



Narayana Hrudayalaya Limited

Transcript of proceedings of 21st Annual General Meeting

Held through Video Conference / Other Audio-Visual Means

August 27, 2021

MANAGEMENT: DR. DEVI PRASAD SHETTY – CHAIRMAN
MR. VIREN PRASAD SHETTY – WHOLE TIME DIRECTOR AND GROUP
CHIEF OPERATING OFFICER.
DR. EMMANUEL RUPERT – GROUP CEO & MANAGING DIRECTOR.
MR. KESAVAN VENUGOPALAN – CHIEF FINANCIAL OFFICER.
MR. S. SRIDHAR – COMPANY SECRETARY.

DIRECTORS: MR. ARUN SETH – INDEPENDENT DIRECTOR.
MR. B. N. SUBRAMANYA – INDEPENDENT DIRECTOR.
MR. MUTHURAMAN BALASUBRAMANIAN – INDEPENDENT DIRECTOR.
MR. DINESH KRISHNASWAMY – INDEPENDENT DIRECTOR.
MS. TERRI BRESENHAM – INDEPENDENT DIRECTOR

Moderator: Dear shareholders. Good morning and a warm welcome to you all to the 21st Annual General Meeting of Narayana Hrudayalaya Limited through video conference. As a reminder for the smooth conduct of the meeting, the members will be in mute mode, and the audio and video will be switched on when they will speak at the AGM as per the pre-registration. Please note that as per the requirements, the proceedings of the annual general meeting will be recorded and available on the website of the Company. I now hand over the proceedings to Dr. Devi Prasad Shetty, Chairman of Narayana Hrudayalaya Limited. Thank you and over to you sir.

Dr. Devi Prasad Shetty: Thank you. Dear shareholders, it gives me immense pleasure to welcome you all to the 21st Annual General Meeting of your Company held through video conference facility. Pursuant to the Articles of Association of the Company, as a Chairman of the Board of Directors, I'm entitled to chair the general meeting of shareholders. Accordingly, I'm chairing this 21st Annual General Meeting. We have requisite quorum and commence the meeting and accordingly call this meeting to order.

I would now like to introduce your board members who have joined this meeting. Mr. Arun Seth – Independent Director is joining us from U.S.A. He is the Chairman of Nomination and Remuneration Committee.

Mr. B. N. Subramanya – Independent Director joining the meeting from Bangalore. He is the Chairman of the Audit, Risk and Compliance Committee and a member of CSR Committee and also Stakeholders Relationship Committee.

Mr. Muthuraman Balasubramanian – Independent Director joining from Bangalore. He is the Chairman of Stakeholders Relationship Committee and a member of the Audit, Risk and Compliance Committee.

Mr. Dinesh Krishnaswamy – Independent Director joining from Bangalore. He is the Chairman of CSR Committee and a member of the Audit, Risk and Compliance Committee and also Nomination and Remuneration Committee.

Ms. Terri Bresenham – our new Independent Director, joining us from Boston, U.S.A. Terri has worked in GE medical division throughout her professional life and she has contributed significantly to Indian healthcare as head of Indian GE medical operations and we are very, very happy to welcome Terri as she was appointed as additional Director and in the capacity of an Independent Director on 5th August 2021.

Mr. Viren Prasad Shetty – Whole Time Director and Group Chief Operating Officer is joining from our corporate office in Bangalore.

We have a group CEO and Managing Director – Dr. Emmanuel Rupert.

Mr. Kesavan Venugopalan – Chief Financial Officer.

Mr. Sridhar – Company Secretary, joining us from our corporate office in Bangalore.

Dr. Kiran Mazumdar Shaw could not join the meeting as she's traveling, and she has conveyed her regret.

I would like to acknowledge the participation of the partner or authorized representative of our statutory auditors, Deloitte Haskins & Sells and the secretarial auditors, Ganapathi & Mohan, Company Secretaries.

I now request, Mr. Sridhar – our Company Secretary to provide the general information about the meeting for the benefit of the shareholders participating in this meeting.

S. Sridhar:

Thank you, Chairman. Dear shareholders in compliance with the provisions of the Companies Act 2013, SEBI regulations, directions of the Ministry of Corporate affairs, and due to the health concerns and safety of shareholders arising from COVID-19 pandemic, this meeting is held through video conference facility.

I would like to state that all the efforts feasible under the current circumstances have been made by the Company to enable members to participate and vote on the items being considered in this meeting. The Company has made available the facility for the shareholders to join the meeting through video conference on first come first serve basis. Live web streaming of this meeting is also being done through video conference facility provided by NSDL.

Pursuant to the directions of Ministry of Corporate Affairs, the notice along with the Audited Financial Statements, Auditor's Report, Directors Report, and other information required to be sent to the shareholders has been sent through email to the registered email ID of the shareholders. For the convenience of the shareholders, SMS messages have also been sent to the registered mobile numbers of the shareholders for whom there was an email rejection, about the date and time of the 21st AGM with a link to download the annual report and the notice.

Since the meeting is conducted through virtual means, the option of appointing proxy is not allowed as per the circular of the Ministry of Corporate Affairs, only the shareholders can attend the meeting. However, authorized representatives of corporate shareholders and institutional investors who have submitted the authorization resolution can attend and vote at the meeting. Shareholders who have not cast their vote during the remote e-voting window through the remote e-voting facility provided by NSDL can cast their vote during the meeting and up to 15 minutes after the conclusion of proceedings of the meeting by clicking on the e-voting button appearing on top of the VC screen. Shareholders who have already cast their vote through remote e-voting cannot vote again during the meeting, but can participate in this meeting.

