



November 12, 2020

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 : *Disclosure of the Outcome of the Meeting of the Board of Directors of HealthCare Global Enterprises Limited (“the Company”) held on November 12, 2020*

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

Reference : *Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015*

We wish to inform you that the Board of Directors of the Company (“Board”), at their meeting held on this day, November 12, 2020, *inter alia*, has considered and approved the following agenda:

1. Unaudited Financial Results, both Standalone and Consolidated (Limited Review) of the Company for the quarter and half year ended September 30, 2020;
2. Issue and allotment of 87,200 (Eighty-Seven Thousand Two Hundred) equity shares of the Company of INR 10 each, upon exercise of Employee Stock Options under Employee Stock Option Scheme of the Company.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

1. Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended September 30, 2020;
2. Limited Review Report of the Statutory Auditors on the Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2020.



The results are also being uploaded on the Company's website at www.hcgel.com.

The Meeting of the Board concluded at 4.45 P.M.

Kindly take the intimation on record and acknowledge receipt of the same.

Thanking you,

For **HealthCare Global Enterprises Limited**



Sunu Manuel
Company Secretary & Compliance Officer

Encl: a/a.

B S R & Co. LLP

Chartered Accountants

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Pebble Beach, B Block, 3rd Floor,
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Limited review report on unaudited quarterly standalone financial results and standalone year-to-date results of HealthCare Global Enterprises Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

To
Board of Directors of HealthCare Global Enterprises Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of HealthCare Global Enterprises Limited (“the Company”) for the quarter ended 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

AMIT
SOMANI

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Date: 2020.11.12
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Amit Somani
Partner

Membership No. 060154
UDIN:20060154AAAAIF9654

Place: Bengaluru
Date: 12 November 2020

HealthCare Global Enterprises Limited

CIN : L15200KA1998PLC023489

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

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

(Rs. in Lakhs except share data)

Sl. No.	Particulars	Quarter ended	Preceding quarter	Corresponding	Six months ended	Six months ended	Previous year
		30 September 2020	ended 30 June 2020	quarter ended 30 September 2019	30 September 2020	30 September 2019	ended 31 March 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	14,506	12,139	17,354	26,645	34,415	68,833
	(b) Income from government grant	50	51	17	101	45	124
	(c) Other income	556	341	236	897	481	1,086
	Total income	15,112	12,531	17,607	27,643	34,941	70,043
2	Expenses						
	(a) Purchases of medical and non-medical items	3,285	2,709	3,337	5,994	6,952	14,275
	(b) Changes in inventories	(30)	52	259	22	374	382
	(c) Employee benefits expense	3,413	2,906	3,575	6,319	7,105	14,269
	(d) Finance costs	1,309	2,299	2,100	3,608	3,979	8,299
	(e) Depreciation and amortisation expense	2,185	2,185	1,836	4,370	3,698	7,941
	(f) Medical consultancy charges	2,828	2,142	3,341	4,970	6,666	13,377
	(g) Other expenses	3,345	3,071	3,661	6,416	7,100	14,957
	Total expenses	16,335	15,364	18,109	31,699	35,784	73,500
3	Loss before exceptional item and tax (1-2)	(1,223)	(2,833)	(502)	(4,056)	(843)	(3,457)
4	Exceptional item (refer note 5)	-	-	-	-	-	3,089
5	Loss before tax (3-4)	(1,223)	(2,833)	(502)	(4,056)	(843)	(6,546)
6	Tax expense						
	- Deferred tax	(565)	(960)	(155)	(1,525)	(295)	(1,216)
	Total taxes credit	(565)	(960)	(155)	(1,525)	(295)	(1,216)
7	Loss for the period / year (5-6)	(658)	(1,873)	(347)	(2,531)	(548)	(5,330)
8	Other comprehensive Income / (loss)						
	(i) Items that will not be reclassified subsequently to profit or loss						
	- Remeasurements of the defined benefit plans	-	-	-	-	-	(88)
	- Income tax effect on (i) above	-	-	-	-	-	31
	(ii) Items that will be reclassified to profit or loss						
	- Effective portion of gain/(loss) on hedging instruments in a cash flow hedge	158	72	(16)	230	84	80
	- Income tax effect on (ii) above	(55)	(25)	6	(80)	(29)	(28)
	Other comprehensive Income / (loss) for the period / year, net of tax	103	47	(10)	150	55	(5)
9	Total comprehensive loss for the period / year (7+8)	(555)	(1,826)	(357)	(2,381)	(493)	(5,335)
10	Paid-up equity share capital (Face value of Rs. 10 each)	12,526	8,869	8,864	12,526	8,864	8,869
11	Reserves, i.e. 'Other equity'						52,582
12	Loss per equity share (face value of Rs. 10 each)	Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	Annualised
	(a) Basic	(0.57)	(2.11)	(0.39)	(2.49)	(0.62)	(6.02)
	(b) Diluted	(0.57)	(2.11)	(0.39)	(2.49)	(0.62)	(6.02)

