined in the BRSR Guidance Note

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   Throughout the lifecycle of employment, the Company offers all employees with ample and equitable opportunities of skill enhancement and career growth. These opportunities enable employees to secure their career growth and achieve their highest potential. However, no formal transition assistance programs to help with continued employability and the management of career endings resulting from retirement or termination of employment is currently provided.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	75%
Working conditions	90%

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   Not Applicable

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company actively engages with stakeholders, carefully identifying critical material issues, and is committed to effectively addressing stakeholder expectations. As a responsible company, we are steadfast in our commitment to cultivating strong and meaningful relationships with stakeholders. We have identified and analyzed its stakeholders, both internal and external. These stakeholders encompass various groups such as the workforce, clients, investors, governmental and regulatory bodies, non-governmental organizations, academic institutions, local communities, shareholders, and suppliers.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulatory authorities	No	▪ Website ▪ Newspaper ▪ Email	Quarterly/ annually / event based	▪ Perceptions and viewpoints regarding regulatory shifts. ▪ Impending legislation ▪ Compliance with applicable laws.
NGOs	Yes	Antardhwani, a Company-led initiative, engages informally with various social organizations to seek expert guidance tailored to the specific needs and requirements of each project. The Antardhwani website serves as a reliable and up-to-date source of information for all communication related to these partnerships, and regular email updates are also sent out to keep stakeholders in the loop. This collaborative effort allows us to leverage the collective expertise and resources of both the private and social sectors, resulting in meaningful and impactful initiatives that make a real difference in the communities we serve.		
Academia	No	▪ Letters ▪ Documents for Affiliation ▪ Admissions & examinations ▪ Mail and postal communication ▪ Online SUGAM portal ▪ Online submission portal	Monthly/ Half yearly/ on need basis	▪ Ethics Committee related details ▪ Address change ▪ Members list update ▪ Serous Adverse Event (SAE) opinion letter ▪ Publication of online and hard copy of Journal of Precision Oncology ▪ Submission of Research and Clinical Trial application
Employees	No	▪ E-mail ▪ SMS ▪ Meetings ▪ Notice Board ▪ Website ▪ IntraNet (Spider) Communications	Annually/ Half yearly/ Quarterly/ Monthly	▪ Business Communication ▪ Employee Policy & Benefits ▪ Regular Company updates / Training Needs
Customers	Yes	▪ Website ▪ Newspaper ▪ Email ▪ SMS ▪ Pamphlets ▪ Helpline Desk	Quarterly/ annually/ event based	Treatment Reports/Offerings.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers	No	▪ Digital Meetings ▪ In person meetings ▪ E-mail	Quarterly/ Half Yearly/ Annually with Strategic vendors & with other vendors once in a year /need basis	▪ Performance feedback ▪ Updation about change in regulation and terms and conditions pertaining to supplies/ services.
Local community	No	▪ Community Meetings	Annual/Half Yearly / Quarterly	▪ Developmental /Educational needs as part of the Company's CSR obligation
Investors	No	▪ Website ▪ Newspaper ▪ Email ▪ Meetings	Quarterly/ half yearly/ annually/ event based	▪ Financial Results / other Corporate Announcements as per applicable laws
Shareholders	No	▪ Website ▪ Newspaper ▪ Email	Quarterly/ annually/ event based	▪ Financial Results / other Corporate Announcements as per applicable laws

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Company recognizes the criticality of focused stakeholder engagement for timely identification of and action on environmental and social issues relevant to business. Emerging from the extensive stakeholder engagement exercise undertaken in FY 2022-23, material issues were identified and presented to the highest governing member and the Board for their consideration towards guiding strategy and decision making. The stakeholder engagement exercise is periodically reviewed as part of the Company's efforts to continuously interact with internal and external stakeholder groups for identification of the important material issues influencing them.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the Company has undertaken a comprehensive materiality assessment in FY 2022-23 involving key stakeholders such as patients, government bodies, employees, suppliers, investors, and society. This assessment supported identification and prioritization of social and environmental material issues that have a significant impact on the business. Through regular engagement with these stakeholders, the Company ensures that expectations are promptly recognized and responsibly addressed, promoting effective communication and alignment.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Engagement with vulnerable and marginalized stakeholder groups is driven by the Company's detailed Corporate Social Responsibility (CSR) Policy. CSR programs implemented by the Company focus on holistic empowerment of all community members, by providing them with accessible and equitable opportunities of development. Critical focus areas of the Company's social empowerment programs include nutrition, health and wellbeing, education, gender equality, environmental sustainability, rural development and national heritage, art and culture.

   In order to gauge community needs and expectations, prior to implementation of CSR programs, a detailed needs assessment is undertaken. All programs are also subject to stringent monitoring to track effectiveness and undergo impact assessments on completion to identify achieved impact vis-à-vis desired impact. Further details may be found at: https://www.hcgoncology.com/wp-content/uploads/2022/10/HCG-CSR-Policy.pdf

Principle 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	6,131	2,981	49	5,679	4,264	75.1
Other than permanent[6]	1,294	0	0	1,093	819	74.9
Total	**7,425**	**2,981**	**40**	**6,772**	**5,083**	**75.1**

*The Company does not have any workers as defined in the BRSR Guidance Note

2. Details of minimum wages paid to employees and workers.

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**6,131**	**0**	**0**	**6,131**	**100**	**5,680**	**0**	**0**	**5,680**	**100**
Male	3,071	0	0	3,071	100	3,635	0	0	3,635	100
Female	3,060	0	0	3,060	100	2,045	0	0	2,045	100
Other than permanent	**1,294**	**0**	**0**	**1,294**	**100**	**1,093**	0	0	**1,093**	**100**
Male	736	0	0	736	100	700	0	0	700	100
Female	336	0	0	336	100	393	0	0	393	100

*The Company does not have any workers as defined in the BRSR Guidance Note.

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	950,000	2	4,550,000
Key Managerial Personnel	1	13,224,996	1	5,298,996
Employees other than BoD and KMP	3,071	276,000	3,060	240,000

*The Company does not have any workers as defined in the BRSR Guidance Note

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company is committed to the protection and promotion of human rights. As provided for in the Code of Conduct, all employees are expected to conduct themselves in a responsible and respectful manner and must strictly adhere to the same. Further, as required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act of 2013, an Internal Complaints Committee has been established for sensitive and appropriate handling of concerns related to sexual harassment.

[6] The Company ensures that all other than permanent employees are familiarized and adhere to the Code of Conduct and other applicable Company policies. However, no formal trainings on Human Rights were provided to other than permanent employees for FY 2022-23

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

All complaints with respect to human rights grievances are addressed under the ambit of the Company's detailed Grievance Policy. The Policy provides clear details on the mechanism to raise a complaint and the resolution process to be followed. Across the lifecycle of the complaint, all aggrieved persons are treated with sensitivity and anonymity. Further details may be found at: https://www.hcgoncology.com/wp-content/uploads/2022/01/GreviancePolicy.pdf

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	5	0	All complaints were resolved in the stipulated time	5	0	All complaints were resolved in the stipulated time
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights-related issues	0	0	NA	0	0	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is strongly committed to protecting the identity and preventing any adverse repercussions towards complainants in discrimination and harassment cases. Under the ambit of the Company's policies, including the Whistle Blower Policy, Code of Conduct, and Grievance Policy, all aggrieved persons are offered anonymity and are protected from any adverse consequences. prioritize protecting the identity and confidentiality of complainants throughout the investigation process. Regular training on human rights is also provided to all employees to ensure awareness and create a culture of inclusivity and protection.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, aligned to the Code of Conduct, human rights requirements form a critical component of all business agreements, contracts and purchase orders of the Company.

9. Assessments of the year

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

   The Company undertakes a regular review of its policies and business processes and updates are made as applicable, in line with regulatory changes or internal requirements. The periodicity of this review is every 2 to 3 years.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

   The Company undertakes vulnerability mapping for respective areas of business and will undertake due diligence shortly.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   All of the Company's offices and facilities are designed to accommodate visitors with disabilities, ensuring accessibility for all.

4. **Details on assessment of value chain partners:**

	% Of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	90%
Discrimination at workplace	80%
Child labour	100%
Forced/involuntary labour	100%
Wages	75%

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   Not Applicable

Principle 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22[7]
Total electricity consumption (A)	1,17,349.41	137,942.08
Total fuel consumption (B)	41,423.52	6,669.28
Energy consumption through other sources (C)	33.31	0
Total energy consumption (A+B+C)	**1,58,806.24**	**1,44,611.36**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (GJ/Million INR)	15.76	23.66

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Not Applicable

[7] Based on updated data collected for FY 2021-22, the figures have changed as compared to public reporting undertaken in the BRSR FY 2021-22

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22[8]
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	3,11,438.75[9]
(ii) Groundwater	3,88,053.59	
(iii) Third party water (Municipal water supplies)	31,226.55	
(iv) Seawater / desalinated water	0	0
(v) Others	27,552.72	
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**4,46,832.86**	**3,11,438.75**
Total volume of water consumption (in kiloliters)	**4,46,832.86**	**3,11,438.75**
Water intensity per rupee of turnover (Water consumed / turnover) (KL/million INR)	44.34	50.96

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No, the Company has not implemented a mechanism for Zero Liquid Discharge.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

The Company internally monitors air emissions (other than GHG emissions). Public reporting on the same will be undertaken in the subsequent financial years.

Parameter	Unit	FY 2022-23[10]
NOx	Metric tonnes	2.42
SOx	Metric tonnes	1.29
Particulate matter (PM)	Metric tonnes	11.75
Persistent organic pollutants (POP)	Metric tonnes	0
Volatile organic compounds (VOC)	Metric tonnes	0
Hazardous air pollutants (HAP) ▪ Carbon Monoxide	Metric tonnes	0.78
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	Metric tonnes	0

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23[11]
Scope 1	Metric tonnes of CO2 equivalent	2929.13
Scope 2	Metric tonnes of CO2 equivalent	21769
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 equivalent per million INR	2.45

7. Does the entity have any project related to reducing Greenhouse Gas emission? If yes, then provide details.

The Company is committed to a reduced energy footprint and takes steps for the reduction of Greenhouse Gas (GHG) emissions. Rigorous tracking and monitoring of energy consumption is undertaken across the Company, enabling effective energy management. Additionally, internal thresholds have also been set to limit consumption within permissible limits.

[8] Based on updated data collected for FY 2021-22, the figures have changed as compared to public reporting undertaken in the BRSR FY 2021-22

[9] Reporting for FY 2021-22 has been undertaken on a consolidated basis. Disaggregated figures have been made available from FY 2022-23

[10] The Company has undertaken public reporting of air emissions (other than GHG emissions) from FY 2022-23

[11] The Company has undertaken public reporting of Scope 1 and Scope 2 emissions from FY 2022-23

Focused efforts are continually being made to reduce the dependency on fossil fuels and shift to low-carbon sources on energy. To this end, the Company has installed solar roof tops across facilities, enhancing the transition to transition to sustainable energy. Installation of a 2.25-MegaWatt solar plant in in Karnataka's Jagaluru Village, situated in the Davangere district is expected to generate 45 lakh units of clean energy on an annual basis, offsetting approximately 3,300 tons of carbon emissions on a year-on-year basis. It is also expected to reduce expenditure on energy consumption by approximately 70%. Further, LED lights have also been installed for greater conservation of energy and a green energy footprint.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tons)		
Plastic waste (A)	1.54	NA
E-waste (B)	0.64	0.76
Bio-medical waste (C)	301.16	296.00
Construction and demolition waste (D)	0	NA
Battery waste (E)	0.82	NA
Radioactive waste (F)	0	NA
Other Hazardous waste (G) ▪ DG set oil	0.74	NA
Other Non-hazardous waste generated (H) ▪ Metal waste ▪ Paper and carton box waste	51.91	36.48
Total (A+B + C + D + E + F + G + H)	**356.81**	**333.24**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	297.65	296.76
(ii) Landfilling	5.69	0
(iii) Other disposal operations	53.46	36.48
Total	**356.81**	**333.24**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company's waste management strategy places strong emphasis on reducing waste at the source. Disposal of all waste is undertaken in line with applicable regulations and requirements. Comprehensive Waste Management Manuals have also been formalized by the Company for proper treatment of waste across the organization.

Detailed information is provided in internal manuals for proper disposal of hazardous waste generated across the Company. This includes the requirement of Authorization and Grant from State Pollution Control Board (SPCB) under the Water (Prevention and Control of Pollution) Act, 1974 (25 of 1974) and the Air (Prevention and Control of Pollution) Act, 1981 (21 of 1981). Additionally, all biomedical waste is safely disposed through segregation, in line with the Bio-Medical Waste Management Rules 2016. Further, all used radiopharmaceutical products and vials are safely managed through manufactures, aligned to relevant regulations.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable. The Company does not have operations/offices in/around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The Company has not undertaken any environmental impact assessments for the financial year 2022-23.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant with all applicable environmental law/ regulations/ guidelines in India.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23[12]
Renewable Sources	
Total electricity consumption (A)	6,970.77
Total fuel consumption (B)	0
Energy consumption through other sources (C)	0
Total energy consumed from renewable sources (A+B+C)	**6,970.77**
Non-renewable Sources	
Total electricity consumption (D)	1,10,379.41
Total fuel consumption (E)	41,423.52
Energy consumption through other sources (F)	33.31
Total energy consumed from non-renewable sources (D+E+F)	**1,51,836.24**

2. Provide the following details related to water discharged:

Parameter	FY 2022-23[13]
Water discharge by destination and level of treatment (in kiloliters)	
(i) To Surface water	0
- No treatment	0
- With treatment – please specify level of treatment	0
(ii) To Groundwater	
- No treatment	31,236
- With treatment – please specify level of treatment	0
(iii) To Seawater	0
- No treatment	0
- With treatment – please specify level of treatment	0
(iv) Sent to third parties	
- No treatment	33.28
- With treatment – please specify level of treatment	0
(v) Others	
- No treatment	24.7
- With treatment – please specify level of treatment	0
Total water discharged (in kiloliters)	**31,293.98**

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

The Company does not have any units in areas of water stress.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Efforts are underway to track and record this data and it will be made available in the subsequent years.

[12] The Company has initiated tracking and public reporting of energy consumption by source from FY 2022-23

[13] The Company has initiated tracking and public reporting of water discharge data from FY 2022-23

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Company has no operations/offices in/around ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative Undertaken	Details of the Initiative (Web-link, if any, may be provided along with summary)	Outcome of the Initiative
1.	Installation of solar rooftop	In an effort to conserve energy and promote green initiatives towards sustainable healthcare and decreased carbon footprint, the Company has installed a 2.25MW Solar Power Plant in Karnataka's Jagaluru Village, situated in the Davangere district. The newly installed power plant is spread across 7.2 acres of land. The project is HCG's contribution towards improving environmental and social factors through energy optimization and an attempt to achieve zero emissions. As a phase 1 initiative solar power project is implemented at HCG's flagship center in Bengaluru KR Road and HCG Suchirayu Hospital in Hubli.	▪ Optimize energy usage ▪ Expected power generation of 1,040 lakh units over a period of 25 years, leading to reduction of carbon emissions by approximately 76,200 metric tons ▪ Enable annual savings of up to INR 4.2 Crore

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has a business continuity and disaster management plan in place for all business-critical software services and systems. This plan provides critical information to ensure business continuity in the event of any unforeseen circumstances at the primary location. This involves regularly maintaining backups and restoration cycles to enable a faster and time-bound recovery from disasters. The plan is reviewed and once a year through mock drills, and the findings are recorded to identify areas for improvement. The DR Drill is conducted in the middle of the financial year.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not Applicable

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The Company places significant emphasis on promoting sustainability throughout its value chain by collaborating with partners who adhere to sustainable operating practices. It actively assesses opportunities for conducting environmental impact assessments, considering the potential effects on the environment. In line with this commitment, appropriate steps will be taken in subsequent financial years to address and mitigate any identified environmental impacts, further reinforcing the Company's dedication to sustainable practices.

Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

The Company is not affiliated with any trade or industry chambers/associations.

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

Not Applicable

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not Applicable

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1.	Alternative Tobacco Farming Antardhwani	Antardhwani is helping tobacco farmers in Hunsur (Mysore), India's major tobacco hub, to switch to growing ethically and financially viable crops. Fifty tobacco farmers of the region are part of this pilot project and have stopped growing tobacco in one acre of their respective land. They have been provided hi-grade saplings of sandalwood and seasonal fruits free of cost. Farmers have been availing expert guidance in the initiative.	Yes	Review is conducted on a need-basis.	https://antardhwani-theinnervoice.org/healthcare.php
2.	Antardhwani	Antadhwani has filed a PIL in Delhi HC questioning the Govt of India about non-use of the Secondary & Higher Education Cess amounting to around Rs 98,000 and collected over a period of 10 years from the citizens of India. The court has issued notices to the respondents and awaiting response.	Yes	Review is conducted on a need-basis.	https://antardhwani-theinnervoice.org/healthcare.php healthcare. php
3.	Antardhwani	Antardhwani is taking up taxpayer's rights by bringing along financial experts, citizen activists, lawmakers, trade representatives, bureaucrats on a forum to discuss the actionable steps. Antardhwani is also looking at forming a National Taxpayer's Platform.	Yes	Review is conducted on a need-basis.	https://antardhwani-theinnervoice.org/healthcare.php
4.	Antardhwani Conversations	Antardhwani has hosted periodic discussions - Antardhwani Conversations - to deliberate on key social issues and find viable solutions.	Yes	Review is conducted on a need-basis.	https://antardhwani-theinnervoice.org/healthcare.php
5.	Antardhwani	Women Leadership in Rural Areas: During the last financial year, women in Gundlupet taluk were trained in leadership skills. The women underwent a six-month training in community leadership. The Company plans to scale it up this year by taking up a scheduled module to train at least 300 women in leadership.	Yes	Review is conducted on a need-basis.	https://antardhwani-theinnervoice.org/index.php

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
6.	Antardhwani	What India Needs (WIN) series: A Series on Shaping the Future of India. WIN Series will bring India's finest minds sharing their 5-point vision of WIN to become future ready. India is standing at the cusp of a great change and its people are racing against time to return their nation to its ancient glory. WIN Series will be a platform where changemakers from backgrounds as diverse as academics, politics, business, bureaucracy, science, medicine, technology, law, social service, arts, and more will reveal their profound ideas of making India progressive and prosperous. The WIN Series is already up on the Company's website as well as all the social media handles.	Yes	Review is conducted on a need-basis.	https://antardhwani-theinnervoice.org/index.php
7	Antardhwani	PODCASTS: To propagate thought leadership, recently, the Company has initiated podcasts to get issues debated among the public at large.	Yes	Review is conducted on aneed-basis.	https://antardhwani-theinnervoice.org/index.php

Principle 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

In the reporting year, the Company has not undertaken any Social Impact Assessments of projects.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

None of the Company's operations or units have resulted in community displacement. As a result, no project required Rehabilitation and Resettlement (R&R) in the reporting year.

3. Describe the mechanisms to receive and redress grievances of the community.

The Company is committed to protecting the local communities in and around operational areas. Strong emphasis is given on minimal adverse impact on local communities and timely redressal in the event of an unforeseen impact. Proactive measures are taken to prevent adverse consequences for local communities. Moreover, the Company adheres to an open-door policy that promotes transparency and accountability, providing a platform for community members to voice any grievances they may have

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	3.6	2.6
Sourced directly from within the district and neighboring districts	96.4	97.4

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

The Company has not undertaken any CSR projects in designated aspiration districts for FY 2022-23.

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

The Company does not have a preferential procurement policy.

b. From which marginalized /vulnerable groups do you procure?

Not Applicable

c. What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefited from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
1.	Women Leadership	▪ Phase 1: 814 ▪ Phase 2: 400	▪ 31% Scheduled Caste (SC) and Scheduled Tribe (ST)
2.	Model Village	▪ 80 households in 1 village	▪ 50 Below Poverty Line (BPL) families ▪ 70% Other Backward Classes (OBC) families
3.	Experiential Learning for Students	▪ 441	▪ 45%
4.	Skill Development	▪ 200 students completed the Orientation Program ▪ Certificates have been issued to 7 students	▪ 80% underprivileged youth ▪ 43% youth belonging to Scheduled Caste (SC), Scheduled Tribe (ST)
5.	Teachers Training	▪ 18	▪ 60%
6.	Tree Planting	The Company has planted approximately 100 trees during FY 2022-23. This benefits the community at large.	

Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has established a robust mechanism to receive and address consumer complaints and feedback. The hospital centers have designated teams to receive and handle customer feedback pertaining to their hospital stay. Feedback is then discussed in daily huddle meetings and weekly quality meetings with the relevant Head of Departments and Center Heads, with minutes of the meetings being recorded.

To further enhance its responsiveness to consumer feedback, the Company utilizes Konnect Insights, a tool that promptly collects online complaints and feedback through various channels, including Facebook, Google listings, and LinkedIn. A dedicated resource is alerted within an hour of receiving the complaint and escalates it to the appropriate unit for resolution. Depending on the level of the complaint, the timeline to resolve an issue range from 24-48 hours.

Moreover, the Ahmedabad Hello HCG team collects patient feedback, and discharged patients receive 48-hour follow-up calls. The Company also sends SMS links for feedback to patients' registered mobile numbers and has established a centralized mail ID for monitoring patient feedback. Additionally, feedback from OPD and other investigation patients is also included in the Company's feedback mechanism. These measures enable the Company to promptly and effectively address any consumer concerns and continuously improve the quality of its services.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Not Applicable

3. Number of consumer complaints in respect of the following:

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	2	Pending material disputes being contested before the court of law/ appropriate authority	NA	4	Pending material disputes being contested before the court of law/ appropriate authority	This includes 2 (two) cases outstanding resolution as on March 31, 2021
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	0	0	NA	0	0	NA

4. Details of instances of product recalls on account of safety issues:

Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company has implemented a comprehensive cyber security framework based on ISO 27001:2022 requirements, with a focus on protecting sensitive information and mitigating data privacy risks. The framework includes several policies such as the HCG ISMS Information Security Policy, the HCG ISMS Physical and Environmental Security Policy, and the HCG ISMS Data Privacy Policy. The Company has taken proactive measures to safeguard its valuable assets by using perimeter devices and monitoring all network devices and server logs in a Security Operations Center (SOC) with a Security Information and Event Management (SIEM) solution, ensuring all round and real time coverage. These policies are readily accessible to all employees through the Company's intranet portal

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Complaints received on delivery of essential services are pending resolution by the appropriate authority. Hence, remedial measures will be instituted on closure of the complaint.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   All information about the Company is available on the corporate website: https://www.hcgoncology.com/

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The Company offers consultation sessions and provides educational materials to patients to inform them about the services that are available to them.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   The Company takes steps to inform consumers about any potential disruption or discontinuation of essential services by including relevant information in patient consent forms. These forms outline procedures, risks, benefits, and alternative options available. Additionally, as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Company is obligated to promptly notify the Stock Exchanges of any material events that may impact its operations.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief.**

   Not Applicable

5. **Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   To achieve its goal of bringing better health for people, the Company follows an innovation-driven and people-centric business model. Regular communication with patients is facilitated through a feedback platform, which helps in identifying areas for improving patient engagement and addressing any service quality gaps. Patient feedback is collected through the Patient Smile application and the Company website, covering day-care patients, outpatient and in-patient. The application enables strategic monitoring of service excellence through satisfaction index (NPS), Google reviews, and website reviews.

6. **Provide the following information relating to data breaches:**

a. **Number of instances of data breaches along-with impact**

   No instance of data breach encountered for FY 2022-23.

b. **Percentage of data breaches involving personally identifiable information of customers**

   Not Applicable

Financial Statements

Independent Auditor's Report

To
The Members of **HealthCare Global Enterprises Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of HealthCare Global Enterprises Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

The key audit matter	How the matter was addressed in our audit
Impairment evaluation of investment in subsidiaries, related loans and goodwill **A. Impairment of investment in subsidiaries and related loans** Refer note 3(s), note 8, note 9 and note 31 to the standalone financial statements. Investments in subsidiaries and related loans are significant item on the balance sheet for which the Company assesses at each reporting date if there is an indication, based on either internal or external sources of information, that investments in subsidiaries / loans may be impaired. Where such indicators exist, the Company performs impairment testing. In performing such impairment assessment, the Company compares the carrying value of investments and related loans, where applicable, with their respective recoverable values to determine whether any impairment loss should be recognised. This involves using key assumptions including estimates of revenue growth rate, profitability, discount rate and terminal growth rate. Any changes to these assumptions could result in different recoverable values. In view of the significance of the carrying amounts of these assets and significant judgments required to compute recoverable values, we have determined this to be a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, amongst others to obtain sufficient appropriate audit evidence: ▪ Assessed the appropriateness of accounting policy for impairment of investment in subsidiaries, related loans and goodwill as per relevant accounting standards. ▪ Evaluated the design and implementation of key internal financial controls relating to impairment process and tested the operating effectiveness of such controls. ▪ Evaluated the assessment of impairment indicators with respect to investments in subsidiaries and related loans considering internal or external sources of information, as performed by the Company. ▪ We assessed the adequacy of the level of impairment by: – evaluating with the help of our valuation specialists, where required, appropriateness of the valuation methodology and of key assumptions, specifically those relating to revenue growth rates, profitability, discount rates and terminal growth rates with reference to our understanding of their business and industry, historical trends and underlying business strategies and growth plans;

The key audit matter	How the matter was addressed in our audit
B. Impairment of Goodwill Refer note 3(i), note 3(n)(ii), note 7, and note 7(A) to the standalone financial statements. Goodwill is a significant item on the standalone balance sheet for which the Company performs impairment testing at least annually. In performing such impairment assessments, the Company compares the carrying value of each of the identifiable Cash Generating Units ("CGUs") to which the goodwill has been allocated with its respective recoverable values, to determine whether any impairment loss should be recognised. The Company's process of assessment of impairment of goodwill involves using key assumptions including estimates of revenue growth rate, profitability, discount rate and terminal growth rate. Any changes to these assumptions could result in different carrying value. Due to the significance of the carrying amount of goodwill and significant judgments required to compute recoverable values, we have determined this to be a key audit matter.	– performing sensitivity analysis of the key assumptions. ▪ Assessed the adequacy of disclosures in the standalone financial statements in accordance with the relevant accounting standards.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and auditor's report(s) thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements.

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

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

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47(iv) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47(v) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Vikash Gupta
Partner
Membership No.: 064597
ICAI UDIN:23064597BGYQPS7758

Place: Bangalore
Date: 25 May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of HealthCare Global Enterprises Limited for the year ended 31 March 2023

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

(₹ in million)

Description of property	Gross carrying value (Amount in INR Millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Ahmedabad – Freehold land – Building on above land	 27.09 129.77	HCG Medi-surge Hospitals Private Limited	–	Since 11 years	These entities were merged with the Company.
Bengaluru – Freehold land – Building on above land	 73.23 191.11	Banashankari Medical and Oncology Research Centre Private Limited	–	Since 14 years	
Vijayawada – Freehold land – Building on above land	 31.75 129.74	Healthcare Global Vijay Oncology Private Limited	–	Since 9 years	

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments and granted loans to companies, limited liability partnership or any other parties in respect of which the requisite information is as below. The Company has not made any investments in firms.

(a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to its subsidiaries and joint venture.

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to other parties as below:

(₹ in million)

Particulars	Loans
Aggregate amount during the year – Other parties	15.96
Balance outstanding as at balance sheet date – Other parties	9.82

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, loans given and guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the loan of ₹ 227.61 million given to Niruja Product Development and Healthcare Research Private Limited and the loan of ₹ 30.38 million given to Healthcare Global Senthil Multi-Speciality Hospital Private Limited given in the earlier years and interest thereon are repayable on demand. As informed to us, the Company has received the repayment of loans demanded during the year. The payment of interest were not demanded during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The Company has not demanded repayment of the loan of ₹ 180.61 million given to Niruja Product Development and Healthcare Research Private Limited and the loan of ₹ 1.02 million given to Healthcare Global Senthil Multi-Speciality Hospital Private Limited during the year and these amounts were fully provided for by the Company in the earlier years. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. The Company has not given any loans, or provided any security as specified under Section 185 and Section 186 of the Companies Act, 2013.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (INR in million)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty	15.2(0.6)*	April 2009 to March 2014	Central Excise, Customs and Service Tax Appellate Tribunal (CESTAT)
The Central Excise Act, 1944	Excise duty	13.14	March 2013 to June 2015	Commissioner (Appeals) of Central Excise
The Karnataka Value Added Tax Act, 2003	Value Added Tax	29.90 (29.90)*	Financial year 2013-14 to financial year 2014-15	Karnataka Appellate Tribunal, Bengaluru
The Central Sales Tax Act, 1956	Value Added Tax	9.46 (14.59)*	Financial year 2014-15 to financial year 2016-17	Deputy Commissioner of Commercial Taxes, Bangalore
The Karnataka Value Added Tax Act, 2003	Value Added Tax	3.12 (3.12)*	Financial year 2015-16 to financial year 2016-17	Joint Commissioner, Department of Commercial Taxes, Bengaluru
Gujarat Value Added Tax Act, 2003	Value Added Tax	12.94 (1.30)*	Financial year 2014-15 to financial year 2016-17	Deputy Commissioner of State Tax, Ahmedabad
Andra Pradesh Value Added Tax, 2005	Value Added Tax	2.5 (0.4)*	Financial year 2011-12 to financial year 2014-15	High Court of Andhra Pradesh

*Represents amount paid under protest

Amount disclosed above includes interest and penalties demanded, where applicable.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. Further, according to the information and explanations given to us and based on our examination of the records of the Company, the amount raised in the previous years and partially unutilised as at the previous year end have been used during the year for the purposes for which the funds were raised.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Annual report is expected to be made available to us after the date of this auditor's report.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Vikash Gupta
Partner
Membership No.: 064597
ICAI UDIN:23064597BGYQPS7758

Place: Bangalore
Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of HealthCare Global Enterprises Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

Opinion

We have audited the internal financial controls with reference to financial statements of HealthCare Global Enterprises Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Vikash Gupta
Partner
Membership No.: 064597
ICAI UDIN:23064597BGYQPS7758

Place: Bangalore
Date: 25 May 2023

Standalone Balance Sheet as at 31 March 2023

(₹ in million)

Particulars	Note No	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	5,228.51	4,770.44
(b) Capital work-in-progress	5	92.20	48.19
(c) Right-of-use assets	6	1,534.58	1,762.67
(d) Goodwill	7	962.60	962.60
(e) Other intangible assets	7	150.59	242.72
(f) Financial assets			
(i) Investments	8	4,749.34	4,386.56
(ii) Loans receivable	9	–	39.01
(iii) Other financial assets	10	235.44	212.32
(g) Deferred tax assets (net)	32.3	–	0.68
(h) Income tax assets (net)	32.4	436.58	299.49
(i) Other non-current assets	11	182.06	149.93
Total non-current assets		**13,571.90**	**12,874.61**
Current assets			
(a) Inventories	12	212.17	173.03
(b) Financial assets			
(i) Trade receivables	13	2,123.71	1,602.45
(ii) Cash and cash equivalents	14	703.06	1,199.56
(iii) Bank balance other than cash and cash equivalents above	14.1	100.59	–
(iv) Loans receivable	9	11.68	10.24
(v) Other financial assets	10	286.68	408.42
(c) Other current assets	11	287.29	167.86
Total current assets		**3,725.18**	**3,561.56**
TOTAL ASSETS		**17,297.08**	**16,436.17**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,391.16	1,390.12
(b) Other equity	16	10,060.06	9,586.79
Total equity		**11,451.22**	**10,976.91**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,127.23	820.25
(ii) Lease liabilities	6	1,992.47	2,177.76
(iii) Other financial liabilities	18	39.67	54.24
(b) Provisions	20	95.00	77.91
(c) Deferred tax liability	32.3	102.76	–
(d) Other non-current liabilities	19	280.75	178.26
Total non-current liabilities		**3,637.88**	**3,308.42**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	87.74	254.24
(ii) Lease liabilities	6	264.46	237.59
(iii) Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		26.30	11.65
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,063.74	951.70
(iv) Other financial liabilities	18	349.91	298.11
(b) Other current liabilities	19	253.50	256.31
(c) Provisions	20	140.35	141.24
(d) Current tax liabilities (net)	32.4	21.98	–
Total current liabilities		**2,207.98**	**2,150.84**
TOTAL EQUITY AND LIABILITIES		**17,297.08**	**16,436.17**
Significant accounting policies	3		

The accompanying notes are an integral part of these standalone financial statements

As per our reports of even date attached

***for* B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date : 25 May 2023

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

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

Place : Chicago
Date : 25 May 2023

Meghraj Arvindrao Gore
Whole-time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 25 May 2023

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 25 May 2023

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 25 May 2023

Standalone Statement of Profit and Loss

for the year ended 31 March 2023

(₹ in million)

	Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
I	**Income**			
	Revenue from operations	22	10,055.73	8,498.30
	Income from government grant	23	20.21	21.31
	Other income	24	87.98	102.85
	Total Income (I)		**10,163.92**	**8,622.46**
II	**Expenses**			
	Purchases of medical and non-medical items		2,402.00	2,132.55
	Changes in inventories	25	(39.15)	(29.36)
	Employee benefits expense	26	1,750.27	1,566.32
	Finance costs	27	414.88	427.95
	Depreciation and amortisation expense	28	889.72	883.60
	Other expenses	29	4,139.99	3,360.10
	Total expenses (II)		**9,557.71**	**8,341.16**
III	**Profit before exceptional items and tax (I- II)**		**606.21**	**281.30**
IV	**Exceptional items, net (loss) / gain**	31	(30.00)	529.11
V	**Profit before tax (III+IV)**		**576.21**	**810.41**
VI	**Tax expense**			
	(1) Current tax	32.1	70.00	157.00
	(2) Deferred tax expense	32.1	104.30	270.88
	Total tax expense		**174.30**	**427.88**
VII	**Profit for the year (V-VI)**		**401.91**	**382.53**
VIII	**Other comprehensive income/ (loss)**			
	(i) Items that will not be reclassified subsequently to profit or loss			
	– Remeasurements of the defined benefit plans	37.2	(2.46)	(6.80)
	– Income tax effect on (i) above	32.2	0.86	2.38
	(ii) Items that will be reclassified to profit or loss			
	– Effective portion of gain on hedging instruments in a cash flow hedge	40	–	11.77
	– Income tax on effect (ii) above	32.2	–	(4.08)
	Other comprehensive income/ (loss) for the year, net of income tax		**(1.60)**	**3.27**
XI	**Total comprehensive income for the year (VII+VIII)**		**400.31**	**385.80**
	Earnings per equity share of ₹ 10/- each:			
	Basic (in ₹)	35.1	2.89	2.95
	Diluted (in ₹)	35.2	2.88	2.83
	Significant accounting policies	3		

The accompanying notes are an integral part of these standalone financial statements

As per our reports of even date attached

***for* B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date : 25 May 2023

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

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

Place : Chicago
Date : 25 May 2023

Meghraj Arvindrao Gore
Whole-time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 25 May 2023

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 25 May 2023

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 25 May 2023

Standalone Cash Flow Statement for the year ended 31 March 2023

(₹ in million)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities			
Profit before tax for the year		**576.21**	**810.41**
Adjustments for :-			
Finance costs		414.88	427.95
Gain on investment revalued at FVTPL		(0.35)	(1.24)
Guarantee commission income		(16.10)	(16.46)
Loss on disposal of property, plant and equipment		11.88	0.81
Trade receivable written off (net)		317.12	–
Provision for bad and doubtful receivables		(111.98)	97.84
Interest income		(63.41)	(75.84)
Income from government grant		(20.21)	(21.31)
Depreciation and amortisation expense		889.72	883.60
Payables no longer required written-back		(2.26)	–
Expenses on employee stock option scheme		59.69	28.33
Net foreign exchange (gain)		(4.04)	(3.65)
Exceptional items: Non-cash expenditure	31	30.00	(529.11)
Movements in working capital:			
Changes in trade receivables		(553.96)	(221.80)
Changes in inventories		(39.14)	(29.37)
Changes in loans, financial assets and other assets		(178.30)	(158.97)
Changes in trade payables, financial liabilities and other liabilities		152.94	190.62
Changes in provisions		13.74	9.35
Cash generated from operations (previous year amount includes settlement of ₹ 65.57 million, pertaining to pre-existing balances pursuant to acquisition of business referred in Note 45)		**1,476.43**	**1,391.16**
Income taxes paid (net of refunds)		(172.47)	(147.21)
Net cash generated from operating activities (A)		**1,303.96**	**1,243.95**
Cash flows from investing activities			
Fixed deposits invested		(480.46)	(821.50)
Proceeds from maturity of fixed deposits		377.98	1,890.54
Acquisition of property, plant and equipment		(1,021.27)	(424.48)
Interest received		39.48	104.24
Investment in subsidiaries		(419.88)	(1,191.38)
Investment - others		(2.00)	–
Payment for acquisition of business (net) (refer note 45)		–	(747.93)
Advance for acquisition of business (refer note 11.1)		(20.00)	–
Proceeds from sale of investment in joint venture		–	1,572.14
Proceeds from repayments of related party loans		76.36	–
Proceeds from repayment of Inter-corporate deposits		–	102.00
Proceeds from disposal of property, plant and equipment		72.76	2.86
Net cash generated from / (used in) investing activities (B)		**(1,377.03)**	**486.49**
Cash flows from financing activities $			
Proceeds from issue of equity shares	15 & 16	8.86	1,321.59
Proceeds from bills discounting		–	252.76
Bills discounted settled		–	(651.55)
Proceeds from long-term borrowings		388.85	855.81
Repayment of long-term borrowings		(245.23)	(1,526.10)
Loan foreclosure and refinancing expenses		–	(50.28)
Repayment of principal portion of lease liability		(212.18)	(178.37)
Interest paid on lease liability		(200.51)	(251.66)
Interest and other borrowing cost paid		(156.93)	(182.62)
Net cash (used in) financing activities (‘C)		**(417.14)**	**(410.42)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**(490.21)**	**1,320.02**
Cash and cash equivalents at the beginning of the year	14	1,193.27	(126.75)
Cash and cash equivalents at the end of the year	14	**703.06**	**1,193.27**

Standalone Cash Flow Statement for the year ended 31 March 2023

For the purpose of statement of cash flows, cash and cash equivalent comprises the followings:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Cash on hand	7.23	8.71
(b) Cheques, drafts on hand	1.79	7.18
(c) Balance with bank		
In current accounts and EEFC accounts	385.05	182.88
In deposit accounts	308.99	1,000.79
Cash and cash equivalent as per balance sheet	**703.06**	**1,199.56**
Less : Bank overdrafts (refer note 17)	–	(6.29)
Cash and cash equivalents as per the standalone statement of cash flows	**703.06**	**1,193.27**

$ Reconciliation between opening and closing balance sheet for liabilities arising from financing activities for the year ended 31 March 2023:

(₹ in million)

Particulars	Term loan and deferred payment obligation #	Lease liabilities	Short term borrowing ^	Other borrowing cost	Total
Debt as at 1 April 2022	**1,068.20**	**2,415.35**	**-**	**-**	**3,483.55**
Cash flows including interest and other borrowing cost	53.51	(412.69)	–	(66.82)	(426.00)
- Interest and other borrowing cost*	100.44	226.27	–	66.82	393.53
- Non cash transactions @	(7.18)	28.00	–	–	20.82
Debt as at 31 March 2023	**1,214.97**	**2,256.93**	**-**	**-**	**3,471.90**

includes current maturities of Term loan and deferred payment obligation grouped under current borrowings

^ other than bank overdraft and current maturities of Term loan and deferred payment obligation grouped under current borrowings

*Interest and other borrowing cost include interest on Short term borrowings, bank charges measured at amortised cost etc

@ Non cash transactions include lease liabilities recognised for new leases, write-back of liabilities no longer required, unrealised gain / loss on foreign currency fluctuations etc

$ Reconciliation between opening and closing balance sheet for liabilities arising from financing activities for the year ended 31 March 2022:

(₹ in million)

Particulars	Term loan and deferred payment obligation #	Lease liabilities	Short term borrowing ^	Other borrowing cost	Total
Debt as at 1 April 2021	**1,725.03**	**2,418.72**	**398.79**	**-**	**4,542.54**
Cash flows including interest and other borrowing cost	(788.11)	(430.03)	(398.79)	(64.80)	(1,681.73)
- Interest and other borrowing cost*	106.93	257.36	–	64.80	429.09
- Non cash transactions @	24.35	169.30	–	–	193.65
Debt as at 31 March 2022	**1,068.20**	**2,415.35**	**-**	**-**	**3,483.55**

includes current maturities of Term loan and deferred payment obligation grouped under current borrowings

^ other than bank overdraft and current maturities of Term loan and deferred payment obligation grouped under current borrowings

*Interest and other borrowing cost include interest on Short term borrowings, bank charges measured at amortised cost etc

@ Non cash transactions include lease liabilities recognised for new leases, changes due to remeasurement of lease liabilities, unrealised gain / loss on foreign currency fluctuations etc

Significant accounting policies 3

The accompanying notes are an integral part of these standalone financial statements

As per our reports of even date attached

***for* B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date : 25 May 2023

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

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

Place : Chicago
Date : 25 May 2023

Meghraj Arvindrao Gore
Whole-time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 25 May 2023

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 25 May 2023

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 25 May 2023

Standalone Statement of Changes in Equity for the year ended 31 March 2023

a. Equity share capital *

(₹ in million)

Particulars	No of Shares	(₹ in million)
Balance as at 01 April 2021	**125,359,284**	**1,253.59**
Changes in equity share capital during the year		
(a) Issue of equity shares pursuant to exercise of warrants (refer note 15.1)	13,503,468	135.04
(b) Issue of equity shares pursuant to exercise of employee share options under the Employee Stock Option Scheme 2014 (refer note 38(C))	149,240	1.49
Balance as at 31 March 2022	**139,011,992**	**1,390.12**
(a) Issue of equity shares pursuant to exercise of employee share options under the Employee Stock Option Scheme 2014 and the Employee Stock Option Scheme 2021 (refer note 38(C))	104,070	1.04
Balance as at 31 March 2023	**139,116,062**	**1,391.16**

b. Other equity *

(₹ in million)

Particulars	Note No.	Reserves and surplus			Amalgamation adjustment deficit account	Items of other comprehensive income		Money received against share warrants	Total other equity
		Securities premium	Share options outstanding account	Retained earnings		Cash flow hedging reserve	Remeasurement of the defined benefit plan		
Balance as at 01 April 2021		**9,974.51**	**67.15**	**(2,466.58)**	**(13.91)**	**(7.69)**	**(8.11)**	**438.86**	**7,984.23**
Profit for the year		–	–	382.53		–	–	–	382.53
Other comprehensive (loss)/ income for the year (net of tax)		–	–	–	–	7.69	(4.42)	–	3.27
Total comprehensive income		**–**	**–**	**382.53**	**–**	**7.69**	**(4.42)**	**–**	**385.80**
Transactions recorded directly in equity									
Premium on shares issued during the year	16.1	1,185.06	–	–	–	–	–	–	1,185.06
Transferred to Securities premium account on exercise of ESOPs	16.2	30.56	(30.56)	–	–	–	–	–	–
Transferred to retained earnings on lapse of vested ESOPs	16.2	–	(1.11)	1.11	–	–	–	–	–
Expense on employee stock option scheme (including ESOP given to employees of subsidiaries cross charged, refer note 44)		–	31.70	–	–	–	–	–	31.70
Issue of shares pursuant to exercise of warrants [refer note 15.1(b)]	16.7	438.86	–	–	–	–	–	(438.86)	–
Balance as at 31 March 2022		**11,628.99**	**67.18**	**(2,082.94)**	**(13.91)**	**–**	**(12.53)**	**–**	**9,586.79**
Profit for the year		–	–	401.91	–	–	–	–	401.91
Other comprehensive loss for the year (net of tax)		–	–	–	–	–	(1.60)	–	(1.60)
Total comprehensive (loss)/ income		**–**	**–**	**401.91**	**–**	**–**	**(1.60)**	**–**	**400.31**
Transactions recorded directly in equity									
Premium on shares issued during the year	16.1	7.82	–	–	–	–	–	–	7.82
Transferred to Securities premium account on exercise of ESOPs	16.2	12.04	(12.04)	–	–	–	–	–	–
Expense on employee stock option scheme (including ESOP given to employees of subsidiaries cross charged, refer note 44)	16.2	–	65.14	–	–	–	–	–	65.14
Balance as at 31 March 2023		**11,648.85**	**120.28**	**(1,681.03)**	**(13.91)**	**–**	**(14.13)**	**–**	**10,060.06**

Standalone Statement of Changes in Equity

for the year ended 31 March 2023

b. Other equity * (Contd..)