Shareholders who have registered themselves to speak in the meeting would be enabled to speak after the Chairman announces the opening of the floor for shareholders to speak. The meeting moderator will facilitate the shareholder speakers to seamlessly join the meeting. And when your name is called out, you are requested to unmute your video and audio. Shareholders can also post questions through the communicate tab provided at the top of the video conference screen anytime up to 12:15pm. The registers and documents that are required to be made available

during the meeting for inspection of the shareholders, under the Companies Act 2013 are available for electronic inspection. Shareholders who want to inspect can send email to the designated email id given in the notice. I now hand over to the Chairman.

Dr. Devi Prasad Shetty: Thanks Sridhar. Dear shareholders, I hope you're keeping yourself and your loved ones safe during this pandemic. I understand, not all of you will be able to work from home and some of you will need to travel or be exposed to groups of people. If you must go out, please wear a well fitted N95 mask. Do not remove it while speaking to people and eat food by yourself or in an outdoor location away from other people. Take any vaccine that is available to you as soon as you're eligible to receive it. Please ignore WhatsApp messages from so called experts casting doubt over vaccines. All the vaccines have gone through extensive clinical trials. And the risk of vaccine complication is much less than the risk you face every day driving on Indian roads. Vaccine will protect you from severe symptoms and make you less likely to spread COVID to your family members. As a group we are vaccinated close to 16,000 of our employees and our results are extremely, extremely encouraging. I would encourage everyone to vaccinate themselves.

This pandemic has changed our world forever. The struggles of health sector have become part of media debates for over a year. Policy makers across the world realize that modern healthcare is accessible to only a small percentage of the world's population. This system was acceptable as long as poor people were dying of cancer or heart attacks in their own homes, far away from the elites. When a global pandemic like COVID-19 attacked everyone at the same time, then, rich people realized that with all their money and connection, they also need to struggle to find their bed. Healthcare is everyone's problem. If all of us are not safe, then none of us are safe.

The Indian healthcare system was struggling long before COVID-19. We are blessed to be living in a country where cost of healthcare is the lowest in the world. I left England in 1989, and the first patient I did the bypass grafting in Calcutta over 30 years ago paid Rs.1.5 lakh, 30 years later, we are doing the same operation with better outcome under the government scheme for less than Rs.1 lakh. That is okay, because all these years, hospitals used to subsidize the cost of operating on poor farmers by charging extra for rich people. Unfortunately, every organized payer is trying to lower the amount they pay for the healthcare. Central Government Health Scheme, which covers government employees who drive cars and stay in independent houses, pays hospital less rate than what a poor person has paid out of pocket, virtually by selling or mortgaging his house.

Even private insurance companies are trying to bring their prices closer to what the government pays. If nobody pays what it costs for delivering high quality healthcare, then hospitals will have no money to invest in latest equipment or pay good salaries for highly skilled doctors, nurses and paramedics. In the last five years, barely any new hospital has come up in India, especially in Tier II cities where it is desperately needed. Hospitals will thrive when people pay for the true cost of healthcare. This will encourage many new hospitals to come up, then competition will drive down the prices of healthcare.

Delivering healthcare for all require a new system. India needs to have multiple financial intermediaries to pay for the health care of all sections of the society, rich and poor. Even today, nearly 60% of our patients pay for healthcare from their pocket. This must change, working class people can't all of a sudden produce a large sum of money to pay for the surgery. But they can pay small amounts of money to a financial intermediary which will pay for the surgery whenever it is needed. This is a typical model of health insurance, but the current premium for health insurance is too high for working class Indians.

Premium is high because the pool of people who buy health insurance scheme are too small. This is because people who can afford to buy health insurance premiums are rich enough to pay for the surgery out of pocket. So most of us choose not to buy insurance. Poor people in isolation are weak. But together they are very strong, 17 years ago we conceptualized the Yashaswini micro health insurance scheme for the State of Karnataka. Farmers paid just Rs.5 per month to enroll in a health scheme that paid for 700 varieties of surgeries in 400 hospitals across the State. Government of Karnataka launched a scheme through the Karnataka state cooperative societies and became reinsurer for the scheme. At the end of 10 years, 1.4 million farmers had access to all varieties of surgeries, including heart and brain surgeries for just Rs.5 per month. Yashaswini inspired other state governments to launch their own health schemes, like Aarogyasri of Andhra Pradesh, and they all eventually merged with Ayushman Bharat launched by the Central Government, which is doing an amazing contribution to the society.

Even though we conceptualized the idea of government funded health schemes, we have come to realize that this is not suitable for a poor country like India. The problem with government funding the cost of surgeries is what economists call miss aligned incentives. If the hospital is paid to do the surgery, they will do the surgery. They're not paid to keep the patient healthy, and they are not incentivized to choose a less costly medical treatment or counsel for lifestyle change. In the United States, around 10% of government spending on Medical care is fraudulent due to unnecessary billing, or patients undergoing unnecessary procedures.

You can only imagine what the situation will be in our country where most healthcare procedures aren't even electronically documented. We need a new system for providing universal healthcare. Lots of countries around the world are experimenting with population health management for their citizens. It can be called accountable care, managed care, integrated care, or health management organization but the main idea is that the government pays a provider or a group of providers a lump sum money to take over the healthcare needs of all the people living in one area. This encourages hospitals to ensure that patients are kept healthy and out of the hospital.

Your Company takes inspiration from Kaiser Permanente, the largest managed care organization in the United States of America. Kaiser foundation health plan collects premium from millions of Americans. And the Permanente medical group works 24x7 to keep their members healthy. Patients suffering from chronic diseases like diabetes are enrolled under online care management. They have over 3000 engineers building software to give their patients an Amazon like experience. We believe that this is what is required from healthcare providers. Our interest

should be aligned with the interest of our patients, that is good for the patient, good for their family, and good for the society.

