



April 23, 2021

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 : Postal Ballot Notice (only through the e-voting process) for seeking members' approval for agenda included therein.

Stock Code : BSE – 539787, NSE – HCG

With reference to the above subject, we would like to inform you that pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, General Circular No. 14/ 2020 dated April 8, 2020, General Circular No. 17/ 2020 dated April 13, 2020 and General Circular No. 39/2020 dated December 13, 2020 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 (“MCA Circulars”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), the approval of members of the Company is being sought for the following resolutions, by way of Postal Ballot (only through the e-voting process):

| Sl. No. | Description of resolution |
|---------|--|
| 1. | Approval of HCG Employee Stock Option Scheme – 2021. |
| 2. | Approval of grant of stock options to the employees of holding company and subsidiary company (ies) under HCG Employee Stock Option Scheme – 2021. |
| 3. | 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. |
| 4. | Appointment of Ms. Anjali Ajaikumar Rossi (DIN: 08057112) as Executive Director - Strategy of the Company. |

Pursuant to Regulation 30 of SEBI LODR Regulations and other applicable provisions, please find enclosed the Postal Ballot Notice dated April 22, 2021 (“Postal Ballot Notice”) along with the Explanatory Statement. The same is being made available on the Company’s website www.hcgel.com.



In terms of the MCA Circulars, the Company will send the Postal Ballot Notice in electronic form only to the members of the Company as on April 16, 2021, being the cut-off date. The hard copy of the Postal Ballot Notice along with postal ballot forms and pre-paid business reply envelope will not be sent to the members for the postal ballot, in accordance with the requirements specified under the MCA Circulars.

The remote e-voting period will commence on April 24, 2021 (9:00 a.m. onwards) and end on May 23, 2021 (5:00 p.m.). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on Apr 16, 2021, may cast their vote electronically. The remote e-voting module shall be disabled by KFin Technologies Private Limited, Registrar and Share Transfer Agents, for voting thereafter. The results of the voting conducted through postal ballot (through the remote e-voting process) will be announced by the Chairman/Company Secretary of the Company on or before May 25, 2021.

Members who have not submitted their e-mail IDs, are requested to submit their e-mail IDs with KFin Technologies Private Limited or the Company by following the procedure provided in the Postal Ballot Notice, in respect of both physical and electronic holdings.

Kindly take the intimation on record.

Thanking you,

For **HealthCare Global Enterprises Limited**

A handwritten signature in blue ink, appearing to read 'Sunu Manuel'.

Sunu Manuel
Company Secretary & Compliance Officer



HealthCare Global Enterprises Limited

CIN: L15200KAT998PLC023489

Registered Office: HCG Towers, No. 8, P Kalinga Rao Road, Sampangi Rama Nagar,
Bengaluru - 560 027, Karnataka, India

Corporate Office: No. 3, Ground Floor, Tower Block, Unity Buildings Complex, Mission Road,
Bengaluru - 560027 Karnataka, India, **Website:** www.hcgel.com **E-mail:** investors@hcgel.com
Telephone: +91-80-4020 6000

NOTICE OF POSTAL BALLOT

Dear Shareholders,

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (**the "Act"**), read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force, and as amended from time to time) read with the General Circular No. 14/ 2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 39/2020 dated December 13, 2020, 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 (the "MCA Circulars") and pursuant to other applicable laws and regulations, that the resolutions appended below are proposed for approval of the shareholders of HealthCare Global Enterprises Limited (**"the Company"**) through postal ballot (**"Postal Ballot"**) and electronic voting (**"e-voting"**).

The explanatory statement pursuant to Sections 102, 108, 110, rules made thereunder, the MCA Circulars and other applicable provisions, if any, of the Act pertaining to the aforesaid resolution setting out the material facts concerning the resolutions and the reasons thereof is annexed hereto for your consideration.

The Board of Directors of the Company, on February 11, 2021, has appointed Mr. V. Sreedharan, and in his absence Mr. Pradeep B. Kulkarni / Ms. Devika Sathyanarayana, Partners of V. Sreedharan & Associates, Practicing Company Secretaries, Bengaluru as the Scrutinizer for conducting the Postal Ballot by remote e-voting process in a fair and transparent manner.

Due to difficulty in dispatch of Postal Ballot notice, Postal Ballot form / self-addressed envelope etc., by post or courier, on account of threat posed by COVID-19 pandemic situation and the relaxation provided to the Companies in this regard vide the circulars referred to above, the Company is sending the Postal Ballot Notice in electronic form only.

In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules and the MCA Circulars, the Company has extended only the remote e-voting facility for its Members, to enable them to cast their votes electronically instead of submitting the Postal Ballot Form. The instructions for remote e-voting are appended to this Postal Ballot Notice.

The Company is providing remote e-voting facility to its Members for voting on the resolutions contained in this Postal Ballot Notice. The Members can vote on such resolutions through remote e-voting facility only. Assent or dissent of the Members on the resolutions mentioned in Postal Ballot Notice would only be taken through the remote e-voting system as per the MCA Circulars.

Shareholders have been provided with remote e-voting facilities arranged by the Company and are requested to read the instructions in the Notes under the section "General information and instruction relating to e-voting". References to postal ballot(s) in this postal ballot notice ("Postal Ballot Notice") is votes received electronically. The Scrutinizer will submit his report to the Chairman or the Company Secretary of the Company after completion of scrutiny of the postal ballots (including e-voting). The results shall be declared on or before May 25, 2021 at 17:00 Hours (IST) and communicated to BSE Limited ("BSE"), and National Stock Exchange of India Limited ("NSE") (together the "Stock Exchanges"), National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") (together the "Depositories"), KFin Technologies Private Limited ("KTPL" or "Registrar and Share Transfer Agents") and would also be displayed on the Company's website www.hcgel.com.

SPECIAL BUSINESS: ITEM NO. 1

To consider, and if thought fit, to pass the following resolution, as Special Resolution for approval of HCG Employee Stock Option Scheme – 2021.

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any amendment thereto or re-enactment thereof), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**"SEBI (SBEB) Regulations"**), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI (LODR) Regulations"**), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the Members of the

Company be and is hereby accorded for the approval of HCG Employee Stock Option Scheme – 2021 (“**HCG ESOS 2021**” or “**ESOP Scheme**”) and the Board of Directors of the Company (hereinafter referred to as the “**Board of Directors**” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee (“**NRC**” or “**the Committee**”), which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorised to create, grant, offer, issue and allot under the ESOP Scheme, in one or more tranches, a maximum of 62,67,000 (Sixty-Two Lakh Sixty-Seven Thousand Only) Employee Stock Options (“**Options**”) (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to such Employee(s) who are in permanent employment whether working in India or out of India, and to the Directors whether a Whole Time Director or not but excluding Independent Director and Non-Executive Director, of the Company, its Holding Company and its Subsidiary Company(ies) but excluding an Employee who is a Promoter or a person belonging to the Promoter Group; or a Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company, and to such other persons as may from time to time be allowed to be eligible for the benefits of the ESOP Scheme under applicable laws and regulations prevailing from time to time (“**Employees**”), exercisable into 62,67,000 (Sixty-Two Lakh Sixty-Seven Thousand Only) Equity Shares of face value INR 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time), on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the ESOP Scheme.