See accompanying notes to the Standalone Financial Results



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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

STANDALONE BALANCE SHEET		(Rs in Lakhs)	
		As at 30 September 2020 Unaudited	As at 31 March 2020 Audited
A ASSETS			
I Non-current assets			
(a)	Property, plant and equipment	51,483	53,820
(b)	Capital work in progress	4,720	4,361
(c)	Right-of-use assets	28,700	29,980
(d)	Goodwill	4,845	4,845
(e)	Other intangible assets	2,274	2,789
(f)	Financial assets		
(i)	Investments	34,254	31,613
(ii)	Loans receivable	5,333	5,367
(iii)	Other financial assets	21,530	8,688
(g)	Deferred tax assets (net)	2,976	1,531
(h)	Income tax assets (net)	5,571	6,626
(i)	Other non-current assets	2,907	3,214
	Total non current assets	164,593	152,834
II Current assets			
(a)	Inventories	1,229	1,251
(b)	Financial assets		
(i)	Trade receivables	14,939	15,232
(ii)	Cash and cash equivalents	9,976	1,514
(iii)	Loans receivable	459	573
(iv)	Other financial assets	2,838	3,181
(c)	Other current assets	1,785	2,307
	Total current assets	31,227	24,058
	Total assets	195,820	176,892
B EQUITY AND LIABILITIES			
I Equity			
(a)	Equity share capital	12,526	8,869
(b)	Other equity	96,274	52,582
	Total equity	108,800	61,451
II Liabilities			
1 Non-current liabilities			
(a)	Financial liabilities		
(i)	Borrowings	13,265	31,495
(ii)	Lease liability	32,818	32,829
(iii)	Other financial liabilities	675	766
(b)	Provisions	777	537
(c)	Other non-current liabilities	2,035	2,150
	Total non-current liabilities	49,570	67,777
2 Current liabilities			
(a)	Financial liabilities		
(i)	Borrowings	8,585	10,399
(ii)	Lease liability	855	1,095
(iii)	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	-	1
	Total outstanding dues of creditors other than micro enterprises and small enterprises	7,792	9,913
(iv)	Other financial liabilities (refer note 7)	18,000	23,666
(b)	Other current liabilities	1,561	1,836
(c)	Provisions	637	754
	Total current liabilities	37,450	47,664
	Total equity and liabilities	195,820	176,892

See accompanying notes to the Standalone Financial Results



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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

Standalone Cash Flow Statement

(Rs in Lakhs)