It is very important that the government and the healthcare providers come together and work out a new healthcare system for India that takes care of the poor and the middle class through innovative funding models, and low cost financial intermediaries. This is the only way to make the entire healthcare system viable and dynamic. I have no doubt that healthcare is going to be the driver of global economy and India has a unique opportunity to lead rest of the world.

Future is never an extension of the past. It is different and we can make it whatever we want it to be. All the innovations that transform the world were created by passionate people who followed their crazy dreams. I want to thank the Board and all my shareholders, for allowing us to follow our crazy dreams to make this world a better place to live. Thank you so much. I now request Dr. Rupert and team to address the shareholders on the performance and operations of the Company. Thank you.

Dr. Emmanuel Rupert:

Good morning to all. On behalf of Narayana Health, we welcome our new Independent Director Ms. Terri Smith Bresenham. She is a global healthcare expert and in her illustrious professional carrier she has a proven track record of identifying novel ideas in global healthcare markets, and cultivating investable business models. She has demonstrated ability to inspire, shape and creatively scale growth and profitability in a variety of situations, including startups, acquisitions and emerging markets. She's got a strong passion for technology, data analytical and digital healthcare enterprise design. On behalf of Narayana Health, we welcome Ms. Bresenham as our new Independent Director.

Next slide. This is Narayana Health at a glance as shareholders you're all very aware of all the units we have right across our entire stretch of our country. And we also have a unit in the Grand Cayman Island and we have an heart center in Chittagong, Bangladesh as well. Apart from the key focus areas of cardiac sciences, we have been concentrating on the cancer care, oncology services, the gastrointestinal services, the neurology services, and the renal services, in addition to orthopedics and critical care, which we have strongly demonstrated in this pandemic time. And we have also been focusing a lot on the coronary work of solid organ and bone marrow transplants, and interventional and image guided therapies as well, which requires very less hospitalization during this period of, in situations like these things. Thank you.

Next slide please. Over the last seven to eight years, as is the nature of the business we have been investing capital year-on-year, as you can see from the snapshot and there has been a large allocation in FY2018. This is mainly because of the investments in Cayman Islands and the NCR region.

Next slide. The foundation is strong and we have been focusing and consolidating the operational efficiencies and the service and digital transformation. With a newer hospital and unit in Cayman Islands, recovering well and along with the flagships we are poised to reap the benefits. We have

demonstrated with resilience and agility during this pandemic period. We remain confident in the future and enduring growth.

Next slide, please. This entire last financial year we have been hit by the COVID-19 and the impact has been quite strong. And from the first graph you can see that as the COVID admissions took a strong place in the admissions of the hospital. The non-COVID patients were restricted in their admissions mainly because of the restrictions in travel and the lockdown that we were subjected to. And we have been able to take care of both the COVID as well as non-COVID work with a lot of clinical protocols and a lot of segregations of areas within the hospitals, and we were very well prepared for the second wave, and we have made a lot of infrastructural changes as well as we are clinically prepared in the eventuality of a third wave as well. And as for the, the rollout of the vaccination for the health care workers in the early part of this year, we are vaccinated almost all our workforce. And in the beginning when the pandemic was just about setting in our Chairman had told us that, we will be measured by how safely we have taken care of our staff while they were taking care of the COVID patients. And we did not have any serious COVID infections in any of our staff, and we have no mortality amongst any of our health care workers. And because of this COVID we have seen a significant reduction in the elective outpatient practice. But we were very quick to move on to the video consultation mode. And we were able to deliver a lot of consultations for the needy patients on the video consultation during this period of time when this movement was severely restricted. However, the oncology, the cancer care work volumes remain consistent throughout the period irrespective of the lockdowns or the restrictions in moment. And so we also saw an increase in the daycare and short stay procedures during this period of time.

Next slide, please. As part of a free COVID-19 vaccination for the underprivileged people we were as part of a campaign along with giving here, get one give one. And for generous donations from companies like Oracle and Caregem we were able to vaccinate close to 30,000 people as a free vaccination program.

Next slide. These are some of the snapshots of people who have come for a free vaccination program. And we were able to scale up our vaccination program and in some of our sites to as much as 10,000 in a particular day, and we had a staff trained and staff could vaccinate 10 people in a unified manner within a short span of 90 seconds. So we were able to scale up as much as 10,000 people in a single site.

Next slide. As part of our preparation for the second COVID wave and also in preparation for the third wave, we have spruced up our COVID care centers right across with additional beds and additional infrastructure to meet the increasing demand as and when it happens, we were able to scale this up in a very short span of time in across all our units. And we were able to cater to a large number of people who would require care during this second wave of the pandemic.

Next slide. A quick update on the Health City Cayman Islands and our plans for the future in the Cayman Islands. Health City Cayman Islands is situated in the Eastern part of the island. And we catering mainly to the super specialty care in those areas which is the need in that island of

cardiac sciences, orthopedics, medical oncology and various super specialty services. But most of the people live on the Western part of the island and there is quite a 30 to 40 mile separation between the Eastern part and the Western part of the island. So we have started clinics and we are in the process of starting unit in the western part of the island which will cater to a short stay surgeries, the oncology program, the radiation program, birthing centers and the neonatal and pediatric intensive care areas along with interventional radiology, emergency services and interventional therapies which we can deliver with a short stay of time. So this is our expansion which is happening and we are very confident that it will make a major difference to the people in the islands and in the Caribbean region.

Next slide please. Quality initiatives remain a core of our work and patient centered care is a very important part of the entire work that we do and we want to deliver the highest quality of outcomes to our patients. In order to maintain that we have a robust method of measuring and monitoring outcomes and robust audit mechanisms, clinical audits and audits of not only the facility, but also creating a culture of safety with senior leadership involvement. And we have fully automated our Incident Management Systems, both for clinical and non-clinical issues. Now, we are also moving towards what is the need of the hour that the patient reported outcomes, because we want to measure what is the quality of life of the patient as they keep coming for the therapies and going back, we want to give them the best quality of life for whatever we are doing. So, this is some of the initiatives which we are doing and monitoring and constantly improving our outcome based patient centered care that we are delivering to our patients.

