



TRANSCRIPT OF THE 25TH ANNUAL GENERAL
MEETING

HEALTHCARE GLOBAL ENTERPRISES LIMITED



SEPTEMBER 20, 2023 (WEDNESDAY)

**TRANSCRIPT OF THE 25TH ANNUAL GENERAL MEETING OF HEALTHCARE GLOBAL
ENTERPRISES LIMITED (“the Company”)**

DR B S AJAIKUMAR (Chairman): Hello everyone, we are about to start our 25th Annual General Body Meeting being held on September 20th 2023 at 10.00 a.m. It is heartening to note that this is a silver Jubilee Annual General Body meeting.

I hope all of you are safe and in good health.

The meeting is being held through Video Conferencing as well as in physical mode, in accordance with the circulars and guidelines listed/issued by the Ministry of Corporate Affairs and Securities Exchange Board of India.

First, I would like to introduce the members of the Board and certain members of the senior management present with us today.

We have Directors on the Board joining-in from different locations. I will introduce them one by one. Directors may wave their hand as and when their name is called, for the purpose of identification:

- 1) Ms Geeta Mathur – Independent Director and Chairperson of the Audit Committee.
Thank you Geeta.
- 2) Mr Amit Soni – Non-Independent Non-Executive Director and Nominee of Aceso Company Pte Ltd. Amit is the Chairman of Stakeholder Relationship Committee.
Thank you Amit.
- 3) Mr Siddharth Patel – Non-Independent Non-Executive Director and Nominee of Aceso Company Pte Ltd. If he is not here now, he may join later.
- 4) Ms Anjali Ajaikumar – Executive Director.
- 5) Mr. Raj Gore – Whole-time Director and CEO
- 6) Mr. Pradip Kanakia - Independent Director; and
- 7) Mr Rajiv Maliwal – Independent Director.

Let me introduce some of the Senior Management team members who are joining with me from the Company’s corporate office at Bengaluru:

- 1) Ms Ruby Ritolia, Chief Financial Officer,
- 2) Ms Sunu Manuel, Company Secretary,
- 3) Mr. Venkatramanan P – Senior VP – Finance
- 4) Mr Ashutosh Kumar – VP Strategy & Corporate Development. He’s not here, Ok.

In addition, I would also like to introduce:

- 1) Mr Vikash Gupta, Partner of B S R & Co., Statutory Auditors; Vikas, are you there?
Once he comes in we can again introduce him.
- 2) Mr V Sreedharan and Mr Pradeep Kulkarni – V. Sreedharan and Associates,
Scrutinizers for the meeting.

Sunu, is there a quorum for this meeting?

SUNU: Yes, Chairman. We have the requisite quorum to proceed with this meeting.

CHAIRMAN: Thanks Sunu. The Company Secretary informs me that we have sufficient quorum of members participating through video conferencing as well as in physical mode. Accordingly, the meeting is properly constituted, and I shall call this meeting to order.

I suggest Sunu Manuel to read the arrangements made for the Members at the 25th Annual General Body Meeting.

Sunu, over to you.

SUNU: Thank you Chairman. Good Morning, ladies, and gentlemen, welcome to the 25th Annual General Meeting of HealthCare Global Enterprises Limited. This meeting is being held through Video Conferencing or Other Audio Visual Means (OAVM), in accordance with the circulars issued by the Ministry of Corporate Affairs, applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended from time to time.

The Company has enabled the Members to participate at the 25th AGM through video conferencing facility provided by KFin Technologies Private Limited, Registrars and Transfer Agent, on a first-come-first-serve basis. The proceedings of this AGM are also being web-casted live for all the Members, as per the details provided in the Notice.

As the AGM is being held through Video Conferencing, the facility for appointment of proxies by the Members will not be applicable and hence the proxy register for inspection is not available.

In accordance with the provisions of the Companies Act, 2013 and SEBI LODR Regulations, the Members have been provided with the facility to exercise their right to vote by electronic means, both through remote e-voting and e-voting at the AGM.

Remote e-voting facility was made available to all the Members holding shares as on the cut-off date being 13th September 2023, commencing from 09.00 AM on Sunday, September 17, 2023 till 05.00 PM on Tuesday, September 19, 2023. Remote e-voting has been blocked on September 19, 2023 at 05.00 PM.

Members joining the meeting through video conferencing and who have not casted their vote by means of remote e-voting, may vote through insta-poll e-voting facility on the AGM portal provided by KFin Technologies. The Members who have casted their vote by remote e-voting prior to the AGM shall not be entitled to cast their votes again.

The Board of Directors have appointed Mr. V Sreedharan and Mr. Pradeep Kulkarni, Partners, V Sreedharan and Associates, as the scrutinizer for this meeting. Based on the

report of the Scrutinizer, the combined results of the remote e-voting, and e-voting done at the meeting today, will be announced and displayed on the website of the Company, and will also be submitted to the Stock Exchanges as per the requirements under SEBI LODR Regulations.

