



August 20, 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 August 20, 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, August 20, 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 ended June 30, 2020;
2. Appointment of Mr. Abhay Prabhakar Havaldar (DIN: 00118280) as Additional Director (Independent Director) on the Board of Company, for a term of 4 years with effect from August 20, 2020, subject to approval of the shareholders. He shall not be liable to retire by rotation.

Mr. Abhay Prabhakar Havaldar is not debarred from holding the office of a Director by virtue of any SEBI order or any other authority.

Profile of Abhay Prabhakar Havaldar

Mr. Abhay Prabhakar Havaldar holds a Bachelor’s degree in Electrical Engineering from the 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. He 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.”

Mr. Abhay Prabhakar Havaldar is not related to any of the Directors/KMPs of the Company.

HealthCare Global Enterprises Limited

HCG Tower, # 8, P Kalinga Rao Road, Sampangi Rama Nagar, Bangalore - 560027.

080 33669999 | info@hcgoncology.com | www.hcgoncology.com | CIN : L15200KA1998PLC023489

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 ended June 30, 2020;
2. Limited Review Report of the Statutory Auditors on the Standalone and Consolidated Financial Results for the quarter ended June 30, 2020.

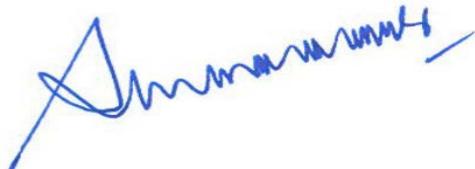
The results are also being uploaded on the Company's website at www.hcgel.com.

The Meeting of the Board concluded at 4.30 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.

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BSR & Co. LLP

Chartered Accountants

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Bengaluru 560 071 India

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Limited review report on unaudited quarterly consolidated financial results of HealthCare Global Enterprises Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“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 income of its associate and a joint venture for the quarter ended 30 June 2020 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('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.

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

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

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

5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. 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 7 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.

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

7. We did not review the financial information / financial results of four (4) subsidiaries and one (1) step down subsidiary included in the Statement, whose financial information / financial results reflect total revenues of Rs 1,077 lakhs, total net loss after tax of Rs 1,028 lakhs and total comprehensive loss of Rs 1,024 lakhs, for the quarter ended 30 June 2020, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group’s share of net loss of Rs. 192 lakhs and total comprehensive loss of Rs. 280 lakhs for the quarter ended 30 June 2020, as considered in the Statement, in respect of an associate and a joint venture, whose financial information/ financial results have not been reviewed by us. These 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 matters.

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



Amit Somani
Partner

Membership No. 060154
UDIN: 20060154AAAAHD3020

Place: Bengaluru
Date: 20 August 2020

HealthCare Global Enterprises Limited
CIN : L15200KA1998PLC023489
Regd. Office: HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Reva 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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020

Sl. No.	Particulars	Quarter ended 30 June 2020	Preceding quarter ended 31 March 2020	Corresponding quarter ended in the previous year 30 June 2019	Previous year ended 31 March 2020
		Unaudited	(Refer note 2)	Unaudited	Audited
1	Income (a) Revenue from operations (b) Income from government grant (c) Other income Total income	19,235 111 272 19,618	26,950 87 169 27,206	26,810 78 130 27,618	109,234 330 697 110,261
2	Expenses (a) Purchases of medical and non-medical items (b) Changes in inventories (c) Employee benefits expense (d) Finance costs (e) Depreciation and amortisation expense (f) Medical consultancy charges (g) Other expenses Total expenses	4,215 255 4,188 3,739 3,941 4,055 4,696 25,089	6,097 (23) 5,162 3,580 4,206 5,948 6,250 31,220	5,741 103 5,133 3,119 3,412 6,102 5,324 28,934	23,635 351 20,803 13,765 14,845 24,507 23,049 120,955
3	Loss before share of loss of an associate / joint venture and tax (1-2)	(5,471)	(4,014)	(1,916)	(10,694)
4	Share of loss of an associate / joint venture	(192)	(154)	(367)	(1,232)
5	Loss before tax (3+4)	(5,663)	(4,168)	(2,283)	(11,926)
6	Tax expense - Current tax - Deferred tax	10 (1,112)	86 790 (1,102)	46 (270) 876 (224)	246 373 619
7	Loss for the period / year (5-6)	(4,561)	(5,044)	(2,059)	(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 - Income tax effect on (i) above (ii) Items that will be reclassified to profit or loss - Exchange differences on translation of financial statements of foreign operations - Effective portion of gain/ (loss) on hedging instruments in a cash flow hedge - Income tax effect on (ii) above Other comprehensive income / (loss) for the period / year, net of taxes	- - - - - - - - (4,597)	(111) 40 (31) 72 (25) (36) (37) (5,081)	- - (77) 100 (35) (12) 48 (2,071)	(111) 40 67 80 (28) 48 (12,497)
9	Total comprehensive loss for the period / year (7+8)				
	Loss for the period / year attributable to: Owners of the Company Non-controlling interests	(3,975) (586)	(4,358) (686)	(1,802) (257)	(10,669) (1,876)
	Other comprehensive income / (loss) for the period / year attributable to Owners of the Company Non-controlling interests	(36) +	(34) (3)	(12) +	51 (3)
	Total comprehensive loss for the period / year attributable to Owners of the Company Non-controlling interests	(4,011) (586)	(4,392) (689)	(1,814) (257)	(10,618) (1,879)
10	Paid-up equity share capital (Face value of Rs. 10 each)	8,869	8,869	8,863	8,869
11	Reserves, i.e., 'Other equity'				29,256
12	Loss per share (face value of Rs. 10 each) (a) Basic (b) Diluted See accompanying notes to the Consolidated Financial Results	Not annualised (4.48) (4.48)	Not annualised (4.91) (4.91)	Not annualised (2.05) (2.05)	Annualised (12.05) (12.05)