Next slide. As part of our work, we are also actively involved with clinical research in the organization. And we have almost close to 400 publications in the last three calendar years and with these main flagship hospital are leading the front in terms of some of the very good clinical research that is coming out of in various specialty is coming out from these units.

Next slide. We have close to 17,000 staff on our role, and they are our strengths and words are not enough to appreciate and praise them for that selfless service during this COVID pandemic. And in spite of all the pressures they have delivered what they need to do with very high patient centric care. And we are also working extensively on talent acquisitions and retention of talents, along with learning and development activities for employee engagements as well.

Next slide please. The Chairman Dr. Devi Prasad Shetty will give a brief update on the technology initiatives of the organization.

Dr. Devi Prasad Shetty: Thanks Rupert. Our journey to build a technologically advanced digital hospital started 20 years ago, after spending millions of rupees and tried multiple times we didn't succeed, mainly because big software companies were not interested in hospital management system or electronic medical records and small companies were not capable of delivering. So we had several false starts. But four years ago, our Chief Operating Officer Mr. Viren Shetty, convinced all of us that we have to change our strategy. If we have to build one of the technologically most advanced hospital, we need to think about a hospital with the reception where there are no receptionist, a hospital with the intensive care unit where there are no intensivists. All of them work from home and he

convinced us that we don't need to hire 1000s of software engineers by giving an example, that when WhatsApp which we all use was acquired by Facebook for \$16 billion since they had 450 million users, Whatsapp Company had only 35 engineers. So his idea was that, we need to have extremely smart, bright software engineers who work in the hospital with having breakfast, lunch and dinner with the doctors and they can come up with amazing tools. And this is exactly what happened in the last four years.

We took a different route compared to our other hospitals in the country. When every hospital invested on technological tools to attract patients, solicit the patient by various apps, we invested large sum of money and a lot of time on apps which can care for the patient, to make healthcare safer for the patient, to make healthcare affordable and accessible to the patients. And we were very clear as doctors actively involved in developing the software with brilliant software engineers, that we as the end users, doctors are not designed by God to type. So any software made for healthcare industry, we clearly told the software engineers it cannot have a keyboard, and doctors we are relatively highly egocentric people, we do not like to read instruction manual. So software what they create has to come without the instruction manual, it should be intuitive.

And every billion dollar electronic medical record in the world was designed for desktop. But interestingly, doctors look at the desktop five to six times in a day. But they look at their mobile phone 200 times in a day. So we are very clear that the entire electronic medical record for the doctors, other than the outpatient must be designed for their mobile phone. And this is how what we have done.

Can I have the next slide NH Care. The NH Care is a app we have developed for the patients. We want every person past the age of 20, 25 with the medical record must have all their medical records on their phone. Today, we see 70 year old patient who had multiple illnesses, many admissions coming to the hospital with this big file, and they put the file in front of us. 8 minutes, 10 minutes we have in the OPD, there is no way we can go through those files and half the time these files get lost. We would like every patient to have their medical records all the time with them 24 hours wherever they go. That can only happen if they have the medical records in their mobile phone. Because today people forget the spouse, but they never forget the mobile phone. And this is the best tool to carry medical records. And we are convinced within the next one or two years' time, irrespective of what your complaint is, whether it's a headache, or a heart attack first, consultation will happen online. So with the NH Care, you can consult a doctor from anywhere in the world by touch of a button. We are already having over 10,000 diabetic patients on our online diabetic management. And I can tell you confidently, there are enough publications now published, diabetes patients who are managed online, their blood sugar is much better controlled than a patient who insist on seeing the doctors whenever the blood sugar goes up. So this is the way technology will disrupt healthcare.

And the another tool we have developed, can I have the next one. AADI. AADI is designed by our team for the doctors. So the idea is that, every doctor in the hospital has may be 10 patients, 20 patients or a busy doctor like me, we have 30 patients at any given time. We have real time data of all of our patients, in our mobile phone. I go to bed at 11 o'clock at night before I go to

bed, I do the ICU rounds sitting on my bed. It takes me 12 minutes to 15 minutes. I see the cardiac monitor live in my mobile phone. I know exactly what the last blood gas report was. And, I give my comment as what needs to be done. I am up at 4:30am in the morning. First 12 minutes as soon as I wake up, I do the rounds. In good old days, I used to enter the hospital early morning through the back door because I didn't want to see the patients whose relatives are in the ICU because they had a lot of questions. Today, I can enter the hospital from the front door or any door, because, I know exactly what is happening with my patient. Why these tools are important. These tools are important because, ICUs across the world in India, U.S., Europe, anywhere,. a patient in ICU get the best care only eight hours in a day, where there are senior doctors between 9 to 5, 16 hours in a day they get suboptimal care by junior doctors and junior nurses. Our mission is, that let the doctors go home at 6 o'clock no problem. But in four hour slots staying at home, they manage the patients. By doing it, we believe the mortality morbidity in an ICU can come down significantly because a doctor sitting at home at 4 o'clock in the morning, just up from the bed with a cup of tea can take much better clinical decision to patient's life than a doctor who started slogging at 6 o'clock in the evening without any sleep till 4 o'clock in the morning. Human beings cannot take the right decision. And this will be an amazing contribution because then our ICU can be managed by not only by our doctors, we can manage the ICU patient in Cayman Island at night which we are doing already and they can manage our patient if required. So, today sitting in an international flight to U.S., I do the ICU rounds and give the instruction and this is the beauty of technology.

