



June 28, 2024

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 : *Intimation regarding the execution of (i) Share Purchase Agreement for the acquisition of shares of Vizag Hospital and Cancer Research Centre Private Limited (“Vizag Hospital”) by HealthCare Global Enterprises Limited from the Selling Shareholders (as defined below); and (ii) Shareholders Agreement by and between HealthCare Global Enterprises Limited, Vizag Hospital and its Continuing Shareholders (as defined below)*

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

Reference : *Regulation 30(2) and (6) read with Schedule III Part A Para A sub-para (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13 July 2023 (“SEBI Circular”)*

We would like to inform you that HealthCare Global Enterprises Limited (“*the Company*”) has entered into a (i) Share Purchase Agreement (“*SPA*”) on 28 June 2024, with Vizag Hospital and its selling shareholders (“*Selling Shareholders*”) and (ii) Shareholders’ Agreement (“*SHA*”) on 28 June 2024 with Vizag Hospital and its continuing shareholders (“*Continuing Shareholders*”) in relation to the proposed (i) upfront acquisition of 51% equity share capital by the Company and (ii) balance acquisition of 49% of equity share capital in Vizag Hospital in tranches (as detailed below), subject to approval of the board of directors of the Company for the proposed acquisition (for which purpose the Company shall convene a meeting within 7 days from the execution of the SPA) and completion of the various terms and conditions set out in the SPA and SHA.

The Company has agreed under the provisions of the SPA to acquire 51% (fifty-one percent) of the equity share capital in Vizag Hospital subject to fulfillment of the terms and conditions of the SPA. Additionally, in accordance with the provisions of the SPA the Company has agreed to acquire additional 34% (thirty-four percent) of the equity share capital in Vizag Hospital.

The SHA records the terms and conditions governing the management of Vizag Hospital, and the *inter se* rights and obligations between the Company and the Continuing Shareholders. Further the SHA also contains provisions in relation to the acquisition of the balance 15% (fifteen) of the equity share capital in Vizag Hospital in accordance with the terms and conditions contained therein.



Vizag Hospital, owns and operates a comprehensive cancer care hospital in the city of Vishakhapatnam, Andhra Pradesh, with a well-built hospital infrastructure, having 196 operational beds facility, led by Dr. Murali Krishna Voonna, a renowned onco-surgeon.

This acquisition would help the Company to secure leadership in a highly attractive micro-market, enhance operational and clinical synergies, unlock capacities, and strengthen our market positioning.

The additional disclosures as required under the LODR Regulations and SEBI Circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13 July 2023 with respect to the execution of the SPA and the SHA are set out in **Annexure - I**.

Kindly take this on record and acknowledge receipt of this intimation.

Thanking you,

For **HealthCare Global Enterprises Limited**

Sunu Manuel
Company Secretary & Compliance Officer



ANNEXURE - I

A. Additional disclosures as required under the LODR Regulations and SEBI Circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13 July 2023 with respect to the SPA:

(a) Name of the target entity, details in brief such as size, turnover etc;

The target entity is Vizag Hospital, which owns a 196-bedded comprehensive cancer hospital (including a total of 26 day care, ICU and post operative beds) in Vishakhapatnam, Andhra Pradesh. The turnover (revenue from operations) of Vizag Hospital for the financial year ended 31 March 2024, based on the unaudited financial statements was INR 1,202 Million (approx.) with an EBITDA of INR 422 Million (approx.)

(b) Whether the acquisition would fall within related party transactions(s) and whether the promoter/promoter group/promoter group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”;

No, the acquisition of the shares of Vizag Hospital would not fall within related party transactions.

(c) Industry to which the entity being acquired belongs.

Vizag Hospital is a provider of specialty health care, focusing on cancer care.

(d) Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);

This acquisition would help the Company to secure leadership in a highly attractive micro-market, enhance operational and clinical synergies, unlock capacities, and strengthen our market positioning.

(e) Brief details of any governmental or regulatory approvals required for the acquisition.

The acquisition does not require approval from any governmental or regulatory authority.

(f) Indicative time period for completion of the acquisition.

Subject to fulfillment of the terms and conditions of the SPA including approval of the board of directors of the Company:



- The acquisition of 51% (fifty-one percent) of equity share capital of Vizag Hospital is expected to be completed in Q2 FY 2025 (“**First Closing Date**”).
- Within 18 (eighteen) months of the First Closing Date (“**Second Closing Date**”), the Company shall acquire a further 34% (thirty-four percent) of the equity share capital of Vizag Hospital.

Subject to the terms and conditions of the SHA:

- The acquisition of the balance 15% (fifteen) of the equity share capital in Vizag Hospital may be pursuant to (i) put option exercisable by the Continuing Shareholders at any time within 12 (twelve) months post the expiry of 54 (fifty-four) months from the First Closing Date; or (ii) call option exercisable by the Company at any time within 12 (twelve) months post the expiry of 66 (sixty-six) months from the First Closing Date.

(g) *Nature of consideration – whether cash consideration or share swap and details of the same.*

The consideration for the acquisition of equity shares capital of the Vizag Hospital is in the form of cash.

(h) *Cost of acquisition or the price at which the shares are acquired.*

The cost of acquisition of 51% (fifty-one percent) of the equity share capital of Vizag Hospital shall be INR 2,076 Million (approx.) payable to the Selling Shareholders, in accordance with and subject to the terms of the SPA.