Securities premium

Securities premium is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Share option outstanding Account

The Company has employee stock option plans for eligible employees of the Company and its group companies. Refer note 38 for further details on these plans. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company.

Amalgamation adjustment deficit account

It represents excess of consideration over carrying value of net assets (including reserves) in case of common control business combination. This amount will be adjusted in determining the surplus available for dividend distribution.

Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

Remeasurement of defined benefit plan

This represents the actuarial gain and losses on defined benefit plan.

Money received against share warrants

This represents the subscription amount received at the time of issue of warrants.

* There are no changes in equity share capital and other equity due to prior period errors

Significant accounting policies **3**

The accompanying notes are an integral part of these standalone financial statements

As per our reports of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date : 25 May 2023

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

Dr. B.S. Ajaikumar
Executive Chairman
DIN: 00713779
Place : Chicago
Date : 25 May 2023

Meghraj Arvindrao Gore
Whole-time Director and Chief Executive Officer
DIN: 07505123
Place : Bengaluru
Date : 25 May 2023

Srinivasa Raghavan
Chief Financial Officer
Place : Bengaluru
Date : 25 May 2023

Sunu Manuel
Company Secretary
Place : Bengaluru
Date : 25 May 2023

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

1 HealthCare Global Enterprises Limited ('the Company') is engaged in setting up and managing hospitals and medical diagnostic services including scientific testing and consultancy services in the pharmaceutical and medical sector. The Company is a public company incorporated and domiciled in India and has its registered office at #8, P. Kalinga Rao Road, Sampangi Ram Nagar, Bengaluru – 560 027.

The standalone financial statements for the year ended 31 March 2023 were approved by the Board of Directors and authorised for issue on 25 May 2023.

2 Basis of preparation of the standalone financial statements

(a) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts are in Indian Rupees million except share data and per share data, unless otherwise stated.

(c) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement
Derivative financial instruments	Fair Value
Non-derivative financial instruments at FVTPL	Fair Value
Net defined benefit (asset)/liability	Fair Value of plan assets less present value of defined benefit obligations

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(d) Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Application of accounting policies that require accounting estimates involving judgments and the use of assumptions in the standalone financial statements have been disclosed below:

Judgements

- **Note 6 -** Leasing arrangements : Evaluation whether an arrangement qualifies to be a lease based on the requirements of the relevant standard.

Identification of a lease requires significant management judgment.

- **Note 5 -** Property, plant and equipment: Timing of capitalisation and nature of cost capitalised.

Assumptions and estimation uncertainties

- **Note 6 -** Leasing arrangements : Determination of lease term and discount rate
- **Note 5 -** Estimation of useful life of property, plant and equipment
- **Note 40 & 8 -** Impairment of financial assets : Key inputs considered i.e. discount rate, growth rate, EBITDA / revenue multiple and profitability
- **Note 32 -** Deferred tax balances (net) : Timing and level of future taxable profit
- **Note 33 -** Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- **Note 37 -** Employee benefit plans: key actuarial assumptions.
- **Note 7A -** Goodwill impairment assessment : Key inputs considered i.e. discount rate, growth rate, EBITDA / revenue multiple and profitability
- **Note 41 and 13 -** Expected credit loss : Forward adjustment to the collected trend
- **Note 19 -** Deferred government grant: Timing of meeting export obligations
- **Note 45 -** Business combination: Identification of intangible asset and acquisition date

(e) Current / Non-current classification

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

(f) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company's has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurement, including level 3 fair values, and reports directly to the chief financial officer.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company's uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company's recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Summary of significant accounting policies

(a) Revenue recognition

Medical services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. As per Ind AS 115, "Revenue from contracts with customers", revenue from hospital services are recognized as and when services are performed, unless significant future uncertainties exist. The Company assess the distinct performance obligation in the contract and measures to at an amount that reflects the consideration it expects to receive net of tax collected and remitted to Government and adjusted for discounts and concession. The Company based on contractual terms and past experience determines the performance obligation satisfaction over time. Unbilled revenue is recorded for the service rendered where the patients are not discharged and final invoice is not raised for the services.

Sale of medical and non-medical items

Pharmacy Sales are recognised when the control of the products being sold is transferred to the customer and no significant uncertainties exist regarding the amount of consideration that will be derived from the sale of goods as regarding its collection. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Other operating revenue

Other operating revenue comprises revenue from various ancillary revenue generating activities like facilitation of training programmes, operations and maintenance arrangements as per the management agreement with other entities. The service income is recognised only once the services are rendered, there is no unfulfilled performance obligation as per the terms of agreement and no significant future uncertainties exist.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The Company recognizes a deferred income (contract liability) if consideration has been received (or has become receivable) before the Company transfers the promised goods or services to the customer.

Disaggregation of revenue

The Company disaggregates revenue from hospital services (medical and healthcare services), sale of medical and non-medical items and other operating income. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors.

Dividend and interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognised when the Company's right to receive dividend is established.

(b) Leases

Company as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Company. Generally, the Company uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(c) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company at the exchange rates at the dates of the transactions or an average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

(d) Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of lease liability, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(e) Employee benefits

Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plan

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense.' Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The net interest expense is recognised in the line item 'Finance costs.'

Defined contribution plan

A defined contribution plan is post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Company makes specified obligations towards employee provident fund and employee state insurance to Government administered provident fund scheme and ESI scheme which is a defined contribution plan. The Company's contributions are recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Share-based payment transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and Company's estimate of equity instruments that will vest. That cost is recognised, together with a corresponding increase in share-options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

(f) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

Current tax comprises the expected tax payable on the taxable profit for the year and any adjustment to the tax payable or receivable in respect of previous years. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the assets and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Ind AS 12, Income Taxes defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

(g) Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipment (including capital work-in progress) are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Cost includes expenditures directly attributable to the acquisition of the asset.

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Asset category	Useful life as per the management	As per schedule II of Companies Act, 2013
Buildings	60 years	60 years
Plant and Medical Equipment (other than Solar power plant)	10, 13 or 15 years	10, 13 or 15 years
Solar power plant	25 years	Not specified
Data processing equipment	3 years	3 years
Electrical installations	10 years	10 years
Furniture and fixtures	10 years	10 years
Office equipment	5 years	5 years
Vehicles	8 years	8 years

Useful lives are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Estimates in respect of certain items of plant and equipment were revised in the year ended 31 March 2023. Refer note 5.3.

The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the standalone statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognized as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

Assets acquired under leasehold improvements are amortized over the lower of estimated useful life and lease term.

Freehold land is not depreciated.

(h) Intangible assets

Intangible assets acquired on business combination are recognised at fair value as at the date of acquisition. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit and loss as incurred. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset category	Useful Life
Computer software	3 years
Software for plant and machinery	13 years
Customer contract	11 years
Referral network	25 years
Intellectual Property for contract research	10 years

The estimated useful life of intangible assets acquired by the Company has been determined based on number of factors including the competitive environment and operating plan of the Company.

(i) Goodwill

Goodwill arising on a business combination is initially measured at excess of purchase consideration over fair value of identified net asset taken over. Subsequent measurement is at initial recognition less any accumulated impairment losses. Goodwill is tested annually for impairment. An impairment loss in respect of goodwill is not reversed subsequently.

(j) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the assets.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

(k) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for GST wherever applicable applying weighted average method.

Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction. "

(l) Provisions (other than employee benefits)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

(m) Financial instruments

a. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (except trade receivable) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable is initially measured at the transaction price.

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

– amortised cost;

– FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Company's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

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- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features)."

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

c. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e. Invoice discounting facility:

The Company uses this facility to draw down certain sales invoices as part of its cash credit facility with the Bank and has an obligation to settle the liability on the specified due date irrespective of whether the underlying receivables have been collected or not. As the Company continues to retain all risks and rewards of the receivables and control of the asset, the underlying receivables are not eligible for derecognition from the standalone financial statements. Amounts due in respect of invoice discounting are separately disclosed under short-term borrowings.

f. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

g. Cash flow hedge

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and accumulated in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of profit and loss.

The Company designates only the changes in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contract ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity.

If the hedging instrument no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

(n) Impairment

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 - Financial Instruments requires expected credit losses to be measured though a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

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Allowance for credit losses on receivables

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates.

(ii) Non-financial assets

Tangible and Intangible assets

Property, plant and equipment, capital work-in-progress and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to it's recoverable amount. An impairment loss is recognised in the statement of profit and loss. In respect of assets other than Goodwill for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Earnings / loss per share (EPS)

Basic earnings / loss per share is computed by dividing profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

(p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

(q) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregate. Bank overdrafts and investment in liquid mutual funds are classified as cash and cash equivalents for the purpose of cash flow statement, as they form an integral part of an entity's cash management.

(r) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

(s) Investment in subsidiaries and joint ventures

(i) Initial recognition

The acquired investment in subsidiaries and joint ventures are measured at acquitions date fair value

(ii) Subsequent measurement

Investment in equity shares of subsidiaries and joint ventures are accounted either;

(a) at cost, or

(b) in accordance with IND AS 109, financial instruments

The Company has elected to account its subsidiaries and joint ventures at cost less accumulated impairment losses, if any.

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for the year ended 31 March 2023

(t) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on overall basis.

(u) Business combinations

In accordance with Ind AS 103, "Business combinations" the Company accounts for acquisitions of businesses using the acquisition method. The consideration transferred for the business combination is generally measured at fair value as at the date the net identifiable assets are acquired. Purchase consideration paid in excess of fair value of net identifiable assets acquired is recognised as goodwill. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of financial instrument is classified as equity, then its not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

(v) Exceptional items

Exceptional items refer to items of income or expense within the standalone statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

4 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

5 Property, plant and equipment and capital work-in-progress

(₹ in million)

Description of assets	Freehold Land (refer note 5.1)	Buildings (refer note 5.1)	Leasehold improve-ments	Plant and medical equipment (refer note 5.3)	Office equipment	Furniture and fixtures	Data processing equipments	Electrical installation	Vehicles	Total	Capital work in progress (refer note 5.2)
I. Gross block											
Balance as at 01 April 2021	**402.86**	**791.29**	**867.50**	**4,882.43**	**70.81**	**139.25**	**104.12**	**82.52**	**25.79**	**7,366.57**	**276.06**
Additions* $ (refer note 19)	–	4.27	28.51	170.63	4.33	5.80	14.50	7.96	0.51	236.51	228.59
Disposals	–	–	(0.80)	(4.88)	(2.17)	(0.78)	(0.46)	(0.27)	–	(9.36)	–
Acquired through business combination (refer note 45)	–	–	6.31	119.27	1.56	1.45	0.92	0.18	–	129.69	–
Provision for impairment^ [refer note 5.2(i)]	–	–	–	–	–	–	–	–	–	–	(456.46)
Balance as at 31 March 2022	**402.86**	**795.56**	**901.52**	**5,167.45**	**74.53**	**145.72**	**119.08**	**90.39**	**26.30**	**7,723.41**	**48.19**
Additions* $ # (refer note 19)	9.97	1.82	19.81	972.48	7.67	14.48	31.74	40.16	–	1,098.13	69.71
Disposals	–	(0.03)	(0.42)	(122.36)	(2.41)	(2.44)	(4.13)	(0.10)	(1.10)	(132.99)	–
Capitalisation during the year	–	–	–	–	–	–	–	–	–	–	(25.70)
Balance as at 31 March 2023	**412.83**	**797.35**	**920.91**	**6,017.57**	**79.79**	**157.76**	**146.69**	**130.45**	**25.20**	**8,688.55**	**92.20**
II. Accumulated depreciation and impairment											
Balance as at 01 April 2021	–	**91.37**	**233.89**	**1,813.88**	**50.77**	**73.90**	**78.52**	**36.14**	**14.02**	**2,392.49**	**-**
Eliminated on disposal of assets	–	–	(0.80)	(1.82)	(1.73)	(0.77)	(0.41)	(0.16)	–	(5.69)	-
Depreciation expense		17.66	75.87	423.84	7.72	13.91	13.63	10.35	3.19	566.17	-
Balance as at 31 March 2022	**-**	**109.03**	**308.96**	**2,235.90**	**56.76**	**87.04**	**91.74**	**46.33**	**17.21**	**2,952.97**	**-**
Eliminated on disposal of assets	–	(0.03)	(0.38)	(37.99)	(2.40)	(2.43)	(4.10)	(0.07)	(0.94)	(48.34)	–
Depreciation expense (refer note 5.3)	–	14.08	68.75	420.93	6.48	14.19	14.63	13.20	3.15	555.41	–
Balance as at 31 March 2023	**-**	**123.08**	**377.33**	**2,618.84**	**60.84**	**98.80**	**102.27**	**59.46**	**19.42**	**3,460.04**	**-**
Net block as at 31 March 2022	**402.86**	**686.53**	**592.56**	**2,931.55**	**17.77**	**58.68**	**27.34**	**44.06**	**9.09**	**4,770.44**	**48.19**
Net block as at 31 March 2023	**412.83**	**674.27**	**543.58**	**3,398.73**	**18.95**	**58.96**	**44.42**	**70.99**	**5.78**	**5,228.51**	**92.20**

Refer note 17 for details of charge created on property, plant and equipment.

* Directly attributable expenses capitalised of ₹ Nil (31 March 22: ₹ 53.86 million). Total borrowing cost capitalised (included in directly attributable expenses) is ₹ Nil (31 March 22: ₹ 28.83 million) relating to Lease Liability.

$ Additions includes government grant recognised at fair value as per Ind AS 20, accounting for government grants and disclosure of government assistance (refer note 19).

Acquisition of Property, plant and equipment through deferred payment settlement scheme is ₹ 73.25 million (31 March 22: ₹ 14.66 million).

^ Capital work in progress is net of accumulated provision for impairment as at 31 March 2023 and 31 March 2022: Rs. 760.48 million [refer note 5.2(i)]

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

5 Property, plant and equipment and capital work-in-progress (Contd..)

5.1 Details of title deeds of immovable properties not held in name of the Company as at 31 March 2023 and 31 March 2022:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land	73.23	Banashankari Medical and Oncology Research Centre Private Limited	No	01-Apr-09	These entities / their business were merged with the Company. Refer note below
	Building	191.11				
	Land	27.09	HCG Medisurge Hospitals Private Limited	No	01-Apr-12	
	Building	129.77				
	Land	31.75	HealthCare Global Vijay Oncology Private Limited	No	01-Apr-14	
	Building	129.74				

Note: In accordance with the terms of a Scheme of Arrangements approved by the jurisdisctional courts, Banashankari Medical and Oncology Research Center Limited, HealthCare Global Vijay Oncology Private Limited and multi-specialty division of HCG Medisurge Hospitals Private Limited were merged with the Company with effect from the appointed date of 1 April 2009, 1 April 2014 and 1 April 2012 respectively. Pursuant to the scheme, all assets including the underlying properties were transferred to and vested in the name of the Company.

5.2 Capital work-in-progress

(₹ in million)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
As at 31 March 2023	69.45	15.04	7.71	–	**92.20**
As at 31 March 2022	36.04	11.46	–	0.69	**48.19**
Projects temporarily suspended (refer note (i) below)					
As at 31 March 2023	–	–	–	–	**-**
As at 31 March 2022	–	–	–	–	**-**
Total Capital work-in-progress					
As at 31 March 2023	69.45	15.04	7.71	–	**92.20**
As at 31 March 2022	36.04	11.46	–	0.69	**48.19**

(i) Projects temporarily suspended:

The Company had been engaged in construction of greenfield project at leased premises in Gurugram ("project") since 2017. While the project was initially scheduled to be operational as of 2020, it was delayed due to changes in management's plan on account of operational priorities followed by the outbreak of COVID-19 pandemic. During the budgeting process in the previous year, the Management decided to focus on increasing marketing activities and driving operational efficiencies and further invest in the upgrading and consolidating the existing footprint. As a result, the management decided not to pursue the project. The Company then had about two years of non-cancellable lease of the said premise. Accordingly, the Company recognized impairment charge aggregating to ₹ 472.45 million of assets relating to this project (comprising impairment of CWIP ₹ 456.46 million, right of use asset ₹ 10.94 million and security deposit ₹ 5.05 million) during the previous year ended 31 March 2022, after considering minimum lease payable and other committed costs of the project.

Additionally, during the year ended 31 March 2021, the Company had recognised impairment charge of ₹ 363.01 million of assets relating to this project (comprising impairment of CWIP ₹ 304.02 million and capital advances of ₹ 58.99 million).

(ii) There were no projects that were overdue or had exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

5 Property, plant and equipment and capital work-in-progress (Contd..)

5.3 During the year ended 31 March 2023, the Company revised the estimated useful life for certain category of its Property, Plant and Equipment with effect from 1 April 2022 based on its technical evaluation. The effect of these changes on actual and expected depreciation expense is as follows:

(₹ in million)

Particulars	YE 31 March 2023	YE 31 March 2024	YE 31 March 2025	YE 31 March 2026	YE 31 March 2027	YE 31 March 2028 and later
(Decrease) / increase in depreciation expense	(41.76)	(25.55)	(20.91)	(7.05)	(3.52)	97.76

6 Right of use assets and lease liabilities

Right-of-use-assets

(₹ in million)

Description of assets	Buildings	Plant and medical equipment - Leased	Total
I. Gross block			
Balance as at 01 April 2021	**2,333.94**	**-**	**2,333.94**
Additions	9.42	306.94	316.36
Remeasurement of lease liabilities and lease modification (refer note (i) below)	(112.80)	-	(112.80)
Impairment during the year [refer note 5.2(i)]	(10.94)	-	(10.94)
At 31 March 2022	**2,219.62**	**306.94**	**2,526.56**
Additions	8.04	-	8.04
At 31 March 2023	**2,227.66**	**306.94**	**2,534.60**
II. Accumulated depreciation and impairment			
Balance as at 01 April 2021	**529.75**	**-**	**529.75**
Depreciation expense	214.50	19.64	234.14
At 31 March 2022	**744.25**	**19.64**	**763.89**
Depreciation expense	196.18	39.95	236.13
At 31 March 2023	**940.43**	**59.59**	**1,000.02**
Net block as at 31 March 2022	**1,475.37**	**287.30**	**1,762.67**
Net block as at 31 March 2023	**1,287.23**	**247.35**	**1,534.58**

The Comapny has lease arrangements for hospital buildings and medical equipments.

The aggregate depreciation expense on ROU for the year amounting to ₹ 236.13 million (31 March 2022: ₹ 214.83 million) is included in the "Depreciation and Amortisation expense" in the Standalone statement of Profit and Loss and ₹ Nil (31 March 2022: ₹ 19.31 million) is capitalised to Capital work-in-progress.

Note (i): During the previous year ended 31 March 2022, as explained in Note 5.2(i), the Company decided to not pursue the oncology facility project which was under construction at the leased premises in Gurugram. Accordingly, the Company reassessed its lease term over the remaining non-cancellable lease period and recognised reduction of Right-of use assets and Lease liabilities by ₹ 250.87 million. Additionally, in respect of another lease of hospital building, the Company reassessed its lease liability pursuant to changes in lease term and lease amounts, as a result of which the Right-of use assets and Lease liabilities increased by ₹ 138.07 million and ₹ 100.48 million respectively.

The following is the break-up of current and non-current lease liabilities as at 31 March 2023 and 31 March 2022:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Current lease liabilities	264.46	237.59
Non-current liabilities	1,992.47	2,177.76
Total	**2,256.93**	**2,415.35**

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

6 Right of use assets and lease liabilities (Contd..)

The table below provides details regarding the contractual maturities of Lease liabilities:

(₹ in million)

Particulars	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years	Total
As at 31 March 2023	468.16	346.02	358.54	349.95	2,171.96	3,694.63
As at 31 March 2022	457.83	417.09	345.31	359.07	2,523.27	4,102.57

Amounts recognised in Statement of profit and loss

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of right-of-use assets *	236.13	234.14
Interest on lease liabilities*	226.27	257.36
Rent expenses # (refer note 29)	78.61	64.83

* Interest and depreciation expenses capitalised amounting to ₹ Nil (31 March 2022: ₹ 28.83 million and ₹ 19.31 million respectively).

During the year ended 31 March 2023, the Company incurred expenses amounting to ₹ 37.31 million (31 March 2022: 29.41 million) towards short-term leases and ₹ 41.30 million (31 March 2022: ₹ 35.42 million) expenses towards variable rent.

Amounts recognised in Cash flow statement

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Repayment of principal portion of lease liability	212.18	178.37
Interest paid on lease liability	200.51	251.66

In respect of lease of immovable properties where the Company is the lessee, the lease agreements are duly executed in favour of the Company as at 31 March 2023. As at 31 March 2022, the lease agreements are duly executed in favour of the Company except the below:

Description of property	Gross carrying value as at 31 March 2022 (₹ in million)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Hopital building in Jaipur	Right of use asset: 342.37 Lease Liability: 378.57	Lessor	No	Since 1 January 2021	The lease arrangement was executed on 12 May 2022 in favour of the Company.

7 Goodwill and other intangible assets

(₹ in million)

Description of assets	Goodwill (refer note 7A below)	Other intangible assets: Computer software	Customer contract	Referral network	Intellectual Property for contract research	Software for plant and machinery	Total
I. Gross block							
Balance as at 01 April 2021	**484.52**	**393.86**	**–**	**–**	**–**	**3.42**	**397.28**
Additions	–	11.12	–	–	–	–	11.12
Acquired through business combination (refer note 45)	478.08	1.11	85.80	23.20	35.20	–	145.31
Balance as at 31 March 2022	**962.60**	**406.09**	**85.80**	**23.20**	**35.20**	**3.42**	**553.71**

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for the year ended 31 March 2023

7 Goodwill and other intangible assets (Contd..)

(₹ in million)

Description of assets	Goodwill (refer note 7A below)	Other intangible assets: Computer software	Customer contract	Referral network	Intellectual Property for contract research	Software for plant and machinery	Total
Additions	–	6.05	–	–	–	–	6.05
Balance as at 31 March 2023	**962.60**	**412.14**	**85.80**	**23.20**	**35.20**	**3.42**	**559.76**
II. Accumulated amortisation and impairment losses							
Balance as at 01 April 2021	**–**	**204.97**	**–**	**–**	**–**	**3.42**	**208.39**
Amortisation expense for the year	–	95.87	4.30	0.53	1.90	–	102.60
Balance as at 31 March 2022	**–**	**300.84**	**4.30**	**0.53**	**1.90**	**3.42**	**310.99**
Amortisation expense for the year	–	86.40	7.52	0.93	3.33	–	98.18
Balance as at 31 March 2023	**–**	**387.24**	**11.82**	**1.46**	**5.23**	**3.42**	**409.17**
Balance as at 31 March 2022	**962.60**	**105.25**	**81.50**	**22.67**	**33.30**	**–**	**242.72**
Balance as at 31 March 2023	**962.60**	**24.90**	**73.98**	**21.74**	**29.97**	**–**	**150.59**

Refer note 17 for details of charge created on intangible asset.

7A Goodwill

For the purposes of impairment testing, goodwill from business acquisition has been allocated to the Cash Generating Units (CGU) as given below:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Diagnostic business (refer note a below and note 45)	478.08	478.08
City Cancer Center (refer note a)	484.52	484.52
Total	**962.60**	**962.60**

(a) The recoverable amount of the underlying CGUs is based on its value in use, estimated on present value of the projected future cash flows. Following key assumptions were considered in performing impairment assessment:

(₹ in million)

Key assumptions	As at 31 March 2023	As at 31 March 2022
Diagnostic business		
Annual revenue growth rate	8% to 17%	10%
Terminal growth rate	5%	5%
Discount rate	13.37%	11.25%
City Cancer Center		
Annual revenue growth rate	8% to 15%	refer note b below
Terminal growth rate	5%	
Discount rate	13.37%	

The values assigned to the key assumptions given in the table above represent management's assessment of future trends and based on historical data from both external and internal sources. Discount rate reflects the current market assessment of the risks specific to a Cash Generating Unit (CGU) or group of CGUs. The discount rate is estimated based on the capital asset pricing method for the CGU. The cash flow projections included specific estimates developed using internal forecasts. The planning horizon reflects the assumptions for short-to-midterm market developments. The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to materially exceed the aggregate recoverable amount of the cash generating unit.

(b) The key assumptions used in the estimation of the recoverable amount of Goodwill as at 31 March 2022 are set out below:

For the purpose of impairment testing, the recoverable amount of CGUs was determined based on fair value less cost of disposal.

Notes to the Standalone Financial Statements
for the year ended 31 March 2023

The fair value was computed as per the market approach using revenue and EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) multiples. The market approach considered was based on the external source of information and consistent with the Management experience and risk factor of the CGU and also considered peers of the Company. The estimated recoverable amount of the CGUs exceeded carrying amount and hence impairment was not triggered.

8 Investments

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
A) Non current investment		
I) Investment carried at cost*		
(i) In subsidiary companies		
Unquoted equity instruments		
Malnad Hospital & Institute of Oncology Private Limited	6.64	6.64
(66,706 (31 March 22: 66,706) equity shares of ₹ 100/- each, fully paid up)		
Niruja Product Development and Healthcare Research Private Limited	48.00	0.50
(4,800,000 (31 March 22: 50,000) equity shares of ₹ 10/- each, fully paid up)		
Less: Provision for diminution in value of investment (refer note 9.1)	(7.99)	-
Net investment post diminution in value of investment	**40.01**	**0.50**
HealthCare Global Senthil Multi-Specialty Hospital Private Limited	39.08	8.38
(399,980 (31 March 22: 92,980) equity shares of ₹ 100/- each, fully paid up)		
Less: Provision for diminution in value of investment (refer note 9.1)	(37.74)	(8.38)
Net investment post diminution in value of investment	**1.34**	**-**
HCG Medi-surge Hospitals Private Limited	160.98	160.98
(4,120,807 (31 March 22: 4,120,807) equity shares of ₹ 10/- each, fully paid up)		
Suchirayu Health Care Solutions Limited (35,055,000 (31 March 22: 35,055,000) equity shares of ₹ 10/- each, fully paid up) [Refer note 31(iii)]	349.70	349.70
Note: The Company has entered into a non-disposal undertaking of the its investment in Suchirayu Health Care Solutions Limited (Suchirayu) until the closure of the loan by Suchirayu.		
BACC HealthCare Private Limited	1,286.33	1,286.33
(93,578 (31 March 22: 93,578) equity shares of ₹ 10/- each, fully paid up)		
Less: Provision for diminution in value of investment	(588.40)	(588.40)
Net investment post diminution in value of investment	**697.93**	**697.93**
HCG (Mauritius) Private Limited	287.21	233.61
(3,824,002 (31 March 22: 3,174,002) Equity shares of USD 1/- each)		
(ii) In subsidiary limited liability partnerships		
HCG Diwanchand Imaging LLP		
Fixed capital contribution: (75% (31 March 22: 75%) of fixed capital contribution)	0.75	0.75
Variable capital contribution	31.72	31.72
	32.47	**32.47**
Less: Provision for diminution in value of investment	(9.00)	(9.00)
Net investment post diminution in value of investment	**23.47**	**23.47**
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)		
Fixed capital contribution: (99.996% (31 March 22: 99.996%) of fixed capital contribution)	1,427.92	1,427.92
Variable capital contribution	23.20	23.20
	1,451.12	**1,451.12**
Less: Provision for diminution in value of investment	(257.65)	(257.65)
Net investment post diminution in value of investment	**1,193.47**	**1,193.47**
HCG Oncology LLP		
Fixed capital contribution: (74% (31 March 22: 74%) of fixed capital contribution)	112.47	112.47
Variable capital contribution	38.31	38.31
	150.78	**150.78**
HCG NCHRI Oncology LLP		

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

8 Investments (Contd..)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed capital contribution: (87.14% (31 March 22: 76%) of fixed capital contribution)	475.41	0.76
#Variable capital contribution	16.36	491.01
	491.77	**491.77**
Less: Provision for diminution in value of investment	(202.26)	(202.26)
Net investment post diminution in value of investment	**289.51**	**289.51**
HCG EKO Oncology LLP		
Fixed capital contribution: (50.50% (31 March 22: 50.50%) of fixed capital contribution)	0.51	0.51
Variable capital contribution	666.21	541.32
	666.72	**541.83**
Less: Provision for diminution in value of investment (refer note 31)	(312.00)	(282.00)
Net investment post diminution in value of investment	**354.72**	**259.83**
The Company has entered into a non-disposal undertaking of the its investment in HCG EKO Oncology LLP for a period of 10 years from the agreement execution date, except with the prior consent of other partner in writing.		
HCG Manavata Oncology LLP		
Fixed capital contribution: (51% (31 March 22: 51%) of fixed capital contribution) ^	550.48	550.48
Variable capital contribution	20.99	20.99
	571.47	**571.47**
^ Includes ₹ 215.39 million of capital contribution assumed to have been notionally contributed by the other Partner as per terms of LLP agreement.		
The Company has entered into a non-disposal undertaking of the its investment in HCG Manavata Oncology LLP for a period of 20 years from the agreement execution date, except with the prior consent of other partner in writing.		
HCG SUN Hospitals LLP		
Fixed capital contribution: (99.9998% (31 March 22: 99.9997%) of fixed capital contribution) $	543.77	373.78
Variable capital contribution	9.96	16.86
	553.73	**390.64**

$ In accordance with the terms of the Deed of Retirement, Shiv-Sun Medical Services LLP, which was holding 26% stake in HCG Sun Hospitals LLP (the Firm), retired from the Firm during the previous year. Consideration of ₹ 24.2 million was paid to the retiring partner by the Firm. Pursuant to this, the Company along with its wholly owned subsidiary, Niruja Product Development and Healthcare Research Private Limited hold 100% interest in HCG Sun Hospitals LLP.

During the year, based on the arrangement / agreement with Partner and the Board approval of the Company, variable capital has been converted to fixed capital.

(Variable capital represents investments made which will be converted into fixed capital at such time and as per the terms and conditions, as agreed between the Partners of the LLPs.)

* Includes corporate guarantee given to subsidiaries accounted as investment

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
II) Investment carried at fair value through profit and loss (FVTPL)		
(a) In other companies - unquoted equity instruments		
Zoctr Health Private Limited [452 equity shares of ₹ 10/- each, fully paid up; (31 March 2022: 452 equity shares of ₹ 10/- each)]	7.64	7.64
Less: Provision for diminution in value of investment	(7.64)	(7.64)
Net investment post diminution in value of investment	**-**	**-**
International Stemcell Services Limited [10,860 equity shares of ₹ 100/- each, fully paid up; (31 March 2022: 10,860 equity shares of ₹ 100/- each, fully paid up)]	5.61	5.61

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for the year ended 31 March 2023

8 Investments (Contd..)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Epigeneres Biotech Private Limited [79 equity shares of ₹ 10/- each, fully paid up; (31 March 2022: 79 equity shares of ₹ 10/- each, fully paid up)]	10.00	10.00
Less: Provision for diminution in value of investment	(10.00)	(10.00)
Net investment post diminution in value of investment	**-**	**-**
Niramai Health Analytix Private Limited [10 equity shares of Re. 1/- fully paid up; (31 March 2022: 10 equity shares of Re. 1/- fully paid up)]	0.07	0.07
(b) In other companies - unquoted Preference shares		
Niramai Health Analytix Private Limited [4,881 series A preference shares of ₹ 10/- each, fully paid up; (31 March 2022: 4,881 series A preference shares of ₹ 10/- each, fully paid up)]	35.79	35.79
(c) Investments in mutual fund (quoted)		
Religare Invesco Short Term Fund- 3,922 units @ ₹ 3,291.44 (31 March 2022: 3,922 units @ ₹ 3,164.60)	12.92	12.42
SBI Mutual Fund- 24,272.75 units @ ₹ 158.13 (31 March 2022: 24,272.75 units @ ₹ 164.26)	3.84	3.99
(c) Investment in other funds (unquoted)		
Anthill Early Stage Fund - I	10.00	–
99.11 units of Class A units @ ₹ 10,090 per unit (31 March 2022: Nil)		
Investment in government or trust securities	0.15	0.15
Total non-current investments	**4,749.34**	**4,386.56**
Aggregate amount of quoted investments	16.76	16.41
Aggregate amount of Market value of investments	16.76	16.41
Aggregate amount of unquoted investments (gross)	6,165.26	5,735.48
Aggregate amount of impairment in value of investments	(1,432.68)	(1,365.33)

9 Loans receivable (unsecured)

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current #	Non Current	Current #
Considered good				
a) Loans to related parties (refer note 9.1 and 44)	–	–	39.01	–
b) Advances to employees	–	11.68	–	10.24
Considered doubtful				
Loans to related parties (refer note 9.1 and 44)	181.63	–	218.98	–
Less : Allowance for bad and doubtful loans	(181.63)	–	(218.98)	–
Total	**-**	**11.68**	**39.01**	**10.24**

9.1 During the year, the Company made additional investments in wholly-owned subsidiaries Niruja Product Development and Research Private Limited and HealthCare Global Senthil Multi-Specialty Hospital Private Limited amounting to ₹ 47.50 million and ₹ 30.70 million respectively. These proceeds were used to recover the loans given by the Company in the prior years amounting to ₹ 47 million and ₹ 29.36 million respectively. Pursuant to the settlement of loans, the Company has reversed previously recognised allowance amounting to ₹ 37.35 million on loans and has recognised impairment on investments amounting to ₹ 37.35 million under exceptional items. Refer note 31.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

9.2 Loans granted to promoters, directors, KMPs and the related parties that are repayable on demand or without specifying any terms or period of repayment:

(₹ in million)

Type of borrower	As at 31 March 2023		As at 31 March 2022	
	Amount outstanding	% of total loan	Amount outstanding	% of total loan
Promoters	–	–	–	–
Directors	–	–	–	–
KMPs	–	–	–	–
Other related parties *	181.63	100%	257.99	100%
Total	**181.63**	**100%**	**257.99**	**100%**

* Loans given to wholly-owned subsidiaries Niruja Product Development and Research Private Limited and HealthCare Global Senthil Multi-Specialty Hospital Private Limited. Refer notes 44 and 46.

Refer note 17 for details of charge created on Loans.

There are no advances due by / to directors, or other officers of the Company or any of them either severally or jointly with any other person or amounts due by firm or private companies respectively in which any director is a partner or a director or a member.

10 Other financial assets

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current*	Non Current	Current*
Receivable from related parties (Refer note 44)	–	213.58	–	154.09
Share application money pending allotment (Refer note 46)	–	–	8.00	–
Unbilled revenue (Refer note 48)	–	–	–	168.40
Security deposits	184.14	22.95	163.00	29.07
Term deposits (original maturity more than 12 months) 1	45.37	–	37.86	5.62
Interest accrued but not due on fixed deposits	5.93	5.89	3.46	6.98
Interest accrued on capital contribution to LLPs (Refer note 44)	–	43.96	–	43.96
Interest accrued on loans (Refer note 44)	–	0.30	–	0.30
Considered doubtful				
Interest accrued on loans (Refer note 44)	–	91.07	–	91.07
Less : Allowance for bad and doubtful receivables	–	(91.07)	–	(91.07)
Security deposits	20.64	–	20.64	–
Less : Provision for impairment	(20.64)	–	(20.64)	–
Other receivables	–	8.80	–	8.80
Less : Allowance for bad and doubtful receivables	–	(8.80)	–	(8.80)
	235.44	**286.68**	**212.32**	**408.42**

* Refer note 17 for details of charge created on other current financial assets.

Note:

1 Term deposits include margin money deposits with banks and deposits given as security for obtaining bank guarantees

2 **Details of advances to directors and private companies in which any director is a director or a member**

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
i) Private companies in which any director is a director or member		
– Malnad Hospital and Institute of Oncology Private Limited	1.98	2.40
– BACC HealthCare Private Limited	2.29	0.75
– HCG Medi-surge Hospitals Private Limited	15.05	2.63
– HealthCare Global (Africa) Pvt Ltd	–	3.27
– Healthcare Global (Tanzania) Private Limited	–	0.33
– Healthcare Global (Kenya) Private Limited	–	12.08

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

11 Other assets

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current*	Non Current	Current*
Unsecured, considered good				
Capital advances	136.94	–	121.76	–
Advance for acquisition of business (refer note 11.1 below)	20.00	–	–	–
Prepaid expenses [net of provision for impairment ₹ 31.22 million (31 March 2021: ₹ 31.22 million)]	25.12	41.63	28.17	32.37
Advance to vendors (refer note 44)	–	164.30	–	49.44
Receivable from revenue authorities	–	28.80	–	33.49
Taxes paid under protest	–	52.56	–	52.56
Unsecured, considered doubtful				
Capital advances	65.69	–	65.69	–
Less : Allowance for bad and doubtful advances	(6.70)	–	(6.70)	–
Less : Provision for impairment [refer note 5.2(i)]	(58.99)	–	(58.99)	–
Advance to vendors	–	55.76	–	55.76
Less : Allowance for bad and doubtful advances	–	(55.76)	–	(55.76)
	182.06	**287.29**	**149.93**	**167.86**

* Refer note 17 for details of charge created on other current assets.

11.1 During the year ended 31 March 2023, the Company has entered into a Business Transfer Agreement (BTA) with Radiant Hospital Services Private Limited for the acquisition of its radiation therapy centre, along with its assets located at Sambalpur, Odisha on a slump sale basis for a total cash consideration of Rs. 160 million, of which partial consideration of Rs. 20 million were paid as advance. As the proposed transfer of business is subject to satisfaction of certain conditions precedent to the closing date as per the terms of BTA which are still under progress and accordingly, control is not obtained as at 31 March 2023, the effect for acquisition of this business is not given in these financial statements. Further, Management in the interim period has entered into Operation and Maintenance agreement with the Radiant Hospital effective 1 February 2023.

12 Inventories (lower of cost and net realisable value)*

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Medical and non-medical items	212.17	173.03
	212.17	**173.03**

*Inventories are subject to charge to secure bank loans. There are nil provision for written down to net realisable value.

13 Trade receivables*

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Billed - considered good		
Trade receivables - unsecured	2,370.82	2,104.50
Less: Loss allowance (refer note 29(ii) and note 41)	(382.95)	(502.05)
	1,987.87	**1,602.45**
Unbilled - considered good		
Trade receivables - unsecured	142.96	–
Less: Loss allowance (refer note 41)	(7.12)	–
Unbilled trade receivables (net) (B)	**135.84**	**-**
Trade receivables (net) (A) + (B)	**2,123.71**	**1,602.45**

* Trade receivables are subject to charge to secured bank loans

Refer note 44 for related party balances

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

13 Trade receivables* (Contd..)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Private companies in which any director is a director or member		
– HealthCare Global Senthil Multi-Specialty Hospitals Private Limited	0.10	0.10
– Malnad Hospital and Institute of Oncology Private Limited	0.97	0.28
– HCG Medi-surge Hospitals Private Limited	5.10	11.72
– BACC Healthcare Private Limited	0.01	5.17
Total	**6.18**	**17.27**

Trade receivables ageing schedule

As at 31 March 2023

(₹ in million)

Particulars	Unbilled	Billed - outstanding for following periods from due date					Total
		Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade receivables - considered good	142.96	1,500.44	366.00	206.17	113.69	184.52	2,513.78
Undisputed Trade receivables - which have significant increase in risk	–	–	–	–	–	–	–
Undisputed Trade receivables - credit impaired	–	–	–	–	–	–	–
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in risk	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	–	–
	142.96	**1,500.44**	**366.00**	**206.17**	**113.69**	**184.52**	**2,513.78**
Less: Loss allowance for doubtful trade receivables							(390.07)
Total							**2,123.71**

As at 31 March 2022

(₹ in million)

Particulars	Unbilled	Billed - outstanding for following periods from due date					Total
		Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade receivables - Considered good	168.40	1,021.68	278.73	180.51	166.49	438.98	2,254.79
Undisputed Trade receivables - which have significant increase in risk	–	–	–	–	–	–	–
Undisputed Trade receivables - credit impaired	–	–	–	–	–	–	–
Disputed Trade receivables - Considered good	–	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in risk	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	18.11	18.11
	168.40	**1,021.68**	**278.73**	**180.51**	**166.49**	**457.09**	**2,272.90**
Less: Loss allowance for doubtful trade receivables							(502.05)
Total							**1,770.85**

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

14 Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Cash on hand	7.23	8.71
(b) Cheques, drafts on hand	1.79	7.18
(c) Balance with bank		
In current accounts and in Exchange Earners Foreign Currency Account (EEFC) accounts	385.05	182.88
In deposit accounts with original maturity less than 3 months	308.99	1,000.79
	703.06	**1,199.56**

14.1 Bank balance other than cash and cash equivalents above

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits with banks with balance maturity of less than 12 months *	100.59	–
	100.59	**–**

*Deposits include margin money deposits with banks and deposits given as security for obtaining bank guarantees. These deposits are restrictive.