Particulars	For the six months ended	For the six months ended
	30 September 2020	30 September 2019
	Unaudited	Unaudited
Cash flows from operating activities		
Loss before tax for the period	(4,056)	(843)
Adjustments for:		
Finance costs	3,608	3,979
Gain on investment revalued at FVPL	-	(6)
Gain on sale of mutual fund	-	(5)
Guarantee commission income	(135)	(132)
Provision for bad and doubtful receivables	135	172
Interest income	(745)	(269)
Income from government grant	(101)	(45)
Depreciation and amortisation expense	4,370	3,608
Expenses on employee stock option scheme	120	145
Net foreign exchange loss/(gain)	15	(32)
Movements in working capital:		
Changes in trade receivables	143	(1,828)
Changes in inventories	22	374
Changes in loans, financial assets and other assets	723	(437)
Changes in trade payables, financial liabilities and other liabilities	(3,612)	301
Changes in provisions	141	74
Cash generated from operations	628	5,056
Income taxes paid (net of refunds)	1,276	(1,284)
Net cash generated from operating activities (A)	1,904	3,772
Cash flows from investing activities		
Margin money deposits, net	-	104
Fixed deposits, earmarked against credit facility	(13,050)	-
Proceeds from maturity of margin money deposits	557	-
Acquisition of property, plant and equipment	(457)	(4,725)
Payment towards contingent consideration	(640)	-
Interest received	146	-
Investment in subsidiaries	(2,379)	(2,733)
Proceeds from repayment of inter-corporate deposits	25	-
Payment of share application money	(25)	-
Loans to related parties	-	(48)
Proceeds from repayments of related party loans	190	-
Proceeds from disposal of property, plant and equipment	-	17
Investment in other companies	-	(25)
Proceeds from sale of investment in mutual funds	-	337
Net cash used in investing activities (B)	(15,633)	(7,073)
Cash flows from financing activities		
Proceeds from issue of equity shares and warrants	51,934	2,026
Share issue expenses	(2,321)	-
Repayment of loan from related parties	(1,499)	-
Proceeds from borrowings	1,235	2,468
Repayment of borrowings	(22,728)	(332)
Repayment of lease liability	(692)	(230)
Interest and other borrowing cost paid	(3,423)	(3,144)
Net cash generated from financing activities (C)	22,506	789
Net Increase/ (decrease) in cash and cash equivalents (A+B+C)	8,777	(2,513)
Cash and cash equivalents at the beginning of the period	(7,386)	(4,145)
Cash and cash equivalents at the end of the period	1,391	(6,658)

Break up of cash and cash equivalents at the end of the period	As at	As at
	30 September 2020	30 September 2019
Cash in bank and balance in current account	1,780	795
Deposits with a original maturity less than 3 months	8,196	-
Less: Bank overdrafts payable on demand (including accrued interest of Rs. 15 lakhs)	(8,585)	(1,363)
Cash and cash equivalents at the end of the period	1,391	(6,658)



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Corp Office Tower Block: Unity Building Complex, No. 3 Missoua Road, Bengaluru 560 027, Karnataka, India

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

Notes:

1. The statement of unaudited standalone financial results ('the Statement') of HealthCare Global Enterprises Limited ('the Company') for the quarter and six months ended 30 September 2020 has been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their meeting held on 12 November 2020. The Statement has been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015, as amended and in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Statement has been subjected to limited review by the statutory auditors of the Company. The review report of the auditors is unqualified.
2. The COVID-19 pandemic has been rapidly spreading throughout the world, including India. Governments around the world have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities including travel. Consequently, the scale of operations has reduced significantly, inter-state and intra-state movement restrictions have impacted both the patient's footfall and the healthcare workers. As a result of the lockdown, the likely revenue from mid of March 2020 and onwards has been impacted. The pandemic is likely to impact the Company operationally including its new projects.

The Company has incurred losses in the current period and as at the balance sheet date the Company's current liabilities exceeds its current assets. Management believes that it has taken into account the possible impacts of known events arising from COVID-19 pandemic in the preparation of the financial results including but not limited to its assessment of Company's liquidity and going concern and various estimates in relation to the financial results captures upto the date of adoption of Statement by the Board of Directors. During the current period, the Company has received Rs. 51,284 lakhs on issue of Equity shares and Warrants and the Company has prepared the financial results on Going concern basis (refer note 3a). Given the nature and duration of COVID-19, its impact on the financial results may differ from that estimated as at the date of approval of these financial results.
3. a) Pursuant to Investment Agreement ("Agreement") executed amongst the Company, Dr. B. S. Ajalkumar ("Promoter") and Accso Company Pte. Ltd., Singapore ("Investor") on 04 June 2020 and approval of the shareholders of the Company received on 13 June 2020, preferential allotment of 29,516,260 Equity shares of the face value of Rs. 10 each, at a premium of Rs. 120 each (aggregating to Rs. 130 per equity share) and 18,560,663 Warrants, with a right to apply for and allotted one equity share of the face value of Rs. 10 each at a premium of Rs. 120 each (aggregating to Rs. 130 per Warrant) were made to the Investor on 28 July 2020. The total consideration on issue of Equity shares and exercise of all Warrants aggregates to Rs. 62,500 lakhs.
As required under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"), Investor has remitted an amount Rs. 51,284 lakhs towards allotment of 29,516,260 equity shares at Rs. 130 per share (Rs. 38,371 lakhs), 100% consideration for allotment and subsequent exercise of 7,057,195 warrants at Rs. 130 per warrant (Rs. 9,174 lakhs) that was converted into equity and 25% of the consideration for remaining 11,503,468 warrants at Rs. 130 per warrant (Rs. 3,739 lakhs). The remaining 75% of the consideration i.e. Rs. 11,216 lakhs shall be payable by the Investor on the exercise of the Warrant(s), in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of the warrants.

