

# Narayana Hrudayalaya Limited

## Transcript of proceedings of 22<sup>nd</sup> Annual General Meeting

Held through Video Conference / Other Audio-Visual Means

**August 30, 2022**

**MANAGEMENT:**

- DR. DEVI PRASAD SHETTY – CHAIRMAN**
- DR. EMMANUEL RUPERT – MANAGING DIRECTOR AND GROUP  
CHIEF EXECUTIVE OFFICER**
- MR. VIREN PRASAD SHETTY, EXECUTIVE VICE CHAIRMAN**
- MS. SANDHYA J – GROUP CHIEF FINANCIAL OFFICER**
- MR. S. SRIDHAR – COMPANY SECRETARY**

**DIRECTORS:**

- MR. ARUN SETH – INDEPENDENT DIRECTOR**
- MR. B. N. SUBRAMANYA – INDEPENDENT DIRECTOR AND CHAIRMAN  
– AUDIT, RISK & COMPLIANCE COMMITTEE**
- MR. MUTHURAMAN BALASUBRAMANIAN – INDEPENDENT DIRECTOR  
AND CHAIRMAN - STAKEHOLDERS RELATIONSHIP COMMITTEE**
- MR. DINESH KRISHNASWAMY – INDEPENDENT DIRECTOR AND  
CHAIRMAN, CSR COMMITTEE**
- DR. KIRAN MAZUMDAR SHAW – NON-EXECUTIVE DIRECTOR**
- MS. TERRI SMITH BRESENHAM – INDEPENDENT DIRECTOR**

**Moderator:** Dear shareholders, Good morning and a warm welcome to you all to the 22<sup>nd</sup> Annual General Meeting of Narayana Hrudayalaya Limited through videoconference. As a reminder, for the smooth conduct of the meeting, the members will be in the mute mode and the audio and video will be switched on when they 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. Thank you and over to you sir.

**Dr. Devi Prasad Shetty:** Dear shareholders, I am delighted to welcome you all, to the 22<sup>nd</sup> Annual General Meeting of your company held through video conferencing facility. Pursuant to the Articles of Association of the Company, as a Chairman of the Board of Directors, I am entitled to chair General Meeting of shareholders. Accordingly, I am chairing this 22<sup>nd</sup> Annual General Meeting. We have requisite quorum to 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. 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.

Mr. Arun Seth, Independent Director. He is joining us from Delhi. He is the Chairman of the Nomination and Remuneration Committee.

Ms. Terri Smith Bresenham, Independent Director joining us from USA.

Dr. Kiran Mazumdar Shaw, Non-Executive Director joining us from Bangalore. She is a member of the Nomination and Remuneration Committee.

Mr. Viren Prasad Shetty, Executive Vice Chairman, he is joining us from Bangalore. We have our Group CEO and Managing Director, Dr. Emmanuel Rupert, Ms. Sandhya J, Chief Financial Officer, and Mr. Sridhar, Company Secretary joining us from our corporate office in Bangalore.

I would also 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. Those shareholders participating in this meeting and have not cast their vote through remote e-voting facility can now cast the vote through the e-voting facility provided in this meeting VC screen. I now request Mr. Sridhar, Company Secretary to provide

general information about the meeting for the benefit of the shareholders participating in this meeting. Thank you so much.

**S. Sridhar:**

Thank you, Chairman. Dear shareholders, in compliance with the provisions of the Companies Act 2013, SEBI Regulations, circulars issued by the Ministry of Corporate Affairs and SEBI this meeting is held through video conference facility. I would like to state that all efforts feasible 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 served basis. Live web streaming of this meeting is also being done through the video conference facility provided by NSDL.

Pursuant to the directions of Ministry of Corporate Affairs, the notice along with audited financial statements, auditors 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 and physical copy of annual report has been dispatched to those who had made specific requests for the same. 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 the meeting by clicking on the e-voting button appearing on the VC screen.

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 required to unmute your video and audio. Shareholders can also post questions through the communicate tab provided in the video conference screen anytime up to 12:15 PM. The registers and documents that are required to be made available during the meeting for inspection to the shareholders under the Companies Act 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 sir. Thank you.