For the purpose of the statement of cash flows, cash and cash equivalent comprise the followings

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Cash on hand	7.23	8.71
(b) Cheques, drafts on hand	1.79	7.18
(c) Balance with bank		
In current accounts and EEFC accounts	385.05	182.88
In deposit accounts	308.99	1,000.79
Cash and cash equivalents as per balance sheet	**703.06**	**1,199.56**
Less : Bank overdrafts (refer note 17)	–	(6.29)
Cash and cash equivalents as per standalone statement of cash flows	**703.06**	**1,193.27**

15 Equity share capital

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital:		
200,000,000 equity shares of ₹10 each (as at 31 March 2022: 200,000,000 equity shares of ₹10 each)	2,000.00	2,000.00
Issued, subscribed and paid up capital comprises:		
139,116,062 equity shares of ₹10 each (as at 31 March 2022: 139,011,992)	1,391.16	1,390.12

All issued shares are fully paid up.

15.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the year:

(₹ in million)

Particulars	Number of shares	Amount
Balance as at 01 April 2021	125,359,284	1,253.59
(a) Issue of equity shares pursuant to exercise of warrants (refer notes (a) & (b) below)	13,503,468	135.04
(b) Issue of equity shares pursuant to exercise of employee share options under the Employee Stock Option Scheme 2014 (refer note 38(C))	149,240	1.49
Balance as at 31 March 2022	**139,011,992**	**1,390.12**
(a) Issue of equity shares pursuant to exercise of employee share options under the Employee Stock Option Scheme 2014 and the Employee Stock Option Scheme 2021 (refer note 38(C))	104,070	1.04
Balance as at 31 March 2023	**139,116,062**	**1,391.16**

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

15 Equity share capital (Contd..)

a) During the year ended 31 March 2021, the Company made preferential allotment of 29,516,260 Equity shares of the face value of ₹ 10 each, at a premium of ₹ 120 each (aggregating to ₹ 130 per equity share) and 18,560,663 Warrants, with a right to apply for and be allotted one equity share of the face value of ₹ 10 each at a premium of ₹ 120 each (aggregating to ₹ 130 per Warrant) to Aceso Company Pte. Ltd., Singapore ("Investor"). As required under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"), during the year ended 31 March 2021, Investor remitted an amount ₹ 5,128 Million towards allotment of 29,516,260 equity shares at ₹ 130 per share (₹ 3,837 Million), 100% consideration for allotment and subsequent exercise of 7,057,195 warrants at ₹ 130 per warrant (₹ 917 Million) and 25% of the consideration for remaining 11,503,468 warrants at ₹ 130 per warrant (₹ 374 Million).

During the previous year, upon receipt of the remaining 75% of the consideration i.e. ₹ 1,122 Million towards the exercise of the warrants, 11,503,468 equity shares were allotted on 6 December 2021.

b) The Board of Directors of the Company on 26 June 2020, pursuant to the approval of the shareholders of the Company received on June 12, 2020, made a preferential allotment of 20,00,000, Series B Warrants, to Dr. B.S. Ajaikumar, Promoter ("Promoter") with a right to apply for and be allotted 1 Equity Share of the face value of ₹ 10 each of the Company, at a premium of ₹ 120 for each Series B Warrant. As required under the provisions of the ICDR Regulations, during the year ended 31 March 2021, the Promotor remitted an amount equivalent to 25% of the Consideration i.e. ₹ 65 Million on issue of series B Warrants.

During the previous year, upon receipt of the remaining 75% of the consideration i.e. ₹ 195 Million towards the exercise of the Series B Warrants, 2,000,000 equity shares were allotted on 8 December 2021."

15.2 Rights, preferences and restrictions attached to equity shares

Fully paid equity shares, which have a par value of ₹10, carry one vote per share and carry a right to dividends. The Company has only one class of equity share having a par value of ₹10/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders.

Employee stock options and terms attached to stock options granted to employees are described in Note 38.

15.3 Details of shareholder holding more than 5% shares of equity shares

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Aceso Company Pte. Ltd.	80,559,078	57.91%	78,808,578	56.69%
Dr B.S Ajaikumar	18,073,715	12.99%	19,824,215	14.26%

15.4 Shareholding of promoters and promoter group

Particulars	As at 31 March 2023		Percentage change during the year ended 31 March 2023
	Number of Shares held	% holding of equity shares	
Promoter			
Aceso Company Pte. Ltd.	80,559,078	57.91%	1.22%
Dr B.S Ajaikumar	18,073,715	12.99%	-1.27%
Promoter group			
Asmitha Ajaikumar	327,259	0.24%	0.00%
Aagnika Ajaikumar	327,258	0.24%	0.00%
Bhagya A Ajaikumar	1,795	0.00%	0.00%
Anjali Ajaikumar Rossi	1,000	0.00%	0.00%

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

15 Equity share capital (Contd..)

Particulars	As at 31 March 2022		Percentage change during the year ended 31 March 2022
	Number of Shares held	% holding of equity shares	
Promoter			
Aceso Company Pte. Ltd.	78,808,578	56.69%	3.00%
Dr B.S Ajaikumar	19,824,215	14.26%	0.04%
Promoter group			
Asmitha Ajaikumar	327,259	0.24%	(0.03%)
Aagnika Ajaikumar	327,258	0.24%	(0.03%)
Bhagya A Ajaikumar	1,795	0.00%	(0.00%)
Anjali Ajaikumar Rossi	1,000	0.00%	(0.00%)

15.5 Aggregate number of equity shares allotted as fully paid-up without payment being received in cash for a period of five years immediately preceding the years ended 31 March 2023 and 31 March 2022

Particulars	Aggregate number of shares as at	
	As at 31 March 2022	As at 31 March 2022
Issue of shares pursuant to Business combination	934,500	934,500

15.6 Number of equity shares of ₹10/- each reserved for issuance

Particulars	As at 31 March 2023	As at 31 March 2022
a) to eligible employees under Employee Stock Option Scheme (also, refer note 38)	6,270,200	6,386,880

16 Other equity

(₹ in million)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
Securities premium	16.1	11,648.85	11,628.99
Share options outstanding account	16.2	120.28	67.18
Retained earnings	16.3	(1,681.03)	(2,082.94)
Amalgamation adjustment deficit account	16.4	(13.91)	(13.91)
Remeasurements of the defined benefit plan	16.5	(14.13)	(12.53)
Cash flow hedging reserve	16.6	–	–
Money received against share warrants	16.7	–	–
		10,060.06	**9,586.79**

16.1 Securities premium

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of year	11,628.99	9,974.51
Premium on shares issued during year *	19.86	1,654.48
Balance at end of year	**11,648.85**	**11,628.99**

* Refer note 15.1(a) and (b) for premium received on allotment of shares pursuant to exercise of share warrants

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

16 Other equity (Contd..)

16.2 Share options outstanding account

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	67.18	67.15
Transferred to securities premium account on exercise of ESOPs	(12.04)	(30.56)
Transferred to retained earnings on lapse of vested ESOPs	–	(1.11)
Deferred stock compensation expense for the year (refer note 26 and 44)	65.14	31.70
Balance at end of year	**120.28**	**67.18**

Refer note 38.

16.3 Retained earnings

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of year	(2,082.94)	(2,466.58)
Profit for the year	401.91	382.53
Transfer from Share options outstanding account on account of lapse of vested ESOPs	–	1.11
Balance at end of year	**(1,681.03)**	**(2,082.94)**

16.4 Amalgamation adjustment deficit account

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of year	(13.91)	(13.91)
Balance at end of year	**(13.91)**	**(13.91)**

16.5 Remeasurements of the defined benefit liabilities / (asset)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of year	(12.53)	(8.11)
Other comprehensive (loss) arising from remeasurement of defined benefit obligation (net of income tax)	(1.60)	(4.42)
Balance at end of year	**(14.13)**	**(12.53)**

16.6 Effective portion of loss on designated portion of hedging instrument in a cashflow hedge

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of year	–	(7.69)
Other comprehensive income arising from remeasurement of hedging instrument in a cashflow hedge (net of income tax)	–	7.69
Balance at end of year (refer note 40)	**–**	**–**

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

16.7 Money received against share warrants

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of year	–	438.86
Issue of shares pursuant to exercise of warrants (refer notes 15.1(a) and (b) above)	–	(438.86)
Balance at end of year	**–**	**-**

17 Borrowings

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current	Non Current	Current
Secured - at amortised cost				
(i) Term loans				
from banks (Refer note 17.1.1)	1,050.21	69.47	803.88	21.05
from other parties (Refer note 17.1.2)	–	–	–	2.28
(ii) Vehicle loans (Refer note 17.1.5)	–	–	–	0.70
(iii) Loans repayable on demand				
– from Banks (bank overdraft) (Refer note 17.1.6)	–	–	–	6.29
Unsecured - at amortised cost				
(i) Deferred payment liabilities (Refer note 17.1.4)	77.02	16.40	14.32	200.27
(ii) Term loans from other parties (refer note 17.1.3)	–	1.87	2.05	23.65
Total	**1,127.23**	**87.74**	**820.25**	**254.24**

The Company's exposure to liquidity risk is disclosed in Note 41.

17.1 Summary of borrowing arrangements

Details of security and terms of repayment of term loans and other loans are stated below.

(₹ in million)

Terms of repayment and security	As at 31 March 2023	As at 31 March 2022
17.1.1 Term loans from banks - Secured		
Facility -1		
Non-current portion *	744.79	814.64
Amounts included under current borrowings	69.47	21.05
Details of security and terms of repayment for the amounts borrowed during the current year:		
– First pari-passu charge on movable fixed assets (both present and future, excluding those funded out exclusively by other lenders) and immovable fixed assets (land and building/structures there upon) and ranking pari-passu charge with participating lenders.		
– Rate of interest: Repo-rate + 2.3% p.a to 2.85% p.a.		
– Repayable in installments over a period of 6 to 9.5 years from the date of borrowing.		
* Non-current portion of bank debt includes an amount of ₹ 10.58 million (31 March 2022; 10.76 millionl) towards unamortised loan processing charges, which is netted off below"		
Term loans from banks - Secured		
Facility -2		
Non-current portion *	316.00	–
Amounts included under current borrowings	–	–
Details of security and terms of repayment for the amounts borrowed during the current year:		
– Extension of second charge over primary and collateral security for existing facilities and 100% credit guarantee by National Credit Guarantee Trustee Company Limited (NCGTC).		

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

17 Borrowings (Contd..)

(₹ in million)

	Terms of repayment and security	As at 31 March 2023	As at 31 March 2022
	– Rate of interest: Repo-rate + 2.3% p.a		
	– Repayable in installments over a period of 4 years from the date of borrowing excluding 2 years moratarium.		
17.1.2	**Term loans from others - Secured**		
	Non-current portion	–	–
	Amounts included under current borrowings	–	2.28
	– Secured by equipment purchased out of amount financed		
	– Rate of Interest: 14.05% p.a.		
	– Repayable in 48 monthly installments from the date of borrowing"		
17.1.3	**Term loans from others - Unsecured**		
	Non-current portion	–	2.05
	Amounts included under current borrowings	1.87	23.65
	– Rate of interest: 10.60% p.a.		
	– Repayable in installments over a period of 3 years.		
17.1.4	**Deferred payment obligations - Unsecured**		
	Non-current portion	77.02	14.32
	Amounts included under current borrowings	16.40	200.27
	– Rate of interest 3% p.a		
	– Repayment in installments over a period of 3 years from the date of borrowing		
17.1.5	**Vehicle loan from bank - Secured**		
	Non-current portion	–	–
	Amounts included under current borrowings	–	0.70
	– Secured by hypothecation of cars purchased out of finance.		
	– Rate of Interest 8.25% p.a.		
	– Repayable in 60 monthly installments from the date of borrowing		
17.1.7	**Secured loan repayable on demand from banks:**		
	Secured by first pari-passu charge on entire current assets (both present and future), second pari- passu charge over entire fixed assets (both present and future other than exclusively charged) of the company.		
	Rate of Interest : 1 month MCLR + 0.25% p.a		
	Note: There are no material differences between the quarterly returns or statements filed by the Company for working capital limits with such banks and financial institutions and the books of account of the Company.	–	6.29
	'Less: Unamortised loan processing charges	(10.58)	(10.76)
	Total (net of Unamortised loan processing charges)	**1,214.97**	**1,074.49**
	Non-current portion	**1,127.23**	**820.25**
	Amounts included under current borrowings	**87.74**	**254.24**

Notes to the Standalone Financial Statements
for the year ended 31 March 2023

18 Other financial liabilities

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current	Non Current	Current
Creditors for capital goods	–	71.05	–	46.11
Accrued employee benefits (refer note 44)	–	242.57	–	213.35
Financial guarantee obligation	39.67	14.81	54.24	16.44
Other payable to related parties (refer note 44)	–	21.48	–	22.21
Total	**39.67**	**349.91**	**54.24**	**298.11**

19 Other liabilities

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current	Non Current	Current
Advance from customers (refer note 48)	–	170.84	–	179.24
Balance due to statutory/government authorities	–	63.46	–	57.31
Deferred government grant (Refer note below)	280.75	19.20	178.26	19.76
Total	**280.75**	**253.50**	**178.26**	**256.31**

Note: The Company imports medical equipments under Export Promotion Capital Goods (EPCG) scheme. Under the Scheme, as the Company expects to meet the specified criteria, it is exempt from paying customs duty on imports which is recognised as a government grant. Fair value of the government grant is capitalised along with the equipment. Deferred income is amortised over the useful life of the equipment it has been procured. Additional deferred government grant recognised during the year ended 31 March 2023 is ₹ 138.26 million (31 March 2022: 6.52 million). Government grant income recognised during the year is ₹ 20.21 million (31 March 2022: ₹ 21.31 million). Further, the deferred government grant reduced by ₹ 16.12 million during the year ended 31 March 2023 pursuant to settlement of duties and taxes on account of sale of underlying equipment. As at 31 March 2023 and 31 March 2022, for certain licenses there is unfulfilled condition with respect to government grant availed (refer note 33). The Company basis its assessment, expects that it will be able to meet its export obligations.

20 Provisions

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current	Non Current	Current
Employee benefits				
Gratuity (Refer note 37.2)	95.00	39.24	77.91	38.86
Compensated absences	–	51.11	–	52.38
Provision for indemnified tax contingency [refer note 31(i)]	–	50.00	–	50.00
Total	**95.00**	**140.35**	**77.91**	**141.24**

21 Trade payables

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	26.30	11.65
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,063.74	951.70
Total	**1,090.04**	**963.35**

* For details relating to payable to related parties- refer note 44

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

21 Trade payables (Contd..)

Trade payables ageing schedule

(₹ in million)

Particulars	As at 31 March 2023		
	Micro enterprises and small enterprises	Others	Total
Unbilled dues	–	608.00	608.00
Outstanding for following periods from due date of payment			
Not due	17.53	209.27	226.80
Less than 1 year	8.77	175.23	184.00
1-2 years	–	5.88	5.88
2-3 years	–	10.28	10.28
More than 3 years	–	55.08	55.08
Total	**26.30**	**1,063.74**	**1,090.04**

There are no disputed dues as at 31 March 2023.

(₹ in million)

Particulars	As at 31 March 2022		
	Micro enterprises and small enterprises	Others	Total
Unbilled dues	–	440.11	440.11
Outstanding for following periods from due date of payment			
Not due	8.80	255.29	264.09
Less than 1 year	2.85	159.94	162.79
1-2 years	–	21.95	21.95
2-3 years	–	19.31	19.31
More than 3 years	–	55.10	55.10
Total	**11.65**	**951.70**	**963.35**

There are no disputed dues as at 31 March 2022.

22 Revenue from operations (refer note 48)

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Income from medical services	9,515.48	7,804.43
(b) Sale of medical and non-medical items	446.13	611.19
(c) Other operating revenues	94.12	82.68
Total	**10,055.73**	**8,498.30**

23 Income from government grant

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Income from government grant	20.21	21.31
Total	**20.21**	**21.31**

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

24 Other income

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Interest income (Refer note below)	53.50	64.54
(b) Interest income from financial assets at amortised cost	9.91	11.30
(c) Net foreign exchange gains	4.04	3.65
(d) Net gain on financial assets designated at fair value through profit and loss	0.35	1.24
(e) Payables no longer required written-back	2.26	–
(f) Guarantee commission (refer note 44)	16.10	19.84
(g) Miscellaneous income	1.82	2.28
Total	**87.98**	**102.85**
Note: Interest income comprise:		
Interest on bank deposits	40.86	51.40
Interest on income tax refund	12.64	1.80
Interest on unsecured loan and capital contribution to LLPs (Refer note 44)	–	3.39
Interest on inter-corporate deposits	–	7.95
Total	**53.50**	**64.54**

25 Changes in inventories

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the beginning of the year	173.02	119.50
Inventories at the end of the year	212.17	173.02
Changes in inventories	**(39.15)**	**(53.52)**
Opening stock on acquisition of business (refer note 45)	–	24.16
Net (decrease)	**(39.15)**	**(29.36)**

26 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	1,502.13	1,386.83
Contribution to provident and other funds (Refer note 37)	94.99	92.78
Expense on employee stock option scheme (Refer note 16.2 and 38), net	59.69	28.33
Staff welfare expenses	93.46	58.38
Total	**1,750.27**	**1,566.32**

27 Finance costs

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Interest costs :-		
Interest on term loan from banks and others	91.30	106.93
Interest on bank overdraft	18.40	30.65
Interest on deferred payment obligations	4.29	7.18
Interest on duties and taxes on settlement of EPCG license	12.10	–
Net loss on foreign currency transactions and translations to the extent regarded as borrowing costs	21.35	2.94
Interest expense on lease liabilities (Gross)	226.27	257.36
Less: Capitalised in capital work-in-progress	–	(28.83)
Interest expense on lease liabilities (net)	226.27	228.53
Interest on defined benefit obligations	7.41	5.99
(b) Other borrowing costs	33.76	45.73
Total	**414.88**	**427.95**

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

28 Depreciation and amortisation expense

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 5)	555.41	566.17
Depreciation of right-of-use assets, Gross (refer note 6)	236.13	234.14
Less: Capitalised	–	(19.31)
Depreciation of right-of-use assets, net (refer note 6)	236.13	214.83
Amortisation of intangible assets (refer note 7)	98.18	102.60
Total depreciation and amortisation expense	**889.72**	**883.60**

29 Other expenses

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Medical consultancy charges	1,942.12	1,607.32
Lab charges	120.79	222.63
Power and fuel, water charges	188.20	197.58
House keeping expenses	187.23	160.93
Rent (Refer note 7)	78.61	64.83
Repairs and maintenance		
Building	9.97	8.96
Machinery	277.84	215.38
Office maintenance & Others	169.49	141.41
Insurance	13.49	13.50
Rates and taxes	89.24	83.05
Printing & stationery	26.34	22.52
Postage & telegram	40.89	31.07
Advertisement, publicity & marketing	181.76	99.93
Travelling & conveyance	119.74	69.53
Legal & professional fees	418.70	233.60
Payment to auditors (refer note 30.1)	12.74	10.31
Trade receivable written off, net (refer note (i) below and note 41)	317.12	–
Reversal of allowance for doubtful trade receivables, net (refer note (ii) below and note 41)	(111.98)	97.84
Loss on disposal of property, plant and equipment	11.88	0.81
Corporate social responsibility (refer note 30.2)	–	10.23
Revenue share expenditure	–	39.51
Miscellaneous expenses	45.82	29.16
Total	**4,139.99**	**3,360.10**

Notes:

(i) Trade receivable written off during the year ended 31 March 2023 is net of recovery of bad debts written-off in the earlier years amounting ₹ 35.33 million.

(ii) During the current year ended 31 March 2023, the Company recognised allowance for doubtful trade receivables from its subsidiaries amounting to ₹ 80.70 million (owed by HCG NCHRI Oncology LLP ₹ 50.55 million and HCG EKO Oncology LLP ₹ 30.15 million) on account of uncertainty in recoverability of such balances given their continued losses.

30.1 Payments to auditors

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Audit fees	8.40	5.20
b) Limited review	2.40	2.00
c) Out of pocket expenses and taxes on above	1.79	2.00
d) Certification services	0.15	1.11
Total	**12.74**	**10.31**

Notes to the Standalone Financial Statements
for the year ended 31 March 2023

30.2 Corporate social responsibility

(1) amount required to be spent by the company during the year: Nil (31 March 2022: Nil)

(2) amount of expenditure incurred during the year:

(i) Construction/acquisition of any asset: Nil

(ii) On purposes other than (i) above: Nil (refer note 29 above)

(3) shortfall at the end of the year: Nil

(4) total of previous years shortfall: Nil (as at 31 March 2022: Nil)

(5) reason for shortfall: Not applicable

(6) nature of CSR activities: Promoting education of rural children

(7) details of related party transactions: Nil (for the year ended 31 March 2022: Contribution to International Human Development and Upliftment Academy (Trust) in relation to CSR activities ₹ 10.23 Million)

31 Exceptional items

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net gain on disposal of equity investment in joint venture - Strand Life Sciences Private Limited (refer note (i) below)	–	1,276.81
Loan foreclosure and refinancing expenses (refer note (ii) below)	–	(17.15)
Gain on fair value of investments in Suchirayu Health Care Solutions Limited (refer note (iii) below)	–	17.40
Project cost written off / impairment		
Privat project (refer note 5.2)	–	(472.45)
Provision for diminution in value of investments / loans		
HCG EKO Oncology LLP (refer note (iv) below)	(30.00)	(270.00)
Niruja Product Development and Healthcare Research Private Limited (refer note 9.1)	(7.99)	–
HealthCare Global Senthil Multi-Specialty Hospital Private Limited (refer note 9.1)	(29.36)	–
Reversal of provision for doubtful loans		
Niruja Product Development and Healthcare Research Private Limited (refer note 9.1)	7.99	–
HealthCare Global Senthil Multi-Specialty Hospital Private Limited (refer note 9.1)	29.36	–
Business acquisition expenses	–	(5.50)
Total	**(30.00)**	**529.11**

(i) During the previous year, in accordance with the terms of Share Purchase Agreement dated 3 September 2021, the Company sold its investment in Strand Life Sciences Private Limited ('Strand') for a total consideration of ₹1,577.76 million, resulting in a gain of ₹1,276.81 million (net of expenses relating to the disposal amounting ₹ 5.62 million and amounts set aside for contingencies for taxes ₹ 50 million).

(ii) During the previous year, the Company refinanced its certain borrowings from banks and financial institutions. On account of this, the Company incurred one time expenses of ₹ 17.15 million, net, towards foreclosure charges and accelerated amortization of loan processing fees related to earlier borrowings.

(iii) On 18 November 2021, the Company invested ₹ 330 million in the equity shares of Suchirayu Health Care Solutions Limited (Suchirayu) through primary funding, which resulted in increase in the Company's stake in Suchirayu from 17.7% to 78.6%, consequent to which Suchirayu became subsidiary of the Company with effect from 18 November 2021. The Company remeasured its previously held interest in Suchirayu at fair value on the date of acquisition of additional stake and recognised the resultant gain (net) as an exceptional item in accordance with the applicable Indian Accounting Standard. With the acquisition of this business, the earlier medical services and the other related arrangements were cancelled.

(iv) The Company performed impairment assessment for all its investments and recorded consequential impairment loss under exceptional items. Given the continued losses incurred and due to weaker forecasts, the recoverable amount of investments (considering the future cash flow projections) in HCG EKO Oncology LLP was estimated to be lower than their carrying value, resulting into an impairment charge.

(v) During the year ended 31 March 2022, the Company has incurred ₹ 5.5 million towards legal and professional fees in respect of acquisition of business referred in Note 45.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

32 Income tax expense

32.1 Income tax recognised in the Statement of profit and loss

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax		
Current tax	70.00	157.00
	70.00	**157.00**
Deferred tax		
MAT	145.25	–
Others	(40.95)	270.88
	104.30	**270.88**
Total income tax expense recognised in the Statement of profit and loss	**174.30**	**427.88**

The reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	576.21	810.41
Enacted income tax rate in India	34.944%	34.944%
Computed expected tax expense	201.35	283.19
Effect of:		
Income not taxable	(10.37)	(16.80)
Permanent differences and others	4.24	9.46
Impairment / loan provisions on which deferred tax asset not recognised	21.14	259.44
Differential tax rate for capital gains on sale of investments	–	(88.60)
Change in deferred tax rate *	(40.38)	–
Others	(1.68)	(18.81)
Total	**174.30**	**427.88**

* The Company plans to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from the financial year 2023-24. Accordingly, the Company has recognised deferred taxes based on the rates applicable for the year when these deferred taxes are expected to be realized/settled. The impact of this change is recognised in the Statement of Profit and Loss for the year ended 31 March 2023.

32.2 Income tax recognised in other comprehensive income

(₹ in million)

Particulars	31 March 2023	31 March 2022
Income tax arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	0.86	2.38
Effective portion of loss on hedging instruments in a cash flow hedge	–	(4.08)
Total income tax recognised in other comprehensive income	**0.86**	**(1.70)**

32.3 Deferred tax balances (Net)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred Tax assets	476.13	793.52
Deferred Tax liabilities	(578.89)	(792.84)
Total	**(102.76)**	**0.68**

Notes to the Standalone Financial Statements
for the year ended 31 March 2023

32 Income tax expense Contd..)

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2023 are as follows:

(₹ in million)

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment and intangible assets	(623.29)	213.95	–	(409.34)
Goodwill	(169.55)	–	–	(169.55)
Sec 43B items	74.07	(17.01)	0.86	57.92
MAT credit entitlement	145.25	(145.25)	–	–
Provisions- others	223.33	(101.95)	–	121.38
IND AS 116	264.01	(65.54)	–	198.47
Others	86.86	11.50	–	98.36
Total	**0.68**	**(104.30)**	**0.86**	**(102.76)**

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2022 are as follows:

(₹ in million)

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment and intangible assets	(644.05)	20.76	–	(623.29)
Goodwill	(169.55)	–	–	(169.55)
Sec 43B items	66.68	5.01	2.38	74.07
MAT credit entitlement	145.25	–	–	145.25
Provisions- others	177.54	45.79	–	223.33
IND AS 116	190.71	73.30	–	264.01
Tax losses	409.68	(409.68)	–	–
Others	97.00	(6.06)	(4.08)	86.86
Total	**273.26**	**(270.88)**	**(1.70)**	**0.68**

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax ('MAT') if the tax payable under normal provisions is less than tax payable under MAT. Excess tax paid under MAT over tax under normal provision can be carried forward for a period of 15 years and can be set off against the future tax liabilities.Unabsorbed business losses expire 8 years after the year in which they originate and unabsorbed depreciation can be carried forward indefinitely unless there is a substantial change in the ownership. Tax benefits on unabsorbed business losses, unabsorbed depreciation and MAT credit entitlement have been recognised as deferred tax asset as it is more probable than not that the future economic benefits associated with the asset will be realised.

32.4 Income tax assets and liabilities

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
a) Income tax assets (net)		
Tax deducted at source, advance tax (net of Provision)	436.58	299.49
Total	**436.58**	**299.49**
b) Current tax liabilities (net)		
Provision for tax, (net of advance tax, tax deducted at source)	21.98	–
Total	**21.98**	**-**

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

33 Contingent liabilities

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
a) Corporate guarantee given on behalf of subsidiaries and other parties (refer note 44 and 46)	1,433.72	1,826.37
b) Other money for which the Company is contingently liable		
Excise and service tax (Refer note (i) below)	28.34	28.34
Value added tax (Refer note (ii) below)	48.46	48.46
Sales tax (Refer note (iii) below)	9.46	9.46
Duties and taxes in respect of EPCG licenses (Refer note (iv) below)	320.26	253.89
Income tax (Refer note (v) below)	30.63	30.63
c) Bonus to employees pursuant to retrospective amendment to the Payment of Bonus Act, 1965 (Refer note (vi) below)	9.98	9.98

(i) (a) Excise Commissionerate-III, Bengaluru has passed Order against the Company adjudicating that the product Fluro-deoxy-glucose ('FDG') is excisable and levied excise duty for the period under scrutiny from April 2009 to March 2014 of ₹ 6.80 million, interest on duty amount, penalty of ₹ 6.80 million, redemption fine of ₹0.6 million in lieu of confiscation of goods not available. The order also imposed a penalty of ₹ 1 million on Dr. B.S.Ajaikumar, Executive Chairman of the Company. The Company has filed an appeal before CESTAT by paying Central Excise Duty of ₹0.6 million and is positive of winning the case on the ground that FDG is not excisable as there is no specific entry in the Central Excise Tariff Act 1985. Further, even if it is excisable the same has to be classified under Chapter 30 which attracts excise duty at 6% and valuation of captively consumed FDG will reduce the demand.

(i) (b) Additional Commissionerate of Central Excise, Chennai, has passed the Order confirming the excisability on sale of FDG for the period March 2013 to June 2015 levying excise duty of ₹ 6.57 million, interest on duty amount and penalty of ₹ 6.57 million. The Company is positive of winning the case on the ground that FDG is not excisable as there is no specific entry in the Central Excise Tariff Act 1985. Further, even if it is excisable the same has to be classified under Chapter 30 which attracts excise duty at 6% and valuation of captively consumed FDG will reduce the demand.

(ii) (a) HealthCare Global Vijay Oncology Private Limited which got merged with HCG effective from April 1, 2015, has undergone Departmental VAT audit for the period from 2011-12 to 2014-15 and noted that the Company has not charged & paid VAT on supply of food to patients and raised a AP-VAT demand of ₹ 2 million. Further, the Deputy Commercial Tax Officer, Vijayawada has passed the Penalty Order for ₹ 0.5 million against the above AP-VAT Audit Order. The Company has filed an writ petition before Andhra Pradesh High Court by paying ₹0.4 million VAT amount to department.

The Company is positive of winning the case on the ground that various High Courts in India have ruled that the supply of food to patient is pursuant to provision of medical service and is not a sale of goods.

(ii) (b) Healthcare Global Enterprises Limited assessment for Karnataka Value Added Tax (VAT) has been done for FY 2013-14 to FY 2016-17 wherein demand of ₹ 33.02 million has been raised. The demand has mainly arisen on account of differential rate of tax on canteen income, denial of input credit, wrongly taxing other income and ignoring the details of sales / sales returns. The entire demand has been recovered from the Company. Presently, appeals for FY 2015-16 and FY 2016-17 are pending before Joint Commissioner, Department of Commercial Taxes.

With respect to FY 2013-14 and 2014-15, the appeal filed by the Company before Karnataka Appellate Tribunal ('KVAT Tribunal') was dismissed ex-parte by the KVAT Tribunal due to non-appearance of the Company's counsel, vide Order dated 14 July 2022. However, the Company could not be present on the date of hearing nor make any representation as both the Company and its Counsel did not receive any intimation regarding the hearing. Subsequently in December 2022, the Company has filed an application before the KVAT Tribunal for restoration of the appeal. KVAT Tribunal vide order dated 03 April 2023 allowed the application and restored the appeal to its original form.

The Company believes that the VAT demand will be dropped and there would be no adverse impact in the financial statements.

(ii) (c) Gujarat Value Added Tax (VAT) assessment has been closed for FY 2014-15, FY 2015-16 and FY 2016-17 wherein demand of ₹ 7.84 Million, ₹ 3.58 million and ₹ 1.52 million have been raised. The Company being aggrieved, has filed an appeal for the above years on the ground that Sales Tax is not applicable on IP sales and there is no mismatch in ITC taken by the Company. The Company has paid ₹ 1.30 million as pre-deposit against these orders. Currently, the appeal against the order is pending before the Deputy Commissioner of State Tax.

Notes to the Standalone Financial Statements
for the year ended 31 March 2023

(iii) The Company's assessment for Central Sales Tax (CST) was done for FY 2014-15, FY 2015-16 and FY 2016-17 wherein demand of ₹ 9.46 million was raised. The demand has mainly arisen on account of non-submission of 'F' Forms before the AO. Though, demand has arisen, it is to be noted that the transactions has been reported correctly and it is mere a procedural challenge leading to the demand. Entire demand has been recovered from the Company. Currently, the cases are pending before the Deputy Commissioner of Commercial Taxes. The Company does not expect any adverse impact on the standalone financial statements.

(iv) The Company has availed benefit of custom duties on import of capital goods through Export Promotion and Capital Goods (EPCG) licenses against export obligations to be fulfilled within stipulated time period as per Foreign Trade Policy. Should the Company not be able to fulfill its export obligations within the stipulated time period, it will be liable to pay the duty benefit availed, along with other levies, if applicable, which may be levied on evaluation of facts and circumstances by the respective authorities.

(v) Possible claim against the Company relate to disallowance of expenditure relating to capital projects which have been abandoned. Having regard to various judicial decisions on the similar matters, the management including its tax advisors expect that its position will likely be upheld on ultimate resolution. Further, against few other allowances / disallowances, there could be possible claims which management does not expect to be material.

(vi) The Payment of Bonus (Amendment) Act, 2015 (hereinafter referred to as the Amendment Act, 2015) has been enacted on 31 December 2015, according to which the eligibility criteria of salary or wages has been increased from ₹10,000 per month to ₹21,000 per month (Section 2(13)) and the ceiling for computation of such salary or wages has been increased from ₹3,500 per month to ₹7,000 per month or the minimum wage for the scheduled employment, as fixed by the appropriate government, whichever is higher. The reference to scheduled employment has been linked to the provisions of the Minimum Wages Act, 1948. The Amendment Act, 2015 is effective retrospectively from 1 April 2014. Based on the same, the Company has computed the bonus for the year ended 31 March 2015 which amounts to ₹9.98 million.

The Company has taken a position that the stay granted by the two High Courts of India on the retrospective application of the amendment would have a persuasive effect even outside the boundaries of the relevant states and accordingly no provision is currently required. "

(vii) The Company is involved in other disputes, law suits and other claims including commercial matters which arise from time to time in the ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on the financial statements.

(viii) The Company has given letter of support to its subsidiary entities, namely HealthCare Global Senthil-Multi Specialty Hospital Private Limited, Niruja Product Development and Healthcare Research Private Limited, HCG (Mauritius) Private Limited, HCG Oncology LLP, HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP), BACC HealthCare Private Limited, HCG NCHRI Oncology LLP, HCG EKO Oncology LLP, HCG SUN Hospitals LLP, HCG Manavata Oncology LLP and Suchirayu Health Care Solutions Limited. Under the letter of support, the Company is committed to provide operational and financial assistance as is necessary for the subsidiary entities to enable them to operate as going concern for a period of at least one year from the balance sheet date i.e. till 31 March 2024.

(ix) The Hon'ble Supreme Court has, in a recent decision dated 28 February 2019, ruled that special allowance would form part of wages for computing the Provident Fund (PF) contribution. The Company keeps a close watch on further clarifications and directions from the respective department based on which suitable action would be initiated, if any.

34 Commitments

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	421.42	264.39
Written put options issued by the Company to the non-controlling interests of its subsidiaries	970.00	587.00

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

35 Earnings per share

35.1 Basic earnings per share

The calculations of loss attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculations are as follows:

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a. Profit after tax	401.91	382.53
Profit used in the calculation of basic earnings per share	401.91	382.53
Weighted average number of equity shares for the purposes of basic earnings per share	139,073,790	129,707,612
Basic earnings per equity share of ₹ 10 each (Amount in ₹)	**2.89**	**2.95**

35.2 Diluted earnings per share

Profit used in the calculation of Diluted earnings per share are as follows.

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a. Profit used in the calculation of basic earnings per share	401.91	382.53
b. Profit used in the calculation of diluted earnings per share	401.91	382.53
c. Weighted average number of equity shares used in the calculation of diluted earnings per share	139,713,216	135,182,425
Diluted earnings per equity share of ₹ 10 each (Amount in ₹)	**2.88**	**2.83**

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Weighted average number of equity shares used in the calculation of basic earnings per share	139,073,790	129,707,612
Shares deemed to be issued for no consideration in respect of employee stock options and warrants	639,425	5,474,813
Weighted average number of equity shares used in the calculation of diluted earnings per share	**139,713,216**	**135,182,425**

36 Segment information

Ind AS 108 “Operating Segment” (“Ind AS 108”) establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the “management approach” as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).The CODM evaluates the Company’s performance and allocates resources on overall basis. The Company’s sole operating segment is therefore ‘Medical and Healthcare Services’. Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

Geographical information

Geographical information analyses the company’s revenue and non-current assets by the Company’s country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets.

Geographical information analyses the Company’s revenue and non-current assets by the Company’s country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been presented based on the geographical location of the customers and segment assets has been presented based on the geographical location of the assets.

Notes to the Standalone Financial Statements
for the year ended 31 March 2023

36 Segment information (Contd..)
(i) Revenue from operations

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
India	10,047.46	8,498.30
Outside India	8.27	–
Total	**10,055.73**	**8,498.30**

(ii) Non current assets*

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
India	8,587.12	8,236.04
Total	**8,587.12**	**8,236.04**

*Non-current assets exclude financial assets and deferred tax assets

37 Employee benefit plans

37.1 Defined contribution plans

The Company has defined contribution plan in form of Provident Fund and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below:

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contribution to Provident Fund included under contribution to provident and other funds.	77.57	80.47
Contribution to Employee State Insurance Scheme	8.76	9.75
Total	**86.33**	**90.22**

37.2 Defined benefit plans

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Amounts recognised in statement of profit and loss in respect of this defined benefit plan are as follows.

(₹ in million)

Particulars	31 March 2023	31 March 2022
Current service cost	17.42	12.31
Net interest expense	7.41	5.94
Components of defined benefit costs recognised in the Statement of profit and loss	**24.83**	**18.25**
Service cost recognised in employee benefits expense in Note 26	17.42	12.31
Net interest expense recognised in finance costs in Note 27	7.41	5.99
Remeasurement of the net defined benefit liability:		
Actuarial losses arising from changes in demographic assumptions	2.66	3.86
Actuarial gains arising from changes in financial assumptions	(5.70)	(0.85)
Actuarial losses arising from experience adjustments	5.50	3.79
Remeasurement of the net defined benefit liability recognised in other comprehensive income	**2.46**	**6.80**

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

37 Employee benefit plans (Contd..)

The amount included in the standalone balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in million)

Particulars	31 March 2023	31 March 2022
Present value of funded defined benefit obligation	135.44	117.89
Fair value of plan assets	1.20	1.12
Unfunded status	**134.24**	**116.77**
Net liability arising from defined benefit obligation	**134.24**	**116.77**
Non-current (refer note 20)	95.00	77.91
Current (refer note 20)	39.24	38.86

Movements in the present value of the defined benefit obligation are as follows.

(₹ in million)

Particulars	31 March 2023	31 March 2022
Opening defined benefit obligation	117.89	103.27
Current service cost	17.42	12.31
Interest cost	7.41	5.99
Remeasurement (gains)/losses:		
Actuarial losses arising from changes in demographic assumptions	2.66	3.86
Actuarial gains arising from changes in financial assumptions	(5.70)	(0.85)
Actuarial losses arising from experience adjustments	5.50	3.79
Acquisitions / (disposal)	–	1.23
Benefits paid	(9.74)	(11.71)
Closing defined benefit obligation	**135.44**	**117.89**

Movements in the fair value of the plan assets are as follows.

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening fair value of plan assets	1.12	1.05
Interest income	0.06	0.05
Excess return over interest income on plan assets	0.02	0.02
Closing fair value of plan assets	**1.20**	**1.12**

The fair value of the plan assets at the end of the reporting period for each category, are as follows

(₹ in million)

Particulars	Fair value of plan assets as at	
	31 March 2023	31 March 2022
Insurer-managed funds	1.20	1.12
Total	**1.20**	**1.12**

Defined plan asset

Plan assets consist of assets held in a 'long-term benefit fund' for the sole purpose making future benefit payments when they fall due. Plan assets include qualifying insurance policies and not quoted in the market.

The actual return on plan assets was ₹ 0.08 Million (for the year ended 31 March 2022: ₹ 0.07 Million).

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

37 Employee benefit plans (Contd..)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.54)	3.76	(2.82)	2.97
Future salary increase (1% movement)	8.18	(7.51)	6.44	(6.01)
Attrition rate (10% movement)	(1.32)	1.41	(2.17)	2.40

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the defined benefit obligation as at 31 March 2023 is 4.66 years (as at 31 March 2022: 3.84 years)

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at 31 March 2023	Valuation as at 31 March 2022
Discount rate(s)	7.30%	5.40%
Expected rate(s) of salary increase	7.50%	7.50%
Rate of return on plan assets	7.10%	6.60%
Mortality table	IALM 2012-14	IALM 2012-14
Employee turnover rate	30.00%	36.30%

Maturity profile of defined benefit obligation:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Within 1 year	40.44	39.93
1-2 years	30.72	30.14
2-3 years	23.70	22.23
3-4 years	18.66	15.76
4-5 years	14.70	10.94
6-10 year	32.71	19.72
>10 years	8.60	2.98

38 Share-based payments

A Employee share option plan of the Company

(a) ESOP 2010

In the extraordinary general meeting held on 25 August, 2010, the shareholders had approved the issue of 1,800,000 options under the Scheme titled " Employee Stock Option Scheme 2010 (ESOP 2010). The ESOP 2010 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration committee grants the options to the employees deemed eligible. The exercise price of each option shall be at a price not less than the face value per share. The option holders may exercise those options vested based on passage of time commencing from the expiry of 4 years from the date of grant and those vested based on performance immediately after vesting, within the expiry of 10 years from the date of grant.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

38 Share-based payments (Contd..)

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

(b) ESOP 2014

Pursuant to the shareholders' approval in the extraordinary general meeting held on 28 March 2014, the Board of Directors formulated the Scheme titled "Employee Stock Option Scheme 2014" (ESOP 2014). The ESOP 2014 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration Committee grants the options to the employees deemed eligible. The Exercise Price shall be a price that is not less than the face value per share per option. Options Granted under ESOP 2014 would vest not less than one year and not more than five years from the date of Grant of such Options. Vesting of Options would be a function of continued employment with the Company (passage of time) and achievement of performance criteria as specified by the Nomination and Remuneration Committee as communicated at the time of grant of options. The option holders may exercise those options vested within a period as specified which may range upto 10 years from the date of grant.

Upon ESOP 2021 becoming effective, no further stock option grants will be made under ESOP 2014. However, all the employee stock options already granted under this Scheme shall be eligible for being vested and exercised as per the terms of ESOP 2014.

(c) ESOP 2021

Pursuant to the shareholders' approval vide their special resolution passed through postal ballot on 23 May 2021, the Board of Directors formulated the Scheme titled "Employee Stock Option Scheme 2021" (ESOP 2021). The ESOP 2021 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share. Under the Scheme, a maximum of 6,267,000 Options can be granted.