And the next tool is Medha. Medha is an analytic tool which our team has developed. Essentially what they have developed is one of the important tool is the risk score. If you have 100 bed ICU at any given time, we need to know who are the real sick patient who need maximum care and Medha gives us the data in our phone, who has the highest chance of getting a cardiac arrest in the next 24 hours. And those patients are shifted to the area where there are senior nurses and senior doctors. Similarly, in the ward you would have I'm sure if you are unfortunate enough to be admitted to the hospital,. every six hours nurses will come and check your blood pressure, temperature, respiration rate. It is a wastage of talent of the nurse, today we can put a sticker on the chest we get all the data and our Medha analytic tool will tell you what exactly is happening with the patient. And only the patient who need attention can be managed by the nurses. So nurses time is saved well.

So these are the amazing tools our team has developed. Now what is the future. 80% of the hospitals across the world do not have electronic medical records. They don't even have a hospital management system. Our desire is sometime in the future distant future, every hospital will have the tools what we have developed as a default EMR and a hospital management system. This is our aim and that is why we are spending so much of time and resources. Now you may think that we are ahead of time, we are not ahead of time. Five years ago, the Chief Justice of Uttarakhand High Court gave a judgment that in the State of Uttarakhand no doctor can prescribe medicines on paper, they have to prescribe medicines on a digital tool. But unfortunately, digital tool doesn't exist in Uttarakhand. So, that was not implemented.

In every part of the world, technology is far ahead of society's demand. But in a country like India, interestingly, society is far ahead of the technological availability. And this is why we are excited and we feel that all these technological innovations will make healthcare safer for everyone. It will make it available and affordable. Thank you very much for the opportunity.

S. Sridhar: Request the Chairman to commence the further proceedings.

Dr. Devi Prasad Shetty: Thank you very much. Dear shareholders, the notice along with the financial statements, directors report and auditor's report having been already sent to the shareholders, I shall take the same as read with your permission. Since there is no adverse remarks, qualification, or observation in the auditors report and secretarial auditor's report, it does not call for reading the said reports. I would now like to state the formal business of the meeting as proposed in the notice for the information of the shareholders, as remote e-voting has already concluded yesterday on these items of business. While only those shareholders who are participating in this electronic meeting, and have not yet cast the vote through remote e-voting are eligible to cast the vote at the meeting. Those shareholders who are participating in this meeting, and who have not cast their vote through remote e-voting are eligible to cast the vote any time till the conclusion of the meeting.

The first item of the ordinary business is the adoption of the audited, standalone and consolidated financial statements for the year ended 31st March, 2021 along with the directors report and auditor's report there on.

The second item of the ordinary business is to appoint a director in place of Mr. Viren Prasad Shetty, who retires by rotation at this meeting and being eligible offers himself for reappointment. There are nine items of special business, they are the 3rd to 11th item of the notice.

The third item being a special business requiring consent through ordinary resolution for ratification of remuneration, payable to the cost auditors, PSV and Associates for the financial year 21-22 as proposed in the notice.

The fourth item in the agenda is a special business requiring consent through special resolution seeking approval of shareholders for revision in remuneration of Dr. Emmanuel Rupert, MD and Group CEO as proposed in the notice.

The fifth item in the agenda is a special business requiring consent through special resolution seeking approval of shareholders for revision of remuneration of self as a Whole Time Director, as proposed in the notice.

The sixth item in the agenda is a special business requiring consent through special resolution seeking approval of shareholders for revision in remuneration of Mr. Viren Prasad Shetty, Whole Time Director and Group Chief Operating Officer as proposed in the notice.

The seventh item in the agenda is a special business requiring consent through ordinary resolution seeking approval of shareholders for revision in remuneration of Dr. Varun Shetty, Consultant Cardiac Surgeon holding office or place of profit as proposed in the notice.

The eighth item in the agenda is a special business requiring consent through ordinary resolution seeking approval of shareholders for revision in remuneration of Dr. Vivek Shetty Consultant Head & Neck Surgeon holding office or place of profit as proposed in the notice.

The ninth item in the agenda is a special business requiring consent through special resolution seeking approval of shareholders for payment of remuneration to Non-Executive Directors as proposed in the notice.

The tenth item in the agenda is a special business requiring consent through special resolution seeking approval of shareholders for the issue of debt securities, as proposed in the notice.

The eleventh and the last item in the agenda is a special business requiring consent through special resolution, seeking approval of shareholders for appointment of Ms. Terri Bresenham as an Independent Director, as proposed in the notice.

The shareholders may note that there is no voting by show of hands as e-voting facility has been provided. I now request the shareholders who have registered to speak at the meeting to address the meeting. Thank you.

S. Sridhar:

Dear shareholders. Thank you for taking time and registering for speaking at the meeting. The moderator will facilitate the shareholder speakers to seamlessly join and speak. You are requested to state your name, folio number or DP ID and client ID and the place from where you're joining the meeting and then proceed to speak. I request the moderator to please connect the shareholder speakers.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is an audio only question from the line of Mr. Rishikesh Chopra. The current participant has placed the call on hold, we will move on to the next speaker shareholder from the line of Mr. K Sadananda Shastri. Please go ahead.

K Sadananda Shastri:

Good morning, sir. I am Sadananda Shastri from Bangalore. My number is 11702201. Sir, Dr. sir, now I can identify you. I could not identify in your e-report, because you're looking like a smart gentleman, now you're a doctor. Sir first of all to be frank with you, this virtual meeting will not help each other. In the absence of your physical report, we are in trouble with the mobile. I need a hard copy of your annual report for my records. Page number #2 in your report, your message you have rightly said that we are blessed with the lowest cost of healthcare. But there is a lack of healthcare units. It should be more. Why can't you stalwarts and experts like you make the government to set up funds and allocate to healthcare and build hospitals more and more.