**Dr. Devi Prasad Shetty:**

Dear Shareholders, my entire professional life as a heart surgeon and as an entrepreneur, was spent in trying to reduce the cost of health care. After spending years on cost reduction, we made a massive difference to the common man of our country and set an example for rest of the world to follow. I left England way back in 1989 and started a new inning at Calcutta as a heart surgeon. 31 years ago, my first patient paid one and a half lakh rupees for a bypass graft. Today we are doing the same bypass grafting operation for poor patients at the same price. Tell me what was costing rupees one and a half lakh 31 years ago that costs the same today. This was possible because of dedication, passion and sacrifice of lakhs of doctors, nurses, medical technicians, and hospital administrators of this blessed country. However, we have reached the inflection point

in reducing the cost. We can't reduce the cost further without compromising on the quality of surgery. This is something we all want to avoid for obvious reasons. But what is a way forward for half of our country's population who cannot afford to pay for health care out of pocket? There is a solution. The solution is low cost health insurance.

Out of Pocket payment for healthcare is a third world phenomenon. We are no longer a third world country, and we need to build new avenues to pay for health care. A financial intermediary pays for the healthcare in most parts of the world. The cell phone revolution taught us a very interesting lesson. Indians are willing to pay a small amount of money in installments for essential services. We believe that the future of healthcare services in India is closely linked to innovation in low cost health insurance.

There are a lot of exciting companies developing sachet size insurance, as well as integrated health care plans. Some of these initiatives will fail, some will succeed but all are worth exploring. In India, with a diverse population of 1.3 billion people, one size fits all solution will not work. We need health insurance premiums starting from few hundred rupees to few lakh rupees, that will only happen if risk takers are encouraged and eventually good ideas will succeed and then the world will never be the same again. Once India cracks the code of affordable health insurance, we will prove to the world that it is possible to dissociate healthcare access from affluence. I would like to thank our government for Ayushman Bharat and starting discussions on affordable health insurance, and I have no doubt that it will become a reality soon.

One of the most important component of healthcare is electronic medical records or EMR. Mass adoption of EMR happened in USA because of \$ 24 billion in grants given by the government to all hospitals. To improve the safety of healthcare in India, EMR adoption is critical. Today, small hospitals and nursing homes are reluctant to adopt EMR because of the time spent on learning a new system and of course cost. If a small amount of money is paid per patient, nursing homes and clinics across the country will be incentivized to adopt electronic medical records. India is perhaps the only country which can do it at scale because of the extremely talented pool of software engineers who can develop most advanced electronic medical records and make it available at an affordable price.

Rapid expansion of nursing and medical colleges.  
This is extremely important for India. There are 2600 nursing colleges offering nursing degree programs in the USA. With less than a quarter of Indian population, USA graduates over one and a half lakh registered nurses per year. India has 2500 colleges teaching general nursing and midwifery and 1900 colleges offering BSc Nursing. About 90,000 GNM and one lakh BSc nurses graduate every year. For 10,000 people, India has 21 nurses, while USA has 116 nurses. I would like all of you to keep this in mind when you criticize Indian hospitals and compare them to Western standards. Hospitals today have no control over the number of nurses and doctors getting trained or how well they are trained. Today, our hospitals have been reduced to training school for nursing graduates to get experience certificate and migrate to Middle Eastern and Western countries. There is nothing wrong in our doctors and nurses migrating abroad for a better opportunities. Our doctors and nurses have generated tremendous goodwill for our country

across the world. But we also have to recognize our position as the number one training ground for medical professionals, not just for India, but for the world. Shortage of nurses is the greatest stumbling block for delivering health care across the world. Indian hospitals struggle with nurse attrition rate of over 50% to 75%. No service industry with this level of attrition can function without compromising on the quality and patient safety.

Our government has adopted the bold strategy of Make in India. I believe this should not be limited to manufacturing alone, but extended to the service sector as well. India produces the largest number of skilled professionals in the world. And we have the opportunity to make professionals in India for the world. Our policies should permeate all hospitals with over 100 beds to start nursing colleges to train GNM and BSc nurses. Nursing colleges managed by hospitals will train highly skilled nurses because they have practical experience working as nurse assistants while studying. Since nursing students are also working, hospitals will be able to reduce the tuition fees, thus helping the students from poor families to become nurses and build a better future for themselves.