HealthCare Global Enterprises Limited

CIN : L15200KA1998PLC023489

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 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 ended 30 June 2020, has been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their meeting held on 20 August 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 Standards) Rules 2013, 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 figures for preceding quarter ended 31 March 2020 are the balancing figures between audited figures in respect of the full previous financial year and the published unaudited year to date figures upto the end of the third quarter of the previous financial year, which were subject to limited review by the statutory auditor of the Company.

3. 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. Continued lockdowns are likely to impact the Company operationally including its new projects and IVF business.

The Group has incurred losses in the current period. 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. Subsequent to the reporting 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 4(a)). 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.

4. Subsequent events

a) Pursuant to Investment Agreement ("Agreement") executed amongst the Company, Dr. B. S. Ajinkumar ("Promoter") and Aceso Company Pte. Ltd., Singapore ("Investor") on 04 June 2020 and approval of the shareholders of the Company received on 13 June 2020, preferential allotment of 29,516,260 Equity shares of the face value of 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. 51,784 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 4(a), ICDR Regulations requires "open offer" by the Investor to public shareholders of the Company.

JM Financial Limited, Manager to the Open Offer, has 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, and in this regard they have filed offer letter with Securities and Exchange Board of India.

5. 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 quarter ended 30 June 2020. 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.

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 shall acquire the remaining 49.9% share capital of BACC from the minority shareholder as per the SHA. The consideration has been determined as per the terms of the SHA and will be settled within the period as mutually agreed between the Company and the minority shareholder.

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. Ajinkumar
Chairman and CEO

Mysuru, 20 August 2020



B S R & Co. LLP

Chartered Accountants

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Bengaluru 560 071 India

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Limited review report on unaudited quarterly standalone financial results of HealthCare Global Enterprises Limited pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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 June 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. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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

Partner

Membership No.060154
UDIN: 20060154AAAAHC9919

Place: Bengaluru
Date: 20 August 2020

HealthCare Global Enterprises Limited

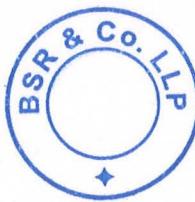
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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020

(Rs. in Lakhs except share data)