Secondly, you have given a message the driver of global economy, absolutely right but nowadays we are finding this atrocities of doctors and healthcare units. Doctors and hospitals are on threat, it is mainly because of lack of education, poverty of people, and especially politician and miscreants. Poverty will not come by birth, style of living, habits, illiteracy and government appeasement to certain extent. Why can't the doctors forum make the government to bring a crucial laws to curb atrocities. During this pandemic situation, you have become a recognized world leader. I'm happy, recognizing your yeoman service you have been awarded, Padma Shri, Padma Bhushan. You're entitled to Bharat Ratna now. I will be the first to person to recommend it. Your yeoman service to the world clears the way to Bharat Ratna. While Mr. Tendulkar said to be a God of cricket is a God to only the cricket lovers, he's getting a Bharat Ratna, why can't this God of lives is entitled. So actually is a worldwide God not an Indian God and let the days come soon. I wish the Director – Nivruti Rai to continue service without a Nivruti that is retirement. I personally thank all the dedicated staff, nurse, doctors of my Company Narayana Hrudayalaya for their fearless service rendered in the COVID period, its a pride to our Company.

Page Number #16, beat COVID photo, your photo, sir, victory sign of photo has inspired us all. Thanks for your motivation to the public. Page number #17 gynecology care, your advice, inspiration, motivation, encouragement is still leading the people to be away from this dreaded disease. Page number #21, especially during the lockdown period, pandemic period there is a sluggish growth in companies performance negative growth is appearing. I don't want to elaborate and trouble Dr. Emmanuel to answer it. However, following are the few points, one manpower expense, we have a gratitude towards the doctors and staff of Narayana Hrudayalaya for their sacrifice in salary adjustments in the interest of the Company. No MNCs, that is multinational companies will adopt this social cause. Trade receivable become stagnant, recovery measures to be adopted.

Page number #37. Subsidiaries, Narayana Hrudayalaya Surgical Hospital is under heavy loss by 26 crores and total assets is less than the liability. Reserves also negative, how about its re elevation. Narayana Hospital has not yet commenced, but how it has earned a profit of 1.78 crore. I hope this current year with the efforts of the board performance will be up to the mark. My sincere request to take care of your shareholders properly sir. Thank you very much. See you in Sai Sadan or somewhere else the next year. Till then be safe, be healthy. Thank you very much sir.

Dr. Devi Prasad Shetty: Thank you so much. Rupert, you would like to answer?

Dr. Emmanuel Rupert: Sir we will take all the questions together and then answer.

Moderator: I now request. Mr. Raman Kumar Majumdar: to proceed with his questions. Please unmute your audio and *[unclear]*. Thank you.

Raman Kumar Majumdar: Respected Dr. Shetty, Dr. Dr. Rupert, Mr. Muthuraman. Mr. Muthuraman nice to see you after a long time. Mr. Muthuraman and other Directors of the Company. Myself Raman Kumar

Majumdar a small shareholder from Kolkata. While our Chairman as well as Mr. Rupert was, Rupert joined in 2001. Sir Chairman's message in page #2 and #3 is one of the best, I have gone through from different Chairman speech, but it appears to be that it was from the heart and not a mere statement. Thank you sir for such passionate message to us. And sir I have gone through the annual report and have some queries related to audited accounts and other matters. Firstly, the Company's revenue from operations decreased during financial year 21 due to COVID-19, decrease in number of foreign patients, etc. it booked negative PBT of 121 crores during financial year 21. But this is an opposite in all of what we saw in private hospitals in Calcutta, during the pandemic. It came to them as a god gift and they used it for their benefit at the cost of poor patients. In the case of my wife, they refused to accept cashless treatment and demanded cash payment. And the rate and total bill for a period of 10 days was astronomical, which we have to settle, initially they gave one page bill mentioning only the total amount and when we asked for the detail bill, they took two to three weeks to give this and after complaining to the medical authority and other then they only supplied the detail bill. Our hospital chain is [*not clear*], so noting the statutory auditor put the efforts in COVID-19 pandemic uncertainty under emphasis of matters. Dr. Rupert let us to us also mentioned the matter as a result for less revenue and loss. I was a bit surprised, because we noticed in the opposite direction in Calcutta. Private hospitals earned huge money using the pandemic and I believe they are distributing unbelievable profit dividend to its owner shareholders during financial year 21 and their looting is still going on, it is still going on. How our hospital chain is coping with the pandemic during the current year. And what is your expectation from the remaining part of the year. Sir, in pages #128 and #208 mentioned that during the financial year 21 business from customers paying in cash was badly affected, on standalone basis as well as on consolidated basis. Business on credit not affected on consolidated basis, as it remains same like last year. Would you please share your thoughts in this regards. And Dr. Rupert talked about arrival of less foreign patients due to restriction on travel for the pandemic. But look at page #145 of the annual report. It showed the revenue from the rest of the world on standalone basis was 18 crores, in financial year 21 and it was 19 crores from financially year 20. Actually there is no change, so due to decrease in number our income from foreign customers from the rest of the world was remained nearly same. Would you please throw some light on it disclosing your thoughts on current year. Collections from government and other agencies as regards treatment on credit is really a concern. There are huge delays in recovery and on regular basis we have to provide amount against this sir, what steps the Company has taken to strengthen, your views please, and it pained us noticing the write-off of the value of loan taken for hospital at Siliguri in West Bengal, what is the reason for such write-off. You don't want to be in Calcutta, you are interested in coming to Calcutta only for people like Sourav Ganguly, Mamata Banerjee and others, not for us. And when do you believe, Ahmedabad Hospital will be able to achieve terms conditions of grant of lease and despite the loss during financial year 21 our Company is on strong footing. With free reserve of 889 crores as on 31st March 2021 which includes net positive return earning balance of 361 crores against an equity base of 20.2343 crores, our shares of 10 each, you were holding 58.04% equity, you and your family is holding 58.04% of the equity of the hospital. Also gives us confidence that it will remain as a globally respected chain. Our best wishes is always remain with you and taking a cue from Mr. Sadanand Shastri why, I only want to add that we want to see you as the God of

poor people, not the God of Sourav Ganguly and other high profile people. We want to see you as the God of poor people. Thank you all for patient hearing.