RESOLVED FURTHER THAT the ESOP Scheme shall be administered by the Nomination and Remuneration Committee of the Company who shall have all necessary powers as defined in the ESOP Scheme and is hereby designated as the Compensation Committee in pursuance of the SEBI (SBEB) Regulations for the purpose of administration and superintendence of the ESOP Scheme.

RESOLVED FURTHER THAT the new Equity Shares (if any) to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, regarding creation, offer, issue, allotment and listing of such shares, the Board be and is hereby authorized to evolve, decide upon and bring into effect the ESOP Scheme and to make any modifications, changes, variation, alteration or revisions in it or to suspend, withdraw or revive the same from time to time in accordance with applicable laws and/or as may be specified by any appropriate authority and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary, desirable, usual or proper in relation thereto with the liberty to the Board on behalf of the Company to settle any question, difficulties or doubts whatsoever may arise with regard to such creation, offer, issue and allotment of shares without requiring the Board to secure any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger, restructuring or such other similar event, the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary and which are within the provisions of the applicable laws & regulations, so as to ensure that fair and equitable benefits under HCG ESOS 2021 are passed on to the Employees.

RESOLVED FURTHER THAT the Company shall not make further stock option grants under HCG Employee Stock Option Scheme 2014 (HCG ESOS 2014), the existing scheme from the date HCG ESOS 2021 becoming effective; however, all the employee stock options already granted under HCG ESOS 2014 till date shall be vested and exercised as per HCG ESOS 2014.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the shares allotted under HCG ESOS 2021 on the Stock Exchanges as per the provisions of SEBI LODR Regulations, SEBI Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors, or any Director(s) or any Officer(s) of the Company.”

SPECIAL BUSINESS: ITEM NO. 2

To consider and, if thought fit, to pass the following resolution, as Special Resolution, for approval of grant of stock options to the employees of holding company and subsidiary company (ies) under HCG Employee Stock Option Scheme – 2021:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment thereto or re-enactment thereof), Regulation 6(3)(c) and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“**SEBI (SBEB) Regulations**”), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI (LODR) Regulations**”), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject further to such other approval(s), permission(s) and sanction(s) as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the Members of the Company be and is hereby accorded to extend the benefits of HCG Employee Stock Option Scheme – 2021 (“**HCG ESOS 2021**” or “**ESOP Scheme**”) including the grant of Employee Stock Options (“**Options**”) and issuance of Equity Shares thereunder, to such Employee(s) who are in permanent employment whether working in India or out of India, and to the Directors whether a Whole Time Director or not but excluding Independent Director and Non-Executive Director, of the Holding Company and Subsidiary Company(ies) but excluding an Employee who is a Promoter or a person belonging to

the Promoter Group; or a Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company and to such other persons as may from time to time be allowed to be eligible for the benefits of the ESOP Scheme under applicable laws and regulations prevailing from time to time ("**Employees**"), on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the ESOP Scheme.

RESOLVED FURTHER THAT the new Equity Shares (if any) to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary for the effective implementation and administration of the ESOP Scheme and to make applications to the appropriate authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution."

SPECIAL BUSINESS: ITEM NO. 3

To consider and, if thought fit, to pass, the following Resolution as a Special Resolution for amending 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.

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V, Chapter XIII, other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof), Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to such other necessary approval(s), consent(s) or permission(s), as may be required; and in accordance with the provisions of Articles of Association of the Company and the recommendation of the Nomination and Remuneration Committee and the approval of Board of Directors, the consent of the Members of the Company be and is hereby accorded to designate Dr. B.S. Ajaikumar (DIN: 00713779), Whole-time Director and Chairman of the Board, as Executive Chairman, effective from February 01, 2021, continue the term of office as Executive Chairman for a period till June 30, 2023, as he would attain the age of 70 years during this term; and vary the terms and conditions of the employment, including the remuneration of Dr. B.S. Ajaikumar as Executive Chairman, effective from February 01, 2021 for a period till June 30, 2023, the details of which are as under:

- (i) Fixed remuneration (Cost to Company) of INR 2,09,00,000 (Indian Rupees Two Crore and Nine Lakh only) per annum.
- (ii) Variable remuneration: Additional variable compensation of INR 50,00,000 (Indian Rupees Fifty Lakh only) per quarter at the end of the quarter, if and only if, in respect of each such quarter, the EBITDA (as defined in the Investment Agreement dated June 04, 2020, however excluding EBITDA from inorganic acquisitions done subsequent to September 30, 2020) for the immediately trailing four (4) quarters ("L4Q") is above INR 175 crore (Indian Rupees One Hundred and Seventy-Five Crore only). For example, in respect of the quarter between January 1, 2021 and March 31, 2021, if the EBITDA for the immediately preceding L4Q (i.e. without any catch up) is below INR 175 crore, then no such additional variable compensation shall be payable. The L4Q check will happen at the end of each quarter and payment would be made for that quarter alone without any catch up for prior quarters.

RESOLVED FURTHER THAT the remuneration, subject to the aforesaid approvals, shall be effective till June 30, 2023 or such other earlier date where a resolution is passed by the Board of Directors altering or varying the remuneration; and that the Board of Directors (hereinafter referred to as "**Board**" which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) be and is hereby authorized to alter and vary the said remuneration in such form and manner or with such modifications as the Board of Directors may deem appropriate, provided that such variation or alteration, as the case may be, is within the overall limits as set out in the resolution, or as specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other relevant provisions of the Companies Act, 2013 and/or as approved by such other competent authority, as applicable.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee and the Board of Directors of the Company be and are hereby authorized to decide and finalize the quantum of Variable Remuneration payable to Dr. B. S. Ajaikumar, Executive Chairman of the Company, from time to time, and to decide upon, revise and lay down new milestones/performance matrix for Dr. B. S. Ajaikumar from time to time.

RESOLVED FURTHER THAT pursuant to Schedule V of the Act and other applicable provisions of the said Act, if any, and subject to such approvals as may be necessary, the Company may pay the remuneration specified supra to Dr. B. S. Ajaikumar, Executive Chairman of the Company, as minimum remuneration in case the Company has no profits or its profits are inadequate during any of the financial years of the period mentioned hereinabove.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be required in this regard, and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions."

SPECIAL BUSINESS: ITEM NO. 4

To consider and, if thought fit, to pass, the following Resolution as a Special Resolution for the appointment of Ms. Anjali Ajaikumar Rossi (DIN: 08057112) as Executive Director - Strategy of the Company.

"RESOLVED THAT in accordance with the provisions of Sections 161, 196, 197, 198, Schedule V, Chapter VIII and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment/modification thereof), Articles of Association of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee, and the approval of Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to appoint Ms. Anjali Ajaikumar Rossi (DIN: 08057112), as a Whole-time Director, designated as Executive Director – Strategy of the Company, effective from April 01, 2021, for a period of 2 years, liable to retire by rotation, for a remuneration of INR 80 Lakh per annum, the details of which are set out below:

- (i) Fixed remuneration (Cost To Company) of INR 72 Lakh (Rupees Seventy-Two Lakh only) per annum; and
- (ii) Variable remuneration of INR 8 Lakh (Rupees Eight Lakh only) per annum, based on the quantitative and qualitative parameters decided by the Nomination and Remuneration Committee of the Board and the Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT the remuneration, subject to the aforesaid approvals, shall be effective for the term of appointment or such other period where a resolution is passed by the Board of Directors altering or varying the remuneration; and that the Board of Directors (hereinafter referred to as **"Board"** which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) be and is hereby authorized to alter and vary the said remuneration in such form and manner or with such modifications as the Board of Directors may deem appropriate, provided that such variation or alteration, as the case may be, is within the overall limits as set out in the resolution, or as specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other relevant provisions of the Companies Act, 2013 and/or as approved by such other competent authority, as applicable.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee and the Board of Directors of the Company be and are hereby authorized to decide and finalize the quantum of Variable Remuneration payable to Ms. Anjali Ajaikumar Rossi, Executive Director - Strategy of the Company, from time to time.