As per the Scheme, the Nomination and Remuneration Committee (NRC) grants the options to the employees deemed eligible subject to fulfillment of such eligibility criteria(s) as may be specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI (SBEB) Regulations") and/or as may be determined by NRC from time to time. Exercise Price for the purpose of grant of options shall be as decided by the NRC, subject to a minimum of the face value per share. The vesting of an option would also be subject to the terms and conditions as may be stipulated by the NRC from time to time including but not limited to performance of the stock of the Company, performance of the employees, their continued employment with the Company / its subsidiaries, as applicable. The vesting period shall commence any time after the expiry of one year from the date of the grant of the options to the employee and shall end over a maximum period of 7 years from the date of the grant of the options. The options could vest in tranches. The exercise period may commence from the date of vesting and the vested options would be eligible to be exercised on the vesting date itself or any time after vesting in terms of the ESOP Scheme. The options will lapse if not exercised within the specified exercise period. The number of stock options and terms of the same made available to employees (including the vesting period) could vary at the discretion of the NRC.

Employee stock options will be settled by delivery of shares.

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

Particulars	ESOP 2010	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	16-Jun-10	24-Jun-14	10-Nov-16	10-Nov-16	01-Apr-17	01-Apr-17
Fair market value of option at grant date (₹)	23.10	73.34	232.48	156.93	221.80	120.08
Fair market value of share at grant date (₹)	29.18	78.95	240.15	240.15	229.45	229.45
Exercise price (₹)	10.00	10.00	10.00	110.68	10.00	150.00
No. of options	1,294,800	110,100	165,400	30,000	25,000	35,000

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

38 Share-based payments (Contd..)

Particulars	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	11-Aug-17	06-Nov-17	22-May-18	09-Nov-18	07-Feb-19
Fair market value of option at grant date (₹)	261.61	269.27	298.55	220.74	181.62
Fair market value of share at grant date (₹)	269.35	276.95	306.81	231.85	187.00
Exercise price (₹)	10.00	10.00	10.00	10.00	10.00
No. of options	101,000	53,000	55,000	25,000	47,000

Particulars	ESOP 2014	ESOP 2014
Date of grant	08-Aug-19	08-Aug-19
Fair market value of option at grant date (₹)	48.45	94.94
Fair market value of share at grant date (₹)	102.35	102.35
Exercise price (₹)	110.68	10.00
No. of options	30,000	141,800

Particulars	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021
Date of grant	11-Jun-21	11-Jun-21	09-Nov-21	09-Nov-21	10-Feb-22	10-Feb-22
Vesting basis	Time based	Performance based	Time based	Performance based	Time based	Performance based
Fair market value of option at grant date (₹)	108.77	46.04	169.57	76.02	160.10	95.06
Fair market value of share at grant date (₹)	197.65	197.65	261.85	261.85	249.70	249.70
Exercise price (₹)	130.00	130.00	130.00	130.00	130.00	130.00
No. of options	780,000	1,820,000	138,000	322,000	73,500	171,500

Particulars	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021
Date of grant	26-May-22	26-May-22	10-Aug-22	10-Aug-22	10-Nov-22	10-Nov-22
Vesting basis	Time based	Performance based	Time based	Performance based	Time based	Performance based
Fair market value of option at grant date (₹)	188.05	122.56	196.35	123.93	211.54	133.51
Fair market value of share at grant date (₹)	275.55	275.55	284.20	284.20	298.85	298.85
Exercise price (₹)	130.00	130.00	130.00	130.00	130.00	130.00
No. of options	6,000	14,000	34,500	80,500	34,500	80,500

Particulars	ESOP 2021	ESOP 2021
Date of grant	09-Feb-23	09-Feb-23
Vesting basis	Time based	Performance based
Fair market value of option at grant date (₹)	200.22	139.21
Fair market value of share at grant date (₹)	287.45	287.45
Exercise price (₹)	130.00	130.00
No. of options	18,000	42,000

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

38 Share-based payments (Contd..)

(ii) The assumptions used for calculating fair value of the ESOPs granted during the year ended 31 March 2023 are as below:

Time based options

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

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	26-May-22	10-Aug-22	10-Nov-22	09-Feb-23
Risk free interest rate	6.97% to 7.14%	6.91% to 7.10%	7.22% to 7.34%	7.18% to 7.26%
Expected life	1 to 6 years	1 to 6 years	1 to 6 years	1 to 6 years
Expected annual volatility of shares	38.95% to 34.17%	39.52% to 34.44%	39.43% to 34.66%	39.01% to 34.73%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

Performance based options

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

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	26-May-22	10-Aug-22	10-Nov-22	09-Feb-23
Volume weighted average price of stock as on grant date	247.68	260.63	272.08	282.84
Risk free interest rate	7.04%	6.95%	7.23%	7.18%
Expected life	4.60 years	4.39 years	4.14 years	3.89 years
Expected annual volatility of shares	37.62%	38.41%	39.13%	39.11%

The assumptions used for calculating fair value of the ESOPs granted during the previous year ended 31 March 2022 are as below:

Time based options

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

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	11-Jun-21	09-Nov-21	10-Feb-22
Risk free interest rate	5.35% to 5.94%	5.34% to 5.97%	5.82% to 6.73%
Expected life	1 to 6 years	1 to 6 years	1 to 6 years
Expected annual volatility of shares	34.07% - 36.65%	34.78% - 39.09%	34.26% - 38.60%
Expected dividend yield	0.00%	0.00%	0.00%

Performance based options

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

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	11-Jun-21	09-Nov-21	10-Feb-22
Volume weighted average price of stock as on grant date	157.77	206.52	222.62
Risk free interest rate	5.71%	5.75%	6.17%
Expected life	5.14 years	5.56 years	4.89 years
Expected annual volatility of shares	34.96%	34.07%	36.44%

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

38 Share-based payments (Contd..)

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

(₹ in million)

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
– ESOP 2010	–	–	5,877	10.00
– ESOP 2014	119,880	35.20	538,390	27.26
– ESOP 2021	3,153,000	130.00	–	–
Granted during the year:				
– ESOP 2010	–	–	–	–
– ESOP 2014	–	–	–	–
– ESOP 2021	310,000	130.00	3,305,000	130.00
Forfeited during the year:				
– ESOP 2010	–	–	–	–
– ESOP 2014	–	–	–	–
– ESOP 2021	–	–	–	–
Exercised during the year:				
– ESOP 2010	–	–	–	–
– ESOP 2014	38,970	10.00	149,240	30.24
– ESOP 2021	65,100	130.00	–	–
Lapsed during the year:				
– ESOP 2010	–	–	5,877	10.00
– ESOP 2014	12,610	10.00	269,270	28.42
– ESOP 2021	305,820	130.00	152,000	130.00
Options outstanding at the end of the year:				
– ESOP 2010	–	–	–	–
– ESOP 2014	68,300	54.22	1,19,880	35.20
– ESOP 2021	3,092,080	130.00	3,153,000	130.00
Options exercisable at the end of the year:				
– ESOP 2010	–	–	–	–
– ESOP 2014	33,100	64.75	12,750	81.07
– ESOP 2021	234,444	130.00	–	–

* Options available for grant are as under:

– ESOP 2021: 3,109,820 as at 31 March 2023 (as at 31 March 2022: 3,114,000)

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

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2023 is ₹ 286.43 (31 March 2022: ₹ 247.97).

The options outstanding at the end of the reporting period has exercise price in the range of ₹ 10 to ₹130 (31 March 2022: ₹ 10 to ₹130) and weighted average remaining contractual life of 5.46 years (31 March 2022: 6.34 years).

D For details of expense recognised in statement of profit and loss please refer note 26 and for details of movement in share options outstanding account refer note 16.2.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

39 Financial instruments

The carrying value and fair value of financial instruments by categories as at 31 March 2023 and 31 March 2022 are as follows:

(₹ in million)

Particulars	Carrying value as at	
	31 March 2023	31 March 2022
Financial assets		
Amortised cost		
Loans (including current and non-current)	11.68	49.25
Trade receivables	2,123.71	1,602.45
Cash and cash equivalents (including other bank balances)	803.65	1,199.56
Other financial assets	522.12	620.74
FVTPL		
Investments in unquoted equity instruments / other funds	51.62	41.62
Investments in mutual fund (quoted)	16.76	16.41
Total assets	**3,529.54**	**3,530.03**
Financial liabilities		
Amortised cost		
Borrowings (including short-term borrowings)	1,214.97	1,074.49
Trade payables	1,090.04	963.35
Lease liabilities (including current and non-current)	2,256.93	2,415.35
Other financial liabilities (including current and non-current)	335.10	281.67
FVTPL		
Financial guarantee obligation (including current and non-current)	54.48	70.68
Total liabilities	**4,951.52**	**4,805.54**

The management assessed that the carrying value of above financial assets and liabilities approximates the fair value.

Refer note 17 for details related to pledge of financial assets

40 Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March 2023 and 31 March 2022.

(₹ in million)

Quantitative disclosures fair value measurement hierarchy	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value as at 31 March 2023				
Investment in mutual funds (quoted)	16.76	16.76	–	–
Investments in unquoted equity instruments / funds	51.62	–	–	51.62
Financial liabilities measured at fair value as at 31 March 2023				
Financial guarantee obligation	54.48	–	54.48	–
Financial assets measured at fair value as at 31 March 2022				
Investment in mutual funds (quoted)	16.41	16.41	–	–
Investments in unquoted equity instruments / funds	41.62	–	–	41.62
Financial liabilities measured at fair value as at 31 March 2022				
Financial guarantee obligation	70.68	–	70.68	–

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

40 Fair value hierarchy (Contd..)

There have been no transfers among Level 1, Level 2 and Level 3 during each of the years presented above.

(₹ in million)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted equity instruments / funds	Recent completed transaction in the underlying investment	1. Price per share 2. Qualitative factors on operating performance vis a vis budgets 3. Regulatory factors	Not applicable
Financial guarantee obligation	Market comparison: The fair value is estimated considering the rate at which the Company has contracted for similar guarantee obligation.	Not applicable	Not applicable

Details of assets and liabilities considered under Level 3 classification

(₹ in million)

Particulars	Investment in equity instruments
Balance as at 1 April 2021	41.97
Investment in Suchirayu Health Care Solutions Limited recognised at cost pursuant to acquisition of majority stake during the year ended 31 March 2022 (refer note 45)	(0.50)
Investment during the year	0.15
Balance as at 31 March 2022	41.62
Investment during the year	10.00
Balance as at 31 March 2023	**51.62**

As at 31 March 2023 and 31 March 2022, a one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets does not have a significant impact in its value.

Derivative financial instruments (assets and liabilities): The Company is exposed to foreign currency fluctuations on foreign currency assets and liabilities, and forecasted cashflows denominated in foreign currency.

The Company limits the effect of foreign exchange rate fluctuations by following an established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counter party is primarily bank.

Derivatives are recognised and measured at fair value. Attributable transaction costs are recognised in the standalone statement of profit and loss as cost. Subsequent to initial recognition, derivative financial instruments are measured as described below:

A. **Cashflow hedges:** Changes in fair value of the derivative hedging instrument is designated as a cash flow hedge are recognised in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognised in the statement of profit and loss.

B. **Others:** Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results from operating activities.

   Derivatives valued using valuation techniques with market observable inputs are mainly foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing from counter parties. There were no derivative instruments outstanding as at 31 March 2023 and as at 31 March 2022.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

40 Fair value hierarchy (Contd..)

The following table summarises activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	–	(7.69)
Fair value changes recognised in other comprehensive income	–	18.07
(Loss) reclassified to statement of profit and loss on occurrence of hedged transactions	–	(6.30)
Net gain on cash flow hedging derivatives, net	–	11.77
Balance as at the end of the year	**–**	**4.08**
Deferred tax thereon	–	(4.08)
Balance as at the end of the year, net of deferred tax	**–**	**–**

The related hedge transactions for balance in cash flow hedging reserves as at 1 April 2021 have occurred during the year ended 31 March 2022 and resulting gain/loss on such hedging derivatives were reclassified to the statement of profit and loss.

41 Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risks which may adversely impact the fair value of its financial instruments.

(i) Risk management framework

The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to the credit risk from its trade receivables, security deposit, investments, cash and cash equivalents, bank deposits and loans. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

a) Trade and other receivables

Trade receivables are unsecured comprise a widespread customer base. Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information wherever required. The expected credit loss allowance is based on the ageing of the receivables from their expected period of recovery and the rates as derived as per the trend of trade receivable ageing of previous years.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

41 Financial risk management (Contd..)

1. The Provision matrix at the end of the reporting period is as follows:-

Category	As at 31 March 2023	As at 31 March 2022
Less than 1 year	3% to 32%	2% to 32%
1-2 years	41% to 60%	41% to 59%
2-3 years	80% to 100%	78% to 100%
More than 3 years	100%	100%

2. Movement in the expected credit loss allowance

(₹ in million)

Category	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at beginning of the year	502.05	404.21
Additional provision during the year [also refer note 29(ii)]	240.47	97.84
Written-off during the year *	(352.45)	–
Balance at end of the year (refer note 13)	**390.07**	**502.05**

* The receivables that are written off would still be subject to enforcement activities for recovery of amounts due.

No single customer accounted for more than 10% of the revenue as of 31 March 2023 & 31 March 2022. There is no significant concentration of credit risk.

Details of geographic concentration of revenue is included in note 36 to the financial statements

b) Investments and cash deposits

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Also refer note 42.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2023 and 31 March 2022:

(₹ in million)

Particulars	As at 31 March 2023					
	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings *	1,225.53	87.74	226.97	163.10	163.10	584.62
Lease liabilities	3,694.63	468.16	346.02	358.54	349.95	2,171.96
Trade payables	1,090.04	1,090.04	–	–	–	–
Other financial liabilities	389.58	349.91	13.02	10.96	8.04	7.65

(₹ in million)

Particulars	As at 31 March 2022					
	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings *	1,088.72	256.65	71.34	99.76	84.20	576.77
Lease liabilities	4,102.57	457.83	417.09	345.31	359.07	2,523.27
Trade payables	963.35	963.35	–	–	–	–
Other financial liabilities	352.35	298.11	14.97	13.18	11.13	14.96

* In respect of borrowings which are repayable with variable rate of interest, principal amount as per the repayment schedule is considered for disclosure of contratual maturities.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

41 Financial risk management (Contd..)

(iv) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

(a) Foreign currency risk

The Company's exchange risk arises mainly from its foreign currency borrowings. As a result, depreciation of Indian rupee relative to these foreign currencies will have a significant impact on the financial performance of the Company. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

(i) Exchange rates exposure are managed within approved policy parameters. The following table presents discounted foreign currency risk from financial instruments as of 31 March 2023 and 31 March 2022:

(₹ in million)

As at 31 March 2023	Rupee equivalent of foreign currency amounts			
Particulars	**US $**	**Euro**	**JPY**	**Total**
Assets				
Cash and cash equivalents	4.35	–	–	4.35
Liabilities				
Borrowings	93.42	–	–	93.42
Lease liabilities	316.45	–	–	316.45
Trade payables	2.50	–	–	2.50
Net assets / (liabilities)	**(408.02)**	**–**	**–**	**(408.02)**

(₹ in million)

As at 31 March 2022	Rupee equivalent of foreign currency amounts			
Particulars	**US $**	**Euro**	**JPY**	**Total**
Assets				
Trade receivables	56.21	–	–	56.21
Cash and cash equivalents	0.12	–	–	0.12
Liabilities				
Borrowings	14.32	200.27	–	214.59
Lease liabilities	298.69	–	–	298.69
Trade payables	1.25	0.28	1.08	2.61
Net assets / (liabilities)	**(257.93)**	**(200.55)**	**(1.08)**	**(160.87)**

(ii) Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments

(₹ in million)

Particulars	**Impact on profit or (loss) before tax**	
	31 March 2023	**31 March 2022**
₹/USD - Increase by 1%	(4.08)	(2.58)
₹/USD - Decrease by 1%	4.08	2.58
₹/EUR - Increase by 1%	–	(2.01)
₹/EUR - Decrease by 1%	–	2.01

(b) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments. Such risks are overseen by the Company's corporate treasury department as well as senior management.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

41 Financial risk management (Contd..)

(i) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Variable rate long term borrowings including current maturities	1,119.68	831.22
Total borrowings	**1,119.68**	**831.22**

(ii) Sensitivity analysis

Every 1% increase or decrease in interest rate does not have material impact to statement of profit and loss and other components of equity

(₹ in million)

Particulars	Impact on profit or (loss) before tax	
	As at 31 March 2023	As at 31 March 2022
Sensitivity		
1% increase in interest rate	(11.20)	(8.31)
1% decrease in interest rate	11.20	8.31

42 Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company. Also refer note 49.

The capital structure is as follows:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Total equity attributable to the equity share holders of the company	11,451.22	10,976.91
As percentage of total capital	97%	100%
Total loans and borrowings	1,214.97	1,074.49
Cash and cash equivalents and other bank balances	803.65	1,199.56
Net loans & borrowings *	411.32	–
As a percentage of total capital	3%	0%
Total capital (loans and borrowings and equity)	**11,862.54**	**10,976.91**

* Net loans & borrowings as at 31 March 2022 is Nil as cash and cash equivalents exceed loans and borrowings.

43 Due to Micro, Small and Medium Enterprises (refer note 21)

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 and 31 March 2022 have been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier.

(₹ in million)

Particulars	31 March 2023	31 March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year	26.30	11.65
Principal	26.30	11.65
Interest	–	–
The amount of interest paid by the buyer under MSMED Act	–	–

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

43 Due to Micro, Small and Medium Enterprises (Contd..)

(₹ in million)

Particulars	31 March 2023	31 March 2022
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	–	–

All trade payables are 'current.' The Company's exposure to currency and liquidity risks related to trade payable is disclosed in note 41

44. Related Party Disclosures

A. Details of related parties:

Description of relationship	Names of related parties
Parent entity	Aceso Company Pte Ltd
Intermediate Parent entity	Aceso Investment Holding Pte. Ltd.
Ultimate Parent entity	CVC Capital Partners Asia V L.P.
Subsidiary companies & LLPs	Malnad Hospital and Institute of Oncology Private Limited
	HealthCare Global Senthil Multi Specialty Hospitals Private Limited
	HCG Medi-surge Hospitals Private Limited
	Niruja Product Development and Research Private Limited
	BACC HealthCare Private Limited
	Suchirayu Health Care Solutions Limited (from 18 November 2021)
	HCG (Mauritius) Private Limited
	Healthcare Global (Africa) Private Limited (from 30 September 2021)
	Healthcare Global (Uganda) Private Limited (from 30 September 2021)
	Healthcare Global (Kenya) Private Limited (from 30 September 2021)
	Cancer Care Kenya Limited (from 30 September 2021)
	Healthcare Global (Tanzania) Private Limited (from 30 September 2021)
	HealthCare Diwan Chand Imaging LLP
	HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)
	HCG Oncology LLP
	HCG Manavata Oncology LLP
	HCG NCHRI Oncology LLP
	HCG SUN Hospitals LLP
	HCG EKO Oncology LLP
Associate of HCG (Mauritius) Private Limited (WOS of the Company)	Healthcare Global (Africa) Private Limited (upto 30 September 2021)
Joint venture	Strand Life Sciences Private Limited (upto 3 September 2021)
	Advanced Molecular Imaging Limited, Kenya (from 30 September 2021)
Key Management Personnel (KMP)	**Whole-time director**
	Dr. B S Ajaikumar - Executive Chairman
	Meghraj Arvindrao Gore - with effect from 10 February 2022
	Anjali Rossi Ajaikumar - with effect from 1 April 2021
	Non-executive directors
	Amit Soni
	Siddharth Patel

Notes to the Standalone Financial Statements
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44. Related Party Disclosures (Contd..)

Description of relationship	Names of related parties
	Independent Directors
	Shanker Annaswamy - Resigned with effect from 3 December 2021
	Dr. Sudhakar Rao - Resigned with effect from 21 December 2021
	Bhushani Kumar - Ceased to be Director with effect from 29 May 2021
	Geeta Mathur - Appointed with effect from 17 June 2021
	Rajagopalan Raghavan - Appointed with effect from 12 August 2021
	Jeyandran Venugopal - Appointed with effect from 11 November 2021
	Pradip M. Kanakia - Appointed with effect from 10 February 2022
	Abhay Havaldar
	Other Key Managerial Personnel
	Meghraj Arvindrao Gore - Chief Executive Officer (also Whole-time Director from 10 February 2022)
	Srinivasa V. Raghavan- Chief Financial Officer
	Sunu Manuel- Company Secretary
Relatives of KMP	Ms.Anjali Ajaikumar, daughter of Dr. B S Ajaikumar (also Whole-time Director from 1 April 2021)
Company / entity in which KMP / Relatives of KMP can exercise control / significant influence	JSS Bharath Charitable Trust
	Sada Sarada Tumor & Research Institute
	B.C.C.H.I Trust
	HCG Foundation
	GHA Global Healthcare Academy Private Limited
	Gutti Malnad Hospital LLP
	International Human Development and Upliftment Academy (Trust)

B Details of related party transactions during the year:

(₹ in million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of medical and non-medical items		
– HCG Medi-surge Hospitals Private Limited	0.83	0.13
– Sada Sarada Tumor & Research Institute	2.47	4.33
– HCG Oncology LLP	0.09	5.04
– HCG NCHRI Oncology LLP	3.25	3.81
– HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	–	35.85
– HCG EKO Oncology LLP	4.07	3.45
– HCG SUN Hospitals LLP	–	3.45
– Suchirayu Health Care Solutions Limited	10.71	14.70
– HCG Manavata Oncology LLP	–	15.54
– BACC Healthcare Private Limited	–	24.97
Purchases of medical and non-medical items		
– HCG SUN Hospitals LLP	0.37	–
Income from medical services		
– HCG Foundation	2.44	3.91
– HCG Medi-surge Hospitals Private Limited	68.65	30.05
– Malnad Hospital & Institute of Oncology Private Limited	1.91	0.95
– BACC Healthcare Private Limited	0.28	0.15
– HCG SUN Hospitals LLP	0.12	–
– HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	27.14	8.64
– HCG EKO Oncology LLP	13.17	8.40
– HCG NCHRI Oncology LLP	0.15	0.01
– Sada Sarada Tumor & Research Institute	7.98	4.48
– Suchirayu Health Care Solutions Limited	72.77	17.25
– HCG Oncology LLP	2.49	–

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

44. Related Party Disclosures (Contd..)

(₹ in million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Rent charges		
– Sada Sarada Tumor & Research Institute	0.62	0.63
Lab charges		
– Strand Life Sciences Private Limited	–	89.96
– HCG Oncology LLP	7.55	–
Promotion and Marketing of Offline and Online courses		
GHA Global Healthcare Academy Private Limited	2.24	–
Interest income received		
On capital contribution		
– HCG SUN Hospitals LLP	–	3.39
Allowance for doubtful trade receivables [refer note 29(ii)]		
– HCG NCHRI Oncology LLP	50.55	–
– HCG EKO Oncology LLP	30.15	–
Corporate guarantee commission income received		
– HCG Medi-surge Hospitals Private Limited	4.27	14.67
– HCG Oncology LLP	2.28	10.39
– HCG NCHRI Oncology LLP	2.18	2.53
– HCG Manavata Oncology LLP	3.04	2.62
– HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	0.49	9.49
– HCG EKO Oncology LLP	2.45	2.65
– HCG SUN Hospitals LLP	1.39	4.73
Capital expenditure cross charged to the Company		
– BACC Healthcare Private Limited	–	17.92
Reimbursement of expense on employee stock option scheme cross charged by the Company		
– HCG Medi-surge Hospitals Private Limited	1.09	1.42
– BACC Healthcare Private Limited	0.68	–
– HCG Oncology LLP	0.35	0.40
– HCG SUN Hospitals LLP	0.55	0.04
– HCG NCHRI Oncology LLP	0.43	0.48
– HCG EKO Oncology LLP	–	0.36
– HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	2.50	–
Reimbursement of capital expenditure/ revenue expenditure cross charged by the Company		
– HCG Medi-surge Hospitals Private Limited	28.50	152.21
– HCG Oncology LLP	15.05	66.99
– BACC Healthcare Private Limited	0.94	0.67
– Malnad Hospital and Institute of Oncology Private Limited	0.37	14.94
– HCG SUN Hospitals LLP	8.99	12.58
– HCG NCHRI Oncology LLP	4.49	1.40
– HCG EKO Oncology LLP	0.61	1.53
– HCG Manavata Oncology LLP	3.59	0.07
– Healthcare Global Senthil Multi-Specialty Hospitals Private Limited	–	0.01
– Niruja Product Development and Research Private Limited	–	0.05
– HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	12.25	52.35
– Suchirayu Health Care Solutions Limited	2.17	12.79
– Healthcare Global (Kenya) Private Limited	–	0.12
– HCG Foundation	–	0.10
– Sada Sarada Tumor & Research Institute	1.49	4.15
Payment on behalf of:		
– HCG NCHRI Oncology LLP	46.65	16.45
– Malnad Hospital and Institute of Oncology Private Limited	6.96	0.46

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

44. Related Party Disclosures (Contd..)

(₹ in million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
– HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	46.02	16.66
– HCG SUN Hospitals LLP	95.58	7.26
– HCG Medi-surge Hospitals Private Limited	101.51	12.79
– HCG EKO Oncology LLP	1.72	13.61
– BACC HealthCare Private Limited	0.04	0.08
– HCG Oncology LLP	28.02	0.57
– Suchirayu Health Care Solutions Limited	2.19	
– HCG Manavata Oncology LLP	–	0.06
Investment made during the year other than corporate guarantee $		
– HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	–	358.69
– HCG EKO Oncology LLP	124.89	140.28
– HCG NCHRI Oncology LLP	–	58.95
– HCG SUN Hospitals LLP	163.09	112.93
– HCG Oncology LLP	–	38.31
– HCG (Mauritius) Private Limited	53.60	148.10
– Niruja Product Development and Research Private Limited (refer note 9.1)	47.50	–
– HealthCare Global Senthil Multi-Specialty Hospital Private Limited (refer note 9.1)	30.70	–
$ includes both variable and fixed capital investment in case of Limited Liability Partnerships. Does not include conversion of capital from variable to fixed.		
Investment made during the year through corporate guarantee		
– HCG Manavata Oncology LLP	–	3.64
– HCG Medi-surge Hospitals Private Limited	–	13.63
– HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	–	0.79
– HCG SUN Hospitals LLP	–	9.94
– HCG Oncology LLP	–	9.62
Recovery of loans given to		
– Niruja Product Development and Research Private Limited (refer note 9.1)	47.00	–
– HealthCare Global Senthil Multi-Specialty Hospital Private Limited (refer note 9.1)	29.36	–
CSR contribution to		
– International Human Development and Upliftment Academy (Trust)	–	10.23
Short-term employee benefits to:		
– Dr. B S Ajaikumar (Refer note D below)	40.87	25.90
– Meghraj Arvindrao Gore (Refer note D below)	33.20	30.98
– Anjali Ajaikumar (Refer note D below)	7.95	7.98
– Srinivasa Raghavan	13.84	12.74
– Sunu Manuel	5.25	4.77
The above compensation excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.		
Share based payments to:		
– Srinivasa Raghavan	3.76	4.74
– Sunu Manuel	0.86	0.96
– Meghraj Arvindrao Gore	16.85	19.27
Proceeds from issue / exercise of share warrants to		
– Dr. B S Ajaikumar (Refer note 15)	–	195.00
– Aceso Company Pte Ltd (Refer note 15)	–	1,121.59
Sitting fees to Directors		
– Shanker Annaswamy	–	0.71
– Dr. Sudhakar Rao	–	0.65
– Pradip M. Kanakia	0.83	–
– Abhay Prabhakar Havaldar	0.77	0.77

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

44. Related Party Disclosures (Contd..)

(₹ in million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
– Geeta Mathur	1.24	0.59
– Rajagopalan Raghavan	1.12	0.47

C Details of related party balances outstanding:

(₹ in million)

Balances outstanding as at	Year ended 31 March 2023	Year ended 31 March 2022
Trade receivables		
a) considered good		
– Healthcare Global Senthil Multi-Specialty Hospitals Private Limited	0.10	0.10
– Malnad Hospital and Institute of Oncology Private Limited	0.97	0.28
– HCG Medi-surge Hospitals Private Limited	5.10	11.72
– Sada Sarada Tumor & Research Institute	0.81	0.91
– HCG Oncology LLP	0.10	0.01
– HCG Foundation	3.02	3.04
– B.C.C.H.I. Trust	0.01	0.01
– HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	16.91	9.12
– HCG NCHRI Oncology LLP	–	49.74
– HCG EKO Oncology LLP	–	12.06
– HCG SUN Hospitals LLP	13.68	14.03
– BACC Healthcare Private Limited	0.01	5.17
– HCG Manavata Oncology LLP	0.09	0.09
– Suchirayu Health Care Solutions Limited	3.58	47.30
b) considered doubtful for which allowance is recognised [refer note 29(ii)]		
– HCG NCHRI Oncology LLP	50.55	–
– HCG EKO Oncology LLP	30.15	–
Interest accrued on loan/ capital contribution by subsidiaries - Other Financial Assets (current/ Non-current) [Refer note E below]		
– Malnad Hospital and Institute of Oncology Private Limited	0.30	0.30
– Niruja Product Development and Research Private Limited #	91.07	91.07
– HCG EKO Oncology LLP	14.61	14.61
– HCG NCHRI Oncology LLP	29.35	29.35
# The Company has provided for non recoverability of the interest receivable on loan given as at 31 March 2023: ₹ 91.07 million (as at 31 March 2022: ₹ 91.07).		
Receivable from related parties - Other Financial Assets (current)		
– Malnad Hospital and Institute of Oncology Private Limited	1.98	2.40
– BACC Healthcare Private Limited	2.29	0.75
– HCG Oncology LLP	37.23	33.24
– HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	87.18	42.48
– HCG EKO Oncology LLP	–	13.76
– HCG NCHRI Oncology LLP	46.92	16.34
– HCG SUN Hospitals LLP	15.19	22.47
– HCG Manavata Oncology LLP	7.33	4.22
– Healthcare Global (Africa) Private Limited	–	3.27
– Healthcare Global (Tanzania) Private Limited	–	0.33
– Healthcare Global (Kenya) Private Limited	–	12.08
– Suchirayu Health Care Solutions Limited	0.20	–
– HCG Medi-surge Hospitals Private Limited	15.05	2.63
– Sada Sarada Tumor & Research Institute	0.21	–
Loans (Non current/ current)		
– Niruja Product Development and Research Private Limited *	180.61	227.61
– HealthCare Global Senthil Multi-Specialty Hospital Private Limited*	1.02	30.38

Notes to the Standalone Financial Statements
for the year ended 31 March 2023

44. Related Party Disclosures (Contd..)

(₹ in million)

Balances outstanding as at	Year ended 31 March 2023	Year ended 31 March 2022
* Refer note 9.1. The Company has provided for non recoverability of the loan given of ₹ 181.63 million (31 March 2022: ₹ 218.98 million)		
– Dr. B S Ajaikumar	6.71	5.44
– Meghraj Arvindrao Gore	11.91	11.40
– Ms. Anjali Ajaikumar	1.51	1.11
– Srinivasa Raghavan	2.62	2.10
– Sunu Manuel	0.63	0.52
Trade Payables		
– Healthcare Diwan Chand Imaging LLP	24.62	24.63
– HCG Foundation	0.08	0.05
– HCG Medi-surge Hospitals Private Limited	–	0.03
– HCG NCHRI Oncology LLP	0.15	–
– HCG EKO Oncology LLP	–	0.01
– Sada Sarada Tumor & Research Institute	–	0.01
– HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	0.01	16.02
– HCG Manavata Oncology LLP	3.78	3.78
– HCG Oncology LLP	1.25	0.03
Other payable to related party - Other Financial Liability - current		
– HCG Medi-surge Hospitals Private Limited	–	0.05
– BACC Healthcare Private Limited	18.86	18.86
– HealthCare DiwanChand Imaging LLP	2.59	2.67
– HCG Manavata Oncology LLP	–	0.43
– HCG Oncology LLP	–	0.20
– HCG EKO Oncology LLP	0.03	–
Sitting fees payable to Directors		
– Abhay Prabhakar Havaldar	–	0.15
– Geeta Mathur	–	0.20
– Rajagopalan Raghavan	–	0.20
Corporate guarantees given on behalf of:		
– HCG Medi-surge Hospitals Private Limited	293.64	455.48
– HCG Oncology LLP	289.23	320.15
– HCG NCHRI Oncology LLP	229.06	258.84
– HCG Manavata Oncology LLP	313.02	336.56
– HCG EKO Oncology LLP	250.79	282.14
– HCG SUN Hospitals LLP	57.98	173.20

D Managerial remuneration:

The managerial remuneration for the year ended 31 March 2023 and 31 March 2022 was approved by the Nomination and Remuneration Committee, the Board of Directors and is in accordance with the limits prescribed under Section 197 read with Schedule V to the Companies Act, 2013 considering the approval of the Shareholders of the Company through special resolution obtained on 23 May 2021 in respect of remuneration to Dr. B S Ajaikumar and Anjali Ajaikumar and special resolution obtained on 6 May 2022 in respect of remuneration to Meghraj Arvindrao Gore pursuant to his appointment as whole-time director with effect from 10 February 2022.

E Interest on capital contribution in subsidiary LLPs: While the Company is entitled to charge interest on its capital contribution made in excess of its share as per the terms of the underlying agreements, such income from HCG NCHRI Oncology LLP amounting to ₹ 44.32 million as at 31 March 2023 (₹ 16.84 million for FY 2022-23 and ₹ 27.48 million for FY 2021-22) and from HCG EKO Oncology LLP amounting to ₹ 77.90 million as at 31 March 2023 (₹ 45.58 million for FY 2022-23 and ₹ 32.32 million for FY 2021-22) is not recognised in these financial statements in view of uncertainties in timely recovery of such amounts.

F All transactions are made on normal commercial terms and conditions and are at arm's length price.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

45 Acquisition of diagnostic and clinical research management business from Strand Life Sciences Private Limited during the previous year ended 31 March 2022

In the previous year, the Company entered into a Business Transfer Agreement (BTA) with Strand Life Sciences Private Limited ('Strand') dated 3 September 2021 for acquisition of (i) the diagnostic business (owned and operated by Strand in the brand name of "Triesta" mainly engaged in the business of oncology diagnostics, biomarker and translational research, and laboratory services) and (ii) the division providing clinical research site management services for a total cash consideration of ₹ 808 Million.

As per the terms of BTA, of the total consideration, ₹ 740 Million was required to be paid on the closing date and the balance is payable as per the timelines specified in the BTA.

Date of business combination - Upon fulfillment of the conditions precedent as per the BTA and on transfer of ₹ 740 Million, the acquisition was completed on 3 September 2021. The balance consideration was also paid during the previous year ended 31 March 2022.

This acquisition was part of the Company's initiative to focus on integrated end-to-end Oncology scale-up. Through the BTA, the Company acquired its erstwhile Hospital Lab Management (HLM) and Clinical Research Site Management (SMO) units which were transferred to Strand during FY 2017-18, after which the Company and its certain subsidiaries continued to avail such services from Strand. With the acqusition, the earlier outsourced Hospital Lab Management services from Strand were cancelled.

The acquisition contributed revenue of ₹ 101.92 million (including medical service income from subsidiaries) and profit after tax of ₹ 2.91 million for the period between the acquisition date and 31 March 2022. Had the business combination occurred on 01 April 2021, per management estimate, revenues for the financial year ended 31 March 2022 would have been higher by ₹ 73 million and profit after tax would have been higher by ₹ 2 million.

The Company's share of costs incurred for this business combination was charged off to statement of profit and loss under exceptional items.

a) Business combination

The above transaction qualified as a business combination as per Ind AS 103 - "Business Combinations" and was accounted by applying the acquisition method wherein identifiable assets acquired, liabilities assumed were fair valued against the fair value of the consideration transferred and the resultant goodwill recognised.

b) Identifiable assets and liabilities assumed

(₹ in million)

Particulars	Amount
Fair value of consideration transferred	
Cash consideration	808.00
Less: Settlement of pre-existing payables to Strand	(65.57)
Total (A)	**742.43**
Assets acquired	
Property, plant and equipment (Refer note 5)	129.69
Intangible assets	145.31
Inventories	24.16
Total assets acquired (B)	**299.16**
Liabilities assumed	
Trade payables and other liabilities (C)	**34.81**
Net assets acquired [D = (B-C)]	**264.35**
Goodwill (A-D) #	**478.08**

Goodwill was attributable to the synergies expected to be achieved from this acquisition. The fair value of assembled workforce was also subsumed within the Goodwill. Goodwill is not tax deductible.

c) Settlement of pre-existing relationship

The Group and Strand were parties to a long-term service contract under Medical Services Agreement where Strand provided disgnostic services. The pre-existing relationship was effectively terminated when the Company acquired Diagnostic business (refer above). The Company concluded that there was no gain / loss on termination of the above mentioned agreement.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

46 Investments, loans, guarantees and security

(a) The Company has made following investments

(₹ in million)

Investment in equity instruments *	As at 31 March 2022	Invested during the year	Sold during the year	As at 31 March 2023
Investment in companies				
Malnad Hospital & Institute of Oncology Private Limited	6.64	–	–	6.64
Niruja Product Development and Research Private Limited** (refer note 9.1)"	0.50	47.50	–	48.00
HCG Medi-surge Hospitals Private Limited	160.98	–	–	160.98
BACC HealthCare Private Limited**	1,286.33	–	–	1,286.33
HCG (Mauritius) Private Limited	233.61	53.60	–	287.21
HealthCare Global Senthil Multi-Specialty Hospital Private Limited** (refer note 9.1)	8.38	30.70	–	39.08
HCG Suchirayu Health Care Solutions Limited	349.70	–	–	349.70
Investment in limited liability partnerships				
HCG Diwanchand Imaging LLP**	32.47	–	–	32.47
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)**	1,451.12	–	–	1,451.12
HCG NCHRI Oncology LLP**	491.77	–	–	491.77
HCG EKO Oncology LLP **	541.83	124.89	–	666.72
HCG Manavata Oncology LLP	571.47	–	–	571.47
HCG Oncology LLP	150.78	–	–	150.78
HCG SUN Hospitals LLP	390.64	163.09	–	553.73
Investment in other companies / funds				
Zoctr Health Private Limited**	7.64	–	–	7.64
International Stemcell Services Limited	5.61	–	–	5.61
Epigeneres Biotech Private Limited**	10.00	–	–	10.00
Niramai Health Analytix Private Limited	35.86	–	–	35.86
Anthill Early Stage Fund - I #	8.00	2.00	–	10.00

* It includes fair value of corporate guarantee given to subsidiaries accounted as investment in subsidiaries as per Ind AS 109

** The Company has provided for permanent diminution in investment of ₹ 1,432.68 million (31 March 2022: ₹ 1,365.33 million) (refer note 8)

$ includes both variable and fixed capital in case of Limited Liability Partnerships

This was disclosed under "Share application money pending allotment" in "Other Financial Assets" as at 31 March 2022.

(b) The Company has given inter-corporate deposits to its following companies

(₹ in million)

Entity	As at 31 March 2022	Movement	As at 31 March 2023	Purpose of the deposits
Niruja Product Development and Research Private Limited*	227.61	(47.00)	180.61	The loan has been given for the purpose of investing in HCG (Mauritius) Private Limited. Refer note 9.1
HealthCare Global Senthil Multi-Specialty Hospitals Private Limited*	30.38	(29.36)	1.02	These loans have been given for operational requirements of the respective entities. Refer note 9.1

* The Company has provided for non recoverability of the loan given of ₹ 181.63 million (31 March 2022: ₹ 218.98 million)

(c) The Company has provided the guarantees to the following entities

(₹ in million)

Entity	As at 31 March 2022	Movement	As at 31 March 2023	Purpose of the guarantee
HCG Medi-surge Hospitals Private Limited	455.48	(161.84)	293.64	Corporate guarantee given to bank towards term loan
HCG Oncology LLP	320.15	(30.92)	289.23	Same as above
HCG NCHRI Oncology LLP	258.84	(29.78)	229.06	Same as above

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

46 Investments, loans, guarantees and security (Contd..)

(₹ in million)

Entity	As at 31 March 2022	Movement	As at 31 March 2023	Purpose of the guarantee
HCG Manavata Oncology LLP	336.56	(23.54)	313.02	Same as above
HCG EKO Oncology LLP	282.14	(31.35)	250.79	Same as above
HCG SUN Hospitals LLP	173.20	(115.22)	57.98	Same as above
Total	**1,826.37**	**(392.65)**	**1,433.72**	

Note: The above does not include corporate guarantee given by the Company for bank guarantee and cash credit facility. This represents only corporate guarantee given for the term loan facility of the respective entities.

(d) The Company has made following investments

(₹ in million)

Investment in equity instruments *	As at 31 March 2021	Invested during FY 2021-22	Sold during FY 2021-22	As at 31 March 2022
Investment in companies				
Malnad Hospital & Institute of Oncology Private Limited	6.64	–	–	6.64
Niruja Product Development and Research Private Limited	0.50	–	–	0.50
HCG Medi-surge Hospitals Private Limited	147.35	13.63	–	160.98
BACC HealthCare Private Limited**	1,286.33	–	–	1,286.33
HCG (Mauritius) Private Limited	85.51	148.10	–	233.61
HealthCare Global Senthil Multi-Specialty Hospital Private Limited**	8.38	–	–	8.38
HCG Suchirayu Health Care Solutions Limited [refer note 31(iii)]	0.50	349.20	–	349.70
Investment in limited liability partnerships				
HCG Diwanchand Imaging LLP**	32.47	–	–	32.47
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)**	1,091.64	359.48	–	1,451.12
HCG NCHRI Oncology LLP**	432.82	58.95	–	491.77
HCG EKO Oncology LLP **	401.55	140.28	–	541.83
HCG Manavata Oncology LLP	567.83	3.64	–	571.47
HCG Oncology LLP	102.85	47.93	–	150.78
HCG SUN Hospitals LLP	267.77	122.87	–	390.64
Investment in other companies / funds				
Zoctr Health Private Limited**	7.64	–	–	7.64
International Stemcell Services Limited	5.61	–	–	5.61
Epigeneres Biotech Private Limited**	10.00	–	–	10.00
Niramai Health Analytix Private Limited	35.86	–	–	35.86
Anthill Early Stage Fund - I #	5.50	2.50	–	8.00
Investment in joint venture (Equity & preference shares)				
Strand Life Sciences Private Limited [refer note 31(i)]	245.33	–	(245.33)	–

* It includes fair value of corporate guarantee given to subsidiaries accounted as investment in subsidiaries as per Ind AS 109

** The Company has provided for permanent diminution in investment of ₹ 1,365.33 million (refer note 8)

$ includes both variable and fixed capital in case of Limited Liability Partnerships

This was disclosed under "Share application money pending allotment" in "Other Financial Assets" in the Balance Sheet.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

46 Investments, loans, guarantees and security (Contd..)

(e) The Company has given inter-corporate deposits to its following companies

(₹ in million)

Entity	As at 31 March 2021	Movement	As at 31 March 2022	Purpose of the deposits
Niruja Product Development and Research Private Limited	227.61	–	227.61	The loan has been given for the purpose of investing in HCG (Mauritius) Private Limited
HealthCare Global Senthil Multi-Specialty Hospital Private Limited *	30.38	–	30.38	The loan was given for operational requirements of the entity.
Suchirayu Health Care Solutions Limited	102.00	(102.00)	–	The loan was given for operational requirements of the entity and was repaid during the year ended 31 March 2022.