Moderator: Thank you. The next question is an audio only question from the line of Ankur Chanda. Please proceed with your question.

Ankur Chanda: Good afternoon sir, sir your secretarial department is not working properly, if I email them there is no reply from them and if I call them.

Moderator: The line for current participant has got disconnected we will move on to the next speaker shareholder Mr. Ravi Kumar Naredi. Please unmute your audio and video from your device and proceed with your question. As there is no response from the current speaker shareholder we will move on to the next speaker shareholder, from the line of Mr. Rishikesh Chopra. Please proceed with your question. As there is no response from the current speaker shareholder, we will move on to the next speaker shareholder from the line of Mr. Ankur Chanda. Please proceed with your question.

Ankur Chanda: Sir, your secretarial department is not working properly and they are not reply to my emails and calls. I have done a speaker registration so today I got message from the moderator, moderators are working fine and in connect with me working good. But this was supposed to be done earlier which started today at 10:30am and our meeting was at 11:30am. So, the secretarial department needs to focus more and work on these. S. Sridhar is not working properly. I have got most of my answers in the Chairman speech and moderator is working good but what was done in the morning today should have been done yesterday. That's it, thank you.

Moderator: Thank you. The next speaker shareholder is Mr. Ravi Kumar Naredi. Please proceed with your question.

Ravi Kumar Naredi: Thank you for giving me opportunity. Two question, the first one is about Bangalore region, New Delhi and Western Region our EBITDA margin is very low so what is our plan and when it will be normalized. The next question is, sir we are doing 250 crore renovation CAPEX, so impact do you see in our operation and profitability in near future like average revenue per patient or in any other terms.

Moderator: Thank you. The next speaker shareholder is Mr. Rishikesh Chopra. Please proceed with your question.

Rishikesh Chopra: What is the real impact of COVID in your Company and how many staff members have been added due to COVID. In other industry, the staff member has been reduced but the hospital industry, the staff member have been added please clarify.

Moderator: Thank you very much. That was the last speaker, shareholder. I now hand over the proceedings to Mr. Sridhar. Thank you and over to you, sir.

S. Sridhar: Thank you. Dear shareholders, thank you for your comments, suggestions, and the questions raised. We will now playing a short video on addressing the COVID pandemic. We'll try to answer all your questions after this video. Please continue to stay with us.

Moderator: Over to Mr. Sridhar.

S. Sridhar: Dear shareholders, we will try to respond to all the questions raised in the meeting. However, the shareholders can write to the Company on the designated email addresses given in the website of the Company for any further questions and queries you may have. Now, the management team will respond to the queries raised by the shareholders. Dr. Rupert will proceed with this.

Dr. Emmanuel Rupert: Good afternoon shareholders, we've listened to the questions raised by the speaker shareholders and also some of the questions which have come through the chat box. One of the important questions raised was on the reduction in revenues on account of COVID, during the COVID months and the implications of that, I just want to respond to that by saying that we have units in different geographies and we had various directives from the respective state governments on the need for handing over certain beds for the underprivileged patients having COVID and also in some states, there are restrictions on the kind of charges that could be charged to the patients. We have followed the directives in accordance to the directives from time-to-time by the various state governments wherever we are located.

The another question is as far as the manpower count, during the pandemic, there were severe restrictions then there was some of our manpower as part of our natural attritions amongst the nursing manpower and various other staffs in the paramedics had their attrition was continues to be there, but we continuously had to keep recruiting people knowing fully well that we will have a strong patients coming in with a strong increase in patients coming to our hospitals. So, we continuously reassigned people to different roles, different clinical roles to take care of the both the COVID as well as non-COVID. So, overall, we recruited kind of the occupancies and our own predictions about what kind of patient load we will be continuously having. So we did it in line with that and we had a very strong input from whatever was going on in and around the various regions of wherever we were located, and we followed a recruitment policy in keeping with what we wanted to do as far as the clinical services are concerned.

The third one was on the issue of secretarial issue. I would like to assure the speaker shareholder that we will ensure better communication in future and we will take care of all your concerns and we will be more communicative in the coming days. Kesavan , would you like to take the next one.

Kesavan Venugopalan: Yes. Good afternoon shareholders. Let me go point-by-point, first with regard to the question from Mr. Sadanan Shastri on trade receivables being stagnant. The trade receivables being stagnant as compared to FY20 in itself I would say a bigger achievement when the government allocation of funds were not towards hospitals for paying the medical bills. So with the greater effort and much stronger I would say follow ups, . we were able to collect a larger sum of money

still from the government and of course there is also another element of the third party and the insurance payables because of the lock downs, they were severely impacted in terms of operations which were stabilized much later towards February and March. So, both these reasons have contributed to the receivables being stagnant. The Company is taking all the steps to make it further more, I would say improved and push for collections from these agencies.

With regard to the Mysore subsidiary showing 26 crores negative, there is loss in operations. If you remember we had seen this query even last time from you, we would like to explain you that there is a NCR unit which we have operating as a part of this subsidiary, and this subsidiary is turning around and as a part of the turnaround process we expect that this unit will have let's say a couple of years of operating losses in the future. After that we expect a steady turnaround and improvement in the operations with respect to this unit, which is a part of Mysore entity.