b) Pursuant to the preferential allotment of Equity shares and Warrants to the Investor on 28 July 2020, mentioned above in note 3(a), ICDR Regulations required "open offer" by the Investor to public shareholders of the Company. The Open Offer was also completed during the current quarter wherein JM Financial Limited, Manager to the Open Offer, had announced an open offer for the acquisition of up to 32,613,192 fully paid-up equity shares of face value of Rs. 10 each ("Equity Shares") from the Public Shareholders of the Company, representing 26% of the Expanded Voting Share Capital, at a price of Rs. 130/- per Equity Share aggregating to total consideration of Rs. 42,397 lakhs payable in cash. An aggregate of 26,048,478 equity shares were tendered and accepted in the Open offer.
4. Pursuant to the shareholders approval received on 13 June 2020, preferential allotment of 2,000,000 Series B Warrants, with a right to apply for and be allotted 1 Equity Share of the face value of Rs. 10 each of the Company, at a premium of Rs. 120 for each series B Warrant (aggregating to Rs. 130 per warrant), were made to Promoter during the current period of review.
As required under the provisions of the ICDR Regulations, Promoter has remitted an amount equivalent to 25% of the Consideration i.e. Rs. 650 lakhs on issue of series B Warrant and the remaining 75% of the consideration i.e. Rs. 1,950 lakhs shall be payable by him on the exercise of the Series B Warrant(s), in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of the Series B Warrants.
5. During the year ended 31 March 2020, the Company performed impairment assessment for all its investment in the subsidiaries and joint ventures and recorded the impairment charge with respect to HCG NCI/RI Oncology LLP amounting to Rs. 2,022 lakhs, Divanchand Imaging LLP amounting to Rs. 90 lakhs and Apex HCG Oncology Hospitals LLP amounting to Rs. 977 lakhs respectively. Given the continued losses incurred and primarily due to weaker forecasts due to COVID-19, the recoverable amount of these investments (considering the future cash flows) were estimated to be lower than their carrying value, resulting into an impairment charge during the year ended 31 March 2020. This impairment charge has been disclosed as an exceptional item in the Statement.
6. The Code on Social Security 2020 ("Code"), which received the Presidential Assent on 28 September 2020, subsumes nine regulations relating to social security, retirement, and employee benefits. The effective date of the Code has not yet been notified and the related rules to ascertain the financial impact are yet to be framed and made available. In view of this, the impact of the changes on the financial results, if any, will be assessed and recognized post notification of the relevant rules.
7. In accordance with the terms of the shareholders' agreement dated 22 March 2013 ("SHA") entered amongst the Company, BACC HealthCare Private Limited ("BACC") and the minority shareholder in BACC, the Company would acquire the remaining 49.9% share capital of BACC from the minority shareholder. The consideration amounting to Rs. 6,833 lakhs including interest of Rs. 206 lakhs has been determined and agreed between both the parties, which would be settled in due course of time.
8. The Company has a single operating segment of 'setting up and managing hospitals and medical diagnostic services'.