* The Company has provided for non recoverability of the loan given of ₹ 218.98 million.

(f) The Company has provided the guarantees to the following entities

(₹ in million)

Entity	As at 31 March 2021	Movement	As at 31 March 2022	Purpose of the guarantee
HCG Medi-surge Hospitals Private Limited	470.64	(15.16)	455.48	Corporate guarantee given to bank towards term loan
HCG Oncology LLP	329.46	(9.31)	320.15	Same as above
HCG NCHRI Oncology LLP	287.52	(28.68)	258.84	Same as above
HCG Manavata Oncology LLP	249.21	87.35	336.56	Same as above
HCG EKO Oncology LLP	305.65	(23.51)	282.14	Same as above
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	365.06	(365.06)	–	Same as above
HCG SUN Hospitals LLP	177.67	(4.47)	173.20	Same as above
NCHRI Private Limited	412.00	(412.00)	–	Corporate guarantee given to bank towards term loan. The guarantee was released during the year ended 31 March 2022.
Total	**2,597.21**	**(770.84)**	**1,826.37**	

Note: The above does not include corporate guarantee given by the Company for bank guarantee and cash credit facility. This represents only corporate guarantee given for the term loan facility of the respective entities.

47 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) During the year ended 31 March 2023, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

47 Other statutory information (Contd..)

Investments in equity instruments of HCG (Mauritius) Pvt Ltd (subsidiary), which is further invested in step-down subsidiaries:

Invested by	Invested in	₹ in millions	Date of investment
HealthCare Global Enterprises Limited	HCG (Mauritius) Pvt Ltd	20.02	15-Jul-22
	FSC License No: C115014516	33.58	18-Oct-22
	Regd Address: C/o Kross Boarder Services Limited, St Louis Business Centre, CNR Desroches and St. Louis Street, Port Louis Mauritius.		
HCG (Mauritius) Pvt Ltd	HealthCare Global (Africa) Pvt. Ltd	20.02	19-Jul-22
	Company Reg No. 130502/CI/GBL	33.58*	21-Oct-22
	Regd Address: C/o Kross Boarder Services Limited, St Louis Business Centre, CNR Desroches and St. Louis Street, Port Louis Mauritius.		
HealthCare Global (Africa) Pvt. Ltd	Healthcare Global (Kenya) Private Limited	20.02	20-Jul-22
	Company Reg No. CPR 2013/92492	32.92	24-Oct-22
	Regd Address: Shivachi Road, Parklands, Nairobi, Kenya		
Healthcare Global (Kenya) Private Limited	Cancer Care Kenya Limited	8.70	13-Apr-22
	Company Reg No. C.135947	10.41#	20-Jul-22
	Regd Address: Shivachi Road, Parklands, Nairobi, Kenya	2.00#	03-Aug-22
		28.81#	25-Oct-22

* Includes amount paid towards repayment of loan taken from HealthCare Global (Africa) Pvt. Ltd ₹ 2.35 million

Paid towards repayment of loan taken from Cancer Care Kenya Limited

In respect of the above investments, relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

(v) During the year ended 31 March 2023, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not made any private placement of shares or fully or partly convertible debentures during the year. Further, the amount raised in the previous years and partially unutilised as at the previous year end have been used during the year for the purposes for which the funds were raised.

(vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended 31 March 2023 in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

(ix) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(x) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year ended 31 March 2023.

(xi) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year ended 31 March 2023.

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

48 Ind AS 115- Revenue from contract

(₹ in million)

Contract balances	As at 31 March 2023	As at 31 March 2022
(a) Receivables		
Trade receivables (including unbilled revenue)	2,123.71	1,770.85
b) The Company does not have any contract asset as at 31 March 2023 and 31 March 2022.		
c) The contract liability amount from contracts with customers is given below :		
Advance from customers : Refer note 19	170.84	179.24
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	155.16	90.38

d) Revenue dis-aggregation as per the industry vertical and geographies has been included in note 22, revenue from operations.

49 Ratios

(₹ in million)

Ratio	Numerator	Denominator	Current year	Previous year	Variance	Explanatory notes
Current Ratio (times)	Total current assets	Total current liabilities	1.69	1.66	2%	
Debt-Equity Ratio (times)	Debt = Borrowings	Total equity	0.11	0.10	8%	
Debt Service Coverage Ratio (times)	Net profit after taxes + depreciation and amortisation + finance cost + impairment / provisions recognised in exceptional items + Loss on disposal of property,plant and equipment	Interest + Lease payments + Principal repayments (Principal repayments also include payment on account of foreclosures / prepayments)	2.15	0.87	146%	(i)
Net Profit Ratio (%)	Profit for the year	Revenue from operations	4%	5%	-11%	
Return on Capital employed (%)	Profit before tax and finance costs	Capital employed = Net worth + Borrowings + Lease liabilities + Deferred tax liabilities	7%	9%	-23%	
Return on Equity Ratio (%)	Profit for the year	Average total equity	4%	4%	-5%	
Inventory turnover ratio (times)	Cost of goods sold	Average inventories	12.27	14.38	-15%	

Notes to the Standalone Financial Statements

for the year ended 31 March 2023

49 Ratios (Contd..)

(₹ in million)

Ratio	Numerator	Denominator	Current year	Previous year	Variance	Explanatory notes
Trade Receivables turnover ratio (times)	Revenue from operations	Average trade receivables	5.40	5.52	-2%	
Trade payables turnover ratio (times)	Purchase of medical and non-medical items + Other expenses	Average trade payables	6.37	6.18	3%	
Net capital turnover ratio (times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	6.87	7.76	-11%	
Return on Investment (%)	Income generated from treasury investments	Average invested funds in treasury investments, including fixed deposits	5.37%	5.27%	2%	

Explanatory note:

(i) During the previous year, the Company made prepayments of certain borrowings by utilising the funding received from exercise of share warrants and proceeds from disposal of equity investment in joint venture referred in exceptional items.

The accompanying notes are an integral part of these standalone financial statements

As per our reports of even date attached

***for* B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date : 25 May 2023

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

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

Place : Chicago
Date : 25 May 2023

Meghraj Arvindrao Gore
Whole-time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 25 May 2023

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 25 May 2023

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 25 May 2023

Independent Auditor's Report

To

The Members of **HealthCare Global Enterprises Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of HealthCare Global Enterprises Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its joint venture, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate/ consolidated financial statements/ financial information of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its joint venture as at 31 March 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports other auditors on seperate/consolidated financial statement of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

The key audit matter	How the matter was addressed in our audit
Impairment evaluation of goodwill Refer note 3(i), note 3(p)(ii), note 7, and note 7(A) to the consolidated financial statements. Goodwill is a significant item on the consolidated balance sheet for which the Holding Company performs impairment testing at least annually. In performing such impairment assessments, the Holding Company compares the carrying value of each of the identifiable Cash Generating Units ("CGUs") to which the goodwill has been allocated with its respective recoverable values, to determine whether any impairment loss should be recognised. The Holding Company's process of assessment of impairment of goodwill involves using key assumptions including estimates of revenue growth rate, profitability, discount rate and terminal growth rate. Any changes to these assumptions could result in different carrying value.	In view of the significance of the matter, we applied the following audit procedures in this area, amongst others to obtain sufficient appropriate audit evidence: ▪ Assessed the appropriateness of accounting policy for impairment of goodwill as per relevant accounting standards. ▪ Evaluated the design and implementation of key internal financial controls relating to impairment process and tested the operating effectiveness of such controls. ▪ We assessed the adequacy of the level of impairment by: – evaluating with the help of our valuation specialists, where required, appropriateness of the valuation methodology and of key assumptions, specifically those relating to revenue growth rates, profitability, discount rates and terminal growth rates with reference to our understanding of their business and industry, historical trends and underlying business strategies and growth plans; – performing sensitivity analysis of the key assumptions.

The key audit matter	How the matter was addressed in our audit
Due to the significance of the carrying amount of goodwill and significant judgments required to compute recoverable values, we have determined this to be a key audit matter.	▪ Assessed the adequacy of disclosures in the consolidated financial statements in accordance with the relevant accounting standards.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors'/Designated Partners' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies/ Designated Partners of the Limited Liability Partnerships (LLPs) included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/LLP and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies/ Designated Partners of the LLPs included in the Group and of its joint venture are responsible for assessing the ability of each company/LLP to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Designated Partners either intends to liquidate the Company/LLP or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies/ Designated Partners of the LLPs included in the Group and the respective Board of Directors of its joint venture are responsible for overseeing the financial reporting process of each company/LLP.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and subsidiary companies incorporated in India and audited by us and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter(s)

a. We did not audit the financial statements / financial information of (nine) 9 subsidiaries and step down subsidiaries, whose financial statements/financial information reflects total assets (before consolidation adjustments) of ₹ 3,637.35 millions as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 2,407.22 millions and net cash inflows (before consolidation adjustments) amounting to ₹ 25.57 millions for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive loss) of ₹ 0.18 millions for the year ended 31 March 2023, in respect of a joint venture, whose financial statements/financial information has not been audited by us. These financial information have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and a joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and a joint venture is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries and a joint venture as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except that the back-up of Tally with respect to a Subsidiary incorporated in India, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 552.75 millions as at 31 March 2023 and total revenues (before consolidation adjustments) of ₹ 663.29 millions for the year ended on that date, as considered in the consolidated financial statements, which form part of the 'books of account and other relevant books and papers in electronic mode' have not been maintained on the servers physically located in India on a daily basis. The back-up of Tally has been maintained on the servers physically located in India as at the year end.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company and subsidiary companies incorporated in India and audited by us as on 31 March 2023 taken on record by the Board of Directorsof the Holding Company and subsidiary companies incorporated in India and audited by us and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. the remark relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate/ consolidated financial statements of the subsidiaries and a joint venture, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group and its joint venture. Refer Note 33 to the consolidated financial statements.

b. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements/financial information have been audited have represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 49(iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements/financial information have been audited have represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 49 (v) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements/financial information have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary companies incorporated in India has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors, where applicable, is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Vikash Gupta
Partner
Membership No.: 064597
ICAI UDIN:23064597BGYQPR4745

Place: Bangalore
Date: 25 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of HealthCare Global Enterprises Limited for the year ended 31 March 2023

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditor in his reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	HealthCare Global Enterprises Limited	L15200KA1998PLC023489	Holding Company	i (c)

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

Name of the entities	CIN	Subsidiary/ JV/ Associate
BACC Healthcare Private Limited	U74140KA2002PTC030098	Subsidiary
HCG Medi-Surge Hospitals Private Limited	U85110GJ2000PTC037474	Subsidiary

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

Vikash Gupta
Partner
Membership No.: 064597
ICAI UDIN:23064597BGYQPR4745

Place: Bangalore
Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of HealthCare Global Enterprises Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

Opinion

In conjunction with our audit of the consolidated financial statements of HealthCare Global Enterprises Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements/financial information of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements/financial information insofar as it relates to 4 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

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

Vikash Gupta
Partner
Membership No.: 064597
ICAI UDIN:23064597BGYQPR4745

Place: Bangalore
Date: 25 May 2023

Consolidated Balance Sheet as at 31 March 2023

(₹ in million)

Particulars	Note No	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	9,718.25	9,315.25
(b) Capital work-in-progress	5	181.78	217.25
(c) Right-of-use assets	6	3,812.71	4,045.40
(d) Goodwill	7	1,812.34	1,812.68
(e) Other intangible assets	7	186.73	298.03
(f) Investments in equity accounted investee	8(A)	28.51	30.13
(g) Financial assets			
(i) Investments	8(B)	68.38	58.03
(ii) Other financial assets	10	542.55	545.61
(h) Deferred tax assets (net)	32.3	52.74	59.57
(i) Income tax assets (net)	32.4	574.40	458.80
(j) Other non-current assets	11	378.43	331.12
Total non current assets		**17,356.82**	**17,171.87**
Current assets			
(a) Inventories	12	382.86	299.72
(b) Financial assets			
(i) Trade receivables	13	3,025.11	2,174.45
(ii) Cash and cash equivalents	14	1,746.19	1,975.08
(iii) Bank balance other than cash and cash equivalents above	14.1	220.20	–
(iv) Loans	9	17.69	16.08
(v) Other financial assets	10	72.08	341.25
(c) Other current assets	11	339.22	216.78
Total current assets		**5,803.35**	**5,023.36**
TOTAL ASSETS		**23,160.17**	**22,195.23**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,391.16	1,390.12
(b) Other equity	16	7,214.06	7,312.75
Equity attributable to owners of the Company		**8,605.22**	**8,702.87**
Non-controlling interests	17	88.94	134.27
Total equity		**8,694.16**	**8,837.14**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	3,617.41	3,628.74
(ii) Lease liabilities	6	4,530.61	4,659.04
(b) Provisions	21	131.86	105.11
(c) Deferred tax liabilities (net)	32.3	123.66	12.79
(d) Other non-current liabilities	20	359.27	254.97
Total non-current liabilities		**8,762.81**	**8,660.65**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	375.94	447.58
(ii) Lease liabilities		488.02	411.40
(iii) Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises		48.94	20.23
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,435.60	1,919.18
(iv) Other financial liabilities	19	1,403.81	935.94
(b) Other current liabilities	20	755.07	784.98
(c) Provisions	21	171.14	172.82
(d) Current tax liabilities (net)	32.5	24.68	5.31
Total current liabilities		**5,703.20**	**4,697.44**
Total liabilities		**14,466.01**	**13,358.09**
TOTAL EQUITY AND LIABILITIES		**23,160.17**	**22,195.23**
Significant accounting policies	3		

The accompanying notes are an integral part of these consolidated financial statements

As per our reports of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date : 25 May 2023

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

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

Place : Chicago
Date : 25 May 2023

Meghraj Arvindrao Gore
Whole-time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 25 May 2023

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 25 May 2023

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 25 May 2023

Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

(₹ in million)

	Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
I	**Income**			
	Revenue from operations	23	16,914.14	13,947.78
	Income from government grant	24	30.33	30.05
	Other income	25	131.84	126.67
	Total income (I)		**17,076.31**	**14,104.50**
II	**Expenses**			
	Purchases of medical and non-medical items		4,323.75	3,609.75
	Changes in inventories	26	(83.14)	(60.74)
	Employee benefits expense	27	2,751.24	2,336.49
	Finance costs	28	1,035.02	977.65
	Depreciation and amortisation expense	29	1,634.73	1,582.84
	Other expenses	30	6,965.73	5,712.64
	Total expenses (II)		**16,627.33**	**14,158.63**
III	**Profit / (loss) before share of loss of an associate / joint venture, exceptional items and tax (I-II)**		**448.98**	**(54.13)**
IV	**Share of loss of an associate / joint venture**		(0.18)	(14.25)
V	**Profit / (loss) before exceptional items and tax (III + IV)**		**448.80**	**(68.38)**
VI	**Exceptional items, net gain**	31	–	946.10
VII	**Profit before tax (V+VI)**		**448.80**	**877.72**
VIII	**Tax expense**			
	(1) Current tax	32.1	153.79	237.09
	(2) Deferred tax	32.1	118.71	251.38
	Total tax expense		**272.50**	**488.47**
IX	**Profit for the year (VII-VIII)**		**176.30**	**389.25**
X	**Other comprehensive income / (loss)**			
	(i) Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of the defined benefit plans	37.2	(5.15)	(6.90)
	(b) Income tax effect on (i) above	32.2	1.01	1.91
	(a) Exchange differences on translation of financial statements of foreign operations		–	0
	(ii) Items that will be reclassified to profit or loss			
	(a) Exchange differences on translation of financial statements of foreign operations		(9.01)	(17.84)
	(b) Effective portion of gain on hedging instruments in a cash flow hedge	39	–	11.60
	(c) Income tax on (ii) above	32.2	–	(4.08)
	Other comprehensive income / (loss) for the year, net of tax		**(13.15)**	**(15.31)**
XI	**Total comprehensive income for the year (IX+X)**		**163.15**	**373.94**
	Profit / (loss) for the year attributable to:			
	Owners of the Company		293.49	537.33
	Non - controlling interests		(117.19)	(148.08)
			176.30	**389.25**
	Other comprehensive income / (loss) for the year attributable to:			
	Owners of the Company		(14.69)	(13.42)
	Non-controlling interests		1.54	(1.89)
			(13.15)	**(15.31)**
	Total comprehensive income / (loss) for the year attributable to:			
	Owners of the Company		278.80	523.91
	Non controlling interests		(115.65)	(149.97)
			163.15	**373.94**
	Earnings per share (equity share of ₹ 10/- each):			
	Basic (in ₹)	35.1	2.11	4.14
	Diluted (in ₹)	35.2	2.10	3.97
	Significant accounting policies	3		

The accompanying notes are an integral part of these consolidated financial statements

As per our reports of even date attached

***for* B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date : 25 May 2023

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

Dr. B.S. Ajaikumar
Executive Chairman
DIN: 00713779
Place : Chicago
Date : 25 May 2023

Meghraj Arvindrao Gore
Whole-time Director and Chief Executive Officer
DIN: 07505123
Place : Bengaluru
Date : 25 May 2023

Srinivasa Raghavan
Chief Financial Officer
Place : Bengaluru
Date : 25 May 2023

Sunu Manuel
Company Secretary
Place : Bengaluru
Date : 25 May 2023

Consolidated Cash Flow Statement for the year ended 31 March 2023

(₹ in million)

Particulars	Note No.	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities			
Profit before tax		**448.80**	**877.72**
Adjustments for:			
Finance costs		1,035.02	977.65
Gain on investment revalued at FVTPL		(0.35)	(1.24)
Loss on disposal of property, plant and equipment		13.22	6.43
Trade receivable written off (net)		317.12	–
Provision for bad and doubtful receivables		(154.10)	150.63
Interest income		(118.10)	(115.61)
Gain on termination of lease		(3.87)	–
Depreciation and amortisation expense		1,634.73	1,582.84
Payables no longer required written back		(2.26)	–
Income from government grant		(30.33)	(30.05)
Expenses on employee stock option scheme		65.14	31.03
Net foreign exchange (gain)		(3.46)	(4.09)
Share of loss of equity accounted investees		0.18	14.25
Exceptional items	31	–	(946.10)
Movements in working capital:			
Changes in trade receivables		(785.48)	(404.40)
Changes in inventories		(83.14)	(60.75)
Changes in loans, financial assets and other assets		(173.45)	(109.85)
Changes in trade payables, financial liabilities and other liabilities		563.47	442.92
Changes in provisions		19.92	26.88
Cash generated from operations (previous year amount includes net receipt of ₹ 148 million, pertaining to pre-existing balances pursuant to acquisition of business referred in note 45)		**2,743.06**	**2,438.26**
Income taxes paid (net of refunds)		(227.15)	(237.02)
Net cash generated from operating activities (A)		**2,515.91**	**2,201.24**
Cash flows from investing activities			
Margin money deposits, net		–	(122.56)
Fixed deposits invested		(632.08)	(821.50)
Proceeds from maturity of fixed deposits		501.92	2,277.97
Proceeds from disposal of property, plant and equipment		75.59	7.91
Acquisition of property, plant and equipment		(1,332.37)	(712.32)
Acquisition of business, net of cash and cash equivalents (refer note 45)		–	(1,174.28)
Advance for acquisition of business (refer note 11.1)		(20.00)	
Proceeds from sale of investment in joint venture		–	1,572.14
Receipt of government grant		12.90	–
Interest received		65.72	136.96
Investment in associate		–	(17.96)
Invesment - others		(2.00)	–
Proceeds from repayment of Inter-corporate deposits		–	102.00
Payment of share application money		–	(2.50)
Net cash generated from / (used in) investing activities (B)		**(1,330.32)**	**1,245.86**
Cash flows from financing activities $			
Proceeds from issue of equity shares	15 & 16	8.86	1,321.59
Payment towards settlement of dues to retiring partner		–	(24.20)
Proceeds from bills discounting		–	252.76
Bills discounted settled		–	(651.55)
Proceeds from long-term borrowings		554.34	1,696.34
Repayment of long-term borrowings		(627.56)	(2,804.00)
Loan foreclosure and refinancing expenses		–	(85.63)
Repayment of principal portion of lease liability		(380.20)	(321.54)
Interest paid on lease liability		(477.17)	(529.28)
Interest and other borrowing cost paid		(478.94)	(403.34)
Net cash (used in) financing activities (C)		**(1,400.67)**	**(1,548.85)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**(215.08)**	**1,898.25**
Cash and cash equivalents at the beginning of the year	14	1,926.90	28.65
Cash and cash equivalents at the end of the year	14	**1,711.82**	**1,926.90**

Consolidated Cash Flow Statement for the year ended 31 March 2023

For the purpose of statement of cash flows, cash and cash equivalent comprises the followings:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Cash on hand	14.64	15.00
(b) Cheques, drafts on hand	1.95	9.07
(c) Balance with bank		
In current accounts and EEFC accounts	956.58	476.87
In deposit accounts	773.02	1,474.14
Cash and cash equivalent as per balance sheet	**1,746.19**	**1,975.08**
Less : Bank overdrafts (refer note 18)	(34.37)	(48.18)
Cash and cash equivalents as per the consolidated statement of cash flows	**1,711.82**	**1,926.90**

$ Reconciliation between opening and closing balance sheet for liabilities arising from financing activities for the year ended 31 March 2023:

(₹ in million)

Particulars	Term loan and deferred payment obligation #	Lease liabilities	Short term borrowing ^	Other borrowing cost	Total
Debt as at 1 April 2022	**4,028.14**	**5,070.44**	**-**	**-**	**9,098.58**
Cash flows including interest and other borrowing cost	(450.19)	(857.37)	-	(101.97)	(1,409.53)
- Interest and other borrowing cost*	387.35	508.28	-	101.97	997.60
- Non cash transactions @	(6.32)	297.28	-	-	290.96
Debt as at 31 March 2023	**3,958.98**	**5,018.63**	**-**	**-**	**8,977.61**

includes current maturities of Term loan and deferred payment obligation grouped under current borrowings

^ other than bank overdraft and current maturities of Term loan and deferred payment obligation grouped under current borrowings

*Interest and other borrowing cost include interest on Short term borrowings, bank charges measured at amortised cost etc

@ Non cash transactions include lease liabilities recognised for new leases, adjustment for termination of lease contract, write-back of liabilities no longer required, unrealised gain / loss on foreign currency fluctuations etc

$ Reconciliation between opening and closing balance sheet for liabilities arising from financing activities for the year ended 31 March 2022:

(₹ in million)

Particulars	Term loan and deferred payment obligation #	Lease liabilities	Short term borrowing ^	Other borrowing cost	Total
Debt as at 1 April 2021	**4,046.13**	**5,058.24**	**398.79**	**-**	**9,503.16**
Cash flows including interest and other borrowing cost	(1,412.14)	(850.82)	(398.79)	(120.39)	(2,782.14)
- Interest and other borrowing cost*	278.67	539.76	-	120.39	938.82
- Non cash transactions @	52.15	323.26	-	-	375.41
- Loans from business acquisition	1,063.33	-	-	-	1,063.33
Debt as at 31 March 2022	**4,028.14**	**5,070.44**	**-**	**-**	**9,098.58**

includes current maturities of Term loan and deferred payment obligation grouped under current borrowings

^ other than bank overdraft and current maturities of Term loan and deferred payment obligation grouped under current borrowings

*Interest and other borrowing cost include interest on Short term borrowings, bank charges measured at amortised cost etc

@ Non cash transactions include lease liabilities recognised for new leases, changes due to remeasurement of lease liabilities, unrealised gain / loss on foreign currency fluctuations etc

Significant accounting policies 3

The accompanying notes are an integral part of these consolidated financial statements

As per our reports of even date attached

***for* B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date : 25 May 2023

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

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

Place : Chicago
Date : 25 May 2023

Meghraj Arvindrao Gore
Whole-time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 25 May 2023

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 25 May 2023

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 25 May 2023

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

a. Equity share capital *

(₹ in million)

Particulars	No of Shares	(₹ in million)
As at 01 April 2021	**12,53,59,284**	**1,253.59**
(a) Issue of equity shares pursuant to exercise of warrants (refer note 15.1)	1,35,03,468	135.04
(b) Issue of equity shares pursuant to exercise of employee share options under employee share option plan 2014 (refer note 38(C))	1,49,240	1.49
Balance as at 31 March 2022	**13,90,11,992**	**1,390.12**
(a) Issue of equity shares pursuant to exercise of employee share options under the Employee Stock Option Scheme 2014 and the Employee Stock Option Scheme 2021 (refer note 38(C))	1,04,070	1.04
Balance as at 31 March 2023	**13,91,16,062**	**1,391.16**

b. Other equity *

(₹ in million)

Particulars	Note No.	Reserves and Surplus				Items of other comprehensive income			Money received against share warrants	Equity attributable to share holders of the company	Non-controlling interests	Total other equity
		Capital reserve	Securities premium (refer note 16.1)	Share options outstanding account (refer note 16.2)	Retained earnings	Foreign currency translation reserve	Remeasu-rements of the defined benefit plans	Cash flow hedging reserve (refer note 16.7)				
Balance as at 01 April 2021		**6.77**	**9,974.51**	**67.82**	**(4,751.00)**	**(2.05)**	**(9.22)**	**(7.52)**	**438.86**	**5,718.17**	**168.24**	**5,886.41**
Profit / (loss) for the year		–	–	–	537.33	–	–	–	–	537.33	(148.08)	389.25
Other comprehensive income / (loss) for the year (net of tax)		–	–	–	–	(17.84)	(3.10)	7.52	–	(13.42)	(1.89)	(15.31)
Total comprehensive income / (loss)		**–**	**–**	**–**	**537.33**	**(17.84)**	**(3.10)**	**7.52**	**–**	**523.91**	**(149.97)**	**373.94**
Transactions recorded directly in equity												
Premium received on shares issued during the year		–	1,185.06	–	–	–	–	–	–	1,185.06	–	1,185.06
Transferred to Securities premium account on exercise of ESOPs	16.2	–	30.56	(30.56)	–	–	–	–	–	–	–	–
Expense on employee stock option scheme	16.2	–	–	31.03	–	–	–	–	–	31.03	–	31.03
Transferred to retained earnings on lapse of vested ESOPs	16.2	–	–	(1.11)	1.11	–	–	–	–	–	–	
Change in fair value of gross obligations over written put options issued to the non-controlling interests	16.6	–	–	–	(88.00)	–	–	–	–	(88.00)	–	(88.00)
Change in ownership in subsidiary LLP without change in control	17	–	–	–	(64.93)	–	–	–	–	(64.93)	39.88	(25.05)
Acqusition of subsidiaries	45	–	–	–	–	–	–	–	–	–	76.12	76.12
Foreign exchange loss reclassified to profit or loss on acquisition of subsidiary	45	–	–	–	–	7.51	–	–	–	7.51	–	7.51
Issue of shares pursuant to exercise of warrants [refer note 15.1(b)]	16.8	–	438.86	–	–	–	–	–	(438.86)	–	–	–
Balance as at 31 March 2022		**6.77**	**11,628.99**	**67.18**	**(4,365.49)**	**(12.38)**	**(12.32)**	**–**	**–**	**7,312.75**	**134.27**	**7,447.02**
Profit / (loss) for the year		–	–	–	293.49	–	–	–	–	293.49	(117.19)	176.30
Other comprehensive income / (loss) for the year (net of tax)		–	–	–	–	(10.55)	(4.14)	–	–	(14.69)	1.54	(13.15)
Total comprehensive income / (loss)		**–**	**–**	**–**	**293.49**	**(10.55)**	**(4.14)**	**–**	**–**	**278.80**	**(115.65)**	**163.15**
Transactions recorded directly in equity												
Premium received on shares issued during year		–	7.82	–	–	–	–	–	–	7.82	–	7.82
Transferred to Securities premium account on exercise of ESOPs	16.2	–	12.04	(12.04)	–	–	–	–	–	–	–	–
Expense on employee stock option scheme	16.2	–	–	65.14	–	–	–	–	–	65.14	–	65.14
Change in fair value of gross obligations over written put options issued to the non-controlling interests	16.6	–	–	–	(383.00)	–	–	–	–	(383.00)	–	(383.00)
Change in ownership in subsidiaries without change in control	17	–	–	–	(67.45)	–	–	–	–	(67.45)	67.45	–
Balance as at 31 March 2023		**6.77**	**11,648.85**	**120.28**	**(4,522.45)**	**(22.93)**	**(16.46)**	**–**	**–**	**7,214.06**	**88.94**	**7,303.00**

Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

b. Other equity * (Contd..)

Securities premium

Securities premium is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Share option outstanding Account

The Company has employee stock option plans for eligible employees of the Company and its group companies. Refer note 38 for further details on these plans. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Capital reserve

Capital reserve is created on account of business combinations. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company.

Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to statement of profit and loss in the period in which the underlying hedged transaction occurs.

Foreign currency translation reserve (FCTR)

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented within equity in the FCTR. Exchange difference accumulated in the foreign currency translation reserve are reclassified to Statement of Profit and Loss on the disposal of the foreign operation.

Remeasurement of defined benefit plan

This represents the actuarial gain and losses on defined benefit plan.

Money received against share warrants

This represents the subscription amount received at the time of issue of warrants.

* There are no changes in equity share capital and other equity due to prior period errors

Significant accounting policies **3**

The accompanying notes are an integral part of these consolidated financial statements

As per our reports of even date attached

***for* B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date : 25 May 2023

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

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Place : Bengaluru
Date : 25 May 2023

Srinivasa Raghavan
Chief Financial Officer
Place : Bengaluru
Date : 25 May 2023

Sunu Manuel
Company Secretary
Place : Bengaluru
Date : 25 May 2023

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

1 HealthCare Global Enterprises Limited ('the Company') and its subsidiaries (collectively referred to as "the Group") and its joint venture is engaged in setting up and managing hospitals and medical diagnostic services including scientific testing and consultancy services in the pharmaceutical and medical sector. The Company is a public company incorporated and domiciled in India and has its registered office at #8, P. Kalinga Rao Road, Sampangi Ram Nagar, Bengaluru – 560 027.

The consolidated financial statements for the year ended 31 March 2023 were approved by the Board of Directors and authorised for issue on 25 May 2023.

2.1 Basis of preparation of the consolidated financial statements

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All amounts are in Indian Rupees million except share data and per share data, unless otherwise stated. The functional currency of foreign subsidiary is the currency of the primary economic environment in which the entity operates.

(c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Derivative financial instruments	Fair Value
Non-derivative financial instruments at FVTPL	Fair Value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(d) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Application of accounting policies that require accounting estimates involving judgments and the use of assumptions in the consolidated financial statements have been disclosed below:

Judgements

- **Note 6 -** Leasing arrangements : Evaluation whether an arrangement qualifies to be a lease based on the requirements of the relevant standard.

Identification of a lease requires significant management judgment.

- **Note 5 -** Property, plant and equipment: Timing of capitalisation and nature of cost capitalised.

- **Note 46 -** The Management has assessed whether or not the Group has control over the entities consolidated

Assumptions and estimation uncertainties

- **Note 6 -** Leasing arrangements : Determination of lease term and discount rate
- **Note 5 -** Estimation of useful life of property, plant and equipment
- **Note 19 -** Liability on written put options
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- **Note 33 -** Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
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- **Note 45 -** Business combinations: Identification of intangible asset and acquisition date

(e) Current / Non-current classification

The Group classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle is twelve months.

(f) Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group's has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurement, including level 3 fair values, and reports directly to the chief financial officer.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group's uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group's recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.2 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Consolidation procedure followed is as under:

Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

(b) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance

Put option over NCI is recorded as financial liability and the debit entry is to 'other' equity, any subsequent change in the

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carrying amount of the put liability is recognised in other equity. In case the put option expires unexercised, then the put liability is reversed against other equity.

(c) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

(d) Equity accounted investees

The Group's interests in equity accounted investees comprise interest in a joint venture (previous year: also an associate).

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than the rights to its assets and obligations for its liabilities.

Interests in associate and joint venture are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees until the date on which significant influence or joint control ceases.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 Summary of significant accounting policies

(a) Revenue recognition

Medical services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. As per Ind AS 115, "Revenue from contracts with customers", revenue from hospital services are recognized as and when services are performed, unless significant future uncertainties exist. The Group assess the distinct performance obligation in the contract and measures to at an amount that reflects the consideration it expects to receive net of tax collected and remitted to Government and adjusted for discounts and concession. The Group based on contractual terms and past experience determines the performance obligation satisfaction over time. Unbilled revenue is recorded for the service rendered where the patients are not discharged and final invoice is not raised for the services.

Sale of medical and non-medical items

Pharmacy Sales are recognised when the control of the products being sold is transferred to the customer and no significant uncertainties exist regarding the amount of consideration that will be derived from the sale of goods as regarding its collection. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Other operating revenue

Other operating revenue comprises revenue from various ancillary revenue generating activities like facilitation of training programmes, operations and maintenance arrangements as per the management agreement with other entities. The service income is recognised only once the services are rendered, there is no unfulfilled performance obligation as per the terms of agreement and no significant future uncertainties exist.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The Group recognizes a deferred income (contract liability) if consideration has been received (or has become receivable) before the Group transfers the promised goods or services to the customer.

Disaggregation of revenue

The Group disaggregates revenue from hospital services (medical and healthcare services), sale of medical and non-medical items and other operating income. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Group's revenues and cash flows are affected by industry, market and other economic factors.

Dividend and interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the

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Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognised when the Group's right to receive dividend is established.

(b) Leases

Group as a lessee

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the entity within the Group. Generally, the Group uses its incremental borrowing rate as the discount rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(c) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group at the exchange rates at the dates of the transactions or an average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

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Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

(d) Foreign currency translations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognised in FCTR is transferred to the statement of consolidated profit and loss as part of the profit or loss on disposal.

(e) Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of lease liability, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(f) Employee benefits

Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plan

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense.' Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The net interest expense is recognised in the line item 'Finance costs.'

Defined contribution plan

A defined contribution plan is post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Group makes specified obligations towards employee provident fund and employee state insurance to Government administered provident fund scheme and ESI scheme which is a defined contribution plan. The Group's contributions are recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Share-based payment transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and Group's estimate of equity instruments that will vest. That cost is recognised, together with a corresponding increase in share-options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

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(g) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

Current tax comprises the expected tax payable on the taxable profit for the year and any adjustment to the tax payable or receivable in respect of previous years. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the assets and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Minimum alternative tax ('MAT') paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax in future years. Ind AS 12, Income Taxes defines deferred tax to include carry forward of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax assets (net) in the balance sheet.

(h) Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment (including capital work-in progress) are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Cost includes expenditures directly attributable to the acquisition of the asset.

The Group depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are ready for intended use. The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

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Asset category	Useful life as per the management	As per schedule II of Companies Act, 2013
Buildings	60 years	60 years
Plant and Medical Equipment (other than Solar power plant)	10, 13 or 15 years	10, 13 or 15 years
Solar power plant	25 years	Not specified
Data processing equipment	3 years	3 years
Electrical installations	10 years	10 years
Furniture and fixtures	10 years	10 years
Office equipment	5 years	5 years
Vehicles	8 years	8 years

Useful lives are reviewed at each reporting date and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Estimates in respect of certain items of plant and equipment were revised in the year ended 31 March 2023. Refer note 5.2.

The cost and related accumulated depreciation are eliminated from the consolidated financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the consolidated statement of profit and loss. Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognized as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

Assets acquired under leasehold improvements are amortized over the lower of estimated useful life and lease term.

Freehold land is not depreciated.

(i) Intangible assets

Intangible assets acquired on business combination are recognised at fair value as at the date of acquisition. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit and loss as incurred. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Asset category	Useful Life
Computer software	3 years
Software for plant and machinery	13 years
Trade name	3 years
Brand	18 years
Referral network	25 years
Intellectual Property for contract research	10 years

The estimated useful life of intangible assets acquired by the Group has been determined based on number of factors including the competitive environment, operating plan and macro-economies of the country in which the brand operates.

j) Goodwill

Goodwill arising on a business combination is initially measured at excess of purchase consideration over fair value of identified net asset taken over. Subsequent measurement is at initial recognition less any accumulated impairment losses. Goodwill is tested annually for impairment. An impairment loss in respect of goodwill is not reversed subsequently.

(k) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Group receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the consolidated statement of profit and loss over the expected useful life of the assets. If based on the estimate it is expected that conditions attached with government grant may not be fulfilled, then a financial liability is recognised for repayment along with interest, where applicable. The financial liability is created by first reversing the balance available in the deferred government grant and the balance as a charge to the consolidated statement of profit and loss.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for GST wherever applicable applying weighted average method.

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Imported inventories are accounted for at the applicable exchange rates prevailing on the date of transaction.

(m) Provisions (other than employee benefits)

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

(n) Financial instruments

a. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (except trade receivable) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable is initially measured at the transaction price.

b. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable interest rate features;

– prepayment and extension features; and

– terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

c. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

d. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e. Invoice discounting facility

Invoice discounting facility: The Group uses this facility to draw down certain sales invoices as part of its cash credit facility with the Bank and has an obligation to settle the liability on the specified due date irrespective of whether the underlying receivables have been collected or not. As the Group continues to retain all risks and rewards of the receivables and control of the asset, the underlying receivables are not eligible for derecognition from the consolidated financial statements. Amounts due in respect of invoice discounting are separately disclosed under short-term borrowings.

f. Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

g. Cash flow hedge

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and accumulated in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of profit and loss.

The Group designates only the changes in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contract ('forward points') is separately accounted for as a cost of hedging and recognised separately within equity.

If the hedging instrument no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

(o) Impairment

(i) Financial assets (other than at fair value)

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 - Financial Instruments requires expected credit losses to be measured though a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

Allowance for credit losses on receivables

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates.

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(ii) Non-financial assets

Tangible and Intangible assets

Property, plant and equipment, capital work-in-progress and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to it's recoverable amount. An impairment loss is recognised in the statement of profit and loss. In respect of assets other than Goodwill for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(p) Earnings / loss per share (EPS)

Basic earnings / loss per share are computed by dividing profit attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

(q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

(r) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregate. Bank overdrafts and investment in liquid mutual funds are classified as cash and cash equivalents for the purpose of cash flow statement, as they form an integral part of an entity's cash management.

(s) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

(t) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairman of the Group is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Group's performance and allocates resources on overall basis.

(u) Business combinations

In accordance with Ind AS 103, "Business combinations" the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control and the net identifiable assets are acquired. Purchase consideration paid in excess of fair value of net identifiable assets acquired is recognised as goodwill. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction

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costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of financial instrument is classified as equity, then its not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

(v) Exceptional items

Exceptional items refer to items of income or expense within the consolidated statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

4 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its consolidated financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

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for the year ended 31 March 2023

5 Property, plant and equipment and capital work-in-progress

(₹ in million)

Description of Assets	Property, Plant and Equipment										
	Freehold land	Buildings	Leasehold Improve-ments	Plant and medical equipment (refer note 5.2)	Office Equipment	Furniture and Fixtures	Data processing equipments	Electrical installation	Vehicles	Total (A)	Capital work in progress (refer note 5.1)
I. Gross block											
Balance as at 01 April 2021	**402.86**	**775.28**	**1,967.98**	**8,546.48**	**89.74**	**339.89**	**186.38**	**214.04**	**36.30**	**12,558.95**	**300.12**
Additions * $ # (refer note 19)	–	4.27	70.31	226.82	5.87	9.62	19.97	11.88	3.54	**352.28**	372.50
Disposals	–	–	(0.80)	(43.17)	(2.17)	(0.78)	(0.46)	(0.27)	–	**(47.65)**	–
Acquired through business combinations (refer note 45)	234.40	701.00	111.58	339.53	2.88	32.03	3.87	0.18	2.37	**1,427.84**	1.09
Provision for impairment^ [refer note 5.1(i)]	–	–	–	–	–	–	–	–	–	**-**	(456.46)
Exchange fluctuation	–	–	(3.18)	–	–	–	–	–	–	**(3.18)**	–
Balance as on 31 March 2022	**637.26**	**1,480.55**	**2,145.89**	**9,069.66**	**96.32**	**380.76**	**209.76**	**225.83**	**42.21**	**14,288.24**	**217.25**
Additions * $ # (refer note 19)	9.97	1.82	55.58	1,292.09	11.19	25.57	51.24	51.54	1.12	**1,500.13**	177.81
Disposals	–	(0.03)	(2.70)	(127.76)	(2.46)	(2.44)	(4.35)	(0.10)	(1.10)	**(140.94)**	–
Capitalised during the year	–	–	–	–	–	–	–	–	–	**-**	(213.28)
Exchange fluctuation	–	–	(4.21)	(9.53)	(0.09)	(0.10)	(0.32)	–	(0.03)	**(14.28)**	–
Balance as at 31 March 2023	**647.23**	**1,482.34**	**2,194.56**	**10,224.46**	**104.96**	**403.79**	**256.33**	**277.27**	**42.20**	**15,633.15**	**181.78**
II. Accumulated depreciation and impairment											
Balance as at 01 April 2021	**-**	**91.61**	**572.02**	**2,891.88**	**80.49**	**157.42**	**143.33**	**74.18**	**16.77**	**4,027.70**	**-**
Depreciation expense	–	22.25	160.64	693.03	13.73	37.03	23.67	23.60	4.65	**978.60**	–
Eliminated on disposal of assets	–	–	(0.80)	(29.44)	(1.73)	(0.77)	(0.41)	(0.16)	–	**(33.31)**	–
Balance as on 31 March 2022	**-**	**113.86**	**731.86**	**3,555.47**	**92.49**	**193.68**	**166.59**	**97.62**	**21.42**	**4,972.99**	**-**
Depreciation expense (refer note 5.2)	–	27.35	152.38	706.26	11.93	40.22	22.55	27.76	5.12	**993.57**	–
Eliminated on disposal of assets	–	(0.03)	(0.38)	(41.51)	(2.45)	(2.43)	(4.32)	(0.07)	(0.94)	**(52.13)**	–
Exchange fluctuation	–	–	0.13	0.28	0.01	0.02	0.03	–	–	**0.47**	–
Balance as at 31 March 2023	**-**	**141.18**	**883.99**	**4,220.50**	**101.98**	**231.49**	**184.85**	**125.31**	**25.60**	**5,914.90**	**-**
Net block as at 31 March 2022	**637.26**	**1,366.69**	**1,414.03**	**5,514.19**	**3.83**	**187.08**	**43.17**	**128.21**	**20.79**	**9,315.25**	**217.25**
Net block as at 31 March 2023	**647.23**	**1,341.16**	**1,310.57**	**6,003.96**	**2.98**	**172.30**	**71.48**	**151.96**	**16.60**	**9,718.25**	**181.78**

Refer note 18 for details of charge created on property, plant and equipment .