RESOLVED FURTHER THAT pursuant to Schedule V of the Act and other applicable provisions of the said Act, if any, and subject to such approvals as may be necessary, the Company may pay the remuneration specified supra to Ms. Anjali Ajaikumar Rossi, Executive Director - Strategy of the Company, as minimum remuneration in case the Company has no profits or its profits are inadequate during any of the financial years of the period mentioned hereinabove.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, agreements, instruments and writings as may be required in this regard, and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions."

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

Sd/-
**Sunu Manuel
Company Secretary**

Place: Bengaluru
Date: April 22, 2021

NOTES:

1. The explanatory statement pursuant to Sections 102 and 110 of the Act stating all material facts and the reasons for the proposal is annexed herewith. It also contains all the disclosures as specified in the Act, SEBI LODR Regulations and MCA Circulars.
2. The Postal Ballot Notice is being sent to all the Members of the Company whose names appear on the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"), (NSDL together with CDSL, the "Depositories") and is available with the Company as on April 16, 2021. A copy of this Postal Ballot Notice will also be available on the website of the Company (www.hcgel.com), the relevant section of the websites of the Stock Exchanges on which the Equity Shares of the Company are listed and the website of KFin Technologies Private Limited (<https://evoting.kfintech.com>).
3. Voting rights shall be reckoned on the paid-up value of equity shares registered in the name of the shareholders as on April 16, 2021. A person who is not a shareholder on this date should treat this notice for information purpose only.
4. Due to difficulty in dispatch of physical notice / postal ballot form / self-addressed envelope etc., by post or courier, on account of threat posed by COVID-19 pandemic situation and the relaxation provided to the Companies in this regard, the Company is sending Postal Ballot Notice in electronic form only and express its inability to dispatch hard copy of Postal Ballot Notice along with postal ballot form and pre-paid business reply envelope to the shareholders for this Postal Ballot. To facilitate such shareholders to receive this notice electronically and cast their vote electronically, the Company has made special arrangement with its Registrar & Share Transfer Agent for registration of email addresses in terms of the MCA Circulars. The process for registration of email addresses is as under:
 - (a) Pursuant to MCA Circulars, for remote e-voting for this Postal Ballot, shareholders who have not registered their email address and in consequence the e-voting notice could not be serviced may temporarily get their email address registered with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: <https://karisma.kfintech.com/emailreg>. Shareholders may also visit the website of the Company at <https://hcgel/investors> and Click on the "Postal ballot-email registration" and follow the registration process as guided thereafter. Post successful registration of the email, the shareholder would get soft copy of the notice and the procedure for e-voting along with the User ID and Password to enable e-voting for this Postal Ballot. In case of any queries, shareholder may write to einward.ris@kfintech.com.
 - (b) It is clarified that for permanent registration of email address, shareholders are requested to register their email addresses, in respect of electronic holdings with their concerned Depository Participants and in respect of physical holdings, with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, Selenium, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, India by following due procedure.
 - (c) Those shareholders who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants / the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited to enable servicing of notices / documents / Annual Reports electronically to their email address.
5. On account of the threat posed by COVID-19 and in terms of the MCA Circulars, the Company will send this Postal Ballot Notice in electronic form only. The hard copy of this Postal Ballot Notice along with postal ballot forms and pre-paid business envelope will not be sent to the members for the Postal Ballot in accordance with the requirements specified under the MCA Circulars. Accordingly, the communication of the assent or dissent of the members would take place through the remote e-voting system only.
6. Resolution passed by the shareholders through Postal Ballot are deemed to have been passed as if they have been passed at a General Meeting of the shareholders.
7. In compliance with Sections 108 and 110 of the Act and the Rules made there under and Regulation 44 of SEBI LODR Regulations, the Company has provided the facility to the shareholders to exercise their votes electronically and vote on the resolutions through the e-voting facility arranged by KFin Technologies Private Limited. The instructions for e-voting are annexed to this Postal Ballot Notice.
8. A shareholder cannot exercise vote by sending physical Postal Ballot or by proxy on Postal Ballot. All the shareholders are requested to cast their votes only through remote e-voting as per the procedure provided above.
9. The Scrutinizer will submit his report to the Chairman or the Company Secretary of the Company after the completion of scrutiny, and the result of the voting by Postal Ballot will be announced by the Chairman or the Company Secretary of the Company, on or before May 25, 2021, at the registered office and will also be displayed on the website of the Company www.hcgel.com besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agents.
10. The resolutions, if passed by the requisite majority, shall be deemed to have been passed on May 23, 2021 i.e., the last date specified for the remote e-voting.
11. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch of the Postal Ballot Notice until the last date for receipt of votes by remote e-voting.

12. General information and instructions relating to e-voting

- i. Pursuant to the provisions of Section 108 of the Act read with the Rules thereunder and Regulation 44 of SEBI LODR Regulations, the Company is offering e-voting facility to its shareholders in respect of the resolutions proposed to be passed in terms of Postal Ballot Notice. The Company has engaged the services of M/s. KFin Technologies Private Limited ("KTPL") as the Authorized Agency to provide e-voting facilities. The e-voting facility will be available during the following voting period:
 - a) Commencement of e-voting: April 24, 2021 at 9.00 Hours (IST).
 - b) End of e-voting: May 23, 2021 at 17.00 Hours (IST).
- ii. The cut-off date for the purpose of e-voting is April 16, 2021.
- iii. This communication forms an integral part of the Postal Ballot Notice, which is enclosed herewith and is also made available on the website of the Company www.hcgel.com. Attention is invited to the statement on the accompanying Notice that the Company is pleased to provide e-voting facility through KTPL for all shareholders of the Company to enable them to cast their votes electronically on the resolutions mentioned in the Postal Ballot Notice of the Company.
- iv. Please read the instructions for e-voting given below before exercising the vote.

General instruction relating to e-voting

A. Shareholders who received the Notice through e-mail from KTPL:

- i. Open your web browser during the voting period and navigate to <https://evoting.kfintech.com>.
- ii. Enter the login credentials (i.e., User-id & password). However, if you are already registered with KTPL for e-voting, you can use your existing User ID and password for casting your vote:

| | |
|-----------|--|
| User – ID | For Members holding shares in Demat Form:- <ol style="list-style-type: none">a) For NSDL :- 8 Character DP ID followed by 8 digit Client IDb) For CDSL :- 16 digits Beneficiary ID / Client IDc) For Members holding shares in Physical Form:- Event No. (EVENT) followed by Folio No. registered with the Company |
| Password | Your unique password is printed above / provided in the e-mail forwarding the electronic notice |

- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach Password Change Menu wherein you are required to mandatorily change the password. The new password shall comprise of 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.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc on first login. You may also enter a secret question of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. After changing password, you need to login again with the new credentials.
- vi. On successful login, the system will prompt to select the "Event" i.e., HealthCare Global Enterprises Limited.
- vii. On the voting page, enter the number of shares (which represents number of votes) as on the cut-off date under "FOR/ AGAINST/ABSTAIN" against the resolutions or alternatively you may partially enter any number in "FOR", partially in "AGAINST" and partially in "ABSTAIN" but the total number in "FOR/AGAINST/ABSTAIN" taken together should not exceed your total shareholding as on cut-off date.
- viii. Members holding shares under multiple folios/ demat account shall choose the voting process separately for each of the folios/demat account.
- ix. Voting must be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolutions.
- xi. Corporate/Institutional shareholders (corporate / Fls / Flls / Trust / Mutual Funds / Companies, etc.,) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc. together with the attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: sree@sreedharancs.com with a copy marked to einward.ris@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

- B. In case of any query pertaining to e-voting, please visit Help & FAQs section of e-voting website of KTPL.
- C. Once the vote on the resolutions is cast by a shareholder through e-voting, the shareholder shall not be allowed to change it subsequently.
- D. Mr. V. Sreedharan (FCS), Partner, V. Sreedharan & Associates, Practicing Company Secretary has been appointed as Scrutinizer for conducting the e-voting process in accordance with law. In case he is unable to carry out the scrutiny, Mr. Pradeep B. Kulkarni / Ms. Devika Sathyanarayana, Partners of the same firm has been appointed to act as the Scrutinizer. The Scrutinizer's decision on the validity of e-voting shall be final. The e-mail ID of the Scrutinizer is sree@sreedharancs.com.
- E. The result of the voting along with the Scrutinizer's Report will be communicated to the stock exchanges and will also be hosted on the website of the Company www.hcgel.com and on KTPL's website (<https://evoting.kfintech.com>).
- F. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders / beneficial owners as on April 16, 2021. Shareholders holding shares either in physical form or dematerialized form may cast their vote electronically.
- G. In case of any grievances connected with the voting by electronic means, shareholders are requested to contact Mr. Ganesh Chandra Patro, Sr. Manager, KFin Technologies Private Limited, Karvy Selenium, Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad - 500 032, E-mail: einward.ris@kfintech.com, Phone : 040-67161526.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 1 and 2

Equity based remuneration includes alignment of personal goals of the Employees with organizational objectives by participating in the ownership of the Company. The Board of Directors of your Company understands the need to enhance the Employee engagement, to reward the Employees for their association and performance, as well as to motivate them to contribute to the growth and profitability of the Company.

In order to reward and retain the key Employees and to create a sense of ownership and participation amongst them, the Board of Directors of the Company at its meeting held on 11th February 2021, has proposed to seek approval of the Members for an Employee Stock Option Scheme for the benefit of such Employee(s) who are in permanent employment whether working in India or out of India, and to the Directors whether a Whole Time Director or not but excluding Independent Director and Non-Executive Director, of the Company, its Holding Company and its Subsidiary Company(ies) but excluding an Employee who is a Promoter or a person belonging to the Promoter Group; or a Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company and to such other persons as may from time to time be allowed to be eligible for the benefits of the ESOP Scheme under applicable laws and regulations prevailing from time to time ("**Employees**").

In terms of Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI (SBEB) Regulations**") and Section 62 and other applicable provisions of the Companies Act, 2013, for issue of Equity Shares to the Employees of the Company, the approval of the existing Members by way of Special Resolution is required. The Special Resolution set out at Item No. 1 is seeking your approval for the formulation and implementation of the ESOP Scheme and issuance of Equity Shares thereunder.

Further, as per Regulation 6(3)(c) of SEBI (SBEB) Regulations, approval of the Members by way of separate Special Resolution is also required for grant of Options to the Employees of Holding Company and Subsidiary Company(ies). The Special Resolution set out at Item No. 2 is seeking your approval for the said purpose.

The salient features and other details of the Scheme as required pursuant to Regulation 6(2) and Regulation 14 of SEBI (SBEB) Regulations are as under:

(i) Brief description of the Scheme

The objective of HCG ESOS 2021 is to reward the Employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this ESOP Scheme to attract and reward talent and performance in the organization. The Company views employee stock options as instruments that would enable the Employees to share the value they would create and contribute for the Company in the years to come.

(ii) Total number of options to be granted

Under the ESOP Scheme a maximum of 62,67,000 (Sixty-Two Lakh Sixty-Seven Thousand Only) Employee Stock Options ("**Options**") (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) shall be offered to Employees in one or more tranches. Each Option would entitle an Employee to acquire one equity share of the Company. The Nomination & Remuneration Committee ("NRC" or "the Committee") shall determine the Options to be granted to the employees of the Company and its subsidiaries, as applicable, under HCG ESOS 2021. However, the stock options under the ESOP Scheme of the Company can be granted upto a maximum of 5% of the issued share capital of the Company (on a fully diluted basis) duly adjusted for the bonus etc. in terms of the provisions of the Memorandum and Articles of the Association of the Company.

- (iii) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme
- All the employees and Directors, as defined under the Companies Act 2013 and Rules made thereunder and SEBI (SBEB) Regulations, of the Company and its subsidiary companies (present & future), as applicable, whether working in India or outside India, will be entitled to participate in HCG ESOS 2021, subject to fulfillment of such eligibility criteria(s) as may be specified in the SEBI (SBEB) Regulations and/or as may be determined by NRC from time to time.
- (iv) Requirements of vesting and period of vesting
- The vesting of an option would also be subject to the terms and conditions as may be stipulated by the NRC from time to time including but not limited to performance of the employees, their continued employment with the Company/its subsidiaries, as applicable. The vesting period shall commence any time after the expiry of one year from the date of the grant of the options to the employee and shall end over a maximum period of 7 years from the date of the grant of the options. The options could vest in tranches. The 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.
- (v) Maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be) within which the options shall be vested
- The maximum period within which the options shall be vested, shall not be more than seven (7) years from the date of grant.
- (vi) Exercise price or pricing formula
- 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.
- (vii) Exercise period and process of exercise
- 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 be exercisable by the employees by a written application to the Company to exercise the options, in such manner, and on execution of such documents, as may be prescribed by the NRC from time to time. The options will lapse if not exercised within the specified exercise period
- (viii) The appraisal process for determining the eligibility of employees for the Scheme
- In determining the eligibility of an Employee to receive Stock Options under the ESOP Scheme, the Committee may consider the performance of an Employee as indicated by the annual performance appraisal, minimum period of service, the position and responsibilities of an Employee, the nature and value to the Company of his services and accomplishments, his present and potential contribution to the success of the Company, past service and geographical location and such other factors that the Committee may deem relevant. The Committee however is authorized to change the eligibility criteria from time to time, subject to the SEBI (SBEB) Regulations.
- (ix) Maximum number of options to be issued per employee and in aggregate
- There is no maximum limit for grant per employee or in aggregate, however, grant of options to identified employees, during any one year, equal to or exceeding one percent of the issued capital of the company at the time of grant of option can happen only with the approval of the shareholders by a separate resolution.
- (x) Maximum quantum of benefits to be provided per employee under a Scheme
- As per applicable SEBI (SBEB) Regulations.
- (xi) Lock-in period, if any
- The Shares allotted upon exercise of stock options granted under the ESOP Scheme are not subject to any lock in.
- (xii) The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct
- In the event of grantee's employment with the Company terminates for misconduct or cause, all the stock options vested at the time of such termination shall stand cancelled with effect from the date of such termination, unless the Committee decides otherwise.
- (xiii) The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee
- In the event of grantee's employment with the Company terminates due to voluntary resignation on the part of the grantee, all the stock options vested shall be exercised by the grantee on or before the exercise date or within 30 days of his / her last working day in the Company, whichever is earlier, unless the Committee decides otherwise.
- In the event grantee's employment with the Company terminates due to completion of the term of his contract of employment, all the stock options vested shall be exercised by the grantee on or before the exercise date, unless the Committee decides otherwise.