B. S. Ajalkumar

Dr. B. S. Ajalkumar
Chairman and CEO

Mysuru, 12 November 2020



B S R & Co. LLP

Chartered Accountants

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

To
Board of Directors of HealthCare Global Enterprises Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of HealthCare Global Enterprises Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”), and its share of the net loss after tax and total comprehensive loss of its associate and a joint venture for the quarter ended 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Listing Regulations.
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

B S R & Co. LLP

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

4. The Statement includes the results of the following entities:

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

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

B S R & Co. LLP

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

6. We did not review the interim financial information/ financial results of four (4) subsidiaries and one (1) step-down subsidiary included in the Statement, whose interim financial information / financial results reflect total assets of Rs. 21,046 lakhs as at 30 September 2020 and total revenues of Rs. 1,931 lakhs and Rs. 3,008 lakhs, total net loss after tax of Rs. 989 lakhs and Rs. 2,017 lakhs and total comprehensive loss of Rs. 1,047 lakhs and Rs. 2,070 lakhs, for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020, respectively, and cash outflows (net) of Rs 1 lakh for the period from 1 April 2020 to 30 September 2020, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group’s share of net profit of Rs. 44 lakhs and net loss of Rs. 148 lakhs and total comprehensive income of Rs. 19 lakhs and total comprehensive loss Rs. 261 lakhs for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020, respectively, as considered in the Statement, in respect of an associate and a joint venture, whose interim financial information/ financial results have not been reviewed by us. These interim financial information/ financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, an associate and a joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

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

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Date: 2020.11.12
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Amit Somani
Partner

Membership No.060154
UDIN:20060154AAAIE6900

Place: Bengaluru
Date: 12 November 2020

HealthCare Global Enterprises Limited

CIN : L15200KA1998PLC023489

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

(Rs. in Lakhs except share data)

Sl. No.	Particulars	Quarter ended	Preceding quarter	Corresponding	Six months ended	Six months ended	Previous year
		30 September 2020	ended 30 June 2020	quarter ended 30 September 2019	30 September 2020	30 September 2019	ended 31 March 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	24,686	19,235	27,777	43,921	54,587	109,234
	(b) Income from government grant	106	111	69	217	147	330
	(c) Other income	401	272	152	673	282	697
	Total Income	25,193	19,618	27,998	44,811	55,016	110,261
2	Expenses						
	(a) Purchases of medical and non-medical items	5,950	4,215	5,727	10,165	11,468	23,635
	(b) Changes in inventories	(137)	255	256	118	359	351
	(c) Employee benefits expense	4,908	4,188	5,259	9,096	10,392	20,803
	(d) Finance costs	2,716	3,739	3,455	6,455	6,574	13,765
	(e) Depreciation and amortisation expense	3,960	3,941	3,457	7,901	6,869	14,845
	(f) Medical consultancy charges	5,558	4,055	6,285	9,613	12,387	24,507
	(g) Other expenses	5,511	4,696	5,761	10,207	11,085	23,049
	Total expenses	28,466	25,089	30,200	53,555	59,134	120,955
3	Loss before share of profit/(loss) of an associate / joint venture and tax (1-2)	(3,273)	(5,471)	(2,202)	(8,744)	(4,118)	(10,694)
4	Share of profit/(loss) of an associate / joint venture	44	(192)	(489)	(148)	(856)	(1,232)
5	Loss before tax (3+4)	(3,229)	(5,663)	(2,691)	(8,892)	(4,974)	(11,926)
6	Tax expense						
	- Current tax	53	10	54	63	100	246
	- Deferred tax	(582)	(1,112)	(219)	(1,694)	(489)	373
	Total tax expense/(credit)	(529)	(1,102)	(165)	(1,631)	(389)	619
7	Loss for the period / year (5-6)	(2,700)	(4,561)	(2,526)	(7,261)	(4,585)	(12,545)
8	Other comprehensive income / (loss)						
	(i) Items that will not be reclassified subsequently to profit or loss						
	- Remeasurements of the defined benefit plans	-	-	-	-	-	(111)
	- Income tax effect on (i) above	-	-	-	-	-	40
	(ii) Items that will be reclassified to profit or loss						
	- Exchange differences on translation of financial statements of foreign operations	(84)	(83)	(18)	(167)	(95)	67
	- Effective portion of gain/ (loss) on hedging instruments in a cash flow hedge	158	72	(16)	230	84	80
	- Income tax effect on (ii) above	(55)	(25)	6	(80)	(29)	(28)
	Other comprehensive income / (loss) for the period / year, net of taxes	19	(36)	(28)	(17)	(40)	48
9	Total comprehensive loss for the period / year (7+8)	(2,681)	(4,597)	(2,554)	(7,278)	(4,625)	(12,497)
	Loss for the period / year attributable to:						
	Owners of the Company	(2,229)	(3,975)	(2,228)	(6,204)	(4,030)	(10,669)
	Non-controlling interests	(471)	(586)	(298)	(1,057)	(555)	(1,876)
	Other comprehensive income / (loss) for the period / year attributable to						
	Owners of the Company	19	(36)	(28)	(17)	(40)	51
	Non-controlling interests	-	-	-	-	-	(3)
	Total comprehensive loss for the period / year attributable to						
	Owners of the Company	(2,210)	(4,011)	(2,256)	(6,221)	(4,070)	(10,618)
	Non-controlling interests	(471)	(586)	(298)	(1,057)	(555)	(1,879)
10	Paid-up equity share capital (Face value of Rs. 10 each)	12,526	8,869	8,864	12,526	8,864	8,869
11	Reserves i.e. 'Other equity'						29,256
12	Loss per share (face value of Rs. 10 each)	Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	Annualised
	(a) Basic	(1.94)	(4.48)	(2.51)	(6.09)	(4.56)	(12.05)
	(b) Diluted	(1.94)	(4.48)	(2.51)	(6.09)	(4.56)	(12.05)
	See accompanying notes to the Consolidated Financial Results						