* Directly attributable expenses capitalised of ₹ 4.30 million (31 March 22: ₹ 53.86 million). Total borrowing cost capitalised (included in directly attributable expenses) is ₹ 0.72 million (31 March 22: ₹ 28.83 million) relating to Lease Liability.

$ Additions includes government grant recognised at fair value as per Ind AS 20, accounting for government grants and disclosure of government assistance (refer note 20).

Acquisition of Property, plant and equipment through deferred payment settlement scheme is ₹ 73.25 million (31 March 22: ₹ 14.66 million).

^ Capital work in progress is net of accumulated provision for impairment as at 31 March 2023 and 31 March 2022: Rs. 760.48 million [refer note 5.1(i).

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5 Property, plant and equipment and capital work-in-progress (Contd..)

5.1 Capital work-in-progress (CWIP) ageing schedule

(₹ in million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress					
As at 31 March 2023	148.41	19.53	8.46	5.38	**181.78**
As at 31 March 2022	198.97	12.21	5.38	0.69	**217.25**
Projects temporarily suspended (refer note (i) below)					
As at 31 March 2023	–	–	–	–	**-**
As at 31 March 2022	–	–	–	–	**-**
Total Capital work-in-progress					
As at 31 March 2023	148.41	19.53	8.46	5.38	**181.78**
As at 31 March 2022	198.97	12.21	5.38	0.69	**217.25**

(i) **Projects temporarily suspended:**

The Company had been engaged in construction of greenfield project at leased premises in Gurugram ("project") since 2017. While the project was initially scheduled to be operational as of 2020, it was delayed due to changes in management's plan on account of operational priorities followed by the outbreak of COVID-19 pandemic. During the budgeting process in the previous year, the Management decided to focus on increasing marketing activities and driving operational efficiencies and further invest in the upgrading and consolidating the existing footprint. As a result, the management decided not to pursue the project. The Company then had about two years of non-cancellable lease of the said premise. Accordingly, the Company recognized impairment charge aggregating to ₹ 472.45 million of assets relating to this project (comprising impairment of CWIP ₹ 456.46 million, right of use asset ₹ 10.94 million and security deposit ₹ 5.05 million) during the previous year ended 31 March 2022, after considering minimum lease payable and other committed costs of the project.

Additionally, during the year ended 31 March 2021, the Company had recognised impairment charge of ₹ 363.01 million of assets relating to this project (comprising impairment of CWIP ₹ 304.02 million and capital advances of ₹ 58.99 million).

(ii) There were no projects that were overdue or had exceeded its cost compared to its original plan as at 31 March 2023 and 31 March 2022.

5.2 During the year ended 31 March 2023, the Group revised the estimated useful life for certain category of its Property, Plant and Equipment with effect from 1 April 2022 based on its technical evaluation. The effect of these changes on actual and expected depreciation expense is as follows:

(₹ in million)

Particulars	YE 31 March 2023	YE 31 March 2024	YE 31 March 2025	YE 31 March 2026	YE 31 March 2027	YE 31 March 2028 and later
(Decrease) / increase in depreciation expense	(56.60)	(40.46)	(35.82)	(21.96)	(9.55)	163.35

6 Right of use assets and lease liabilities

Right-of-use-assets

(₹ in million)

Description of assets	Buildings	Plant and medical equipment	Total
I. Gross block			
Balance as at 01 April 2021	**5,039.65**	**130.84**	**5,170.49**
Additions	182.52	306.94	489.46
Acquisition through buiness combination (refer note 45.2)	80.54	–	80.54
Remeasurement of lease liabilities and lease modification (refer note (i) below)	(121.88)	–	(121.88)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

6 Right of use assets and lease liabilities (Contd..)

(₹ in million)

Description of assets	Buildings	Plant and medical equipment	Total
Impairment during the year [refer note 5.1(i)]	(10.94)	–	(10.94)
Foreign currency transaltion	(2.00)	–	(2.00)
As at 31 March 2022	**5,167.89**	**437.78**	**5,605.67**
Additions	109.66	–	109.66
Remeasurement of lease liabilities (refer note (ii) below)	214.20	–	214.20
Termination of lease (refer note (iii) below)	(22.35)	–	(22.35)
Foreign currency transaltion	(3.81)	–	(3.81)
As at 31 March 2023	**5,465.59**	**437.78**	**5,903.37**
II. Accumulated depreciation and impairment			
Balance as at 01 April 2021	**1,027.57**	**28.65**	**1,056.22**
Depreciation expense	474.51	29.54	504.05
As at 31 March 2022	**1,502.08**	**58.19**	**1,560.27**
Depreciation expense	472.62	57.67	530.29
Foreign currency transaltion	0.10	–	0.10
As at 31 March 2023	**1,974.80**	**115.86**	**2,090.66**
Net block as at 31 March 2022	**3,665.81**	**379.59**	**4,045.40**
Net block as at 31 March 2023	**3,490.79**	**321.92**	**3,812.71**

The Group has lease arrangements for hospital buildings and medical equipments.

The aggregate depreciation expense on ROU for the year amounting to ₹ 526.71 million (31 March 2022: ₹ 484.74 million) is included in the "Depreciation and Amortisation expense" in the Consolidated statement of Profit and Loss and ₹ 3.58 million (31 March 2022: ₹ 19.31 million) is capitalised to Capital work-in-progress.

Note

(i) During the year ended 31 March 2022, as explained in Note 5.1(i), the Group decided to not pursue the oncology facility project which was under construction at the leased premises in Gurugram. Accordingly, the Group reassessed its lease term over the remaining non-cancellable lease period and recognised reduction of Right-of use assets and Lease liabilities by ₹ 250.87 million. The Group also reassessed its lease liability pursuant to change in lease rentals and lease term for certain lease premises as a result of which the Right-of use assets and Lease liabilities increased by ₹ 128.99 million and ₹ 91.31 million respectively.

(ii) During the year ended 31 March 2023, the Group reassessed its lease liability pursuant to change in lease rentals for certain lease premises as a result of which the Right-of use assets and Lease liabilities increased by ₹ 214.20 million.

(iii) During the year ended 31 March 2023, the Group recognised gain of ₹ 3.87 million on termination of lease contract.

The following is the break-up of current and non-current lease liabilities as at 31 March 2023 and 31 March 2022:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Current lease liabilities	488.02	411.40
Non-current liabilities	4,530.61	4,659.04
Total	**5,018.63**	**5,070.44**

The table below provides details regarding the contractual maturities of Lease liabilities:

(₹ in million)

Particulars	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years	Total
As at 31 March 2023	954.83	787.20	726.92	738.39	5,590.45	8,797.79
As at 31 March 2022	909.59	864.16	771.78	722.09	5,941.50	9,209.12

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for the year ended 31 March 2023

6 Right of use assets and lease liabilities (Contd..)

Amounts recognised in consolidated statement of profit and loss

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of right-of-use assets *	530.29	504.05
Interest on lease liabilities*	508.28	539.76
Rent expenses # (refer note 30)	111.55	92.80

* Interest and depreciation expenses capitalised amounting to ₹ 0.72 million (31 March 2022: ₹ 28.83 million) and ₹ 3.58 million (31 March 2022: ₹ 19.31 million) respectively.

The Group has incurred expenses amounting to ₹ 56.08 million (31 March 2022: ₹ 47.58 million) towards short-term leases and ₹ 55.47 million (31 March 2022: ₹ 45.22 million) expenses towards variable rent, net of rent concessions Nil (31 March 2022: ₹ 3.47 million).

Amounts recognised in Cash flow statement

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Repayment of principal portion of lease liability	380.20	321.54
Interest paid on lease liability	477.17	529.28

Commitments for leases not yet commenced: The Group has committed to lease hospital building for its upcoming project. The potential future lease payments (on undiscounted basis) for this lease: ₹ 2,030 Million (as at 31 March 2022: ₹ 2,040 Million) over the period of 18 years.

7 Goodwill and other intangible assets

(₹ in million)

Description of assets	Goodwill (refer note 7A below)	Other intangible assets						
		Computer software	Trade name and brand	Referral network	Intellectual Property for contract research	Tenacy rights	Software for plant and machinery	Total
I. Cost								
Balance as at 01 April 2021	**1,093.40**	**493.74**	**-**	**-**	**-**	**11.00**	**3.42**	**508.16**
Additions	–	11.18	–	–	–	–	–	**11.18**
Acquired through business combinations (refer note 45)	849.53	1.11	134.33	23.20	35.20	–	–	**193.84**
Foreign currency translation	(0.25)	–	(2.35)	–	–	–	–	**(2.35)**
Balance as at 31 March 2022	**1,942.68**	**506.03**	**131.98**	**23.20**	**35.20**	**11.00**	**3.42**	**710.83**
Additions	–	6.57	–	–	–	–	–	**6.57**
Foreign currency translation	(0.34)	–	(3.15)	–	–	–	–	**(3.15)**
Balance as at 31 March 2023	**1,942.34**	**512.60**	**128.83**	**23.20**	**35.20**	**11.00**	**3.42**	**714.25**
II. Accumulated amortisation and impairment losses								
Balance as at 01 April 2021	**130.00**	**278.88**	**-**	**-**	**-**	**11.00**	**3.42**	**293.30**
Amortisation expense for the year	–	109.43	7.64	0.53	1.90	–	–	**119.50**
Balance as at 31 March 2022	**130.00**	**388.31**	**7.64**	**0.53**	**1.90**	**11.00**	**3.42**	**412.80**
Amortisation expense for the year	–	90.85	19.34	0.93	3.33	–	–	**114.45**
Foreign currency translation	–	–	0.27	–	–	–	–	**0.27**
Balance as at 31 March 2023	**130.00**	**479.16**	**27.25**	**1.46**	**5.23**	**11.00**	**3.42**	**527.52**
Net block as at 31 March 2022	**1,812.68**	**117.72**	**124.34**	**22.67**	**33.30**	**-**	**-**	**298.03**
Net block as at 31 March 2023	**1,812.34**	**33.44**	**101.58**	**21.74**	**29.97**	**-**	**-**	**186.73**

Refer note 18 for details of charge created on intangible asset.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2023

7A Goodwill

The carrying amount of goodwill has been allocated to the Cash Generating Units (CGU) as given below:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
BACC Healthcare Private Limited (refer note a)	424.30	424.30
HCG Medi-Surge Hospitals Private Limited (refer note a)	53.46	53.46
Niruja Product Development and Healthcare Research Private Limited	0.25	0.25
Malnad Hospital and Institute of Oncology Private Limited	0.87	0.87
City Cancer Center (CCC) (refer note a)	484.52	484.52
Diagnostic business (refer note a below and note 45.1)	563.88	563.88
Suchirayu Health Care Solutions Limited (Refer note a below and note 45.3)	277.54	277.54
Cancer Care Center, Kenya (Refer note a below and note 45.2)	7.52	7.86
Total	**1,812.34**	**1,812.68**

(a) The recoverable amount of the underlying CGUs is based on its value in use, estimated on present value of the projected future cash flows. Following key assumptions were considered in performing impairment assessment:

Assumptions	As at 31 March 2023			As at 31 March 2022		
	Annual revenue growth rate	Terminal growth rate	Discount rate	Annual revenue growth rate	Terminal growth rate	Discount rate
BACC Healthcare Private Limited	6% to 14%	5%	15.43%	11% to 19%	4%	16%
HCG Medi-Surge Hospitals Private Limited	5% to 20%	5%	13.95%	4% to 6%	3%	11%
City Cancer Center (CCC)	8% to 15%	5%	13.37%	Refer note b below		
Diagnostic business	8% to 17%	5%	13.37%	10%	5%	11.25%
Suchirayu Health Care Solutions Limited	7% to 10%	5%	13.37%	6% to 12%	4%	13%
Cancer Care Center, Kenya	6% to 102%	4.61%	15.60%	Refer note b below	–	–

The values assigned to the key assumptions represent management's assessment of future trends and based on historical data from both external and internal sources. Discount rate reflects the current market assessment of the risks specific to a Cash Generating Unit (CGU) or group of CGUs. The discount rate is estimated based on the capital asset pricing method for respective CGU. The cash flow projections included specific estimates developed using internal forecasts. The planning horizon reflects the assumptions for short-to-midterm market developments. The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to materially exceed the aggregate recoverable amount of the cash generating unit.

(b) The key assumptions used in the estimation of the recoverable amount of Goodwill as at 31 March 2022 are set out below:

For the purpose of impairment testing, the recoverable amount of CGUs was determined based on fair value less cost of disposal. The fair value was computed as per the market approach using revenue and EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) multiples. The market approach considered was based on the external source of information and consistent with the Management experience and risk factor of the CGU and also considered peers of the Company. The estimated recoverable amount of the CGUs exceeded carrying amount and hence impairment was not triggered.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

8(A) Investment in equity accounted investees

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Unquoted equity instruments & preference instruments		
In Joint Venture		
Advanced Molecular Imaging Limited	28.51	30.13
5,000 ordinary shares (as at 31 March 2022: 5,000 ordinary shares) of 100 Kenyan Shillings (KSH) each, fully paid up		
	28.51	**30.13**

8(B) Investments

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
A) Non-current		
Investments carried at fair value through profit and loss (FVTPL)		
(i) In other companies - unquoted equity instruments		
Zoctr Health Private Limited [452 equity shares of ₹ 10/- each, fully paid up; (31 March 2022: 452 equity shares of ₹ 10/- each)]	7.64	7.64
Less: Provision for diminution in value of investment	(7.64)	(7.64)
Net investment post diminution in value of investment	-	-
International Stemcell Services Limited [10,860 equity shares of ₹ 100/- each, fully paid up; (31 March 2022: 10,860 equity shares of ₹ 100/- each, fully paid up)]	5.61	5.61
Epigeneres Biotech Private Limited [79 equity shares of ₹ 10/- each, fully paid up; (31 March 2022: 79 equity shares of ₹ 10/- each, fully paid up)]	10.00	10.00
Less: Provision for diminution in value of investment	(10.00)	(10.00)
	-	-
Niramai Health Analytix Private Limited [10 equity shares of Re. 1/- fully paid up; (31 March 2022: 10 equity shares of Re. 1/- fully paid up)]	0.07	0.07
(ii) In other companies - unquoted Preference shares	-	
Niramai Health Analytix Private Limited [4,881 series A preference shares of ₹ 10/- each, fully paid up; (31 March 2022: 4,881 series A preference shares of ₹ 10/- each, fully paid up)]	35.79	35.79
(iii) Mutual funds (Quoted)		
Religare Invesco Short Term Fund- 3,922 units @ ₹ 3,291.44 (31 March 2022: 3,922 units @ ₹ 3,164.60)	12.92	12.42
SBI Mutual Fund- 24,272.75 units @ ₹ 158.13 (31 March 2022: 24,272.75 units @ ₹ 164.26)	3.84	3.99
(iv) Other funds (unquoted)		
Anthill Early Stage Fund - I	10.00	-
99.11 units of Class A units @ ₹ 10,090 per unit (31 March 2022: Nil)		
Investment in government or trust securities	0.15	0.15
Total Non current investments	**68.38**	**58.03**
Aggregate amount of quoted investments	16.76	16.41
Aggregate amount of market value of investments	16.76	16.41
Aggregate amount of unquoted investments	51.62	41.62
Aggregate amount of impairment in value of investments	(17.64)	(17.64)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

9 Loans (Unsecured)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Considered good		
a) Advances to employees *	17.69	16.08
Total	**17.69**	**16.08**

*Refer note 18 for details of charge created on current loans.

10 Other financial assets

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current*	Non Current	Current*
Unbilled revenue (refer note 48)	–	–	–	224.74
Receivable from related parties (Refer note 43)	–	3.65	–	4.50
Security deposits (refer note 43)	391.47	57.23	368.49	37.22
Share application money pending allotment (Refer note 47)	–	–	8.00	–
Term deposits (orignail maturity more than 12 months) 1	129.73	–	153.35	66.42
Interest accrued but not due on fixed deposits	21.35	11.20	15.77	8.37
Considered doubtful				
Security deposits	20.64	–	20.64	–
Less : Provision for impairment	(20.64)	–	(20.64)	–
Other receivables	–	8.80	–	8.80
Less : Allowance for bad and doubtful receivables	–	(8.80)	–	(8.80)
Total	**542.55**	**72.08**	**545.61**	**341.25**

Note:

1 Term deposits include margin money deposits with banks and deposits given as security for obtaining bank guarantees

* Refer note 18 for details of charge created on other current financial assets.

11 Other assets

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current*	Non Current	Current*
Unsecured, considered good				
Capital advances	177.27	–	157.87	–
Advance for acquisition of business (refer note 11.1 below)	20.00	–	–	–
Prepaid expenses [net of provision for impairment ₹ 31.22 million (31 March 2022: ₹ 31.22 million)]	181.16	54.69	173.25	60.05
Advance to vendors	–	192.86	–	67.88
Taxes paid under protest	–	53.85	–	52.56
Receivable from revenue authorities	–	37.82	–	36.29
Unsecured, considered doubtful				
Capital advances	67.69	–	67.69	–
Less : Allowance for bad and doubtful advances (refer note 30)	(8.70)	–	(8.70)	–
Less : Provision for impairment [refer note 5.1(i)]	(58.99)	–	(58.99)	–
Advance to vendors	–	55.76	–	55.76
Less : Allowance for bad and doubtful advances	–	(55.76)	–	(55.76)
Total	**378.43**	**339.22**	**331.12**	**216.78**

* Refer note 18 for details of charge created on other current assets.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

11.1 During the year ended 31 March 2023, the Company has entered into a Business Transfer Agreement (BTA) with Radiant Hospital Services Private Limited for the acquisition of its radiation therapy centre, along with its assets located at Sambalpur, Odisha on a slump sale basis for a total cash consideration of Rs. 160 million, of which partial consideration of Rs. 20 million were paid as advance. As the proposed transfer of business is subject to satisfaction of certain conditions precedent to the closing date as per the terms of BTA which are still under progress and accordingly, control is not obtained as at 31 March 2023, the effect for acquisition of this business is not given in these financial statements. Further, Management in the interim period has entered into Operation and Maintenance agreement with the Radiant Hospital effective 1 February 2023.

12 Inventories (lower of cost and net realisable value)*

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Medical and non-medical items	382.86	299.72
Total	**382.86**	**299.72**

*Inventories are subject to charge to secure bank loans. There are nil provisions for written down to net realisable value.

13 Trade receivables (unsecured)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Billed - considered good		
Trade receivables - unsecured	3,292.67	2,803.85
Less: Loss allowance (refer note 40)	464.88	(629.40)
	2,827.79	**2,174.45**
Unbilled - considered good		
Trade receivables - unsecured	207.74	–
Less: Loss allowance (refer note 40)	(10.42)	–
	197.32	–
Trade receivables (net) (A) + (B)	**3,025.11**	**2,174.45**

*Trade receivables are subject to charge to secure bank loans

Refer note 43 for trade receivables from related parties

Trade receivables ageing schedule

As at 31 March 2023

(₹ in million)

Particulars	Unbilled	Billed - outstanding for following periods from due date					Total
		Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade receivables - considered good	207.74	2,158.07	499.36	310.13	164.88	160.23	3,500.41
Undisputed Trade receivables - which have significant increase in risk	–	–	–	–	–	–	–
Undisputed Trade receivables - credit impaired	–	–	–	–	–	–	–
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in risk	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	–	–
	207.74	**2,158.07**	**499.36**	**310.13**	**164.88**	**160.23**	**3,500.41**
Less: Loss allowance for doubtful trade receivables							(475.30)
Total							**3,025.11**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

13 Trade receivables (unsecured) (Contd..)

As at 31 March 2022

(₹ in million)

Particulars	Unbilled	Billed - outstanding for following periods from due date					Total
		Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed Trade receivables - considered good	224.74	1,393.20	413.77	361.30	205.50	411.97	3,010.48
Undisputed Trade receivables - which have significant increase in risk	–	–	–	–	–	–	–
Undisputed Trade receivables - credit impaired	–	–	–	–	–	–	–
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in risk	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	–	18.11	18.11
	224.74	**1,393.20**	**413.77**	**361.30**	**205.50**	**430.08**	**3,028.59**
Less: Loss allowance for doubtful trade receivables							(629.40)
Total							**2,399.19**

The Group's exposure to credit risk is explained in Note 40.

14 Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Cash on hand	14.64	15.00
(b) Cheques, drafts on hand	1.95	9.07
(c) Balance in bank		
In current accounts and in Exchange Earners Foreign Currency Account (EEFC) accounts	956.58	476.87
In deposit accounts with original maturity less than 3 months	773.02	1,474.14
Total	**1,746.19**	**1,975.08**

14.1 Bank balance other than cash and cash equivalents above

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits with banks with balance maturity of less than 12 months *	220.20	–
Bank balance other than cash and cash equivalents above	**220.20**	**-**

* Other Deposits include margin money deposits with banks and deposits given as security for obtaining bank guarantees. These deposits are restrictive.

For the purpose of the statement of cash flows, cash and cash equivalent comprise the following:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Cash on hand	14.64	15.00
(b) Cheques, drafts on hand	1.95	9.07
(c) Balance with bank		
In current accounts and EEFC accounts	956.58	476.87
In deposit accounts	773.02	1,474.14
Cash and cash equivalents as per balance sheet	**1,746.19**	**1,975.08**
Less: Bank overdrafts (Refer Note 18)	(34.37)	(48.18)
Cash and cash equivalents as per consolidated statement of cash flows	**1,711.82**	**1,926.90**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

15 Equity share capital

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital:		
200,000,000 equity shares of ₹10 each (as at 31 March 2022: 200,000,000 equity shares of ₹10 each)	2,000.00	2,000.00
Issued, subscribed and paid up capital comprises:		
139,116,062 equity shares of ₹10 each (as at 31 March 2022: 139,011,992)	1,391.16	1,390.12
All issued shares are fully paid up.		

15.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the year:

(₹ in million)

Particulars	Number of shares	Amount
Balance as at 01 April 2021	**125,359,284**	**1,253.59**
Issue of equity shares pursuant to exercise of warrants (refer notes (a) & (b) below)	13,503,468	135.04
Issue of equity shares pursuant to exercise of employee share options under the Employee Stock Option Scheme 2014 (refer note 38(C))	149,240	1.49
Balance as at 31 March 2022	**139,011,992**	**1,390.12**
Issue of equity shares pursuant to exercise of employee share options under the Employee Stock Option Scheme 2014 and the Employee Stock Option Scheme 2021 (refer note 38(C))	104,070	1.04
Balance as at 31 March 2023	**139,116,062**	**1,391.16**

a) During the year ended 31 March 2021, the Company made preferential allotment of 29,516,260 Equity shares of the face value of ₹ 10 each, at a premium of ₹ 120 each (aggregating to ₹ 130 per equity share) and 18,560,663 Warrants, with a right to apply for and be allotted one equity share of the face value of ₹ 10 each at a premium of ₹ 120 each (aggregating to ₹ 130 per Warrant) to Aceso Company Pte. Ltd., Singapore ("Investor"). As required under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"), during the year ended 31 March 2021, Investor remitted an amount ₹ 5,128 Million towards allotment of 29,516,260 equity shares at ₹ 130 per share (₹ 3,837 Million), 100% consideration for allotment and subsequent exercise of 7,057,195 warrants at ₹ 130 per warrant (₹ 917 Million) and 25% of the consideration for remaining 11,503,468 warrants at ₹ 130 per warrant (₹ 374 Million).

During the previous year, upon receipt of the remaining 75% of the consideration i.e. ₹ 1,122 Million towards the exercise of the warrants, 11,503,468 equity shares were allotted on 6 December 2021.

b) The Board of Directors of the Company on 26 June 2020, pursuant to the approval of the shareholders of the Company received on June 12, 2020, made a preferential allotment of 20,00,000, Series B Warrants, to Dr. B.S. Ajaikumar, Promoter ("Promoter") with a right to apply for and be allotted 1 Equity Share of the face value of ₹ 10 each of the Company, at a premium of ₹ 120 for each Series B Warrant. As required under the provisions of the ICDR Regulations, during the year ended 31 March 2021, the Promotor remitted an amount equivalent to 25% of the Consideration i.e. ₹ 65 Million on issue of series B Warrants.

During the previous year, upon receipt of the remaining 75% of the consideration i.e. ₹ 195 Million towards the exercise of the Series B Warrants, 2,000,000 equity shares were allotted on 8 December 2021.

15.2 Rights, preferences and restrictions attached to equity shares

Fully paid equity shares, which have a par value of ₹10, carry one vote per share and carry a right to dividends. The Company has only one class of equity share having a par value of ₹10/- each. Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to number of equity shares held by the shareholders.

Employee stock options and terms attached to stock options granted to employees are described in Note 38.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

15 Equity share capital (Contd..)

15.3 Details of shareholder holding more than 5% shares of equity shares

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares held	% holding of equity shares	Number of Shares held	% holding of equity shares
Aceso Company Pte. Ltd.	80,559,078	57.91%	78,808,578	56.69%
Dr B.S Ajaikumar	18,073,715	12.99%	19,824,215	14.26%

15.4 Shareholding of promoters and promoter group

(₹ in million)

Particulars	As at 31 March 2023		Percentage change during the year ended 31 March 2023
	Number of Shares held	% holding of equity shares	
Promoter			
Aceso Company Pte. Ltd.	80,559,078	57.91%	1.22%
Dr B.S Ajaikumar	18,073,715	12.99%	-1.27%
Promoter group			
Asmitha Ajaikumar	327,259	0.24%	0.00%
Aagnika Ajaikumar	327,258	0.24%	0.00%
Bhagya A Ajaikumar	1,795	0.00%	0.00%
Anjali Ajaikumar Rossi	1,000	0.00%	0.00%

(₹ in million)

Particulars	As at 31 March 2022		Percentage change during the year ended 31 March 2022
	Number of Shares held	% holding of equity shares	
Promoter			
Aceso Company Pte. Ltd.	78,808,578	56.69%	3.00%
Dr B.S Ajaikumar	19,824,215	14.26%	0.04%
Promoter group			
Asmitha Ajaikumar	327,259	0.24%	(0.03%)
Aagnika Ajaikumar	327,258	0.24%	(0.03%)
Bhagya A Ajaikumar	1,795	0.00%	(0.00%)
Anjali Ajaikumar Rossi	1,000	0.00%	(0.00%)

15.5 Aggregate number of equity shares allotted as fully paid-up without payment being received in cash for a period of five years immediately preceding the years ended 31 March 2023 and 31 March 2022

(₹ in million)

Particulars	Aggregate number of shares as at	
	As at 31 March 2022	As at 31 March 2022
Issue of shares pursuant to Business combination	934,500	9,34,500

15.6 Number of equity shares of ₹10/- each reserved for issuance

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
To eligible employees under Employee Stock Option Scheme (also, refer note 38)	6,270,200	63,86,880

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

16 Other equity

(₹ in million)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Securities premium	16.1	11,648.85	11,628.99
Share options outstanding account	16.2	120.28	67.18
Capital reserve	16.3	6.77	6.77
Foreign currency translation reserve	16.4	(22.93)	(12.38)
Remeasurements of defined benefit plan	16.5	(16.46)	(12.32)
Retained earnings	16.6	(4,522.45)	(4,365.49)
Effective portion of loss on designated portion of hedging instrument in a cashflow hedge	16.7	–	–
Money received against share warrants	16.8	–	–
Total		**7,214.06**	**7,312.75**

16.1 Securities premium

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of year	11,628.99	9,974.51
Premium on shares issued during year *	19.86	1,654.48
Balance at end of year	**11,648.85**	**11,628.99**

* Refer note 15.1(a) and (b) for premium received on allotment of shares pursuant to exercise of share warrants.

16.2 Share options outstanding account

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	67.18	67.82
Transferred to Securities premium account on exercise of ESOPs	(12.04)	(30.56)
Transferred to retained earnings on lapse of vested ESOPs	–	(1.11)
Deferred stock compensation expense for the year (refer note 27)	65.14	31.03
Balance at end of year	**120.28**	**67.18**

Refer note 37.

16.3 Capital reserve

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of year	6.77	6.77
Additions/ (deletions) during the year	–	–
Balance at end of year	**6.77**	**6.77**

16.4 Foreign currency translation reserve

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of year	(12.38)	(2.05)
Other comprehensive loss arising from exchange differences on translating the foreign operations	(10.55)	(17.84)
Acquisition of subsidiary (refer note 45.2)	–	7.51
Balance at end of year	**(22.93)**	**(12.38)**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2023

16 Other equity (Contd..)

16.5 Remeasurements of the defined benefit liabilities / (asset)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of year	(12.32)	(9.22)
Other comprehensive (loss) arising from remeasurement of defined benefit plan (net of income tax)	(4.14)	(3.10)
Balance at end of year	**(16.46)**	**(12.32)**

16.6 Retained earnings

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of year	(4,365.49)	(4,751.00)
Profit attributable to owners of the Company	293.49	537.33
Change in fair value of gross obligations over written put options issued to the non-controlling interests (refer note (i) below)	(383.00)	(88.00)
Transfer from Share options outstanding account on account of lapse of vested ESOPs	–	1.11
Adjustment on account of change in holding without change in control [refer note 17(ii)]	(67.45)	(64.93)
Balance at end of year	**(4,522.45)**	**(4,365.49)**

(i) The Company has issued written put option to non-controlling interests in HCG Medi-surge Hospitals Private Limited. In accordance with the terms of underlying shareholders agreement, should the option be exercised by non-controlling interests, the Company has to settle such liability either by payment of cash equivalent to such amount.

16.7 Effective portion of loss on designated portion of hedging instrument in a cashflow hedge

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of year	–	(7.52)
Other comprehensive income arising from remeasurement of hedging instrument in a cashflow hedge (net of income tax)	–	7.52
Balance at end of year (refer note 40)	**–**	**–**

16.8 Money received against share warrants

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at beginning of year	–	438.86
Issue of shares pursuant to exercise of warrants (refer notes 15.1(a) and (b) above)	–	(438.86)
Balance at end of year	**–**	**–**

17 Non-controlling interests

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	134.27	168.24
Loss for the year	(117.19)	(148.08)
Other comprehensive (losses)/ income for the year (net of tax)	1.54	(1.89)
Additional investments by non-controlling interests	2.87	–

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

17 Non-controlling interests (Contd..)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Acquisition of subsidiaries (refer note 45)	–	76.12
Adjustment on account of change in holding without change in control (refer note (ii))	67.45	39.88
Balance at the end of the year	**88.94**	**134.27**

(i) Details of non-wholly owned subsidiaries that have material non-controlling interests

There are no non-wholly owned subsidiaries that have material non-controlling interests. The management has set materiality at ten percent of the annual consolidated turnover, as per the last audited financial statements of the Company.

(ii) a) During the year ended 31 March 2023, the Group's holding in HCG NCHRI Oncology LLP and Cancer Care Kenya Limited increased from 76% to 87.14% and 78.10% to 81.63% respectively.

b) During the previous year ended 31 March 2022, in accordance with the terms of the Deed of Retirement, Shiv-Sun Medical Services LLP, which was holding 26% stake in HCG Sun Hospitals LLP (the Firm), subsidiary of the Company, retired from the Firm. Consideration of ₹ 24.20 million was paid by the Company to the retiring partner. Pursuant to this, the Company along with its wholly owned subsidiary, Niruja Product Development and Healthcare Research Private Limited hold 100% interest in HCG Sun Hospitals LLP.

18 Borrowings

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current	Non Current	Current
Secured - at amortised cost				
(i) Term loans*				
from banks (Refer note 18.1.1)	3,404.87	323.30	3,488.05	172.50
from other parties (Refer note 18.1.2)	–	–	–	2.28
(ii) Vehicle loans (Refer note 18.1.3)	–	–	–	0.70
(iii) Loans repayable on demand*				
-from Banks (bank overdraft) (Refer note 18.1.6)	–	34.37	–	48.18
Unsecured - at amortised cost				
(i) Deferred payment liabilities (Refer note 18.1.5)	206.13	16.40	132.23	200.27
(ii) Loans from others (Refer note 18.1.4)	6.41	1.87	8.46	23.65
Total	**3,617.41**	**375.94**	**3,628.74**	**447.58**

* Includes interest accrued amounting to ₹ 15.14 million (March 2022: ₹ 13.47 million) relating to term loan from banks which is clubbed under the respective loans outstanding as on 31 March 2023 and 31 March 2022.

The Group's exposure to liquidity risk is disclosed in Note 40.

18.1 Summary of borrowing arrangements

Details of security and terms of repayment of term loans and other loans (except loans repayable on demand) are stated below

(₹ in million)

	Terms of repayment and security	As at 31 March 2023	As at 31 March 2022
18.1.1	**Term loans from banks - Secured**		
	Facility-1		
	Non-current portion	605.48	1,156.24
	Amounts included under current borrowings	147.91	124.39

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

18 Borrowings (Contd..)

(₹ in million)

Terms of repayment and security	As at 31 March 2023	As at 31 March 2022
– Secured by exclusive charge on equipments purchased from these loans, first charge on immovable fixed assets (land and building / structures there upon) and movable fixed assets (both present and future, not charged exclusively to any other lender) and second pari-passu charge on all current assets and receivables (both present and future) of the Company, HCG Medi-Surge Hospitals Private Limited, HCG Oncology LLP, HCG NCHRI Oncology LLP, HCG EKO Oncology LLP, HCG Manavata Oncology LLP and HCG Sun Hospitals LLP.		
– Rate of interest: Repo-rate + 3.25% [as at 31 March 2022: bank's 6 months MCLR + Spread rate (i.e. 0.10% to 1.25% p.a.)]		
– Repayable in installments over a period of 6 to 10 years after 1 to 3 year moratorium from the date of borrowing.		
* Non-current portion of bank debt as disclosed herein is gross of ₹ 6.77 million towards unamortised loan processing charges, which is netted below (31 March 2022 of ₹ 8.50 million).		
Facility-2		
Non-current portion	1,375.54	1,337.49
Amounts included under current borrowings	125.07	43.92
– Secured by first pari-passu charge on movable fixed assets (both present and future, excluding those funded out exclusively by other lenders) and immovable fixed assets (land and building/structures there upon) and second pari-passu charge by way of hypothecation on entire current assets of the Company, HCG Medi-Surge Hospitals Private Limited and HCG Oncology LLP.		
– Rate of interest: Repo-rate + 2.3% p.a to 2.85% p.a.		
– Repayable in installments over a period of 6 to 9.5 years from the date of borrowing.		
* Non-current portion of bank debt includes an amount of ₹ 16.55 million (31 March 2022: ₹ 17.33 million) towards unamortised loan processing charges, which is netted off below		
Facility-3		
Non-current portion	479.50	–
Amounts included under current borrowings	–	–
Details of security and terms of repayment for the amounts borrowed during the current year:		
– Extension of second charge over primary and collateral security for existing facilities and 100% credit guarantee by National Credit Guarantee Trustee Company Limited (NCGTC).		
– Rate of interest: Repo-rate +1.9% p.a to + 2.3% p.a		
– Repayable in installments over a period of 3 years to 4 years from the date of borrowing excluding 2 years moratarium.		
Facility-4		
Non-current portion	972.26	1,021.17
Amounts included under current borrowings	46.30	0.44
– Secured by exclusive charge on all movable and immovable assets of Suchirayu Health Care Solutions Limited.		
– Rate of interest: Repo-rate + 3.25% (as at 31 March 2022: bank's 6 months MCLR + Spread rate of 1.9% p.a.)		
– Repayable in quarterly installments over a period of 15 years from the date of borrowing.		
* Non-current portion of bank debt includes ₹ 6.05 million as at (31 March 2022: ₹ 6.71 million) towards unamortised loan processing charges, which is netted below.		

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for the year ended 31 March 2023

18 Borrowings (Contd..)

(₹ in million)

	Terms of repayment and security	As at 31 March 2023	As at 31 March 2022
	Facility-5		
	Non-current portion	1.46	5.69
	Amounts included under current borrowings	4.02	3.75
	– Secured by charge on all assets of Cancer Care Kenya Limited		
	– Rate of interest: Bank's variable Kenyan Shillings base rate		
	– Repayable in installments over a period of 6 years from the date of borrowing.		
	Less: Unamortised loan processing charges	(29.37)	(32.54)
	Total of term loans from bank - secured	**3,728.17**	**3,660.55**
	Less: Amounts included under current borrowings	(323.30)	(172.50)
	Non-current portion of bank borrowings	**3,404.87**	**3,488.05**
18.1.2	**Term loans from other parties - Secured**		
	Non-current portion	–	–
	Amounts included under current borrowings	–	2.28
	– Secured by equipment of the company purchased out of amount financed		
	– Rate of Interest 4.64% to 14.05% p.a.		
	– Repayment varies between 48 to 84 monthly installments		
18.1.3	**Vehicle loan from bank - Secured**		
	Facility-1		
	Non-current portion	–	–
	Amounts included under current borrowings	–	0.70
	– Secured by hypothecation of vehicles of the parent company purchased out of finance		
	– Rate of Interest 8.25% p.a.		
	– Repayable in 60 monthly installments from the date of borrowing.		
18.1.4	**Term loans from others - Unsecured**		
	Non-current portion	6.41	6.41
	Amounts included under current borrowings		
	– Interest free loan repayable as and when funds are available.		
	Non-current portion	–	2.05
	Amounts included under current borrowings	1.87	23.65
	– Rate of interest: 10.6% p.a		
	– Repayable in installments over a period of 3 years.		
18.1.5	**Deferred payment liabilities - Unsecured**		
	Non-current portion	206.13	132.23
	Amounts included under current borrowings	16.40	200.27
	– Rate of interest 3% p.a		
	– Repayable over the period of 3 years		

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

18 Borrowings (Contd..)

Details of security and terms of repayment for the short-term borrowings:

(₹ in million)

	Terms of repayment and security	As at 31 March 2023	As at 31 March 2022
18.1.6	**Secured loan repayable on demand from banks:**		
	Facility-1		
	Secured by first pari-passu charge on entire current assets (both present and future), second pari- passu charge over entire fixed assets (both present and future other than exclusively charged) of the parent Company.		
	Rate of interest: 1 month MCLR + 0.25% p.a.		
	Note: There are no material differences between the quarterly returns or statements filed by the respective Companies for working capital limits with such banks and financial institutions and their books of account.	–	6.29
	Facility-2		
	Secured by charge on all assets of Cancer Care Kenya Limited.		
	Rate of interest: Bank's variable Kenyan Shillings base rate	34.37	41.89
		34.37	**48.18**

19 Other financial liabilities

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Gross obligation on written put option #	970.00	587.00
Creditors for capital goods	88.93	52.12
Accrued salaries and benefits	343.18	296.82
Others	1.70	–
Total	**1,403.81**	**935.94**

The Company's exposure to liquidity risk are disclosed in note 40.

Relates to liability for put option issued to non-controlling interest in HCG Medi-surge Hospitals Private Limited. Refer note 16.6 (i).

20 Other liabilities

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current	Non Current	Current
Advance from customers (refer note 48)	–	241.50	–	294.49
Balance due to statutory/government authorities	–	109.78	–	104.28
Deferred government grant (refer note (i) below)	359.27	28.92	254.97	28.51
Provision for contingency for duties and taxes (refer note (ii) below)	–	374.87	–	357.70
Total	**359.27**	**755.07**	**254.97**	**784.98**

Notes:

(i) The Group imports medical equipments under Export Promotion Capital Goods (EPCG) scheme. Under the Scheme, as the Group expects to meet the specified criteria, it is exempt from paying customs duty on imports which is recognised as a government grant. Fair value of the government grant is capitalised along with the equipment. Similarly, receipt of any other government grant related to capital expenditure is capitalised along with the equipment. Deferred income is amortised over the useful life of the equipment it has procured.

Additional deferred government grant from EPCG recognised during the year ended 31 March 2023 is ₹ 138.26 million (31 March 2022: ₹ 6.52 million). The Group also received government grant of ₹ 12.90 million during the year ended 31 March 2023 (31 March 2022: Nil) towards certain capital expenditure incurred. Government grant income recognised during the year is ₹ 30.33 million

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

20 Other liabilities (Contd..)

(31 March 2022: ₹ 30.05 million). Further, the deferred government grant reduced by ₹ 16.12 million during the year ended 31 March 2023 pursuant to settlement of duties and taxes on account of sale of underlying equipment. As at 31 March 2023 and 31 March 2022, for certain licenses there is unfulfilled condition with respect to government grant availed (refer note 33). The Group basis its assessment, expects that it will be able to meet its export obligations.

(ii) For certain cases, the Group expects shortfall in meeting the export obligations required under the EPCG Scheme described above. Accordingly, provision for contingency has been recognized towards estimated duties and taxes. Interest recognized during the year ended 31 March 2023 on provision for such duties and taxes is ₹ 29.22 million (31 March 2022: ₹ 28.83 million) after considering certain licenses which are expected to be settled under the "special one-time amnesty scheme" announced by the DGFT, vide public notice number 02/2023 dated 1 April 2023. Refer note 28.

Further, HCG Medisurge Hospitals Private Limited, subsidiary of the Group, has also received notice dated 4 March 2023 for invocation of certain Bank Guarantees provided as security for availing duty exemption under the EPCG licenses. While the Court has subsequently directed that no coercive action is to be taken till such time the representation made by the Group is decided by the adjudicating authority, the Group has already recognized provision for contingency as explained above.