#### Creating a cadre of hospitalists

Many of you may not be aware of this term called hospitalist. In 2020, about 1.6 lakh doctors appeared for the NEET PG exam, and less than a quarter of them were able to get a postgraduate seat in clinical subjects. What would rest of the MBBS doctors do. Most of them will continue studying for elusive PG seat, attending coaching classes in Kerala or Kota, mugging multiple choice questions and not touching patients for three to four years. It is a colossal waste of talent and resources for the country. Due to the big gap between the under graduation and post-graduation seats, most of them will never get a post-graduation seat. It is very important to create a well-paid training program for all graduating doctors inside hospitals, either as a specialist with postgraduate degree or as a hospitalist without a postgraduate degree. Hospitalist in USA and staff grade in UK are MBBS doctors who have spent two years learning to assist the consultants and take care of the patients admitted under the consultants. In India, the hospitalist equivalent would be an intermediate solution till these doctors get a PG Seat and allow them to earn some money and support their families. Medical profession is one of the most grueling professions and is embraced by a very, very small group of passionate youngsters. Every graduating doctor should be assured of a well-paying job to take care of their family. This is the only way to attract talented youngsters to this noble profession. My heart breaks every year when I hear stories of medical students spending 1000s of hours studying but not getting limited post-graduation seats.

The interesting thing about 500 bed hospitals for research. The greatest engineering marvels of the future are going to be produced inside the human body, because the future of healthcare will be totally dependent on the interaction between the man and the machine. Throughout history, when engineering students work closely with the doctors, they produce innovative technology that transforms the medical profession. The MRI, Heart valve, linear accelerator, surgical robots were created when engineers were given access to human body along with the doctors. India has some of the best engineering colleges in the world and we can produce world beating innovation for the 21st century. I am glad to hear that institutes of eminence like IIT Kanpur, and Indian

Institute of Science are starting super specialty hospitals dedicated to research and we will do everything we can to support them.

Sorry, Chairman speech cannot end without informing the shareholders about our CSR activities. At NH, we have different views on CSR. Of course, we follow the regulation about spending a percentage of our profit on CSR. However, for us, CSR means a lot more than that. When a 40-year-old man with a young wife and three children landed on the ventilator due to COVID, protecting his life with no guarantee of payment is CSR. When COVID vaccine was in short supply, vaccinating people at our purchase price and incurring loss is CSR. When most hospitals made record profits during COVID, we were the only hospital chain in India to report losses. Thanks to the goodwill and blessings of the people we served, our business bounced back to a record revenue this year. This is what NH stands for, and our values and traditions will continue in the years to come. Thank you so much for giving us the opportunity to chase our dream of changing the world.

I now request Dr. Rupert and team to address the shareholders on the performance and operations of the company. Thank you so much.

**Dr. Emmanuel Rupert:**

Thank you, Chairman sir and warm welcome to all our shareholders. We are sorry for the technology glitch, which has happened and we are back on.

Moving on to the next slide. Narayana Health welcomes its new Chief Financial Officer and the Chief Marketing Officer. Ms. Sandhya and Ashish Bajaj, respectively. Ms. Sandhya brings an immense financial management experience spanning over 18 years, and she has worked in very renowned companies like Unilever and Wipro. Prior to joining Narayana she was the Global Head of Audit and Risks and Ombudsman for Wipro Enterprise. Prior to that she was also the Group Financial Officer for consumer business unit of the Wipro Technologies. She led the talent charter for finance and supported the group digital initiatives. And prior to joining Wipro, as a group, she has spent more than 12 years with Hindustan Unilever and Unilever in various finance functions.

Mr. Ashish Bajaj brings over 12 years of experience working with leading healthcare and mobility startup firms. For the last three years he has been associated with MediBuddy as their Head of Marketing Partnerships and PR. He was responsible for corporate signups for preventive health care, managing revenues through channel partners and driving campaigns. Prior to MediBuddy, Ashish Bajaj has been working with Ola Cabs, where he was the International Media Head and Market Alliance Head.

Moving on to the next slide. Next slide, we'll quickly go through a brief overview of the Narayana Health. And this is the landscape where Narayana has been associated with across the country, apart from the unit in the Cayman Islands, and the key focus areas has been cardiac sciences and oncology, which constituted more than 50% of our clinical work. And we have been doing very well in the other fields of gastro sciences, neurosciences, renal sciences, and recently in the last one year, we have been doing very well in the field of orthopedics and joint

replacement surgeries as well and we have been in the cutting edge work of the quaternary services as far as bone marrow transplants, as well as the solid organ transplants of kidney and liver transplants, as well as the heart and lung transplants, which has been going on. And we have realigned our network in the sense that Jaipur has been put in the Northern cluster to bring about more synergies with the Northern cluster. Raipur also has been linked with the Eastern cluster of units. We have a total of more than 17,000 clinicians and non-clinicians working along with us and in the key clinical focus areas.