- (xiv) Whether the Scheme is to be implemented and administered directly by the Company or through a trust
The ESOP Scheme is to be implemented and administered directly by the Company.
- (xv) Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both
The ESOP Scheme involves new issue of shares by the Company.
- (xvi) The amount of loan to be provided for implementation of the Scheme by the company to the trust, its tenure, utilization, repayment terms, etc.
NIL
- (xvii) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Scheme
Not Applicable
- (xviii) A statement to the effect that the Company shall conform to the accounting policies.
The Company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time
- (xix) The method which the Company shall use to value its options
The Company shall follow the fair value method for computing the compensation cost for the Options Granted.
- (xx) Listing of shares

Subject to the approval of the Stock Exchanges the relevant equity shares on exercise of the Options shall be listed on the Stock Exchanges on which the securities of the Company are listed.

The Company has an existing employee stock option scheme by name HCG Employee Stock Option Scheme – 2014 (“HCG ESOS 2014” or “Existing ESOP Scheme”). The Company has been granting ESOPs to its employees under HCG ESOS 2014 till August 2019. Pursuant to the Investment Agreement dated June 04, 2020 entered into by and between the Company, Aceso Company Pte. Ltd and Dr. B.S. Ajaikumar, promoters (“Investment Agreement”), the Company has decided to adopt an Employee Stock Option Scheme accounting for 5% of the Share Capital of the Company on a fully diluted basis to key managerial personnel and other eligible employees of the Company; and that no further options shall be granted under the Existing ESOP Scheme of the Company.

Accordingly, it is proposed to adopt a new scheme by name HCG Employee Stock Option Scheme – 2021 (“HCG ESOS 2021”) under the SEBI (SBEB) Regulations, for the purposes of granting options to the Employees/Directors of the Company and its subsidiaries, as applicable.

The Board of Directors recommend passing of the Special Resolution as contained in the Notice under Sl. No. 1 and 2.

The members are further informed that the draft ESOP Scheme in compliance with SEBI (SBEB) Regulations is available for inspection at the Company’s Corporate Office between 11.00 a.m. and 1.00 p.m. on all working days up to the last date of the receipt of the Postal Ballot forms.

The Directors (excluding Independent Directors) or Key Managerial Persons of the Company may be deemed to be concerned or interested in the Resolutions to the extent of the employee stock options that may be granted to them under the ESOP Scheme. None of the Directors, key managerial personnel or their relatives have any other concern or interest financial or otherwise in the passing of the Resolution at Item No. 1 and 2.

ITEM NO. 3

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on February 11, 2021, subject to the approval of the shareholders, has approved to designate Dr. B. S. Ajaikumar, Whole-time Director & Chairman of the Board, as Executive Chairman of the Company, with effect from February 01, 2021 till June 30, 2023 and has amended the terms of employment, including remuneration of Dr. B.S. Ajaikumar, considering the change in role as Executive Chairman, effective from February 01, 2021 till June 30, 2023.

The details of present remuneration and proposed remuneration is as under:

A. Present remuneration (till January 31, 2021):

1. Fixed remuneration (Cost To Company) of INR 2,09,00,000 (Rupees Two Crore and Nine Lakh only) per annum,
2. Variable remuneration of up to INR 3,00,00,000 (Rupees Three Crore only) per annum, based on the quantitative and qualitative parameters, as detailed below:

(a) Based on Financial Performance

Up to INR 2,40,00,000 (Rupees Two Crore and Forty Lakh only) payable based upon achievement of financial performance as detailed below:

| Actual *EBITDA as a % of the *Approved Budget for the Financial Year | Variable Compensation Payable |
|--|----------------------------------|
| Less than 90% of the Budget | Nil |
| 90% of the Budget | 0.6% of EBITDA |
| Between 90% and up to 100% of the Budget | 1.2% of EBITDA on a linear scale |
| Greater than Budget | 2.4% on the incremental EBITDA |
| <i>Note:</i> | |
| 1. *EBITDA shall mean consolidated EBITDA, net of minority interest, computed at the end of every financial year on the basis of the consolidated audited financials of the Company. | |
| 2. Only the EBITDA generated out of organic growth shall be considered for the first year, i.e. the EBITDA associated with any acquisition by the Company during the financial year shall be excluded in the computation of the Variable Compensation in the financial year in which the acquisition occurred. | |
| 3. **Approved Budget for the Financial Year, shall mean the Budget approved by the Board of Directors of the Company for the relevant financial year | |

(b) Based on Qualitative Performance

Variable Compensation of up to INR 60,00,000 (Rupees Sixty Lakh only) based on the annual performance evaluation of the CEO by the Board of Directors, as further detailed below.

No Variable Compensation on the Qualitative Performance shall be payable if the Actual EBITDA (as computed in 2(a) above) is less than 85% of the Approved Budget for the Financial Year.

| Performance Rating (on a scale of 5) | Variable Compensation Payable |
|--------------------------------------|--|
| Less than 3.50 | Nil |
| Between 3.50 and 5.00 | On a linear scale starting from 0% upto a maximum of 100% of INR 60,00,000 (Rupees Sixty Lakh Only). |

B. Proposed remuneration (With effect from February 01, 2021):

1. Fixed remuneration (Cost To Company) of INR 2,09,00,000 (Rupees Two Crore and Nine Lakh only) per annum.
2. Additional variable compensation of INR 50,00,000 (Indian Rupees Fifty lakh only) per quarter at the end of the quarter, if and only if, in respect of each such quarter, the EBITDA (as defined in the Investment Agreement, however excluding EBITDA from inorganic acquisitions done subsequent to September 30, 2020) for the immediately trailing four (4) quarters ("L4Q") is above INR 175 crore (Indian Rupees One Hundred and Seventy-Five Crore only). For example, in respect of the quarter between January 1, 2021 and March 31, 2021, if the EBITDA for the immediately preceding L4Q (i.e. without any catch up) is below INR 175 crore, then no such additional variable compensation shall be payable. The L4Q check will happen at the end of each quarter and payment would be made for that quarter alone without any catch up for prior quarters.

ADDITIONAL INFORMATION

As required under Section II of Part II of Schedule V of the Companies Act, 2013, the relevant information to be sent along with the notice calling the general meeting is given below:

I. General Information

- (1) Nature of industry: HealthCare Global Enterprises Limited (HCG) headquartered in Bangalore is the leading provider of speciality healthcare in India focussed on cancer. Our HCG cancer care network is the largest cancer care network in India in terms of the total number of comprehensive cancer centres in operation, the total number of new patient registrations and the total number of patients receiving radiation therapy.
- (2) Date or expected date of commencement of commercial production: The Company had been carrying on the business since its incorporation in the year 1998.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus: Not Applicable.