The cost of acquisition of additional 34% (thirty-four percent) of the equity share capital of Vizag Hospital shall be INR 1,550 Million (approx.) payable to the Selling Shareholders, in accordance with and subject to the terms of the SPA.

Further, the cost of acquisition of additional 15% (fifteen percent) of the equity share capital of Vizag Hospital will be based on the valuation principles in accordance with and subject to the terms of the SHA.

(i) *Percentage of shareholding/control acquired and/or number of shares acquired.*

The Company, has agreed, under the provisions of the SPA to acquire 51% (fifty-one percent) of the equity share capital in Vizag Hospital. Additionally, the Company has agreed to acquire 34% (thirty-four percent) of the equity share capital in Vizag Hospital by the Second Closing i.e. within 18 months from First Closing.

Balance 15% (fifteen) of the equity share capital in Vizag Hospital to be acquired in accordance with the provisions of the SHA.



- (j) *Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);*

Vizag Hospital is a provider of specialty health care, focusing on cancer care. It was incorporated on 5 March 1986 and has its presence in India. The turnover (revenue from operations) of Vizag Hospital for the financial year ended 31 March 2024, based on the unaudited financial statements was INR 1,202 Million (approx.) with an EBITDA of INR 422 Million (approx.). The turnover (revenue from operations) of Vizag Hospital for the financial year ended March 31, 2023, based on the audited financial statements was INR 1,100 Million. The turnover (revenue from operations) of Vizag Hospital for the financial year ended March 31, 2022, based on the audited financial statements was INR 1,058 Million. The turnover (revenue from operations) of Vizag Hospital for the financial year ended March 31, 2021, based on the audited financial statements was INR 876 Million.

B. Additional disclosures as required under the LODR Regulations and SEBI Circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13 July 2023 with respect to the SHA:

- (a) *name(s) of parties with whom the agreement is entered;*

The SHA has been entered into by and between the Company, Vizag Hospital and its Continuing Shareholders.

- (b) *purpose of entering into the agreement;*

The SHA *inter alia* records the terms and conditions governing the management of Vizag Hospital and the *inter se rights* and obligations between the Company, Continuing Shareholders of Vizag Hospital, with respect to Vizag Hospital.

- (c) *shareholding, if any, in the entity with whom the agreement is executed;*

Prior to the acquisition contemplated under the SPA, the Company was not holding any shares in Vizag Hospital. With the completion of the First Closing, the Company would hold 51% (fifty-one percent) of the equity share capital in Vizag Hospital. With completion of the Second Closing, the Company would hold 85% (eighty-five percent) of the equity share capital of Vizag Hospital. With the completion of the put option or call option, as the case may be, as per the SHA, the Company would hold 100% (one hundred percent) of the equity share capital of Vizag Hospital.

- (d) *significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;*



The SHA sets out the rights and obligations of the Company, Continuing Shareholders of Vizag Hospital, their *inter se* rights and obligations as shareholders of Vizag Hospital and the management of the Company and other matters in connection therewith. Some of the rights the Company has under the SHA are as under:

- (i) Vizag Hospital would have 7 (seven) directors on the board. With completion of the First Closing, the Company will be entitled to appoint 4 (four) directors on the board of Vizag Hospital, and with completion of the Second Closing, the Company shall have the right to appoint 5 (five) directors on the board of Vizag Hospital.
 - (ii) Between the First Closing and Second Closing, the Company has the right to transfer all (and not part) of the shares held by it, to any third-party purchaser, subject to the provisions of the SHA and the rights of the Continuing Shareholders thereunder. The Continuing Shareholders shall not be permitted to directly or indirectly, transfer the Continuing Shareholders shares (or any part thereof) to any third-party purchaser, without the prior written consent of the Company, except to the extent permitted in the SHA.
 - (iii) The Company has agreed to acquire a further 34% (thirty-four percent) of the share capital of Vizag Hospital to increase the shareholding to 85% (eighty-five percent) within 18 (eighteen) months of the completion of the First Closing under the SPA, for a total consideration of INR 1,550 Million (approx.), in accordance with and subject to the provisions of the SPA. In the event of the Company does not complete further acquisition of 34% (thirty-four percent) of the equity share capital of Vizag Hospital within 18 (eighteen) months of the First Closing, the Continuing Shareholders shall have the right to scale up to 51% (fifty-one percent) of the equity share capital of Vizag Hospital, and the Company would have to relinquish some of the rights under the SHA attributable to its 51% (fifty-one percent) shareholding in Vizag Hospital.
 - (iv) In relation to the balance 15% (fifteen) of the equity share capital in Vizag Hospital, the SHA provides for the (a) put option for the Continuing Shareholders at any time within 12 (twelve) months post the expiry of 54 (fifty-four) months from the First Closing Date; and (ii) call option for the Company at any time within 12 (twelve) months post the expiry of 66 (sixty-six) months from the First Closing Date. Both the put option and call option pricing would be determined in accordance with the provisions of the SHA.
- (e) *whether the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;*

The Vizag Hospital and the Continuing Shareholders are not related to the promoter/promoter group/ group companies of the Company.



(f) whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;

The SHA would not fall within related party transactions.

(g) in case of issuance of shares to the parties, details of issue price, class of shares issued;

There are no fresh shares being issued. Hence, not applicable.

(h) any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.;

Nil.

(i) in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):

a) name of parties to the agreement;

b) nature of the agreement;

c) date of execution of the agreement;

d) details of amendment and impact thereof or reasons of termination and impact thereof.

Not applicable.