Moving on to the next slide. And these key clinical areas where we are focusing on is the primary reason why we have been delivering on the growth as well as the EBITDA, operational profitability as well. You can see from the slide that last financial year the operating revenues was ~ 37,000 million, and the first quarter of this financial year has been 10,334 million, which showing us a compound annual growth rate of 14.8% as far as the operating revenues are concerned. And as far as the EBITDA is concerned, the last financial year in FY22, we had 6881 million and the first quarter of this financial year of FY23 we have 2000 million of EBITDA with a margin of 19.4% and a CAGR of 24% over the years.

Going on to the next slide. Throughout the pandemic crisis we have been strengthening our infrastructure within all our units. And we have been restructuring our wards and adding more critical care beds and putting up additional beds in the semi-private and private rooms in most of our units. And we have been strengthening the medical infrastructure as well. And you can see some of the things which we are doing of upgrading our radiation units and not only in Bangalore unit, and Dharamshala unit, but also many of the other centers. We have recently put in a state of the art molecular lab for advanced diagnostics in our Kolkata branches as well.

Going on to the next slide. This is a snapshot of the expanding footprint which we are seeing in the Cayman Islands. As we have been keeping you informed about what we have been doing. We recently around a year, close to a year back we have inaugurated the new clinic in the Caymana Bay, which is in the center of the city in the Georgetown, Cayman Islands. And this brings about the diagnostics as well as the consultations in the place where people are actually living. So brings about a lot of synergies for us with our main hospital campus. And we also operationalized a new clinic in Cayman Brac, which is off the main island. And our new hospital project is underway on track. And we have the first phase of that which is a radiation unit will be ready by the end of this calendar year.

Moving on to the next slide. Dr. Shetty has been mentioning a lot on the digital transformations and the electronic medical records. And this is a snapshot of what the in-house hospital information system that is the ATHMA which is the backbone of the entire system. And we have been able to deliver an app called as the NH Care through which most of the things can as an outpatient, as an inpatient can be delivered to the patients and the relatives. And the backbone of the ATHMA Information Systems is also linked to the lab information and the radiology information systems. And as far as the clinician is concerned, we have what is called as the – AADI app, which is the ATHMA applications for doctor insight, which is an advanced app for

communications between clinicians as far as and lot of information about various necessary information of patients that is necessary for taking decisions and patient care.

And in addition to all that, is a constant environment of learning and we have a separate application called as NH Accelerate for the ongoing education for both our clinical as well as non-clinical staff. And we have a robust method of measuring and monitoring all clinical metrics and non-clinical metrics through applications like the incident management, through Safire tool, and the internal audit through the auditory tool. And all this is put together in a business analytical format for the entire management and clinical leadership to have a day to day, robust information flowing to us so that we will be able to take the right clinical decisions and the right operational decisions.

Going on to the next slide. This is a quick snapshot of the clinical governance and the quality initiatives that has been happening, which is we keep monitoring and measuring clinical effectiveness and patient safety. And routinely, we audit all the various metrics within that to deliver the highest quality of clinical care which is our vision and mission for the entire organization. And as far as that, we also get accredited to make sure that we are accredited and somebody is auditing us. So all the hospitals are accredited by the NABH, which is the National Accreditation Board for Hospitals and Healthcare Providers. All our hospitals have accredited for nursing services through the NABH Nursing Excellence Program. Recently, in this financial year, the reference lab and health city campus in Bangalore will undergo the accreditation from the College of American Pathology, which is a very important one because very few hospitals are actually accredited in India from College of American Pathology and by the end of this financial year or beginning of the next financial year, the entire organization will be accredited at an enterprise level by the Joint Commission International of USA. And the Joint Commission International at the hospital level eight units will simultaneously go for the accreditation audits to measure and be audited for the clinical quality and the processes which we have in place.

Going on to the next slide. This is the method in which we put in a governance structure, we have the involvement of every clinician right from the individual units to individual departments to going right down to the individual units. And that gets rolled up to the group level, group medical directors and to look at the quality as a whole. And all the parameters which I just mentioned are all measured, monitored benchmarked against international standards to see where we stand so that we are able to deliver the best outcomes to our patients.