- (4) Financial performance based on given indicators (INR in Million):

| Standalone financials | 2019-20 | 2018-19 | 2017-18 |
|-----------------------------------|----------|----------|----------|
| Total Income | 7,004.39 | 6,539.75 | 6,027.92 |
| Total Expenditure | 5,726.09 | 5,464.28 | 4,981.39 |
| EBITDA (before exceptional items) | 1,278.30 | 1,075.47 | 1,046.53 |
| Depreciation and Finance Charges | 1,624.00 | 949.82 | 707.16 |
| Exceptional item | 308.91 | - | 29.35 |
| Profit/(Loss) before tax | (654.61) | 125.65 | 368.72 |
| Profit/(Loss) after tax | (532.97) | 72.45 | 248.90 |

- (5) **Export Performance:** The details of Foreign Exchange Earnings and Outgo during the year ended March 31, 2020 and March 31, 2019, is as under (INR in Million):

| Particulars | For the year ended 31.03.2020 (INR) | For the year ended 31.03.2019 (INR) |
|---------------------------------|-------------------------------------|-------------------------------------|
| Expenditure in Foreign Exchange | 55.96 | 48.40 |
| Value of Imports on CIF basis | 414.22 | 296.49 |
| Earnings in foreign exchange | 403.62 | 343.89 |

- (6) **Foreign Investments or collaborators, if any:**

HealthCare Global Enterprises Limited has received investment from Aceso Company Pte Ltd, Singapore ("Aceso"), as FDI. Aceso holds 53.69% of the paid up share capital of the Company as on date. The Company has also issued shares to Foreign Institutional Investors, Foreign Venture Capital Funds, Foreign Nationals etc., who would have subscribed to the shares through IPO, preferential issuance or have acquired shares from the secondary market.

II. Information about the appointee, Dr. B. S. Ajaikumar- Executive Chairman

- (1) **Background details:** Dr. B.S. Ajaikumar, aged about 69 years, is a radiation and medical oncologist with around 40 years of experience in the field of cancer care. Dr. B. S. Ajaikumar practiced as a consultant Doctor in the US, with specialisation in Oncology from the year 1979 till 2002 and successfully established oncology physician practices in Burlington, Iowa and later in Chicago, Illinois.

Dr. Ajaikumar has been a Director of our Company since March 7, 2000. He holds a Bachelor's Degree in Medicine and Surgery from St. John's Medical College, Bengaluru, India. He completed his residency in Oncology from the University of Virginia Hospital, Charlottesville and his residency in Radiotherapy from the University of Texas System Cancer Centre, M. D. Anderson Hospital and Tumour Institute, Houston, Texas, USA. He was the CEO of the Company from July 14, 2006 till January 31, 2021.

- (2) **Past remuneration:**

| Designation | Details of Remuneration |
|--|--|
| Chairman & CEO (Appointed as Chairman & CEO on July 14, 2006) | INR 48 Lakh per annum, effective from July 14, 2006. |
| | INR 72 Lakh per annum, effective from August 02, 2007. |
| | INR 1.20 Crore per annum, effective from June 16, 2010. |
| | INR 1.50 Crore per annum, with a variable pay of up to INR 1.00 Crore per annum, based on the achievement of certain milestones, effective from January 01, 2015; and a Special allowance (One-time payment) – INR 52.50 Lakh for FY 2014-15 |
| | INR 1.90 Crore per annum, with a variable pay of up to INR 3.00 Crore per annum, payable based on the achievement of certain milestones, effective from April 01, 2016. |
| | INR 2.09 Crore per annum, with a variable pay of up to INR 3.00 Crore per annum, based on the achievement of certain milestones, as provided under Para (A), effective from April 01, 2018. |

The Company has also secured necessary approvals for the same.

- (3) **Recognition or awards:** Dr. B. S. Ajaikumar is the Chairman of the International Human Development & Upliftment Academy (IHDTA). He was awarded 'Face of the year 2006' by Modern Medicare. He has also received prestigious B. C. Roy Award from the Indian Science Monitor and Kannada Rajyotsava award from Government of Karnataka. Amongst several prestigious awards, he has also been conferred with Ernst and Young Entrepreneur of the Year

Award 2011 for the start-up category in healthcare, CII Regional Emerging Entrepreneurs Award for the contribution made by our Company in the field of healthcare and CEO of the Year at the Asian Healthcare Leadership Awards 2014.

- (4) **Job profile and his suitability:** Dr. B. S. Ajaikumar is a radiation and medical oncologist with over 40 years of experience in the US and India in the field of cancer care and the management of cancer centres. Dr. B. S. Ajaikumar has been the CEO of the Company till January 31, 2021. As an Executive Chairman, Dr. B. S. Ajaikumar inter - alia would drive the vision of the Company, both organic as well as M&A and disposals, drive clinical quality and clinical excellence, oversee innovation linked to cancer care and related technology businesses.
- (5) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**
Given the size, complexity, uniqueness and the nature of business, and also the profile of the position of Dr. B. S. Ajaikumar, as Executive Chairman; the Board of Directors of the Company considers that the remuneration proposed to be paid to Dr. B. S. Ajaikumar commensurate with other organizations of similar size in healthcare industry.
- (6) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**
Dr. B. S. Ajaikumar is the promoter, Whole-time Director and the Chairman of the Board. He receives remuneration from the Company as a Whole-time Director & Executive Chairman. Ms. Anjali Ajaikumar Rossi, daughter of Dr. B. S. Ajaikumar, is the Executive Director – Strategy (former VP –Strategy and Quality), appointed on the Board, with effect from April 01, 2021, the approval for which has been proposed before the Members vide Resolution No. 4 of this Notice. The Company also has ongoing transactions with other entities where Dr B.S. Ajaikumar and/or his relatives are interested. These are disclosed under Related Party Transactions forming part of the Financial Statements. Except for this, he has no other pecuniary relationship directly with the Company or relationship with the any other managerial personnel.

III. Other information

(1) **Reasons of loss or inadequate profits:**

The consolidated income from operations including income from government grant for FY 2019 - 20 was INR 10,956.4 million as compared to INR 9,786.7 million in the previous fiscal year, reflecting a growth of 12%. EBITDA in FY 2019-20 was INR 1,721.8 million as compared to INR 1,251.9 million in FY 2018-19, reflecting an year-on-year increase of 37.5%. EBITDA margin for the year was 15.7% as compared to 12.8% in FY 2018-19, reflecting an increase of 2.9%. This was primarily due to the accounting impact on adoption of Ind AS 116, partially offset by losses incurred by new centers. Profit /(loss) after tax in the current fiscal year was INR (1067.0) million as compared to INR (248.0) million in FY 2018-19 mainly on account of adoption of Ind AS 116 and losses from newly set up centres.

The Company ended the year FY 2019-20 with income from operations including Govt. Grants of INR 6,895.76 million as compared to INR 6,414.3 million for the previous financial year, reflecting an increase of 7.5%. Our EBITDA before exceptional items for FY 2019-20 was INR 1,169.67 million with EBITDA margin of 17%.

The business growth of the Company has been primarily driven by establishing new centres on our own and as well as through partnership arrangements and acquisitions. Each new centre that we establish goes through an initial ramp-up period during which period the operating expenses of the centre exceeds its revenue resulting in an operating loss.