21 Provisions

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non Current	Current	Non Current	Current
Employee benefits				
Gratuity (Refer note 37.2)	131.86	50.50	105.11	47.81
Compensated absences	–	70.64	–	75.01
Provision for indemnified tax disputes [refer note 31(i)]	–	50.00	–	50.00
Total	**131.86**	**171.14**	**105.11**	**172.82**

22 Trade Payables*

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 42)	48.94	20.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,435.60	1,919.18
Total	**2,484.54**	**1,939.41**

* for details related to payable to related parties - refer note 43

Trade payables ageing schedule

(₹ in million)

Particulars	As at 31 March 2023		
	Micro enterprises and small enterprises	Others	Total
Unbilled dues	–	932.96	932.96
Outstanding for following periods from due date of payment			
Not yet due	25.05	472.29	497.34
Less than 1 year	23.89	833.40	857.29
1-2 years	–	141.17	141.17
2-3 years	–	19.95	19.95
More than 3 years	–	35.83	35.83
Total	**48.94**	**2,435.60**	**2,484.54**

There are no disputed dues as at 31 March 2023.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

22 Trade Payables* (Contd..)

(₹ in million)

Particulars	As at 31 March 2022		
	Micro enterprises and small enterprises	Others	Total
Unbilled dues	–	671.93	671.93
Outstanding for following periods from due date of payment			
Not yet due	11.59	541.11	552.70
Less than 1 year	8.64	567.90	576.54
1-2 years	–	83.14	83.14
2-3 years	–	15.18	15.18
More than 3 years	–	39.92	39.92
Total	**20.23**	**1,919.18**	**1,939.41**

There are no disputed dues as at 31 March 2022.

23 Revenue from operations (refer note 48)

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Income from medical services	15,920.81	13,022.63
(b) Sale of medical and non-medical items	839.66	808.75
(c) Other operating revenues	153.67	116.40
Total	**16,914.14**	**13,947.78**

24 Income from government grant

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Income from government grant	30.33	30.05
Total	**30.33**	**30.05**

25 Other income

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income (refer note below)	97.00	94.99
Interest on financial assets at amortised cost	21.10	20.62
Net foreign exchange gains	3.46	4.87
Net gain on financial assets designated at fair value through profit and loss	0.35	1.24
Payables no longer required written-back	2.26	–
Gain on termination of lease [refer note 6(iii)]	3.87	–
Miscellaneous income	3.80	4.95
Total	**131.84**	**126.67**
Note:		
Interest income comprise:		
Interest on bank deposits	74.23	81.41
Interest on income tax refund	22.87	5.63
Interest on inter-corporate deposit	–	7.95
Total	**97.00**	**94.99**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2023

26 Changes in inventories

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventories at the beginning of the year	299.72	211.08
Inventories at the end of the year	382.86	299.72
Net (decrease)	**(83.14)**	**(88.64)**
Opening stock on business combinations (refer note 45)	–	27.90
Changes in inventories	**(83.14)**	**(60.74)**

27 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	2,400.69	2,082.85
Contribution to provident and other funds (Refer note 37)	158.01	144.58
Expense on employee stock option scheme (Refer note 16.2 and 38), net	65.14	31.03
Staff welfare expenses	127.40	78.03
Total	**2,751.24**	**2,336.49**

28 Finance costs

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Interest costs on :		
Interest on term loans from banks and others	351.02	278.67
Interest on bank overdraft	18.40	30.68
Interest on deferred payment obligations	27.62	10.77
Provision for contingency	29.22	28.83
Interest expense on lease liabilities (Gross)	508.28	539.76
Less: Capitalised in capital work-in-progress	(0.72)	(28.83)
Interest expense on lease liabilities (net)	507.56	510.93
Interest on defined benefit obligations	10.13	7.82
Net loss on foreign currency transactions and translations to the extent regarded as borrowing costs	21.02	5.16
(b) Other borrowing costs	70.05	104.79
Total	**1,035.02**	**977.65**

29 Depreciation and amortisation expense

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 5)	993.57	978.60
Depreciation of right-of-use assets, Gross (refer note 6)	530.29	504.05
Less; Capitalised	(3.58)	(19.31)
Depreciation of right-of-use assets, net (refer note 6)	526.71	484.74
Amortisation of intangible assets (refer note 7)	114.45	119.50
Total	**1,634.73**	**1,582.84**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

30 Other expenses

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Medical consultancy charges	3,561.08	2,958.19
Lab charges	195.86	313.53
Power and fuel & water charges	368.87	345.42
House keeping expenses	321.29	266.69
Rent (refer note 6)	111.55	92.80
Repairs and maintenance		
Building	21.11	17.36
Machinery	469.57	356.89
Office maintenance & Others	254.25	189.58
Insurance	28.31	24.86
Rates and taxes	188.13	170.24
Printing & stationery	38.90	36.82
Advertisement, publicity & marketing	336.50	181.06
Travelling & conveyance	163.04	92.06
Legal & professional fees	568.99	337.94
Payment to auditors	21.48	17.93
Telephone expenses	55.51	43.11
Trade receivable written off, net (refer note (i) below and note 40)	317.12	–
Reversal of allowance for doubtful trade receivables, net (refer note 40)	(154.10)	150.63
Loss on disposal of property, plant and equipment	13.22	6.43
Corporate social responsibility	1.02	15.16
Expenditure towards share of profit	–	39.51
Miscellaneous expenses	84.03	56.43
Total	**6,965.73**	**5,712.64**

Notes:

(i) Trade receivable written off during the year ended 31 March 2023 is net of recovery of bad debts written-off in the earlier years amounting ₹ 35.33 million.

31 Exceptional items

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gain on sale of investment in joint venture - Strand Life Sciences Private Limited (refer note (i) below)	–	1,419.36
Gain on fair value of previously held investments in Healthcare Global (Africa) Pvt. Ltd upon acquisition (refer note (ii) below)	–	62.33
Gain on fair value of previously held investments in Suchirayu Health Care Solutions Limited upon acquisition (refer note 45.3)	–	17.40
Loan foreclosure and refinancing expenses (refer note (iii) below)	–	(75.04)
Project cost written off / impairment		
Privat project [refer note 5.1(i)]	–	(472.45)
Business acquisition expenses (refer note (iv) below)	–	(5.50)
Total	**–**	**946.10**

(i) During the previous year, in accordance with the terms of Share Purchase Agreement dated 3 September 2021, the Company sold its investment in Strand Life Sciences Private Limited ('Strand') for a total consideration at fair value of ₹1,577.76 million, resulting in a gain of ₹1,419.36 million (net of expenses relating to the disposal amounting ₹ 5.62 million and amounts set aside for various contingencies ₹ 50 million).

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

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

31 Exceptional items (Contd..)

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

(iv) During the previous year, the Group incurred ₹ 5.5 million towards legal and professional fees in respect of acquisition of business referred in Note 45.

32 Income tax expense

32.1 Income tax recognised in the Statement of profit and loss

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax		
Current tax	153.79	237.09
	153.79	**237.09**
Deferred tax		
– MAT	(148.22)	(2.97)
– Others	266.93	254.35
	118.71	**251.38**
Total income tax expense recognised in the Statement of profit and loss	**272.50**	**488.47**

The reconciliation between the income tax expense of the Group and Amounts computed by applying the Indian statutory income tax rate to Loss before taxes is as follows:

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	**448.80**	**877.72**
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	156.83	306.71
Effect of:		
Permanent differences	85.41	11.44
Share of loss from subsidiaries and associate on which deferred tax asset is not recognised	107.61	164.61
Differences of tax rates in subsidiaries and joint venture	(28.90)	(22.91)
Impairment provisions on which deferred tax asset not recognised	–	165.09
Differential tax rate for capital gains on sale of investments	–	(88.60)
Change in deferred tax rate *	(40.38)	–
Gain on fair value of previously held investments in Healthcare Global (Africa) Pvt. Ltd upon acquisition [refer note 31(ii)] recognised in exceptional items	–	(24.81)
Others	(8.07)	(23.06)
	272.50	**488.47**

* The Company plans to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 with effect from the financial year 2023-24. Accordingly, the Company has recognised deferred taxes based on the rates applicable for the year when these deferred taxes are expected to be realized/settled. The impact of this change is recognised in the Statement of Profit and Loss for the year ended 31 March 2023.

32.2 Income tax recognised in other comprehensive income

(₹ in million)

Particulars	31 March 2023	31 March 2022
Income tax arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	1.01	1.91
Effective portion of loss on hedging instruments in a cash flow hedge	–	(4.08)
Total income tax recognised in other comprehensive income	**1.01**	**(2.17)**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

32 Income tax expense (Contd..)

32.3Net deferred tax Assets and liabilities

(₹ in million)

Particulars (Deferred tax balance)	As at 31 March 2023	As at 31 March 2022
Deferred tax assets	52.74	59.57
Deferred tax liabilities	(123.66)	(12.79)
Net	**(70.92)**	**46.78**

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2023 are as follows:

(₹ in million)

Deferred tax assets / (liabilities) in relation to	Opening Balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing Balance
Property, plant and equipment and intangible assets	(722.67)	198.20	–	(524.47)
Goodwill	(169.55)	–	–	(169.55)
MAT credit entitlement	148.22	(148.22)	–	–
Sec 43B items	89.21	(17.31)	1.01	72.91
Provision for doubtful debts/advances	239.09	(96.70)	–	142.39
Tax losses	19.89	(2.04)	–	17.85
Leases under Ind AS 116	343.42	(52.13)	–	291.29
Others	99.17	(0.51)	–	98.66
Total	**46.78**	**(118.71)**	**1.01**	**(70.92)**

Significant components of net deferred tax assets and liabilities for the year ended 31 March 2022 are As follows:

(₹ in million)

Deferred tax assets / (liabilities) in relation to	Opening balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment and intangible assets	(782.81)	60.14	–	(722.67)
Goodwill	(169.55)	–	–	(169.55)
MAT credit entitlement	145.25	2.97	–	148.22
Sec 43B items	75.36	11.94	1.91	89.21
Provision for doubtful debts/advances	184.69	54.40	–	239.09
Tax losses	422.19	(402.30)	–	19.89
Ind AS 116 impact	239.81	103.61	–	343.42
Others	185.39	(82.14)	(4.08)	99.17
Total	**300.33**	**(251.38)**	**(2.17)**	**46.78**

Under the Indian Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax ('MAT') if the tax payable under normal provisions is less than tax payable under MAT. Excess tax paid under MAT over tax under normal provision can be carried forward for a period of 15 years and can be set off against the future tax liabilities.Unabsorbed business losses expire 8 years after the year in which they originate and unabsorbed depreciation can be carried forward indefinitely unless there is a substantial change in the ownership. Tax benefits on unabsorbed business losses, unabsorbed depreciation and MAT credit entitlement have been recognised as deferred tax asset as it is more probable than not that the future economic benefits associated with the asset will be realised.

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32 Income tax expense (Contd..)

Unrecognised deferred tax assets: Deferred tax assets in respect of certain subsidiaries have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Gross amount	Unrecognised tax effect *	Gross amount	Unrecognised tax effect *
Deductible temporary differences	524.66	183.34	495.71	173 22
Tax losses	2,602.05	909.26	2,323.07	811.77
	3,126.71	**1,092.60**	**2,818.78**	**984.99**

* At applicable rate for respective entities

Tax losses for which no deferred tax asset was recognised expire as follows:

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Amount	Expire during	Amount	Expire during
Expire	1402.72	2024-2031	1199.25	2024-2030
Never expire	1,199.33		1,123.82	

32.4Income tax assets (net)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Tax deducted at source, advance tax (net of Provision)	574.40	458.80
	574.40	**458.80**

32.5Current tax liabilities (net)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for tax, (net of advance tax, tax deducted at source)	24.68	5.31
	24.68	**5.31**

33 Contingent liabilities

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Claims against the Group not acknowledged as debt relatingto:		
Customs duty (Refer note (i) below)	4.48	4.48
Excise and service tax (Refer note (ii) below)	31.72	31.72
Value added tax (Refer note (iii) below)	49.97	49.03
Income tax (Refer note (iv) below)	33.37	33.37
Sales tax (Refer note (iii) below)	26.00	26.00
Duties and taxes in respect of EPCG licenses (Refer note (v) below)	609.93	385.99
Bonus to employees pursuant to retrospective Amendment to the Payment of Bonus Act, 1965 (Refer note (vi) below)	9.98	9.98
Other claims against the Group by its former employees, not acknowledged as debt (Refer note (vii) below)	17.15	–

Notes:

(i) HCG Medisurge Hospitals Private Limited imported (HCG Medisurge) radiation equipment, Linear Accelerator-True Beam with standard accessories in two consignments. First consignment with main Linear Accelerator equipment was cleared by paying

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33 Contingent liabilities (Contd..)

CVD @ 5% and second consignment was cleared as accessories of the medical equipment with Nil rate of CVD by claiming benefit under Notification No.06/2006 dated 01.03.2006. The Commissioner of Customs has passed the order against the import of the second consignment as "Accessories/spare parts of Linear Accelerator" which attracts CVD @ 5% and declined the benefit of Notification No. 06/2006 and levied duty of ₹ 2.24 million and penalty of ₹ 2.24 million along with applicable interest.

The HCG Medisurge has appealed before Customs, Excise & Service Tax Appellate Tribunal, Mumbai and is positive of claiming benefit under said notification.

(ii) (a) Excise Commissionerate-III, Bengaluru has passed Order against the Company adjudicating that the product Fluro-deoxy-glucose ('FDG') is excisable and levied excise duty for the period under scrutiny from April 2009 to March 2014 of ₹ 6.80 million, interest on duty amount, penalty of ₹ 6.80 million, redemption fine of ₹ 0.6 million in lieu of confiscation of goods not available. The order also imposed a penalty of ₹ 1 million on Dr. B.S.Ajaikumar, Chairman & CEO of the Company. The Company has filed an appeal before CESTAT by paying Central Excise Duty of ₹ 0.6 million.

Additional Commissionerate of Central Excise, Chennai, has passed the Order confirming the excisability on sale of FDG for the period March 2013 to June 2015 levying excise duty of ₹ 6.57 million, interest on duty amount and penalty of ₹ 6.57 million.

If it is excisable the same has to be classified under Chapter 30 which attracts excise duty at 6% and valuation of captively consumed FDG will reduce the demand. The Group is positive of winning the case on the ground that FDG is not excisable as there is no specific entry in the Central Excise Tariff Act 1985.

(ii) (b) HealthCare Global Senthil Multispecialty Hospitals Private Limited (HCG-Senthil), has undergone service tax audit for the period 2008-09 to 2012-13 and noted that during the period Jul 2010 to April 2011, medical services provided to TPA are chargeable to service tax for which a demand of ₹ 2.09 million is raised for short payment of service tax. Also purchase volume discount has been classified as business auxiliary services for which a demand of ₹ 1.29 million has been raised by Joint Commissioner, Salem. HCG-Senthil appealed before Commissioner of Central Excise (Appeals) where the order was passed in favour of Revenue. Subsequently, the Company has filed an appeal before CESTAT, Chennai.

The HCG-Senthil has served to the patients under Tamil Nadu Government Scheme and the settlement is done by TPA, which is exempt from Service tax and purchase volume discount has been wrongly categorised as business auxiliary service which is out of the ambit of Service tax. Hence the HCG-Senthil believes there would be no service tax liability.

(iii) (a) HealthCare Global Vijay Oncology Private Limited is merged with Company effective from 1 April 2015, has undergone departmental VAT audit for the period from 2011-12 to 2014-15 and noted that the Company has not charged and paid VAT on supply of food to patients and raised a AP-VAT demand of ₹ 2 million. Further, the Deputy Commercial Tax Officer, Vijayawada has passed the penalty order for ₹ 0.5 million against the above AP-VAT audit order. The Company has filed an writ petition before Andhra Pradesh High Court by paying ₹0.4 million VAT amount to department.

The Company is positive of winning the case on the ground that various High Courts in India have ruled that the supply of food to patient is pursuant to provision of medical service and is not sale of goods.

(iii) (b) HCG Medisurge Hospitals Private Limited's (HCG Medisurge) VAT Assessment has been done for FY 2011-12 and noted that the Company has not paid VAT totalling ₹9.49 million on goods which the Company claimed as Exempted goods. The AO has levied interest of ₹ 4.56 million and penalty of ₹ 1.64 million by wrongly assessing service income as a taxable item and levying VAT on cafeteria which was offered by the Company to VAT under different VAT registration.

The Company has filed an appeal before the Joint Commissioner of Commercial Taxes producing the relevant supporting documents for supply of exempted goods, provision of medical Services and offering of cafeteria sales under different VAT registration number. The Company believes that the VAT demand will be dropped and no adverse effect on financial statement.

The Company's VAT Assessment has been done for FY 2013-13, FY 2014-15 and 2015-16 wherein demand of ₹ 0.94 million, ₹ 1.18 million and ₹ 0.48 million has been raised. The only issue in the order is that ITC is being disallowed.

The Company has filed an appeal before the Joint Commissioner of Commercial Taxes which is pending. The Company has all the relevant documents to substantiate its claim for ITC. The Company believes that the VAT demand will be dropped and no adverse effect on financial statement.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

33 Contingent liabilities (Contd..)

(iii) (c) Healthcare Global Enterprises Limited assessment for Karnataka Value Added Tax (VAT) has been done for FY 2013-14 to FY 2016-17 wherein demand of ₹ 33.02 million has been raised. The demand has mainly arisen on account of differential rate of tax on canteen income, denial of input credit, wrongly taxing other income and ignoring the details of sales / sales returns. The entire demand has been recovered from the Company. Presently, appeals for FY 2015-16 and FY 2016-17 are pending before the Joint Commissioner, Department of Commercial Taxes.

With respect to FY 2013-14 and 2014-15, the appeal filed by the Company before Karnataka Appellate Tribunal ('KVAT Tribunal') was dismissed ex-parte by the KVAT Tribunal due to non-appearance of the Company's counsel, vide Order dated 14 July 2022. However, the Company could not be present on the date of hearing nor make any representation as both the Company and its Counsel did not receive any intimation regarding the hearing. Subsequently in December 2022, the Company has filed an application before the KVAT Tribunal for restoration of the appeal. KVAT Tribunal vide order dated 03 April 2023 allowed the application and restored the appeal to its original form.

The Company believes that the VAT demand will be dropped and there would be no adverse impact in the financial statements.

Also, Gujarat Value Added Tax (VAT) assessment has been closed for FY 2014-15, FY 2015-16 and FY 2016-17 wherein demand of ₹ 7.84 Million, ₹ 3.58 million and ₹ 1.52 million have been raised. The Company being aggrieved, has filed an appeal for the above years on the ground that Sales Tax is not applicable on IP sales and there is no mismatch in ITC taken by the Company. The Company has paid ₹ 1.30 million as pre-deposit against these orders. Currently, the appeal against the order is pending before the Deputy Commissioner of State Tax.

(iii) (d) Healthcare Global Enterprises Limited assessment for Central Sales Tax (CST) has been done for FY 2014-15, FY 2015-16 and FY 2016-17 wherein demand of ₹ 9.46 million was raised. The demand has mainly arisen on account of non-submission of 'F' Forms before the AO. Though, demand has arisen, it is to be noted that the transactions has been reported correctly and it is mere a procedural challenge leading to the demand. Entire demand has been recovered from the Company. Currently, the cases are pending before the Deputy Commissioner of Commercial Taxes. The Group does not expect any adverse impact on the consolidated financial statements.

(iv) (a) During the Financial Year 2011-12, HCG Medisurge Hospitals Private Limited (HCG Medisurge) had made payment to Aastha Oncology Private Limited towards their medical/professional consultancy services after deducting TDS @ 2% (Sec 197 certificate issued for ₹ 31 Million) and there after @ 10% under Section 194J. However, the AO has erred in arriving at the total amount paid/payable to Aastha Oncology Private Limited due to not considering the revised quarterly e-TDS return amount while making TDS assessment and has levied short payment of TDS of ₹ 1.51 million and interest of ₹ 1.23 million. HCG Medisurge has produced the supporting documents during appeal and also accepted a short payment of TDS after considering all transactions with Aastha Oncology Private Limited during the previous year amounting to ₹ 0.02 million. The Group does not expect any adverse impact on the consolidated financial statements.

(iv) (b) Contingent liability of ₹ 30.63 million relates to possible claim against the Company with respect to disallowance of expenditure relating to capital projects which have been abandoned. Having regard to various judicial decisions on the similar matters, the management including its tax advisors expect that its position will likely be upheld on ultimate resolution. Further, against few other allowances / disallowances, there could be possible claims which management does not expect to be material.

(v) (a) The Group has availed benefit of custom duties on import of capital goods through Export Promotion and Capital Goods (EPCG) licenses against export obligations to be fulfilled within stipulated time period as per Foreign Trade Policy. During the current year, the Directorate General of Foreign Trade (DGFT) issued a notice on 20 January 2023 providing certain relaxations. In addition to the above, the Group has received extension of the time period by 2 years to meet its export obligations for certain licenses. Should the Group not be able to fulfill its export obligations within the stipulated time period, it will be liable to pay the duty benefit availed, upto an amount of ₹ 452.36 million estimated as of 31 March 2023 (as at 31 March 2022: ₹ 385.99 million) along with other levies, if applicable, which may be levied on evaluation of facts and circumstances by the respective authorities.

(v) (b) Demand of ₹ 82.94 million plus interest as applicable and 100% penalty equal to demand amount and additional redemption fine of ₹ 33 million was raised on certain subsidiaries for wrong classification and wrong availment of duty in Bill of Entries. Personal penalty was also imposed on certain employees aggregating to ₹ 10.75 million. The Group has filed appeals / in the process of filing the appeal before the appellate authority and no adverse impact of this dispute is expected on the consolidated financial statements. Further, the Group has also re-assessed the classification in the Bill of Entry, enhanced the EPCG license and the differential duty has been debited to the EPCG license and has recognised ₹ 41.31 million plus applicable interest thereon as part of Provision for contingency for duties and taxes in view of shortfall in meeting export obligations as required.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2023

33 Contingent liabilities (Contd..)

(vi) The Payment of Bonus (Amendment) Act, 2015 has been enacted on 31 December 2015 with the retrospective effect from 01 April 2014. The Group has taken a position that the stay granted by the two High Courts of India on the retrospective application of the amendment would have a persuasive effect even outside the boundaries of the relevant states and accordingly no provision for the year ended 31 March 2015 of ₹ 9.98 million is required.

(vii) Certain former employees of the Group's overseas subsidiaries have raised claims demanding additional compensation for termination of their employment contracts. The management reasonably expects that these disputes, when ultimately concluded and determined, will not have any material adverse effect on the consolidated financial statements.

(viii) The Hon'ble Supreme Court has, in a recent decision dated 28 February 2019, ruled that special allowance would form part of wages for computing the Provident Fund (PF) contribution. The Group keeps a close watch on further clarifications and directions from the respective department based on which suitable action would be initiated, if any.

(ix) The Group is involved in other disputes, law suits and other claims including commercial matters which arise from time to time in the ordinary course of business. The Group believes that there are no such pending matters that are expected to have any material adverse effect on the consolidated financial statements.

34 Commitments

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	596.44	331.85

35 Earnings per share

The calculations of loss attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings and diluted earnings per share calculations are as follows:

35.1 Basic earnings per share

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit for the year attributable to owners	293.49	537.33
Profit used in the calculation of basic earnings per share	293.49	537.33
Weighted average number of equity shares for the purposes of basic earnings per share	139,073,790	129,707,612
Basic earnings per equity share of ₹ 10 each (Amount in ₹)	**2.11**	**4.14**

35.2 Diluted earnings per share

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit used in the calculation of basic earnings per share	293.49	537.33
Profit used in the calculation of diluted earnings per share	293.49	537.33
Weighted average number of equity shares used in the calculation of diluted earnings per share	139,713,216	135,182,425
Diluted earnings per equity share of ₹ 10 each (Amount in ₹)	**2.10**	**3.97**

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

35 Earnings per share (Contd..)

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Weighted average number of equity shares used in the calculation of basic earnings per share	139,073,790	129,707,612
Shares deemed to be issued for no consideration in respect of employee stock options and warrants	639,425	5,474,813
Weighted average number of equity shares used in the calculation of diluted earnings per share	**139,713,216**	**135,182,425**

36 Segment information

Ind AS 108 “Operating Segment” (“Ind AS 108”) establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the “management approach” as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).The CODM evaluates the Company’s performance and allocates resources on overall basis. The Company’s sole operating segment is therefore ‘Medical and Healthcare Services.’ Accordingly, there are no additional disclosure to be provided under Ind AS 108, other than those already provided in the financial statements.

Geographical information

Geographical information analyses the company’s revenue and non-current assets by the Company’s country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets.

Geographical information analyses the group’s revenue and non-current assets by the group’s country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been presented based on the geographical location of the customers and segment assets has been presented based on the geographical location of the assets.

(i) Revenue from operations

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
India	16,815.13	13,947.78
Outside India	99.01	–
Total	**16,914.14**	**13,947.78**

(ii) Non current assets*

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
India	16,229.38	16,508.66
Outside India	463.77	–
Total	**16,693.15**	**16,508.66**

*Non-current assets exclude financial assets and deferred tax assets.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

37 Employee benefit plans

37.1 Defined contribution plans

The Group has defined contribution plan in form of Provident Fund and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Group Companies contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below:

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contribution to Provident Fund included under contribution to provident and other funds	131.58	124.98
Contribution to Employee State Insurance Scheme, included under staff welfare expenses	11.66	11.20
	143.24	**136.18**

37.2 Defined benefit plans

The Group offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Amounts recognised in consolidated statement of profit and loss in respect of this defined benefit plan are as follows.

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Service cost recognised in employee benefits expense in note 27	26.43	19.60
Net interest expense recognised in finance costs in note 28	10.13	7.82
Components of defined benefit costs recognised in the Statement of profit and loss	**36.56**	**27.42**
Remeasurement of the net defined benefit plan:		
Actuarial losses arising from changes in demographic assumptions	4.39	4.00
Actuarial gains arising from changes in financial assumptions	(7.79)	(0.90)
Actuarial losses arising from experience adjustments	8.55	3.80
Remeasurement of the net defined benefit plan recognised in other comprehensive income	**5.15**	**6.90**

The amount included in the consolidated balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Present value of funded defined benefit obligation	183.89	154.35
Fair value of plan assets	1.53	1.43
Unfunded status	**182.36**	**152.92**
Net liability arising from defined benefit obligation	**182.36**	**152.92**
Non-current (refer note 21)	131.86	105.11
Current (refer note 21)	50.50	47.81

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

37 Employee benefit plans (Contd..)

Movements in the present value of the defined benefit obligation are as follows

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening defined benefit obligation	154.35	132.73
Current service cost	26.43	19.60
Interest cost	10.13	7.82
Remeasurement (gains)/losses:		
Actuarial losses arising from changes in demographic assumptions	4.39	4.00
Actuarial gains arising from changes in financial assumptions	(7.79)	(0.90)
Actuarial losses arising from experience adjustments	8.55	3.80
Acquisition	–	3.59
Benefits paid	12.17	(16.29)
Closing defined benefit obligation	**183.89**	**154.35**

Movements in the fair value of the plan assets are as follows.

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening fair value of plan assets	1.43	1.34
Interest income	0.08	0.07
Benefit payments from the fund	–	–
Excess return over interest income on plan assets	0.02	0.02
Closing fair value of plan assets	**1.53**	**1.43**

The fair value of the plan assets at the end of the reporting period for each category, are as follows

(₹ in million)

Particulars	Fair value of plan assets as at	
	31 March 2023	31 March 2022
Insurer-managed funds	1.53	1.43
Total	**1.53**	**1.43**

Defined plan asset

Plan assets consists of assets held in a 'long-term benefit fund' for the sole purpose of making future benefit payments when they fall due. Plan assets include qualifying insurance policies and are not quoted in the market.

The actual return on plan assets was ₹ 0.08 Million (for the year ended 31 March 2022: ₹ 0.07 Million).

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5.00)	5.32	(3.87)	3.89
Future salary increase (1% movement)	11.61	(10.59)	8.88	(8.20)
Attrition rate (10% movement)	(2.03)	2.13	(3.17)	3.47

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2023

37 Employee benefit plans (Contd..)

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation at 31 March 2023 is 4.81 years (as at 31 March 2022 is 3.98 years).

The principal assumptions used for the purposes of the actuarial valuations were as follows.

(₹ in million)

Particulars	Valuation as at	
	31 March 2023	31 March 2022
Discount rate(s)	7.20% to 7.30%	5.40% to 6.30%
Expected rate(s) of salary increase	5.00% to 7.50%	5.00% to 7.50%
Rate of return on plan assets	5.4% to 7%	6.6% to 7%
Mortality table	IALM 2012-14	IALM 2012-14
Employee turnover rate	13.40% to 30.00%	13.40% to 45.00%

Maturity profile of defined benefit obligation:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Within 1 year	52.00	49.20
1-2 year	40.99	38.52
2-3 year	32.37	28.91
3-4 year	26.02	20.64
4-5 year	20.74	14.81
5-10 year	46.85	27.78
> 10 years	13.43	5.61

38 Share-based payments

A Employee share option plan of the Company

(a) ESOP 2010

In the extraordinary general meeting held on 25 August, 2010, the shareholders had approved the issue of 1,800,000 options under the Scheme titled “Employee Stock Option Scheme 2010” (ESOP 2010). The ESOP 2010 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration committee grants the options to the employees deemed eligible. The exercise price of each option shall be at a price not less than the face value per share. The option holders may exercise those options vested based on passage of time commencing from the expiry of 4 years from the date of grant and those vested based on performance immediately after vesting, within the expiry of 10 years from the date of grant.

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

(b) ESOP 2014

Pursuant to the shareholders’ approval in the extraordinary general meeting held on 28 March 2014, the Board of Directors formulated the Scheme titled “Employee Stock Option Scheme 2014” (ESOP 2014). The ESOP 2014 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

38 Share-based payments (Contd..)

As per the Scheme, the Remuneration Committee grants the options to the employees deemed eligible. The Exercise Price shall be a price that is not less than the face value per share per option. Options Granted under ESOP 2014 would vest not less than one year and not more than five years from the date of Grant of such Options. Vesting of Options would be a function of continued employment with the Company (passage of time) and achievement of performance criteria as specified by the Nomination and Remuneration Committee as communicated at the time of grant of options. The option holders may exercise those options vested within a period as specified which may range upto 10 years from the date of grant.

Upon ESOP 2021 becoming effective, no further stock option grants will be made under ESOP 2014. However, all the employee stock options already granted under this Scheme shall be eligible for being vested and exercised as per the terms of ESOP 2014.

(c) ESOP 2021

Pursuant to the shareholders' approval vide their special resolution passed through postal ballot on 23 May 2021, the Board of Directors formulated the Scheme titled "Employee Stock Option Scheme 2021" (ESOP 2021). The ESOP 2021 allows the issue of options to employees of the Company and its subsidiaries. Each option comprises one underlying equity share. Under the Scheme, a maximum of 6,267,000 Options can be granted.

As per the Scheme, the Nomination and Remuneration Committee (NRC) grants the options to the employees deemed eligible subject to fulfillment of such eligibility criteria(s) as may be specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI (SBEB) Regulations") and/or as may be determined by NRC from time to time. Exercise Price for the purpose of grant of options shall be as decided by the NRC, subject to a minimum of the face value per share. The vesting of an option would also be subject to the terms and conditions as may be stipulated by the NRC from time to time including but not limited to performance of the stock of the Company, performance of the employees, their continued employment with the Company / its subsidiaries, as applicable. The vesting period shall commence any time after the expiry of one year from the date of the grant of the options to the employee and shall end over a maximum period of 7 years from the date of the grant of the options. The options could vest in tranches. The exercise period may commence from the date of vesting and the vested options would be eligible to be exercised on the vesting date itself or any time after vesting in terms of the ESOP Scheme. The options will lapse if not exercised within the specified exercise period. The number of stock options and terms of the same made available to employees (including the vesting period) could vary at the discretion of the NRC.

Employee stock options will be settled by delivery of shares.

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

Particulars	ESOP 2010	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	16-Jun-10	24-Jun-14	10-Nov-16	10-Nov-16	01-Apr-17	01-Apr-17
Fair market value of option at grant date (₹)	23.10	73.34	232.48	156.93	221.80	120.08
Fair market value of share at grant date (₹)	29.18	78.95	240.15	240.15	229.45	229.45
Exercise price (₹)	10.00	10.00	10.00	110.68	10.00	150.00
No. of options	1,294,800	110,100	165,400	30,000	25,000	35,000

Particulars	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014	ESOP 2014
Date of grant	11-Aug-17	06-Nov-17	22-May-18	09-Nov-18	07-Feb-19
Fair market value of option at grant date (₹)	261.61	269.27	298.55	220.74	181.62
Fair market value of share at grant date (₹)	269.35	276.95	306.81	231.85	187.00
Exercise price (₹)	10.00	10.00	10.00	10.00	10.00
No. of options	101,000	53,000	55,000	25,000	47,000

Notes to the Consolidated Financial Statements
for the year ended 31 March 2023

38 Share-based payments (Contd..)

Particulars	ESOP 2014	ESOP 2014
Date of grant	08-Aug-19	08-Aug-19
Fair market value of option at grant date (₹)	48.45	94.94
Fair market value of share at grant date (₹)	102.35	102.35
Exercise price (₹)	110.68	10.00
No. of options	30,000	141,800

Particulars	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021
Date of grant	11-Jun-21	11-Jun-21	09-Nov-21	09-Nov-21	10-Feb-22	10-Feb-22
Vesting basis	Time based	Performance based	Time based	Performance based	Time based	Performance based
Fair market value of option at grant date (₹)	108.77	46.04	169.57	76.02	160.10	95.06
Fair market value of share at grant date (₹)	197.65	197.65	261.85	261.85	249.70	249.70
Exercise price (₹)	130.00	130.00	130.00	130.00	130.00	130.00
No. of options	780,000	1,820,000	138,000	322,000	73,500	171,500

Particulars	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021
Date of grant	26-May-22	26-May-22	10-Aug-22	10-Aug-22	10-Nov-22	10-Nov-22
Vesting basis	Time based	Performance based	Time based	Performance based	Time based	Performance based
Fair market value of option at grant date (₹)	188.05	122.56	196.35	123.93	211.54	133.51
Fair market value of share at grant date (₹)	275.55	275.55	284.20	284.20	298.85	298.85
Exercise price (₹)	130.00	130.00	130.00	130.00	130.00	130.00
No. of options	6,000	14,000	34,500	80,500	34,500	80,500

Particulars	ESOP 2021	ESOP 2021
Date of grant	09-Feb-23	09-Feb-23
Vesting basis	Time based	Performance based
Fair market value of option at grant date (₹)	200.22	139.21
Fair market value of share at grant date (₹)	287.45	287.45
Exercise price (₹)	130.00	130.00
No. of options	18,000	42,000

(ii) The assumptions used for calculating fair value of the ESOPs granted during the year ended 31 March 2023 are as below:

Time based options

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

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	26-May-22	10-Aug-22	10-Nov-22	09-Feb-23
Risk free interest rate	6.97% to 7.14%	6.91% to 7.10%	7.22% to 7.34%	7.18% to 7.26%
Expected life	1 to 6 years	1 to 6 years	1 to 6 years	1 to 6 years
Expected annual volatility of shares	38.95% to 34.17%	39.52% to 34.44%	39.43% to 34.66%	39.01% to 34.73%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

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for the year ended 31 March 2023

38 Share-based payments (Contd..)

Performance based options

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

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	26-May-22	10-Aug-22	10-Nov-22	09-Feb-23
Volume weighted average price of stock as on grant date	247.68	260.63	272.08	282.84
Risk free interest rate	7.04%	6.95%	7.23%	7.18%
Expected life	4.60 years	4.39 years	4.14 years	3.89 years
Expected annual volatility of shares	37.62%	38.41%	39.13%	39.11%

The assumptions used for calculating fair value of the ESOPs granted during the previous year ended 31 March 2022 are as below:

Time based options

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

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	11-Jun-21	09-Nov-21	10-Feb-22
Risk free interest rate	5.35% to 5.94%	5.34% to 5.97%	5.82% to 6.73%
Expected life	1 to 6 years	1 to 6 years	1 to 6 years
Expected annual volatility of shares	34.07% - 36.65%	34.78% - 39.09%	34.26% - 38.60%
Expected dividend yield	0.00%	0.00%	0.00%

Performance based options

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

Assumptions	ESOP 2021	ESOP 2021	ESOP 2021
Grant date	11-Jun-21	09-Nov-21	10-Feb-22
Volume weighted average price of stock as on grant date	157.77	206.52	222.62
Risk free interest rate	5.71%	5.75%	6.17%
Expected life	5.14 years	5.56 years	4.89 years
Expected annual volatility of shares	34.96%	34.07%	36.44%

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

(₹ in million)

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
– ESOP 2010	–	–	5,877	10.00
– ESOP 2014	119,880	35.20	538,390	27.26
– ESOP 2021	3,153,000	130.00	–	–
Granted during the year:				
– ESOP 2010	–	–	–	–
– ESOP 2014	–	–	–	–
– ESOP 2021	310,000	130.00	3,305,000	130.00

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38 Share-based payments (Contd..)

(₹ in million)

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Forfeited during the year:				
– ESOP 2010	–	–	–	–
– ESOP 2014	–	–	–	–
– ESOP 2021	–	–	–	–
Exercised during the year:				
– ESOP 2010	–	–	–	–
– ESOP 2014	38,970	10.00	149,240	30.24
– ESOP 2021	65,100	130.00	–	–
Lapsed during the year:				
– ESOP 2010	–	–	5,877	10.00
– ESOP 2014	12,610	10.00	269,270	28.42
– ESOP 2021	305,820	130.00	152,000	130.00
Options outstanding at the end of the year:				
– ESOP 2010	–	–	–	–
– ESOP 2014	68,300	54.22	119,880	35.20
– ESOP 2021	3,092,080	130.00	3,153,000	130.00
Options exercisable at the end of the year:				
– ESOP 2010	–	–	–	–
– ESOP 2014	33,100	64.75	12,750	81.07
– ESOP 2021	234,444	130.00	–	–

* Options available for grant are as under:

– ESOP 2021: 3,109,820 as at 31 March 2023 (as at 31 March 2022: 3,114,000)

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

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2023 is ₹ 286.43 (31 March 2022: ₹ 247.97).

The options outstanding at the end of the reporting period has exercise price in the range of ₹ 10 to ₹130 (31 March 2022: ₹ 10 to ₹130) and weighted average remaining contractual life of 5.46 years (31 March 2022: 6.34 years).

D For details of expense recognised in statement of profit and loss please refer note 27 and for details of movement in share options outstanding account refer note 16.2.

39 Financial instruments

A Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at 31 March 2023 and 31 March 2022 are as follows:

(₹ in million)

Particulars	Carrying value as at	
	31 March 2023	31 March 2022
Financial assets		
Amortised cost		
Loans (including current and non-current)	17.69	16.08
Trade receivable	3,025.11	2,174.45
Cash and cash equivalents (including other bank balances)	1,966.39	1,975.08
Other financial assets	614.63	886.86
FVTPL		
Investments in unquoted equity instruments / other funds	51.62	41.62
Investments in mutual fund (quoted)	16.76	16.41
Total assets	**5,692.20**	**5,110.50**
Financial liabilities		

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for the year ended 31 March 2023

39 Financial instruments (Contd..)

(₹ in million)

Particulars	Carrying value as at	
	31 March 2023	31 March 2022
Amortised cost		
Loans and Borrowings (including short-term borrowings)	3,993.35	4,076.32
Lease liabilities (including current and non-current)	5,018.63	5,070.44
Trade payables	2,484.54	1,939.41
Other financial liabilities (includes current and non-current)	433.81	348.94
FVTPL		
Gross obligation on written put option	970.00	587.00
Total liabilities	**12,900.33**	**12,022.11**

The management assessed that the carrying value of above financial assets and liabilities approximates the fair value.

Refer note 18 for details related to pledge of financial assets

B Fair value hierarchy - Measurement of fair values

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March 2023 and 31 March 2022:

(₹ in million)

Quantitative disclosures fair value measurement hierarchy	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value as at 31 March 2023				
Investment in mutual funds (quoted)	16.76	16.76	–	–
Investments in unquoted equity instruments / funds	51.62	–	–	51.62
Financial liabilities measured at fair value as at 31 March 2023				
Gross obligation on written put option	970.00	–	–	970.00
Financial assets measured at fair value as at 31 March 2022				
Investment in mutual funds (quoted)	16.41	16.41	–	–
Investments in unquoted equity instruments / funds	41.62	–	–	41.62
Financial liabilities measured at fair value as at 31 March 2022				
Gross obligation on written put option	587.00	–	–	587.00

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for the year ended 31 March 2023

39 Financial instruments (Contd..)

There have been no transfers among Level 1, Level 2 and Level 3 during each of the years presented above.

(₹ in million)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted equity instruments / funds	Recent completed transaction in the underlying investment	1. Price per share 2. Qualitative factors on operating performance vis a vis budgets 3. Regulatory factors	Not applicable
Gross obligation on written put option	The fair value is estimated using Discounted Cash Flow method.	Significant unobservable inputs used for the said valuation are future cash flows, discount rate and terminal growth rate.	The estimated fair value would increase (decrease) if: ▪ the future cash flows are higher (lower); ▪ the discount rate is lower (higher); ▪ the terminal growth rare is higher (lower)

Details of assets and liabilities considered under Level 3 classification

(₹ in million)

Particulars	Investment in equity instruments
Balance as at 1 April 2021	**41.97**
Derecognition of investment in Suchirayu Health Care Solutions Limited pursuant to its acquisition during the year (refer note 45.3)	(0.50)
Investment during the year	0.15
Balance as at 31 March 2022	**41.62**
Investment during the year	10.00
Balance as at 31 March 2023	**51.62**

As at 31 March 2023 and 31 March 2022, a one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets does not have a significant impact in its value.

(₹ in million)

Particulars	Gross obligation on written put option
Balance as at 1 April 2021	**537.08**
Change in fair value	49.92
Balance as at 31 March 2022	**587.00**
Investment during the year	383.00
Balance as at 31 March 2023	**970.00**

There is a wide range of possible fair value measurements for the valuation of exercise price of written-put option included in Level 3 of fair value hierarchy and the amount considered above represents the estimate of the fair value within that range.

Derivative financial instruments (assets and liabilities): The Group is exposed to foreign currency fluctuations on foreign currency assets and liabilities, net investment in foreign operations and forecasted cashflows denominated in foreign currency.

The Group limits the effect of foreign exchange rate fluctuations by following an established risk management policies including the use of derivatives. The Group enters into derivative financial instruments where the counter party is primarily bank.

Derivatives are recognised and measured at fair value. Attributable transaction costs are recognised in the consolidated statement of profit and loss as cost. Subsequent to initial recognition, derivative financial instruments are measured as described below:

A. **Cashflow hedges:** Changes in fair value of the derivative hedging instrument is designated as a cash flow hedge are recognised in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued

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39 Financial instruments (Contd..)

prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognised in the statement of profit and loss.

B. **Others:** Changes in fair value of foreign currency derivative instruments not designated as cash flow hedges are recognised in the statement of profit and loss and reported within foreign exchange gains/(losses), net, within results from operating activities.