Going on to the next slide. Dr. Shetty mentioned about the clinical research activities, which is very essential in our country. And we just wanted to inform you that in the calendar year of 2021, we had more than 222 publications. And in this calendar year, we have 149 publications till the month of July. And we have lots of clinical research projects going on. We have the ecosystems in the entire organization mainly in the health city campus, along with partners like Mazumdar Shah Foundation, and various other partners to do basic clinical research and basic science research. And we have various funding agencies right from National Institute of Health

in USA and the ICMR and other ministries which are funding us for the various clinical research projects.

Going on to our next slide. Dr. Shetty stressed on the education of not only nurses or paramedics, but also the entire ecosystem across our entire country the importance of that. We are pleased to let you know that what are the kind of academic programs we have in Narayana Health. We have 15 hospitals which actively take part in accredited educational programs, academics. And there are 35 affiliated universities and organizations which give us the degrees and the post-graduation training program under which we fall. And there are more than 140 programs across the network which we are currently doing. And so far we have trained more than 10,000 people across the network over the period of time. This 10,000 people if you look at it, the postgraduate education covers more than 100 programs and we have trained more than 2000 people. And at any point of time we have more than 600 postgraduate trainees across an entire network with more than 350 postgraduate students in the health city campus alone.

Nursing. we have trained over 4000 nurses across the network. But, currently we have at least 2000 nurses who are in training across the network of nursing colleges, which we have. And we have 10 different not only GNM and BSc nursing, we have MSc nursing and the critical care nurse practitioner through the West Bengal University of Health Sciences and various other sub specialty nurses, which is the need of the hour to deliver the quaternary services. And also we have trained over 4000 paramedics till date. And we have more than 30 programs on ground across the entire network training paramedics for different regions in the country.

Moving on to the next slide. All this will not be possible to deliver high quality care and the entire training program without the support of both clinical and non-clinical staff. And for that we have a very robust system of talent acquisition and retention which is very customized for the critical roles mapped against the market. We have a talent developmental program and a lot of learning initiatives for both clinical and non-clinical staff. And we have a constant employee engagements at all levels, be it the clinicians, mentorship programs for senior leadership and various recognitions and rewards programs have also been rolled out.

Going on to the next slide. These are some of the awards and recognitions, some of our units have got across the network in the last financial year. And various units have been recognized for their outstanding clinical work, which they have been doing in their regions. Going on to the next slide. Thank you to all our shareholders and we will continuously strive for a vision for affordable and highest quality health care delivery. Thank you once again.

**Moderator:** Chairman sir, you may go ahead.

**Dr. Devi Prasad Shetty:** 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 auditor's 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.

Accordingly, my stating of the items proposed in the agenda, inter alia, pertaining to me and my relatives appointment or remuneration shall not be treated as my participation in the said transactions.

The first item of the ordinary business is the adoption of the audited standalone and consolidated financial statements for the year ended 31st March 2022 along with directors report, and auditors report there on.

The second item of the ordinary business is to declare a final dividend of Rs.1 per share for the financial year ended 31st March 2022.

The third item of the ordinary business is to appoint a Director in place of myself, Dr. Devi Prasad Shetty and being eligible. I have offered myself for reappointment.

The fourth item of the ordinary business is to reappoint Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors for a term of five consecutive years and fix their remuneration.

There are seven items of special business. They are fifth to 11th items of the notice. The fifth item being a special business requiring consent through ordinary resolution, ratification of remuneration payable to the cost auditors M/s PSV and Associates for the financial year 2022-23 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 self Dr. Devi Prasad Shetty, as proposed in the notice.

The seventh 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 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. Varun Shetty, Consultant 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 ordinary resolution seeking approval of shareholders for revision in remuneration of Dr. Vivek Shetty, Consultant Surgeon holding office or place of profit as proposed in the notice.

The 10th item in the agenda is a special business requiring consent through special resolution seeking approval of shareholders for issue of debt securities, as proposed in the notice.

The 11th and the last item in the agenda is a special business requiring consent through special resolution seeking approval of shareholders for increase in the limit for investment, loans guarantee and security to be extended by the company under Section 186 of the Companies Act 2013. I now request the shareholders who have registered to speak at the meeting to address the meeting. Thank you so much.