With regard to Narayana Hospitals Private Limited showing a profit of 1 crore but not yet commenced operation. I would like to highlight that this entity has been mainly structured to sign contracts with the government for allotment of land for hospitals. And as a result, this entity assigns land to the operating units and the profit what you see is based on the rent what it has received for the land and the building usage. So to that extent, we do not propose this NHPL to be an operating unit at any point of time. But this arrangement we will closely monitor depending on the government contract terms and conditions.

With regard to, there was a question on expectations of FY22, what we see after the impacting year of COVID, I would like to possibly put three or four points in this aspect. We did a reasonably good performance, despite let us say the onslaught of COVID in the first couple of quarters. And as it's turning out to be in this year the May month was again another bad month with regard to COVID. However, we see a lot of green shoots, and possibly a better environment, of course subject to the third phase of COVID impacting us at any point of time, there is a sort of recovery in the domestic patients process, despite the slump in international patients visit to India, which has taken a considerable beating due to travel restrictions. And also, I would like to highlight your companies engaged extensively in some transformation initiatives and setting up of proximity clinics in major locations where our hospitals are located to engage with the patients more seamlessly and effectively. So this would possibly address our major expectation with regard to how we would come to reaching the pre COVID levels in FY22.

With regard to arrival of less foreign patients, there was a doubt see there's a change in this sort of understanding issue between the foreign operations and the International patients. There are three components in our revenue. One is the domestic patients; second thing is the foreign patients visiting India. And the third is our overseas operations. What we have highlighted in the report is predominantly due to the foreign patients not able to visit India and as a result, this revenue dipping by around close to 11% of our total revenues. And it is possibly good to say that we have as much as possible trying to compensate that volume with an additional domestic volume.

With regard to collections from government as a concern, I've highlighted this earlier, we are making all efforts despite the government's preoccupation with resolving COVID issues and not really the collection issues. But we will try our best to improve our process further and improve our receivables process. And from provision for Siliguri, we have entered into a terms and conditions with the West Bengal government to bring about this facility at a particular point of time. As a conservative measure, as a finance measure we have provided this as the terms have not been met. But however this location figures in our long term plans for establishing a hospital in that location and in that state. And, I will now handover to Viren.

Viren Prasad Shetty:

So, the query about the Ahmedabad land allotments that the lease terms are not being met. There is a condition under which we were allowed to the land, which was that Narayana Hrudayalaya Limited, will be setting up a medical college. Under the current system, medical colleges can only be established by non-profit trust which we are not. However, the new medical council, known as the National Medical Council has changed the rules, which will do things, as they have indicated that they will allow different sorts of organizations to establish Medical colleges but more importantly, is that they will change the requirements for setting up a medical college and make it a lot easier. Under the current standards for setting up a medical college with the requirement for large amount of infrastructure, on hostel facilities and space or land, we felt that it would not be viable for us to run a medical college in that sense. So we are still in dialogue with the government and waiting for the rules to be more clarified, until we commit to meeting the obligation to set up a medical college which we plan to do in the future.

The second query was on the 250-crore renovation CAPEX, what purpose does it serve, what will be the impact on the realization and the benefits to the Company. This is a long overdue CAPEX simply because during the pandemic year and a half, we have severely constrained our investment in many department that is not related to COVID. And so this is essentially two years' worth of CAPEX which is long overdue. A lot of medical equipment that has gone out of date and is reaching end of life, which needs to be revamped and enhanced to the next level a lot of infrastructure which needs to be upgraded, as well as meeting the demands of a very changed medical environment. For example, in our hospital we are upgrading a lot of the rooms so that all of them are oxygen ready. So if such a pandemic would happen again, we will be able to offer ventilation support across every room in our hospitals, we will be expanding the number of critical care beds as well as intensive care beds, as well as catering to the needs of patients that are coming for very complex surgeries. We are also going to invest in oncology programs across all our hospitals. We'll be starting a radiation oncology program in Jaipur and Ahmedabad as well as increasing the capacity of our hospitals in our Howrah and Ahmedabad as well. All of this, we believe the benefits are that, it will increase the realization as patients are able to get more complex procedures done. It will have a beneficial impact on the bottom line, as well as on the top line which will then flow through the bottom line. It may not happen immediately, there is a time lag between when new capacity comes online and the realization accrues to us. But in the coming years, we will definitely see the benefits of our enhanced CAPEX.

The last point is about the government spending more on health care and bringing the awareness on violence against doctors. This is something that is again deeply concerning to us. We have

long advocated that the primary provider of healthcare has to be the government and Dr. Shetty liaises very closely with the government in his capacity as an advisor to certain panels, and has recommended several steps that will enable the government to be able to provide health care for all that is very accessible, as well as train a large number of doctors.

S. Sridhar: Thank you, Mr. Chairman. May I request the Chairman to proceed further.

Dr. Devi Prasad Shetty: Thanks Sridhar. Dear shareholders, hope we have answered all your questions, you can still email us for any further queries. The Board has appointed Mr. Sudhindra K S practicing Company Secretary as the scrutinizer for a fair and independent scrutiny of the votes cast through remote e-voting and voting at the AGM. The scrutinizers shall submit his report as soon as possible after the close of the voting, and the voting results will be declared and published on or before 29th August 2021. The meeting will remain open for further 15 minutes for the shareholders who are participating in this meeting, but have not cast the vote through remote e-voting, post which the meeting shall stand concluded. I hereby authorize the Company Secretary, Mr. Sridhar to declare the voting result and be placed on the website of the Company on or before the 29th of August 2021.

With this, we have completed all the business of this 21st Annual General Meeting. I thank the shareholders for taking out time and attending this meeting and for your active participation. I wish you and your family a safe and healthy life. Thank you once again, we are extremely grateful to all of you.

Moderator: Dear members. The time for e-voting has elapsed, and members who are participating in the Annual General Meeting have been given adequate time and opportunity to vote at the AGM and this concludes the proceedings of AGM. Thank you all for participating in the AGM and e-voting.