Derivatives valued using valuation techniques with market observable inputs are mainly foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing from counter parties. There were no derivative instruments outstanding as at 31 March 2023 and as at 31 March 2022.

The following table summarises activity in the cash flow hedging reserve within equity related to all derivative instruments classified as cash flow hedges:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at the beginning of the year	–	(7.52)
Fair value changes recognised in other comprehensive income	–	17.90
(Loss) reclassified to statement of profit and loss on occurrence of hedged transactions	–	(6.30)
Net gain on cash flow hedging derivatives, net	–	11.60
Balance as at the end of the year	**–**	**4.08**
Deferred tax thereon	–	(4.08)
Balance as at the end of the year, net of deferred tax	**–**	**-**

The related hedge transactions for balance in cash flow hedging reserves as at 1 April 2021 have occurred during the year ended 31 March 2022 and resulting gain/loss on such hedging derivatives were reclassified to the statement of profit and loss.

40 Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risks which may adversely impact the fair value of its financial instruments.

(i) Risk management framework

The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to the credit risk from its trade receivables, security deposit, investments, cash and cash equivalents, bank deposits and loans. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

a) Trade and other receivables

Trade receivables are unsecured comprise a widespread customer base. Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without

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40 Financial risk management (Contd..)

medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information wherever required. The expected credit loss allowance is based on the ageing of the receivables from their expected period of recovery and the rates as derived as per the trend of trade receivable ageing of previous years.

1. **The Provision matrix at the end of the reporting period is as follows:-**

(₹ in million)

Category	As at 31 March 2023	As at 31 March 2022
Less than 1 year	3% to 32%	2% to 34%
1-2 years	41% to 60%	32% to 59%
2-3 years	80% to 100%	66% to 100%
More than 3 years	100.00%	100%

2. **The provision details of the trade receivable is given below.**

(₹ in million)

Movement in the expected credit loss allowance	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at beginning of the year	629.40	478.77
Additional provision during the year (refer note 30)	198.35	150.63
Written-off during the year *	(352.45)	–
Balance at end of the year (refer note 13)	**475.30**	**629.40**

* The receivables that are written off would still be subject to enforcement activities for recovery of amounts due.

No single customer accounted for more than 10% of the revenue as of 31 March 2023 & 31 March 2022. There is no significant concentration of credit risk.

Details of geographic concentration of revenue is included in note 36 to the financial statements

b) Investments and cash deposits

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Group's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Also refer note 41.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2023 and 31 March 2022.

(₹ in million)

Particulars	As at 31 March 2023					
	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings *	4,022.72	375.94	641.81	529.93	607.69	1,867.35
Lease liabilities	8,797.79	954.83	787.20	726.92	738.39	5,590.45
Trade payables	2,484.54	2,484.54	–	–	–	–
Other financial liabilities	1,403.81	1,403.81	–	–	–	–

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40 Financial risk management (Contd..)

(₹ in million)

Particulars	As at 31 March 2022					
	Total	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 4 years
Borrowings *	4,120.81	452.18	343.48	407.07	558.57	2,359.51
Lease liabilities	9,209.12	909.59	864.16	771.78	722.09	5,941.50
Trade payables	1,939.41	1,939.41	–	–	–	–
Other financial liabilities	935.94	935.94	–	–	–	–

* In respect of borrowings which are repayable with variable rate of interest, principal amount as per the repayment schedule is considered for disclosure of contratual maturities.

(iv) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

(a) Foreign currency risk

The Group's exchange risk arises mainly from its foreign currency borrowings. As a result, depreciation of Indian rupee relative to these foreign currencies will have a significant impact on the financial performance of the Group. The exchange rate between the Indian rupee and these foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

(i) Exchange rates exposure are managed within approved policy parameters. The following table presents unhedged foreign currency risk from financial instruments as of 31 March 2023 and 31 March 2022

(₹ in million)

As at 31 March 2023	Rupee equivalent of foreign currency amounts			
Particulars	US $	Euro	JPY	Total
Assets				
Cash and cash equivalents	6.64	–	–	6.64
Liabilities				
Borrowings	93.42	129.11	–	222.53
Lease liabilities	316.45	–	–	316.45
Trade payable	2.57	0.31	–	2.88
Net assets/liabilities	**(405.80)**	**(129.42)**	**–**	**(535.22)**

(₹ in million)

As at 31 March 2022	Rupee equivalent of foreign currency amounts			
Particulars	US $	Euro	JPY	Total
Assets				
Cash and cash equivalents	0.15	–		0.15
Trade receivables	92.33	–		92.33
Liabilities				
Borrowings	14.32	318.18	–	332.50
Lease liabilities	298.69	–	–	298.69
Trade payable	2.32	3.40	1.08	6.80
Net assets/liabilities	**(222.85)**	**(321.58)**	**(1.08)**	**(545.51)**

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40 Financial risk management (Contd..)

(ii) Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments

(₹ in million)

Particulars	Impact on profit or (loss) before tax	
	31 March 2023	31 March 2022
Sensitivity		
₹/USD - Increase by 1%	(4.06)	(2.23)
₹/USD - Decrease by 1%	4.06	2.23
₹/Euro - Increase by 1%	(1.29)	(3.22)
₹/Euro - Decrease by 1%	1.29	3.22

(b) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates and investments. Such risks are overseen by the Group's corporate treasury department as well as senior management.

(i) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in million)

Category	As at 31 March 2023	As at 31 March 2022
Variable rate long term borrowings including current maturities	3,728.17	3,660.55
Total borrowings	**3,728.17**	**3,660.55**

(ii) Sensitivity analysis

Every 1% increase or decrease in interest rate does not have material impact to statement of profit and loss and other components of equity

(₹ in million)

Particulars	Impact on profit or (loss) before tax	
	As at 31 March 2023	As at 31 March 2022
Sensitivity		
1% increase in interest rate	(37.28)	(36.61)
1% decrease in interest rate	37.28	36.61

41 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances) and total equity of the Group.

The capital structure is as follows:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Total equity attributable to the equity share holders of the Group	8,605.22	8,702.87
As percentage of total capital	81%	81%
Total loans and borrowings	3,993.35	4,076.32
Cash and cash equivalents and other bank balances	1,966.39	1,975.08
Net loans & borrowings	2,026.96	2,101.24

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for the year ended 31 March 2023

41 Capital management (Contd..)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
As a percentage of total capital	19%	19%
Total capital (loans and borrowings and equity)	**10,632.18**	**10,804.11**

* Net loans & borrowings as at 31 March 2022 is Nil as cash and cash equivalents exceed loans and borrowings.

42 Due to Micro, Small and Medium Enterprises (refer note 22)

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2023 and 31 March 2022 have been made in the financial statements based on information received and available with the group. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The group has not received any claim for interest from any supplier.

(₹ in million)

Particulars	31 March 2023	31 March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year	48.94	20.23
Principal	48.94	20.23
Interest	–	–
The amount of interest paid by the buyer under MSMED Act	–	–
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act	–	–

All trade payables are 'current.' The Group's exposure to currency and liquidity risks related to trade payable is disclosed in note 40.

43 Related Party Disclosure

Transactions and balances between the Company and its subsidiaries which are related parties of the Company have been eliminated and are not disclosed in this note.

A Details of related parties:

Description of relationship	Names of related parties
Parent entity	Aceso Company Pte Ltd
Intermediate Parent entity	Aceso Investment Holding Pte. Ltd.
Ultimate Parent entity	CVC Capital Partners Asia V L.P.
Key Management Personnel (KMP)	**Whole-time director**
	Dr. B S Ajaikumar - Executive Chairman
	Meghraj Arvindrao Gore - with effect from 10 February 2022
	Anjali Rossi Ajaikumar - with effect from 1 April 2021
	Non-executive directors
	Amit Soni
	Siddharth Patel

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43 Related Party Disclosure (Contd..)

Description of relationship	Names of related parties
	Independent Directors
	Shanker Annaswamy - Resigned with effect from 3 December 2021
	Dr. Sudhakar Rao - Resigned with effect from 21 December 2021
	Bhushani Kumar - Ceased to be Director with effect from 29 May 2021
	Geeta Mathur - Appointed with effect from 17 June 2021
	Rajagopalan Raghavan - Appointed with effect from 12 August 2021
	Jeyandran Venugopal - Appointed with effect from 11 November 2021
	Pradip M. Kanakia - Appointed with effect from 10 February 2022
	Abhay Havaldar
	Other Key Managerial Personnel
	Meghraj Arvindrao Gore - Chief Executive Officer (also Whole-time Director from 10 February 2022)
	Srinivasa V. Raghavan- Chief Financial Officer
	Sunu Manuel- Company Secretary
Relatives of KMP	Ms.Anjali Ajaikumar, daughter of Dr. B S Ajaikumar (also Whole-time Director from 1 April 2021)
Associate of HCG (Mauritius) Private Limited (WOS of the Company)	Healthcare Global (Africa) Private Limited (upto 30 September 2021)
Joint venture	Strand Life Sciences Private Limited (upto 3 September 2021)
	Advanced Molecular Imaging Limited, Kenya (from 30 September 2021)
Company / entity in which KMP / Relatives of KMP can exercise control / significant influence	JSS Bharath Charitable Trust
	Sada Sarada Tumor & Research Institute
	B.C.C.H.I Trust
	HCG Foundation
	GHA Global Healthcare Academy Private Limited
	Gutti Malnad Hospital LLP
	International Human Development and Upliftment Academy (Trust)

Transactions and balances between the company and its subsidiaries which are related parties of the company, have been eliminated and are not disclosed.

B Details of related party transactions during the year:

(₹ in million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of medical and non-medical items		
– Sada Sarada Tumor & Research Institute	2.47	4.33
Income from medical services		
– HCG Foundation	2.44	3.91
– Sada Sarada Tumor & Research Institute	7.98	4.48
Lab charges		
– Strand Life Sciences Private Limited	–	119.51
Rent charges		
– Sada Sarada Tumor & Research Institute	0.62	1.91
Investment made during the year in		
– HealthCare Global (Africa) Private Limited *	–	55.05
* includes secondary purchase of equity shares of HealthCare Global (Africa) Private Limited amounting ₹ 41.13 million as explained in note 31(ii)		
Reimbursement of capital expenditure/ revenue expenditure cross charged by the Group		
– HCG Foundation	–	0.10
– Sada Sarada Tumor & Research Institute	1.49	4.15

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43 Related Party Disclosure (Contd..)

(₹ in million)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Promotion and Marketing of Offline and Online courses		
-GHA Global Healthcare Academy Private Limited	2.24	–
CSR contribution to		
– International Human Development and Upliftment Academy (Trust)	1.02	15.16
Short-term employee benefits to:		
– Dr. B S Ajaikumar (refer note 44) *	40.87	25.90
– Meghraj Arvindrao Gore (refer note 44)	33.20	30.98
– Ms. Anjali Ajaikumar (refer note 44)	7.95	7.98
– Srinivasa Raghavan	13.84	12.74
– Sunu Manuel	5.25	4.77
The above compensation excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.		
* Fixed compensation for approx. two months was waived-off during the previous year.		
Share based payments to:		
– Srinivasa Raghavan	3.76	4.74
– Sunu Manuel	0.86	0.96
– Meghraj Arvindrao Gore	16.85	19.27
Proceeds from issue of share warrants to		
– Dr. B S Ajaikumar (Refer note 15) *	–	195.00
– Aceso Company Pte Ltd	–	1,121.59
Sitting fees to Directors		
– Shanker Annaswamy	–	0.71
– Sampath T Ramesh	–	–
– Dr. Sudhakar Rao	–	0.65
– Pradip M. Kanakia	0.83	–
– Abhay Prabhakar Havaldar	0.77	0.77
– Geeta Mathur	1.24	0.59
– Rajagopalan Raghavan	1.12	0.47

Transactions and balances between the company and its subsidiaries which are related parties of the company, have been eliminated and are not disclosed

C Details of related party balances outstanding:

(₹ in million)

Balances outstanding as at	Year ended 31 March 2023	Year ended 31 March 2022
Trade receivables		
– Sada Sarada Tumor & Research Institute	0.81	0.91
– B.C.C.H.I. Trust	0.01	0.01
– HCG Foundation	3.02	3.04
– Gutti Malnad LLP	1.40	1.80
Receivable from related parties - Other Financial Assets (current)		
– Sada Sarada Tumor & Research Institute	3.65	4.40
– HCG Foundation	–	0.10
Security deposits (refundable) with		
– Gutti Malnad LLP	3.50	3.50
Sitting fees payable to Directors		
– Abhay Prabhakar Havaldar	–	0.15
– Geeta Mathur	–	0.20
– Rajagopalan Raghavan	–	0.20
Accrued employee benefits - Other financial liabilties (current)		
– Dr. B S Ajaikumar	6.71	5.44
– Meghraj Arvindrao Gore	11.91	11.40

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for the year ended 31 March 2023

43 Related Party Disclosure (Contd..)

(₹ in million)

Balances outstanding as at	Year ended 31 March 2023	Year ended 31 March 2022
– Ms. Anjali Ajaikumar	1.51	1.11
– Srinivasa Raghavan	2.62	2.10
– Sunu Manuel	0.63	0.52
Trade payables		
– Sada Sarada Tumor & Research Institute	–	0.01
– HCG Foundation	0.08	0.05

All transactions with the related parties are priced at arm's length basis and resulting outstanding balances are to be settled as per the terms agreed. None of the balances are secured.

44 Managerial remuneration:

The managerial remuneration for the year ended 31 March 2023 and 31 March 2022 was approved by the Nomination and Remuneration Committee, the Board of Directors and is in accordance with the limits prescribed under Section 197 read with Schedule V to the Companies Act, 2013 considering the approval of the Shareholders of the Company through special resolution obtained on 23 May 2021 in respect of remuneration to Dr. B S Ajaikumar and Anjali Ajaikumar and special resolution obtained on 6 May 2022 in respect of remuneration to Meghraj Arvindrao Gore pursuant to his appointment as whole-time director with effect from 10 February 2022.

45 Business combinations during the previous year ended 31 March 2022

45.1 Acquisition of diagnostic and clinical research management business from Strand Life Sciences Private Limited

In the previous year, the Company entered into a Business Transfer Agreement (BTA) with Strand Life Sciences Private Limited ('Strand') dated 3 September 2021 for acquisition of (i) the diagnostic business (owned and operated by Strand in the brand name of "Triesta" mainly engaged in the business of oncology diagnostics, biomarker and translational research, and laboratory services) and (ii) the division providing clinical research site management services for a total cash consideration of ₹ 808 Million.

As per the terms of BTA, of the total consideration, ₹ 740 Million was required to be paid on the closing date and the balance is payable as per the timelines specified in the BTA.

Date of business combination - Upon fulfillment of the conditions precedent as per the BTA and on transfer of ₹ 740 Million, the acquisition was completed on 3 September 2021. The balance consideration was also paid during the previous year ended 31 March 2022.

This acquisition was part of the Company's initiative to focus on integrated end-to-end Oncology scale-up. Through the BTA, the Company acquired its erstwhile Hospital Lab Management (HLM) and Clinical Research Site Management (SMO) units which were transferred to Strand during FY 2017-18, after which the Company and its certain subsidiaries continued to avail such services from Strand. With the acqusition, the earlier outsourced Hospital Lab Management services from Strand were cancelled.

The acquisition contributed revenue of ₹ 38.72 million and profit after tax of ₹ 2.91 million for the period between the acquisition date and 31 March 2022. Had the business combination occurred on 01 April 2021, per management estimate, revenues for the financial year ended 31 March 2022 would had been higher by ₹ 28 million and profit after tax would have been higher by ₹ 2 million.

The Company's share of costs incurred for this business combination was charged off to statement of profit and loss under exceptional items.

a) Business combination

The above transaction qualified as a business combination as per Ind AS 103 - "Business Combinations" and was accounted by applying the acquisition method wherein identifiable assets acquired, liabilities assumed were fair valued against the fair value of the consideration transferred and the resultant goodwill recognised.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

45 Business combinations during the previous year ended 31 March 2022 (Contd..)

b) Identifiable assets and liabilities assumed

(₹ in million)

Particulars	Amount
Fair value of consideration transferred	
Cash consideration	808.00
Less: Settlement of pre-existing payables of the Group to Strand	(65.57)
Total (A)	**742.43**
Assets acquired	
Property, plant and equipment (Refer note 5)	129.69
Intangible assets	59.51
Inventories	24.16
Total assets acquired (B)	**213.36**
Liabilities assumed	
Trade payables and other liabilities (C)	**34.81**
Net assets acquired [D = (B-C)]	**178.55**
Goodwill (A-D) #	**563.88**

Goodwill was attributable to the cost savings and synergies expected to be achieved from this acquisition. The fair value of assembled workforce was also subsumed within the Goodwill. Goodwill is not tax deductible.

c) Settlement of pre-existing relationship

The Company and Strand were parties to a long-term service contract under Medical Services Agreement where Strand provided disgnostic services. The pre-existing relationship was effectively terminated when the Company acquired Diagnostic business (refer above). The Company concluded that there was no gain / loss on termination of the above mentioned agreement.

45.2Acquisition of Healthcare Global (Africa) Pvt Ltd (HCG Africa)

On 30 September 2021, the Group acquired control and remaining stake in HCG Africa from CDC upon settlement of its put option for USD 554,600 (₹ 41.13 million) as explained in note 30(ii). Pursuant to this, HCG Africa which was associate of the Group, became wholly-owned subsidiary with effect from 30 September 2021. With this acquisition, the following subsidiaries of HCG Africa also became subsidiaries of the Group:

(a) Healthcare Global (Uganda) Private Limited, Uganda

(b) Healthcare Global (Kenya) Private Limited, Kenya

(c) Healthcare Global (Tanzania) Private Limited, Tanzania

(d) Cancer Care Kenya Limited, Kenya

(a), (b) and (c) are wholly owned subsidiaries of HCG Africa and (d) is a subsidiary (b).

Further, Healthcare Global (Kenya) Private Limited, Kenya holds 50% stake in joint venture - Advanced Molecular Imaging Limited, Kenya.

Date of business combination - Upon acquisition of rights and controlling stake in HCG Africa on 30 September 2021 with the settlement of put option held by CDC, the Group accounted for this acquisition in the consolidated financial statements with effect from 30 September 2021.

The acquisition contributed revenue of ₹ 26.60 million and loss after tax of ₹ 28.07 for the period between the acquisition date and 31 March 2022. Had the business combination occurred on 01 April 2021, per management estimate, revenues for the financial year ended 31 March 2022 would have been higher by ₹34 million, and loss after tax would have been higher by ₹ 36 million.

The Group's share of costs incurred for this business combination was charged off to statement of profit and loss under exceptional items.

a) Business combination

The above transaction qualified as a business combination as per Ind AS 103 - "Business Combinations" and was accounted by applying the acquisition method wherein identifiable assets acquired, liabilities assumed were fair valued against the fair value of the consideration transferred and the resultant goodwill recognised.

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for the year ended 31 March 2023

45 Business combinations during the previous year ended 31 March 2022 (Contd..)

b) Identifiable assets and liabilities assumed

(₹ in million)

Particulars	Amount
Fair value of consideration transferred	
Cash consideration	41.13
Add: Fair value of previously held interest in HCG Africa *	166.63
Add: Settlement of pre-existing receivable balances of the Group from HCG Africa and its subsidiaries	15.00
Total (A)	**222.76**
Assets acquired	
Property, plant and equipment (Refer note 5)	129.89
Capital work-in-progress	1.09
Right of use asset	80.54
Intangible assets	93.33
Investment in joint venture	30.76
Other assets	19.49
Total assets acquired (B)	**355.10**
Liabilities assumed	
Borrowings	11.40
Bank overdraft, net of cash and bank balance (cash and cash equivalents)	43.02
Trade payables and other liabilities	29.56
Total liabilities assumed (C)	**83.98**
Net assets acquired [D = (B-C)]	**271.12**
Goodwill #	**8.11**
Non-controlling interest ^	**56.47**

* The Group remeasured its previously held equity interest in HCG Africa (refer note 46) at its fair valuation on acquisition of the additional stake and recognized the resultant gain of ₹ 62.33 million as an exceptional item in accordance with the applicable Indian Accounting Standard, Ind AS 103, Business Combinations.

Goodwill was attributable to the synergies expected to be achieved from this acquisition. Goodwill is not tax deductible.

^ The Group recognised non-controlling interests at the non controlling interest's proportionate share of net identifiable assets in an acquired entity.

45.3 Acquisition of Suchirayu Health Care Solutions Limited

On 18 November 2021, the Group invested ₹ 330 Million in the equity shares of Suchirayu Health Care Solutions Limited (Suchirayu) through primary funding. Prior to this investment, the Group held 17.7% in Suchirayu. Pursuant to the aforementioned additional investment, the Group's stake in Suchirayu increased to 78.6%. Suchirayu became subsidiary of the Group with effect from 18 November 2021, considering the Group's voting rights and its majority representation in the Board of Directors which gives it the current ability to unilaterally direct relevant activities of Suchirayu.

Suchirayu owns and operates a multi-specialty hospital in Hubli, Karnataka. The acquisition would provide the Group with an increased market share and helps to consolidate better synergies. With this acquisition, the earlier medical services and the other related arrangements have been cancelled.

The acquisition contributed revenue of ₹ 281.66 million and profit after tax of ₹ 44.25 million for the period between the acquisition date and 31 March 2022. Had the business combination occurred on 01 April 2021, per management estimate, revenues for the financial year ended 31 March 2022 would have been higher by ₹ 167 million, and profit after tax would have been lower by ₹ 28 million.

The Company's share of costs incurred for this business combination was charged off to statement of profit and loss under exceptional items.

a) Business combination

The above transaction qualified as a business combination as per Ind AS 103 - "Business Combinations" and was accounted by applying the acquisition method wherein identifiable assets acquired, liabilities assumed were fair valued against the fair value of the consideration transferred and the resultant goodwill recognised.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

45 Business combinations during the previous year ended 31 March 2022 (Contd..)

b) Identifiable assets and liabilities assumed

(₹ in million)

Particulars	Amount
Fair value of consideration transferred	
Cash consideration	330.00
Add: Fair value of previously held interest in Suchirayu *	19.70
Add: Settlement of pre-existing receivable balances of the Group from Suchirayu (including inter-corporate deposit and interest thereon)	339.73
Total (A)	**689.43**
Assets acquired	
Property, plant and equipment (Refer note 5)	1,168.26
Intangible assets	41.00
Inventories	3.20
Trade receivables	41.91
Cash and cash equivalents	344.33
Other financial assets	10.23
Other assets	30.58
Total assets acquired (B)	**1,639.51**
Liabilities assumed	
Borrowings	1,051.93
Trade payables and other liabilities	156.04
Total liabilities assumed (C)	**1,207.97**
Net assets acquired [D = (B-C)]	**431.54**
Goodwill #	**277.54**
Non-controlling interest ^	**19.65**

* The Group remeasured its previously held interest in Suchirayu at fair value on the date of acquisition of additional stake and recognised the resultant gain of ₹ 17.4 million (net) under exceptional items (refer note 31) in accordance with the applicable Indian Accounting Standard, Ind AS 103, Business Combinations.

Goodwill was attributable to the increased market share and the synergies expected to be achieved from the acquisition of Suchirayu. The fair value of assembled workforce was subsumed within the Goodwill. Goodwill is not tax deductible.

^ The Group recognised non-controlling interests at the non controlling interest's proportionate share of net identifiable assets of Suchirayu.

c) Settlement of pre-existing relationship

The Company and Suchirayu were parties to a long-term service contract under Medical Services Agreement where the Company provided medial services to Suchirayu. The pre-existing relationship was effectively terminated when the Company acquired controlling stake in Suchirayu (refer above). The Company concluded that there was no gain / loss on termination of the above mentioned agreement.

46 Subsidiaries, Associate & Joint venture

46.1 Details of the Group's subsidiaries at the end of the reporting period are as follows

(₹ in million)

Name of the subsidiary	Note	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at 31 March 2023	As at 31 March 2022
HCG Medi-Surge Hospitals Private Limited		India	74.00%	74.00%
Malnad Hospital & Institute of Oncology Private Limited		India	70.25%	70.25%
HealthCare Global Senthil Multi Specialty Hospital Private Limited		India	100.00%	100.00%
Niruja Product Development and Research Private Limited		India	100.00%	100.00%
BACC Healthcare Private Limited		India	100.00%	100.00%
HealthCare Diwan Chand Imaging LLP		India	75.00%	75.00%
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)		India	100.00%	100.00%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

46 Subsidiaries, Associate & Joint venture(Contd..)

(₹ in million)

Name of the subsidiary	Note	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at 31 March 2023	As at 31 March 2022
HCG Oncology LLP		India	74.00%	74.00%
HCG NCHRI Oncology LLP		India	87.14%	76.00%
HCG Manavata Oncology LLP*	a	India	51.00%	51.00%
HCG EKO Oncology LLP*	a	India	50.50%	50.50%
HCG (Mauritius) Private Limited		Mauritius	100.00%	100.00%
Healthcare Global (Africa) Private Limited	45.2	Mauritius	100.00%	100.00%
Healthcare Global (Uganda) Private Limited, Uganda	45.2	Uganda	100.00%	100.00%
Healthcare Global (Kenya) Private Limited, Kenya	45.2	Kenya	100.00%	100.00%
Healthcare Global (Tanzania) Private Limited, Tanzania	45.2	Tanzania	100.00%	100.00%
Cancer Care Kenya Limited, Kenya	45.2	Kenya	81.63%	78.10%
Suchirayu Health Care Solutions Limited	45.3	India	78.60%	78.60%
HCG SUN Hospitals LLP	16(ii)	India	100.00%	100.00%

The principal activity of all the above mentioned subsidiaries is providing Healthcare services.

Notes

a) The directors of the Company assessed whether or not the Group has control over the above mentioned entities based on whether the Group has the practical ability to direct the relevant activities of such entities unilaterally. Based on such assessment, the directors concluded that the Group has sufficient management rights to unilaterally direct the relevant activities of such entities and therefore the Group has control.

46.2Interests in Associate

Healthcare Global (Africa) Pvt Ltd (HCG Africa) was associate of the Group untill 30 September 2021. As explained in note 45.2, the Group acquired control and remaining stake in HCG Africa on 30 September 2021.

46.3Interests in Joint venture

(₹ in million)

Name of the Joint Venture	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
		As at 31 March 2023	As at 31 March 2022
Strand Life Sciences Private Limited	India	Nil	Nil
Advanced Molecular Imaging Limited	Kenya	50.00%	50.00%

The principal activity of the Joint Ventures is to provide Healthcare services. As explained in Note 31(i), the Company sold its investment in Strand Life Sciences Private Limited on 3 September 2021. Investments in Advanced Molecular Imaging Limited is held by HealthCare Global (Kenya) Private Limited.

The management has set materiality at ten percent of the annual consolidated turnover, as per the last audited financial statements of the Company. Based on the materiality, set by the management, none of the equity accounted investees cross the materiality and hence summarised financial information of equity accounted investees are not presented.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

46 Subsidiaries, Associate & Joint venture (Contd..)

46.4 Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interest for the year ended 31 March 2023

(₹ in million)

Name of the entity	Net assets (total assets minus total liabilities) as at 31 March 2023		Share in profit or loss		Share in other comprehensive income		Share of total comprehensive income	
	As % of consolidated net assets	₹ Million	As % of consolidated profit or loss	₹ Million	As % of consolidated Other com Income	₹ Million	As % of consolidated total com Income	₹ Million
1) Parent								
HealthCare Global Enterprises Limited *	79.47%	11,451.22	(356.52%)	401.91	12.17%	(1.60)	(318.01%)	400.31
2) Subsidiaries								
a) Indian								
HCG Medi-Surge Hospitals Private Limited	3.69%	531.39	(178.74%)	201.49	3.35%	(0.44)	(159.72%)	201.05
HCG NCHRI Oncology LLP	(0.18%)	(26.35)	68.93%	(77.71)	1.98%	(0.26)	61.94%	(77.97)
Niruja Product Development and Research Private Limited	(1.61%)	(231.87)	(0.08%)	0.09	0.00%	–	(0.07%)	0.09
Malnad Hospital & Institute of Oncology Private Limited	0.45%	65.11	(9.42%)	10.62	(2.66%)	0.35	(8.71%)	10.97
HealthCare Global Senthil Multi Specialty Hospital Private Limited	0.01%	1.43	(0.38%)	0.43	0.00%	–	(0.34%)	0.43
Healthcare Diwan Chand Imaging LLP	0.17%	23.87	0.10%	(0.11)	0.00%	–	0.09%	(0.11)
BACC Healthcare Private Limited	1.95%	280.98	1.83%	(2.06)	1.60%	(0.21)	1.80%	(2.27)
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	1.22%	175.91	117.61%	(132.58)	(0.08%)	0.01	105.31%	(132.57)
HCG Oncology LLP	(1.23%)	(176.70)	7.70%	(8.68)	3.04%	(0.40)	7.21%	(9.08)
HCG EKO Oncology LLP	(0.25%)	(35.42)	197.05%	(222.13)	0.61%	(0.08)	176.53%	(222.21)
HCG Manavata Oncology LLP	3.06%	440.29	79.04%	(89.10)	(4.03%)	0.53	70.36%	(88.57)
HCG SUN Hospitals LLP	1.28%	184.06	52.38%	(59.05)	6.01%	(0.79)	47.54%	(59.84)
Suchirayu Health Care Solutions Limited	(0.56%)	(80.39)	(46.75%)	52.70	9.51%	(1.25)	(40.87%)	51.45
b) Foreign								
HCG (Mauritius) Pvt. Ltd	2.46%	354.31	0.43%	(0.48)	(188.59%)	24.80	(19.32%)	24.32
Healthcare Global (Africa) Private Limited	4.89%	704.35	0.16%	(0.18)	0.00%	–	0.14%	(0.18)
Healthcare Global (Uganda) Private Limited	(0.00%)	(0.49)	0.19%	(0.21)	0.00%	–	0.17%	(0.21)
Healthcare Global (Kenya) Private Limited	3.53%	508.57	0.23%	(0.26)	37.11%	(4.88)	4.08%	(5.14)
Cancer Care Kenya Limited	0.87%	124.88	61.87%	(69.75)	231.71%	(30.47)	79.62%	(100.22)
Healthcare Global (Tanzania) Private Limited	(0.02%)	(2.46)	0.27%	(0.30)	0.00%	–	0.24%	(0.30)
c) Joint venture								
Advanced Molecular Imaging Limited	0.20%	28.51	0.16%	(0.18)	0.00%	–	0.14%	(0.18)
d) Non-controlling interest	0.62%	88.94	103.96%	(117.19)	(11.71%)	1.54	91.87%	(115.65)
Total	**100.00%**	**14,410.14**	**100.00%**	**(112.73)**	**100.00%**	**(13.15)**	**100.00%**	**(125.88)**
Adjustment arising on consolidation		(5,715.98)		289.03		–		289.03
Total		**8,694.16**		**176.30**		**(13.15)**		**163.15**

* before consolidation adjustments

Notes to the Consolidated Financial Statements

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46 Subsidiaries, Associate & Joint venture (Contd..)

46.5 Statement of net assets, profit and loss and other comprehensive income attributable to owners and non-controlling interest:

(₹ in million)

Name of the entity	Net assets (total assets minus total liabilities) as at 31 March 2022		Share of profit or loss for the year ended 31 March 2022		Other Comprehensive Income		Share of total comprehensive income for the year ended 31 March 2022	
	As % of consolidated net assets	₹ Million	As % of consolidated profit or loss	₹ Million	As % of consolidated Other com Income	₹ Million	As % of consolidated total com Income	₹ Million
1) Parent								
HealthCare Global Enterprises Limited *	79.93%	10,976.91	(153.33%)	382.53	(21.36%)	3.27	(145.70%)	385.80
2) Subsidiaries								
a) Indian								
HCG Medi-Surge Hospitals Private Limited	2.41%	330.32	(49.43%)	123.32	(2.09%)	0.32	(46.69%)	123.64
HCG NCHRI Oncology LLP	0.38%	51.64	26.98%	(67.31)	0.13%	(0.02)	25.43%	(67.33)
Niruja Product Development and Research Private Limited	(2.03%)	(279.46)	0.00%	–	0.00%	–	0.00%	–
Malnad Hospital & Institute of Oncology Private Limited	0.39%	54.05	(4.55%)	11.35	1.89%	(0.29)	(4.18%)	11.06
HealthCare Global Senthil Multi Specialty Hospital Private Limited	(0.22%)	(29.70)	0.00%	–	0.00%	–	0.00%	–
Healthcare Diwan Chand Imaging LLP	0.17%	23.98	0.11%	(0.27)	0.00%	–	0.10%	(0.27)
BACC Healthcare Private Limited	2.06%	283.27	(19.39%)	48.37	(5.62%)	0.86	(18.59%)	49.23
HCG Oncology Hospitals LLP (formerly, Apex HCG Oncology Hospitals LLP)	2.25%	308.55	65.91%	(164.43)	(0.39%)	0.06	62.08%	(164.37)
HCG Oncology LLP	(1.22%)	(167.63)	18.15%	(45.29)	(0.46%)	0.07	17.08%	(45.22)
HCG EKO Oncology LLP	0.43%	59.05	100.39%	(250.45)	0.20%	(0.03)	94.60%	(250.48)
HCG Manavata Oncology LLP	3.85%	528.66	23.78%	(59.32)	(0.78%)	0.12	22.36%	(59.20)
HCG SUN Hospitals LLP	0.59%	80.47	31.18%	(77.78)	0.52%	(0.08)	29.40%	(77.86)
Suchirayu Health Care Solutions Limited	(0.96%)	(131.82)	(17.74%)	44.25	11.23%	(1.72)	(16.06%)	42.53
b) Foreign								
HCG (Mauritius) Pvt. Ltd	2.01%	276.43	0.29%	(0.73)	(51.47%)	7.88	(2.70%)	7.15
Healthcare Global (Africa) Private Limited	4.34%	596.30	0.48%	(1.20)	(1.70%)	0.26	0.35%	(0.94)
Healthcare Global (Uganda) Private Limited	(0.00%)	(0.30)	0.03%	(0.07)	0.52%	(0.08)	0.06%	(0.15)
Healthcare Global (Kenya) Private Limited	3.04%	417.75	0.37%	(0.92)	46.18%	(7.07)	3.02%	(7.99)
Cancer Care Kenya Limited	1.40%	192.00	11.59%	(28.91)	43.57%	(6.67)	13.44%	(35.58)
Healthcare Global (Tanzania) Private Limited	(0.01%)	(1.95)	0.12%	(0.29)	(0.07%)	0.01	0.11%	(0.28)
c) Associate								
HealthCare Global (Africa) Private Limited	0.00%	–	14.51%	(36.19)	63.23%	(9.68)	17.32%	(45.87)
d) Joint venture								
Strand Life Sciences Private Limited	0.00%	–	(8.79%)	21.94	0.00%	–	(8.29%)	21.94
Advanced Molecular Imaging Limited	0.22%	30.13	0.00%	–	4.11%	(0.63)	0.24%	(0.63)
e) Non-controlling interest	0.98%	134.27	59.36%	(148.08)	12.34%	(1.89)	56.64%	(149.97)
Total	**100%**	**13,732.92**	**100.00%**	**(249.48)**	**100.00%**	**(15.31)**	**100.00%**	**(264.79)**
Adjustment arising on consolidation		(4,895.78)		638.73		–		638.73
Total		**8,837.14**		**389.25**		**(15.31)**		**373.94**

*before consolidation adjustments

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for the year ended 31 March 2023

47 Investments, loans, guarantees and security

(a) The Group has made investment in the following companies

(₹ in million)

Investment in equity instruments	As at 31 March 2022	Invested during the year	Sold during the year	As at 31 March 2023
Investment in other companies / funds				
Zoctr Health Private Limited *	7.64	–	–	7.64
International Stemcell Services Limited	5.61	–	–	5.61
Epigeneres Biotech Private Limited *	10.00	–	–	10.00
Niramai Health Analytix Private Limited	35.86	–	–	35.86
Anthill Venture Capital Advisors LLP #	8.00	2.00	–	10.00

* The Group has provided for permanent diminution in investment.

This was disclosed under "Share application money pending allotment" in "Other Financial Assets" as at 31 March 2022.

(b) The Group has made investment in the following companies during the year ended 31 March 2022

(₹ in million)

Investment in equity instruments	As at 31 March 2021	Invested during the year	Sold during the year	As at 31 March 2022
Investment in other companies / funds				
Zoctr Health Private Limited *	7.64	–	–	7.64
Suchirayu Health Care Solutions Limited (refer note 45.3)	0.50	–	–	–
International Stemcell Services Limited	5.61	–	–	5.61
Epigeneres Biotech Private Limited *	10.00	–	–	10.00
Niramai Health Analytix Private Limited	35.86	–	–	35.86
Anthill Venture Capital Advisors LLP #	5.50	2.50	–	8.00
Investment in joint venture (Equity & preference shares)				
Strand Life Sciences Private Limited [refer note 31(i)]	245.33	–	(245.33)	–

* The Group has provided for permanent diminution in investment (refer note 31).

This was disclosed under "Share application money pending allotment" in "Other Financial Assets" as at 31 March 2022.

(c) The Group has given inter-corporate deposits to its following companies during the year ended 31 March 2022

(₹ in million)

Entity	As at 31 March 2021	Movement	As at 31 March 2022	Purpose of deposits
Suchirayu Health Care Solutions Limited	102.00	(102.00)	–	The loan was given for operational requirements of the entity and was repaid during the year ended 31 March 2022.
Total	**102.00**	**(102.00)**	**-**	

(d) The Group has provided the guarantees to the following entities during the year ended 31 March 2022

(₹ in million)

Entity	As at 31 March 2021	Movement	As at 31 March 2022	Purpose of the guarantee
NCHRI Private Limited	412.00	(412.00)	–	Corporate guarantee given to bank towards term loan. The guarantee was released during the year ended 31 March 2022.
Total	**412.00**	**(412.00)**	**-**	

Note: The above does not include corporate guarantee given by the Group for bank guarantee and cash credit facility. This represents only corporate guarantee given for the term loan facility of the respective entities.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

48 Ind AS 115- Revenue from contracts with customers

(₹ in million)

Contract balances	As at 31 March 2023	As at 31 March 2022
a) Receivables		
Trade receivables (including unbilled revenue)	3,025.11	2,399.19
b The Group does not have any contract asset as at 31 March 2023 and 31 March 2022.		
c) The contract liability amount from contracts with customers is given below :		
Advance from customers : Refer note 20	241.50	294.49
Revenue recognised in the reporting period that was included in the contract liability balance	270.41	144.37
d) Revenue dis-aggregation as per the industry vertical and geographies has been included in note 23, revenue from operations.		

49 Other statutory information of the Company

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) During the year ended 31 March 2023, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Investments in equity instruments of HCG (Mauritius) Pvt Ltd (subsidiary), which is further invested in step-down subsidiaries:

Invested by	Invested in	₹ in millions	Date of investment
HealthCare Global Enterprises Limited	HCG (Mauritius) Pvt Ltd	20.02	15-Jul-22
	FSC License No: C115014516	33.58	18-Oct-22
	Regd Address: C/o Kross Boarder Services Limited, St Louis Business Centre, CNR Desroches and St. Louis Street, Port Louis Mauritius.		
HCG (Mauritius) Pvt Ltd	HealthCare Global (Africa) Pvt. Ltd	20.02	19-Jul-22
	Company Reg No. 130502/CI/GBL	33.58*	21-Oct-22
	Regd Address: C/o Kross Boarder Services Limited, St Louis Business Centre, CNR Desroches and St. Louis Street, Port Louis Mauritius.		
HealthCare Global (Africa) Pvt. Ltd	Healthcare Global (Kenya) Private Limited	20.02	20-Jul-22
	Company Reg No. CPR 2013/92492	32.92	24-Oct-22
	Regd Address: Shivachi Road, Parklands, Nairobi, Kenya		
Healthcare Global (Kenya) Private Limited	Cancer Care Kenya Limited	8.70	13-Apr-22
	Company Reg No. C.135947	10.41#	20-Jul-22
	Regd Address: Shivachi Road, Parklands, Nairobi, Kenya	2.00#	03-Aug-22
		28.81#	25-Oct-22

* Includes amount paid towards repayment of loan taken from HealthCare Global (Africa) Pvt. Ltd ₹ 2.35 million

Paid towards repayment of loan taken from Cancer Care Kenya Limited

In respect of the above investments, relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2023

49 Other statutory information of the Company (Contd..)

(v) During the year ended 31 March 2023, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not made any private placement of shares or fully or partly convertible debentures during the year. Further, the amount raised in the previous years and partially unutilised as at the previous year end have been used during the year for the purposes for which the funds were raised.

(vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year ended 31 March 2023 in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

(ix) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(x) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year ended 31 March 2023.

(xi) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year ended 31 March 2023.

The accompanying notes are an integral part of these consolidated financial statements

As per our reports of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W -100022

Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date : 25 May 2023

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

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

Place : Chicago
Date : 25 May 2023

Meghraj Arvindrao Gore
Whole-time Director and Chief Executive Officer
DIN: 07505123

Place : Bengaluru
Date : 25 May 2023

Srinivasa Raghavan
Chief Financial Officer

Place : Bengaluru
Date : 25 May 2023

Sunu Manuel
Company Secretary

Place : Bengaluru
Date : 25 May 2023

Notes

Corporate Information

Board of Directors

Dr B S Ajaikumar
Executive Chairman

Raj Gore
Whole-time Director and CEO

Anjali Ajaikumar Rossi
Executive Director-Strategy

Siddharth Patel
Non-Executive, Non-Independent Director (Nominee Director)

Amit Soni
Non-Executive, Non-Independent Director (Nominee Director)

Geeta Mathur
Non-Executive, Independent Director

Rajagopalan Raghavan
Non-Executive, Independent Director

Jeyandran Venugopal
Non-Executive, Independent Director

Pradip Kanakia
Non-Executive, Independent Director

Rajiv Mailwal
Non-Executive, Independent Director

Chief Financial Officer

V. Srinivasa Raghavan

Company Secretary

Sunu Manuel

Statutory Auditors

BSR & Co. LLP

Registrar and Share Transfer Agents

KFin Technologies Limited

Registered Office

HealthCare Global Enterprises Ltd.,
HCG Tower, # 8,
P. Kalinga Rao Road,
Sampangi Ram Nagar,
Bangalore – 560 027

Corporate Office

HealthCare Global Enterprises Ltd.,
#3 Tower Block,
Unity Buildings Complex,
Mission Road,
Bangalore 560027

adding life to years

HealthCare Global Enterprises Ltd

CIN: L15200KA1998PLC023489

Registered office: HCG Tower, # 8,
P. Kalinga Rao Road,
Sampangi Ram Nagar,
Bangalore – 560 027