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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

CONSOLIDATED BALANCE SHEET

(Rs in Lakhs)

Particulars	As at	
	30 September 2020	31 March 2020
	Unaudited	Audited
A ASSETS		
I Non-current assets		
(i) Property, plant and equipment	88,552	92,711
(b) Capital work in progress	5,571	4,609
(c) Right-of-use assets	55,316	57,762
(d) Goodwill	10,934	10,934
(e) Other intangible assets	2,620	3,201
(f) Investment in equity accounted investee	2,361	2,676
(g) Financial assets		
(i) Investments	737	735
(ii) Loans receivable	5,194	5,159
(iii) Other financial assets	15,644	2,222
(h) Deferred tax assets (net)	4,205	2,614
(i) Income tax assets (net)	6,626	8,178
(j) Other non-current assets	3,935	4,137
Total non current assets	201,695	194,938
II Current assets		
(a) Inventories	2,208	2,326
(b) Financial assets		
(i) Trade receivables	18,234	18,566
(ii) Cash and cash equivalents	11,261	3,175
(iii) Bank balance other than cash and cash equivalents above	1,059	27
(iv) Loans receivable	628	544
(v) Other financial assets	3,134	2,746
(c) Other current assets	2,734	2,995
Total current assets	39,258	30,379
Total assets	240,953	225,317
B EQUITY AND LIABILITIES		
I Equity		
(a) Equity share capital	12,526	8,869
(b) Other equity	69,218	29,256
Equity attributable to equity holders of the Company	81,744	38,125
Non-controlling interests	2,892	3,851
Total equity	84,636	41,976
II Liabilities		
1 Non-current liabilities		
(a) Financials Liabilities		
(i) Borrowings	34,009	52,961
(ii) Lease liabilities	60,627	60,917
(iii) Other financial liabilities	-	6,237
(b) Provisions	991	728
(c) Deferred tax liabilities (net)	675	698
(d) Other non-current liabilities	4,010	4,223
Total non-current liabilities	100,312	125,764
2 Current liabilities		
(a) Financials liabilities		
(i) Borrowings	8,608	9,366
(ii) Lease liabilities	2,104	2,150
(iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	1
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,177	15,356
(iv) Other financial liabilities (refer note 6)	27,480	26,536
(b) Other current liabilities	2,729	3,045
(c) Provisions	811	905
(d) Income tax liabilities (net)	96	218
Total current liabilities	56,005	57,577
Total equity and liabilities	240,953	225,317
See accompanying notes to the Consolidated Financial Results		



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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

Consolidated Cash Flow Statement

(Rs in Lakhs)