The Company has received requests from few members to register them as speakers at this meeting. Accordingly, the floor will be open for these members to ask questions or express their views. We will facilitate this session once the Chairman opens the floor for questions and answers. It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of the time at this AGM.

Members may note that this AGM is being recorded. Please do not disclose any sensitive personal information or personally identifiable information belonging to you or any other persons that has no bearing on this meeting. Thank you very much.

I now request the Chairman, to continue with the proceedings of the meeting.

CHAIRMAN: Thank you, Sunu.

The Company has taken all feasible efforts under the current circumstances to enable members to participate through video conference as well as in physical mode, and vote at the AGM. I thank all the members, colleagues on the Board, auditors and the management team for joining this meeting.

Before we take up the items as per the Notice, I would like to share with you, the achievements of the organization and certain other developments made during the year, which is also there by the way in our Annual Report.

Dear Shareholders,

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

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

Historically, cancer treatment in India has always been fixated on the cost, not value. Since India is predominantly a country of low and middle income people, the focus on bringing the

cost down is understandable. But there is a cost attached to low cost which becomes evident on a closer look at the cancer care spectrum and dynamics. So essentially there is a cost to low-cost.

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

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

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

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

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

surgery, or Hologram-powered augmented reality for surgical interventions, HCG's technology adoption is unflinchingly focused on patient outcomes.

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

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

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

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

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

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

I would now like to invite Mr Raj Gore, CEO to share few words. Raj, over to you.

RAJ: Thank you, Chairman.

Dear shareholders. Welcome to the Annual General Meeting. Over the next few minutes, I will share with you an update from our business perspective how the year was.

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

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

Moving onto our financial performance, we are proud to report that our relentless focus on reaching out to a wider patient base, enhancing capacity, and driving higher utilisation has enabled us to achieve the highest-ever revenue for nine consecutive quarters by the end of FY 2023. Furthermore, we have sustained eight quarters of consecutive EBITDA growth during the same period. Our revenue from operations grew by 21% YoY, from INR 13,978 Mn in FY 2022 to INR 16,944 Mn in FY 2023. This was mostly on account of an increase in

patient footfall in mature geographies, which has enabled us to make inroads into emerging markets. We also recorded our highest-ever annual revenue from medical value travel with a stellar YoY growth of 91%, reaching 1.5x the highest level achieved in the pre-COVID period. Our revenue through digital channels has grown by more than 3x YoY in FY 2023. Our adjusted EBITDA showed robust growth of 31% YoY from INR 2,453 Mn in FY 2022 to INR 3,208 Mn in FY 2023. Notably, our adjusted EBITDA margins have also seen a significant enhancement, progressing from 17.6% in the previous year to an impressive 18.9% this year, recording a phenomenal improvement of 139 basis points (bps). These remarkable achievements in our financial performance fill me with an optimistic outlook for the future.

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

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

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

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

Thank you. Dr Ajai, over to you.

CHAIRMAN: Thank you, Raj.

Before proceeding further, I request Sunu Manuel, Company Secretary to provide a summary of the Auditors' Report.

SUNU: Thank You, Chairman.

The Statutory Auditors, B S R & Co., LLP, have expressed their opinion in the audit report for the financial year 2022-2023. They have issued an unmodified report. The Statutory Auditors' report on standalone financial statements and consolidated financial statements are available on Page numbers 196 to 205 and 276 to 283, respectively, of the annual report. Secretarial Auditor's report is enclosed as Annexure 1 to the Board's report on Page number 079 of the annual report.

With the permission of the Chairman and the members present here, May I take the Auditors Report as read?

CHAIRMAN: Sunu, You may take the Auditors report as read.

SUNU: Thank you, Chairman.

CHAIRMAN: Thank you Sunu.

As the Notice of the Annual General Meeting and the Annual Report, containing Audited Financial Statements (including consolidated financial statements) for the year ended March 31, 2023, Board's Report and Auditor's Report, have already been sent to the members, I take the notice as read.

The Register of Director's Shareholding, register of contracts, copies of Audited Financial Statements etc., are available for inspection, to the Members. Members seeking to inspect such documents can send an email to investors@hcgel.com.

Before we proceed, I am pleased to bring to your notice that, as required under the Companies Act, 2013, the Company had provided you all the facility to cast your vote electronically, on all resolutions set forth in the Notice. Members who have not cast their vote electronically and who are participating in this meeting will have an opportunity to cast their votes through the e-voting system provided by KFin Technologies. Members may please note that there will be no voting by show of hands.

We now take up the resolutions as set forth in the Notice. We will open the floor for any questions by members after all the resolutions are tabled.

In terms of the Notice of 25th Annual General Body Meeting, the following items of ordinary business are to be considered at this meeting:

- 1) To receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr Amit Soni, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr Meghraj Arvindrao Gore, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To ratify the payment of remuneration to M/s. Rao, Murthy & Associates, Cost Auditors for the financial year 2023-24.

The text of the resolutions along with explanatory statement is provided in the Notice circulated to the members.