SL No.	Particulars	Quarter ended 30 June 2020	Preceding quarter ended 31 March 2020	Corresponding quarter ended in the previous year 30 June 2019	Previous year ended 31 March 2020
		Unaudited	(Refer note 2)	Unaudited	Audited
1	Income				
	(a) Revenue from operations	12,139	17,164	17,061	68,833
	(b) Income from government grant	51	35	28	124
	(c) Other income	341	292	245	1,086
	Total income	12,531	17,491	17,334	70,043
2	Expenses				
	(a) Purchases of medical and non-medical items	2,709	3,748	3,615	14,275
	(b) Changes in inventories	52	(10)	115	382
	(c) Employee benefits expense	2,906	3,603	3,330	14,269
	(d) Finance costs	2,299	2,179	1,879	8,299
	(e) Depreciation and amortisation expense	2,185	2,259	1,772	7,941
	(f) Medical consultancy charges	2,142	3,322	3,325	13,377
	(g) Other expenses	3,071	4,250	3,439	14,957
	Total expenses	15,364	19,351	17,675	73,500
3	Loss before exceptional item and tax (1-2)	(2,833)	(1,860)	(341)	(3,457)
4	Exceptional item (refer note 6)	-	3,089	-	3,089
5	Loss before tax (3-4)	(2,833)	(4,949)	(341)	(6,546)
6	Tax expense				
	- Current tax	-	-	-	-
	- Deferred tax	(960)	(594)	(140)	(1,216)
	Total taxes (credit)	(960)	(594)	(140)	(1,216)
7	Loss for the period / year (5-6)	(1,873)	(4,355)	(201)	(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)	-	(88)
	- Income tax effect on (i) above	-	31	-	31
	(ii) Items that will be reclassified to profit or loss				
	- Effective portion of gain/ (loss) on hedging instruments in a cash flow hedge	72	4	100	80
	- Income tax effect on (ii) above	(25)	(1)	(35)	(28)
	Other comprehensive income / (loss) for the period / year, net of tax	47	(54)	65	(5)
9	Total comprehensive loss for the period / year (7+8)	(1,826)	(4,409)	(136)	(5,335)
10	Paid-up equity share capital (Face value of Rs. 10 each)	8,869	8,869	8,863	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	Annualised
	(a) Basic	(2.11)	(4.91)	(0.23)	(6.02)
	(b) Diluted	(2.11)	(4.91)	(0.23)	(6.02)
	See accompanying notes to the Standalone Financial Results				



<p>HealthCare Global Enterprises Limited CIN : L15200KA1998PLC023489 Regd. Office: HCG Tower, No. 8, P Kalinga Rao Road, Sampangi Ruwa Nagar, Bengaluru 560 027, Karnataka, India Corp. Office: Tower Block, Unity Building Complex, No. 3, Mission Road, Bengaluru 560 027, Karnataka, India</p> <p>STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2020</p>
<p>Notes:</p> <p>1. The statement of unaudited standalone financial results ('the Statement') of HealthCare Global Enterprises Limited ('the Company') for the quarter ended 30 June 2020, has been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their meeting held on 20 August 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.</p> <p>The Statement has been subjected to limited review by the statutory auditors of the Company. The review report of the auditors is unqualified.</p> <p>2. The figures for preceding quarter ended 31 March 2020 are the balancing figures between audited figures in respect of the full previous financial year and the published unaudited year to date figures upto the end of the third quarter of the previous financial year, which were subject to limited review by the statutory auditor of the Company.</p> <p>3. 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. Continued lockdowns are likely to impact the Company operationally including its new projects.</p> <p>The Company has incurred losses in the current period. 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 captions upto the date of adoption of Statement by the Board of Directors. Subsequent to the reporting 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 4a). 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.</p> <p>4. Subsequent events</p> <p>a) Pursuant to Investment Agreement ("Agreement") executed amongst the Company, Dr. B. S. Ajai Kumar ("Promoter") and Acceso 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 18,601,663 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. 31,284 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.</p> <p>b) Pursuant to the preferential allotment of Equity shares and Warrants to the Investor on 28 July 2020, mentioned above in note 4 (a), ICDR Regulations requires "open offer" by the Investor to public shareholders of the Company.</p> <p>JM Financial Limited, Manager to the Open Offer, has 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, and in this regard they have filed offer letter with Securities and Exchange Board of India.</p> <p>5. 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 quarter ended 30 June 2020. As required under the provisions of the ICDR Regulations, Promotor 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.</p> <p>6. During the year and quarter 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 NCHRI 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 quarter and year ended 31 March 2020. This impairment charge has been disclosed as an exceptional item in the Statement.</p> <p>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 BACC, the Company shall acquire the remaining 49.9% share capital of BACC from the minority shareholder as per the SHA. The consideration has been determined as per the terms of the SHA and will be settled within the period as mutually agreed between the Company and the minority shareholder.</p> <p>8. The Company has a single operating segment of 'setting up and managing hospitals and medical diagnostic services'.</p>
<p><i>B. S. Ajai Kumar</i></p> <p>Dr. B. S. Ajai Kumar Chairman and CEO</p>
<p>Mysuru, 20 August 2020</p>