Particulars	For the six months ended 30 September 2020	For the six months ended 30 September 2019
	Unaudited	Unaudited
Cash flows from operating activities		
Loss before tax	(8,892)	(4,974)
Adjustments for:		
Finance costs	6,455	6,574
Gain on investment revalued at FVTPL	-	(6)
Gain on sale of mutual funds	-	(5)
Provision for bad and doubtful receivables	179	195
Interest income	(616)	(157)
Depreciation and amortisation expense	7,901	6,869
Income from government grant	(217)	(147)
Expenses on employee stock option scheme	120	145
Net foreign exchange loss/(gain)	15	(32)
Share of loss of equity accounted investees	148	856
Movements in working capital:		
Changes in trade receivables	138	(3,001)
Changes in inventories	118	359
Changes in loans, financial assets and other assets	320	(1,349)
Changes in trade payables, financial liabilities and other liabilities	(2,586)	1,333
Changes in provisions	171	121
Cash generated from operations	3,254	6,781
Income taxes paid (net of refunds)	1,625	(1,602)
Net cash generated from operating activities (A)	4,879	5,179
Cash flows from investing activities		
Margin money deposits, net	(2,401)	139
Fixed deposits, earmarked against credit facility	(13,050)	-
Proceeds from maturity of margin money deposits	557	-
Proceeds from disposal of property, plant and equipment	-	17
Acquisition of property, plant and equipment	(1,320)	(6,896)
Payment towards contingent consideration	(640)	-
Interest received	167	95
Proceeds from repayment of Inter-corporate deposits	25	-
Payment of share application money	(25)	-
Investment in other companies	-	(25)
Proceeds from sale of investment in mutual funds	-	350
Net cash used in investing activities (B)	(16,687)	(6,320)
Cash flows from financing activities		
Proceeds from issue of equity shares and warrants	51,934	2,027
Share issue expenses	(2,371)	-
Amount received from minority stakeholder in the subsidiaries	98	380
Repayment of loan from related parties	(109)	-
Proceeds from borrowings	1,240	3,198
Repayment of borrowings	(23,210)	(1,017)
Repayment of lease liability	(1,131)	(620)
Interest and other borrowing cost paid	(5,961)	(5,540)
Net cash generated from/ (used in) financing activities (C)	20,340	(1,572)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	8,532	(2,713)
Cash and cash equivalents at the beginning of the period	(5,879)	(2,912)
Cash and cash equivalents at the end of the period	2,653	(5,625)

Break up of cash and cash equivalents at the end of the period	As at 30 September 2020	As at 30 September 2019
	Cash in bank and balance in current account	3,065
Deposits with a original maturity less than 3 months	8,196	-
Less: Bank overdrafts repayable on demand (including accrued interest of Rs. 89 lakhs)	(8,608)	(7,428)
Cash and cash equivalents at the end of the period	2,653	(5,625)



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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

Notes:

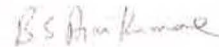
- 1 The statement of unaudited consolidated financial results ('the Statement') of HealthCare Global Enterprises Limited ('the Company'), its subsidiaries (collectively referred to as 'the Group'), its associate and its joint venture, for the quarter and six months ended 30 September 2020, has been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their meeting held on 12 November 2020. The Statement has been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules 2015, as amended and in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015.

The Statement has been subjected to limited review by the statutory auditors of the Company. The review report of the auditors is unqualified.
- 2 The COVID-19 pandemic has been rapidly spreading throughout the world, including India. Governments around the world have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities including travel. Consequently, the scale of operations has reduced significantly, inter-state and intra-state movement restrictions have impacted both the patient's footfall and the healthcare workers. As a result of the lockdown, the likely revenue from mid of March 2020 and onwards has been impacted. The pandemic is likely to impact the Group operationally including its new projects and IVF business.