I understand that there are few shareholders who have registered as a speaker shareholder for the AGM. If any member desires to ask any question pertaining to any item on the Notice, he/she may do so now. Members are requested to keep the questions brief and specific. Members may also note that the Company reserves the right to limit the number of members asking questions depending on the availability of time.

Before we open floor for Q&A, I would also like to say that members can request an email and write to us for answers. I request Sunu Manuel to provide the instructions on Q&A.

SUNU: Dear shareholders, thank you for joining our 25th AGM today and for taking time to participate in the proceedings. Before we go live with the Q&A, here are some points to note for your convenience. When your name is called and you're projected on the screen, please mention your name, folio number and the location from where you're joining and proceed to ask your question. Each shareholder will have two minutes for their questions. Once you have asked your question, you can switch to watch the proceedings mode. I now request Mr Ganesh Patro from KFin Technologies to call upon the shareholders who have registered as speakers, to ask questions or express their views and moderate the session. Thank you.

Ganesh, over to you.

MODERATOR: Thank you Madam. Now I will call, all the pre-registered speakers, one by one. The first registered speaker is Ms Celestine Elizabeth Mascarenhas. She is not available at this point of time. The next speaker is Mr Aloysius Peter Mascarenhas. He is also not available. We will move to the next speaker, Mr Rahul Kumar Paliwal. He is also not available. The next speaker is Mr Vinay Vishnu Bhide, I request Mr Vinay to unmute himself and switch on the camera to proceed further.

SPEAKER SHAREHOLDER: Hello, are you able to hear me?

MODERATOR: Yes, Sir.

SPEAKER SHAREHOLDER: Fine. Thank you, Chairman, Dr B S Ajaikumar, Executive Director, Mr. Raj Gore and other distinguished directors present in today's AGM, Company Executives, fellow shareholders, my name is Vinay Bhide and I'm a shareholder speaking from Mumbai. At the outset, let me congratulate you know the company for having crossed the landmark figure of revenue of 1000 crore in the concluded financial year. Also, you know we have been making profits for the past two years and the entire operations of the financials have been well depicted in the form of your annual report which has been sent to us in e-form. I have got just a couple of questions to ask the board. The first question is what are our CAPEX plans for the coming 2 financial years including, this year. That is question number one. And question #2 is when do you see/ foresee the possibility of the company getting into the dividend list, for shareholders. Otherwise, I think we are doing well. You have well explained it in the annual report and as well as at the start of the AGM. I thank you all for that. If I have any further queries, I shall get in touch with the company secretary on email. So, I conclude with best wishes to the Board of Directors, the employees and thank you for giving me the opportunity to speak Sir. Thank you.

CHAIRMAN: Thank you. Thank you very much. This is Dr Ajaikumar. I will answer the second question on dividend. And the first question I will ask Mr Raj Gore to answer on Capex. Regarding the dividend, I think at present company has no policy for dividend because we have significant need for flowing the money back into the system for our growth. This is a growth-oriented company. So, we expect the free cash flow to be put in for future growth of this company. That is the policy we have taken. Anytime there is a change in policy through the board, we will definitely indicate to the shareholders at the appropriate time. Thank you very much on that.

Raj, can you answer on Capex?

RAJ: Yeah, thank you Mr Bhide for that question. As informed from time to time in our investor presentation, our Capex plan in terms of routine and maintain Capex, continues to be in the range of 50 to 60 Cr every year. In terms of growth Capex, we have announced our plans with the 2 Greenfield projects, one in Bangalore and one in Ahmedabad with about 85 Cr as a Capex plan. As and when we have further more plans, we will share it with the shareholders in our investor presentations. Thank you.

CHAIRMAN: Thank you very much, Raj. Now we go back to Mr. Ganesh.

MODERATOR: Sure, Sir. Thank you, Sir. The last speaker is Mr Abhishek from Chennai. I request Mr. Abhishek to unmute and switch on his camera to proceed further..... He's also not available Sir. With this we have completed the speaker session and hand over the chair back to you for further proceedings. Thank you.

CHAIRMAN: Thank you very much, Ganesh. Thank you. Thanks, all the shareholders for these questions. And as I said, if you have any particular question, please e-mail us. We will be very glad to answer back on those specific questions or concerns you may have.

Now all the items of business as per the Notice of the 25th AGM have been taken up. I now declare the proceedings of the AGM as completed.

The insta-poll e-voting facility will now be activated for Members who are participating in this meeting and who have not voted earlier through remote e-voting. The insta-poll e-voting facility will continue to be available for 30 minutes after the meeting.

Further, I hereby authorize Sunu Manuel, the Company Secretary, to declare the results of the voting and place the results on the website of the company at the earliest. The resolutions, as set forth in the notice shall be deemed to be passed today, subject to the receipt of the requisite number of votes.

Once again, on behalf of the Board of Directors and Management of the Company, I convey my sincere thanks to all the Members for attending and participating at this meeting. I wish you all the best. Please stay healthy and safe. Have a good day.

Thank you very much for joining the meeting.

Thank you all.