- (2) **Steps taken or proposed to be taken for improvement:** HCG operates the largest cancer care network in India in terms of the total number of cancer treatment centers. HCG's expansion model is based on partnership with local tertiary care centres or physician groups. The business growth of the Company has been primarily driven by establishing new centres on our own and as well as through partnership arrangements and acquisitions. Each new centre that we establish goes through an initial ramp-up period during which period the operating expenses of the centre exceeds its revenue resulting in an operating loss. However, we expect these Centres to grow steadily and become key drivers to our future growth.
- (3) **Expected increase in productivity and profits in measurable terms:** Indian Healthcare sector has become one of the largest sectors both in terms of revenue and employment generated. The private sector has emerged as a vibrant force in India's healthcare industry, lending it both national and international repute. Within the emerging trends of investment and consolidation in healthcare, we see a strong focus on category leaders, which are essentially companies that are proven leaders in their segments and are better placed to benefit not only from internal efficiencies and external tailwinds, but also withstand macro or external headwinds. Also, this provides a clear path to increasing earnings through not only organic growth, but also future acquisitions in domestic and international markets based on suitable strategies. Also, the 2021 union budget took a landmark step towards increasing budget outlay for healthcare sector, making healthcare affordable and accessible to all. Considering some of these factors, the company is optimistic that it will increase its productivity and improve profits over a period of time.

IV. Additional Disclosures

Additional disclosures as required under Part II Section II (B) (IV) and Secretarial Standards for General Meetings (SS-2) are disclosed in the Board's Report under the heading "Corporate Governance" of the Company attached to the financial statements for the financial year ended March 31, 2020.

The resolution for proposed revision in terms of remuneration and Explanatory statement in relation thereto may be treated

as an abstract of the terms of contract under Section 190 of the Companies Act, 2013. Copy of the contract entered into by the Company with Dr. B.S. Ajaikumar is available for inspection as per the provisions of The Companies Act, 2013.

Dr. B.S. Ajaikumar will attain the age of 70 years in August 2021. Hence in accordance with proviso to Section 196 (3) (a) of the Companies Act, the Company seeks consent of the Members by way of special resolution for continuation of his holding the office of Executive Chairman even after attaining the age of 70 years, during the currency of his existing tenure, which is till June 30, 2023.

The Board of Directors recommends the resolution in relation to designating Dr. B. S. Ajaikumar (DIN: 00713779), Whole-time Director and Chairman of the Board as Executive Chairman effective from February 01, 2021, continue the term of office as Executive Chairman for a period till June 30, 2023; and vary the terms and conditions of the employment, including the remuneration of Dr. B.S. Ajaikumar as Executive Chairman, effective from February 01, 2021 for a period till June 30, 2023, as set out in Item No. 3 for approval of the Members by way of a Special Resolution.

None of the Directors/KMP of the Company/their relatives, except Dr. B. S. Ajaikumar and his relatives who are shareholders in the Company are, in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM NO. 4

The Board of Directors of the Company, at their meeting held on February 11, 2021, has approved the appointment of Ms. Anjali Ajaikumar Rossi, as an Additional Director, with effect from April 01, 2021, on the recommendation of the Nomination and Remuneration Committee, and subject to the approval of the Members of the Company. In accordance with the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Anjali Ajaikumar Rossi would hold office as an Additional Director up to the date of ensuing Annual General Meeting, unless appointed earlier by the Members of the Company. She was also appointed as an Executive Director of the Company with effect from April 01, 2021 for a period of two years.

Ms Anjali Ajaikumar Rossi, prior to the appointment as an Executive Director – Strategy, was the Vice President – Strategy & Quality, of the Company. She is not disqualified from being appointed as a Director in terms of Section 164, Schedule V and other applicable provisions of the Act and has given her consent for the appointment as an Additional Director and Executive Director – Strategy of the Company.

Pursuant to Sections 196, 197, 198 and other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of Ms. Anjali Ajaikumar Rossi requires approval of the Members by way of special resolution.

The terms and conditions of the appointment and remuneration payable to Ms. Anjali Ajaikumar Rossi are provided in the resolution referred in Item No. 4.

The terms as set out in the Resolution and explanatory statement may be treated as an abstract of the terms of appointment pursuant to Section 196 of the Act.

Except Ms. Anjali Ajaikumar Rossi and Dr. B. S. Ajaikumar, Executive Chairman and their relatives, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

The Board of Directors accordingly recommends passing of the resolution as set out in item no. 4 as a Special Resolution.

Statement containing required information pursuant to Section II of Schedule V of Companies Act, 2013 is as under:

ADDITIONAL INFORMATION

As required under Section II of Part II of Schedule V of the Companies Act, 2013, the relevant information to be sent along with the notice calling the general meeting is given below:

I. General Information

- (1) Nature of industry: HealthCare Global Enterprises Limited (HCG) headquartered in Bangalore is the leading provider of speciality healthcare in India focussed on cancer. Our HCG cancer care network is the largest cancer care network in India in terms of the total number of comprehensive cancer centres in operation, the total number of new patient registrations and the total number of patients receiving radiation therapy.
- (2) Date or expected date of commencement of commercial production: The Company had been carrying on the business since its incorporation in the year 1998.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus: Not Applicable.

- (4) Financial performance based on given indicators (INR in Million):

| Standalone financials | 2019-20 | 2018-19 | 2017-18 |
|-----------------------------------|----------------|----------------|----------------|
| Total Income | 7,004.39 | 6,539.75 | 6,027.92 |
| Total Expenditure | 5,726.09 | 5464.28 | 4,981.39 |
| EBITDA (before exceptional items) | 1,278.30 | 1075.47 | 1,046.53 |
| Depreciation and Finance Charges | 1,624.00 | 949.82 | 707.16 |
| Exceptional item | 308.91 | - | 29.35 |
| Profit/(Loss) before tax | (654.61) | 125.65 | 368.72 |
| Profit/Loss after tax | (532.97) | 72.45 | 248.90 |

- (5) **Export Performance:** The details of Foreign Exchange Earnings and Outgo during the year ended March 31, 2020 and March 31, 2019, is as under (INR in Million):

| Particulars | For the year ended 31.03.2020 | For the year ended 31.03.2019 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Expenditure in Foreign Exchange | 55.96 | 48.40 |
| Value of Imports on CIF basis | 414.22 | 296.49 |
| Earnings in foreign exchange | 403.62 | 343.89 |

- (6) **Foreign Investments or collaborators, if any:**

HealthCare Global Enterprises Limited has received investment from Aceso Company Pte Ltd, Singapore ("Aceso"), as FDI. Aceso holds 53.69% of the paid up share capital of the Company as on date. The Company has also issued shares to Foreign Institutional Investors, Foreign Venture Capital Funds, Foreign Nationals etc., who would have subscribed to the shares through IPO, preferential issuance or have acquired shares from the secondary market.

II. Information about the appointee, Ms. Anjali Ajaikumar Rossi – Executive Director – Strategy

- (1) **Background details:** Ms. Anjali Ajaikumar, aged about 35 years, is a professional and social entrepreneur with more than 12 years of experience in the healthcare sector with a focus on transforming healthcare system through technological advancements.

As the Vice President of Quality and Strategy for HealthCare Global Enterprises Limited (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.

Ms. Anjali Ajaikumar has built talented teams and actively empowered her staff to pursue continuous advancements in 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.

Ms. Anjali Ajaikumar 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 project leader and has also served as a consultant for the Global Tracheostomy Collaborative, an international NGO.

- (2) **Past remuneration:** Ms. Anjali Ajaikumar has drawn remuneration of INR 5.32 million and INR 5.02 million respectively for FY 2019-20 and 2018-19 respectively as VP – Strategy and Quality.
- (3) **Recognition or awards:** NA.
- (4) **Job profile and suitability:**

Ms. Anjali Ajaikumar Rossi has more than 12 years of experience in the healthcare sector with a focus on transforming healthcare system through technological advancements. As the Vice President of Quality and Strategy for HealthCare Global Enterprises Limited (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. Ms. Anjali Ajaikumar has built talented teams and actively empowered her staff to pursue continuous advancements in 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.