The Group has incurred losses in the current period and as at the balance sheet date the Group's current liabilities exceeds its current assets. Management believes that it has taken into account the possible impacts of known events arising from COVID-19 pandemic in the preparation of the financial results including but not limited to its assessment of Group's liquidity and going concern and various estimates in relation to the financial results captions upto the date of adoption of Statement by the Board of Directors. During the current period, the Company has received Rs. 51,284 lakhs on issue of Equity shares and Warrants and the Company has prepared the financial results on Going concern basis (refer note 3a). Given the nature and duration of COVID-19, its impact on the financial results may differ from that estimated as at the date of approval of these financial results.
- 3 a) Pursuant to Investment Agreement ("Agreement") executed amongst the Company, Dr. B. S. Ajajkumar ("Promoter") and Accso Company Pte. Ltd., Singapore ("Investor") on 04 June 2020 and approval of the shareholders of the Company received on 13 June 2020, preferential allotment of 29,516,260 Equity shares of the face value of Rs. 10 each, at a premium of Rs. 120 each (aggregating to Rs. 130 per equity share) and 18,560,663 Warrants, with a right to apply for and be allotted one equity share of the face value of Rs. 10 each at a premium of Rs. 120 each (aggregating to Rs. 130 per Warrant) were made to the Investor on 28 July 2020. The total consideration on issue of Equity shares and exercise of all Warrants aggregates to Rs. 62,500 lakhs.
As required under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"), Investor has remitted an amount Rs. 51,284 lakhs towards allotment of 29,516,260 equity shares at Rs. 130 per share (Rs. 38,371 lakhs), 100% consideration for allotment and subsequent exercise of 7,057,195 warrants at Rs. 130 per warrant (Rs. 9,174 lakhs) and 25% of the consideration for remaining 11,503,468 warrants at Rs. 130 per warrant (Rs. 3,739 lakhs). The remaining 75% of the consideration i.e. Rs. 11,216 lakhs shall be payable by the Investor on the exercise of the Warrant(s), in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of the warrants.

b) Pursuant to the preferential allotment of Equity shares and Warrants to the Investor on 28 July 2020, mentioned above in note 3(a), ICDR Regulations required "open offer" by the Investor to public shareholders of the Company. The Open Offer was also completed during the current quarter wherein JM Financial Limited, Manager to the Open Offer, had announced an open offer for the acquisition of up to 32,613,192 fully paid-up equity shares of face value of Rs. 10 each ("Equity Shares") from the Public Shareholders of the Company, representing 26% of the Expanded Voting Share Capital, at a price of Rs. 130/- per Equity Share aggregating to total consideration of Rs. 42,397 lakhs payable in cash. An aggregate of 26,048,478 equity shares were tendered and accepted in the Open offer.
- 4 Pursuant to the shareholders approval received on 13 June 2020, preferential allotment of 2,000,000 Series B Warrants, with a right to apply for and be allotted 1 Equity Share of the face value of Rs. 10 each of the Company, at a premium of Rs. 120 for each series B Warrant (aggregating to Rs. 130 per warrant), were made to Promoter during the period under review.
As required under the provisions of the ICDR Regulations, Promoter has remitted an amount equivalent to 25% of the Consideration i.e. Rs. 650 lakhs on issue of series B Warrant and the remaining 75% of the consideration i.e. Rs. 1,950 lakhs shall be payable by him on the exercise of the Series B Warrant(s), in one or more tranches, within a period of 18 (Eighteen) months from the date of allotment of the Series B Warrants.
- 5 The Code on Social Security 2020 ("Code"), which received the Presidential Assent on 28 September 2020, subsumes nine regulations relating to social security, retirement, and employee benefits. The effective date of the Code has not yet been notified and the related rules to ascertain the financial impact are yet to be framed and made available. In view of this, the impact of the changes on the financial results, if any, will be assessed and recognized post notification of the relevant rules.
- 6 In accordance with the terms of the shareholders' agreement dated 22 March 2013 ("SHA") entered amongst the Company, BACC HealthCare Private Limited ("BACC") and the minority shareholder in BACC, the Company would acquire the remaining 49.99% share capital of BACC from the minority shareholder. The consideration amounting to Rs. 6,833 lakhs including interest of Rs. 206 lakhs has been determined and agreed between both the parties, which would be settled in due course of time.
- 7 The Group has a single operating segment of 'setting up and managing hospitals and medical diagnostic services'.

For and on behalf of the Board of Directors



Dr. B. S. Ajajkumar
Chairman and CEO

Mysuru, 12 November 2020