- (5) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Ms. Anjali Ajaikumar, the remuneration proposed to be paid, commensurate with the remuneration paid by other organisations of the similar type, size and nature, for the same/equivalent positions.

(6) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Ms. Anjali Ajaikumar Rossi is the daughter of Dr. B. S. Ajaikumar, Promoter, Whole-time Director & Executive Chairman. She receives remuneration from the Company as an Executive Director. She also holds 1,000 Equity shares of INR 10 each as on the date of notice. Except for this, she has no other pecuniary relationship directly with the Company or relationship with the any other managerial personnel. The Company also has ongoing transactions with other entities where Dr B.S. Ajaikumar and/or his relatives are interested. These are disclosed under Related Party Transactions forming part of the Financial Statements. Except for this, she has no other pecuniary relationship directly with the Company or relationship with any other managerial personnel.

III. Other information

(1) Reasons of loss or inadequate profits:

The consolidated income from operations including income from government grant for FY 2019 - 20 was INR 10,956.4 million as compared to INR 9,786.7 million in the previous fiscal year, reflecting a growth of 12%. EBITDA in FY 2019-20 was INR 1,721.8 million as compared to INR 1,251.9 million in FY 2018-19, reflecting an year-on-year increase of 37.5%. EBITDA margin for the year was 15.7% as compared to 12.8% in FY 2018-19, reflecting an increase of 2.9%. This was primarily due to the accounting impact on adoption of Ind AS 116, partially offset by losses incurred by new centers. Profit/(loss) after tax in the current fiscal year was INR (1067.0) million as compared to INR (248.0) million in FY 2018-19 mainly on account of adoption of Ind AS 116 and losses from newly set up centres.

The Company ended the year FY 2019-20 with income from operations including Govt. Grants of INR 6,895.76 million as compared to INR 6,414.3 million for the previous financial year, reflecting an increase of 7.5%. Our EBITDA before exceptional items for FY 2019-20 was INR 1,169.67 million with EBITDA margin of 17%.

The business growth of the Company has been primarily driven by establishing new centres on our own and as well as through partnership arrangements and acquisitions. Each new centre that we establish goes through an initial ramp-up period during which period the operating expenses of the centre exceeds its revenue resulting in an operating loss.

(2) Steps taken or proposed to be taken for improvement: HCG operates the largest cancer care network in India in terms of the total number of cancer treatment centers. HCG's expansion model is based on partnership with local tertiary care centres or physician groups. The business growth of the Company has been primarily driven by establishing new centres on our own and as well as through partnership arrangements and acquisitions. Each new centre that we establish goes through an initial ramp-up period during which period the operating expenses of the centre exceeds its revenue resulting in an operating loss. However, we expect these Centres to grow steadily and become key drivers to our future growth.

(3) Expected increase in productivity and profits in measurable terms: Indian Healthcare sector has become one of the largest sectors both in terms of revenue and employment generated. The private sector has emerged as a vibrant force in India's healthcare industry, lending it both national and international repute. Within the emerging trends of investment and consolidation in healthcare, we see a strong focus on category leaders, which are essentially companies that are proven leaders in their segments and are better placed to benefit not only from internal efficiencies and external tailwinds, but also withstand macro or external headwinds. Also, this provides a clear path to increasing earnings through not only organic growth, but also future acquisitions in domestic and international markets based on suitable strategies. Also, the 2021 union budget took a landmark step towards increasing budget outlay for healthcare sector, making healthcare affordable and accessible to all. Considering some of these factors, the company is optimistic that it will increase its productivity and improve profits over a period of time.

IV. Additional Disclosures

Additional disclosures as required under Part II Section II (B) (IV) and Secretarial Standards for General Meetings (SS-2) are disclosed in the Board's Report under the heading "Corporate Governance" of the Company attached to the financial statements for the financial year ended March 31, 2020.

The resolution for proposed revision in terms of remuneration and Explanatory statement in relation thereto may be treated as an abstract of the terms of contract under Section 190 of the Companies Act, 2013. Copy of the contract entered into by the Company with Ms. Anjali Ajaikumar Rossi is available for inspection as per the provisions of The Companies Act, 2013.

None of the Directors/KMP of the Company/their relatives, except Ms. Anjali Ajaikumar Rossi and her relatives who are shareholders in the Company are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

**Place: Bengaluru
Date: April 22, 2021**

**Sd/-
Sunu Manuel
Company Secretary**

ANNEXURE – INFORMATION TO SHAREHOLDERS

Details of Directors seeking appointment (including continuation of the existing term)

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

| Name of the Director | Dr. B. S. Ajaikumar | Ms. Anjali Ajaikumar Rossi |
|--|---|--|
| Age | 69 years | 34 years |
| Date of first appointment to the Board | March 07, 2000 | April 01, 2021 |
| Brief profile and nature of Expertise in specific functional areas | <p>Dr. B. S. Ajaikumar is the Chairman of the Board and Whole-time Director of our Company. He has been a Director of our Company since March 7, 2000. He holds a bachelor's degree in Medicine and Surgery from St. John's Medical College, Bangalore, India. He completed his residency in Oncology from the University of Virginia Hospital, Charlottesville and his residency in Radiotherapy from the University of Texas System Cancer Centre, MD Anderson Hospital and Tumour Institute, Texas, United States of America. He has been awarded the Ernst and Young Entrepreneur of the Year Award for the start-up category in healthcare and the BC Roy Award by the Indian Science Monitor. He has also been awarded the CII Regional Emerging Entrepreneurs Award for the contribution made by our company in the field of healthcare.</p> <p>Dr Ajaikumar was the CEO of the Company from July 14, 2006 till January 31, 2021.</p> | <p>Ms. 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 healthcare system through technological advancements.</p> <p>As the Vice President of Quality and Strategy for HealthCare Global Enterprises Limited (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.</p> <p>Ms. Anjali Ajaikumar has built talented teams and actively empowered her staff to pursue continuous advancements in 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.</p> <p>Ms. Anjali Ajaikumar 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 project leader and has also served as a consultant for the Global Tracheostomy Collaborative, an international NGO.</p> |
| Relationships with other Directors inter-se & KMPs | Dr. B. S. Ajaikumar is the father of Ms. Anjali Ajaikumar, Executive Director –Strategy | Ms. Anjali Ajaikumar Rossi is the daughter of Dr. B. S. Ajaikumar, Executive Chairman. |
| No. of meetings of the Board attended during the year | 5 meetings during the financial year 2020-21 | Nil |
| Shareholding in the company | 1,78,24,215 Equity Shares (14.22% the total paid up capital) | 1,000 Shares (0.00 % of the total paid up capital) |
| Other Listed companies in which the Director is a Director | Nil | Nil |
| Membership of the Committees of the Board of other listed companies | Nil | Nil |
| Terms and Conditions of appointment/reappointment along with details of Remuneration sought to be paid/last drawn | Refer to the Resolution and Explanatory Statement for the terms and conditions of the reappointment including details of Remuneration sought to be paid/last drawn. | Refer to the Resolution and Explanatory Statement for the terms and conditions of the reappointment including details of Remuneration sought to be paid/last drawn. |