**S. Sridhar:** Dear shareholders thank you for taking your time and registering for speaking at the meeting. The moderator will facilitate the shareholder speakers to seamlessly join the meeting. You are requested to state your name, folio number or DP ID and client ID and place from where you are joining the meeting. And then proceed to speak. Request Diksha to please connect the shareholders.

**Moderator:** Thank you so much. We will now begin the question-and-answer session. Request you all to please be connected while I bring the speaker shareholders online. The first speaker shareholder Mr. Rahul Paliwal is connected with us on audio, sir maybe request you to kindly go ahead.

**Rahul Paliwal:** So thanks to the management for giving the opportunity and very impressive analysis of the healthcare infrastructure in India. As a citizen, we assure you to bring it to the proper forums. So my two questions here. One is, what can disrupt the hospital business permanently that's the question number one. And question number two, what's the main reason behind going into mainland USA. And that coupled with again, I'm sure you've addressed attrition issues in your speech, but you can mention how you can handle it in a better way going forward. Thanks for the opportunity.

**Moderator:** Thank you. We now invite the next speaker shareholder Sadanand Shastri. Please go ahead.

**Sadanand Shastri:** Good morning, sir. I am Sadanand Shastri from Bengaluru. My number is 11702201. Sir, I salute you for your motivation, encouragement and support, battings made to the public during the recent post COVID period, your sweet words was itself medicine for them. Sir pronouncing I'm not exaggerating anything here all are facts. Sir, pronouncing your name itself is a thrill, such a moral support you have given to us. In our country, people demand and expect Bharat Ratna, but Bharat Ratna is demanding you to embrace, you are in the eyes of Prime Minister so that you are humane services are recognized at a global level. We are great, such a powerful and indispensable Chairman we have. Sir I being a freelance press reporter. I have received valued information from other countries also. Sir, since three years we have not met each other, AGM was the platform for us to meet. Once I came to your office to meet as an affectionate meeting, and courtesy meeting, but due to lack of my identity, I was not allowed. You had given me Mr. Viren's contact number, but it did not work out. So, I need a ID card from the Chairman to meet in such an occasion. Report to page number three you are recommending for rapid expansion of nursing and medical colleges. But soon after the course they fly to other countries it is not their mistake, but it is our constitutional problem because it weighs reservations only keeping aside

the talent, efficiency, intelligence, but more such colleges indeed need it. Sir, page number four in your message you have discussed about last year's loss, IT issue. The loss is due to the social cause on humanitarian grounds making loss is easy, but turning the loss to the profit is great. You have upgraded the image of the company. Now at Hrudayalaya that is NH was the national highway for the people for taking treatment at a lowest cost during the COVID period. Sir page number 20, when all facilities, infrastructures are available here only why this organ transplanting is being done at a different place. Transporting the organs at risk and restricting the movement of people at the business. Page number 47, Boards report. It is happy to see financial highlights in which last year's profit, quantum of profit is material. Page number 50 retirements, Chairman sir, you need not offer for reappointment, we will force you to get reappointed. Your personality itself is the heart of the company. Page number 116 balance Sheet, plants and property created increased by 453 million. But depreciation decreased by 40 million is this difference is in order. Trade receivable, outstanding's will not be a big problem. But 298 million expected loss is imminent, why can't the company attempt to make it good and secure. Page number 150 expense, patient welfare expenses being continued year-on-year what is this, is it for only one patient because it is spelled patient and not patients. Advertisement and business promotional expenses comes under the same category, 15 million more is incurred this year. Because Narayana Hrudayalaya is a healthcare unit can we not minimize these expenses. Lastly, page number 193 depreciation expenses incurred 1835 million last year, this year also 1835 million. What is this peculiar coincidence sir. Thank you very much sir. See you next year in Narayana Hrudayalaya campus. Thank you very much, bye.

**Moderator:** Thank you. We now invite the third speaker shareholder, Ankur Chanda. Please go ahead.

**Ankur Chanda:** Good afternoon sir. I wanted to say our corporate governance is working very nice and that is why we are having no issues and in your speech as you mentioned that in COVID durations most of the hospitals earned good profit but we faced losses so that is fine but it shows that you have not taken undue advantage of it which most of the hospitals did. So, such good work is done by few and it's very nice that you have done it. And we are getting good returns as well so we are fine with that and secretarial department is also quite helpful. Thank you.

**Moderator:** Thank you. 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:** Dear shareholders, thank you for your comments, suggestions and the questions. We are now playing a small video on CSR initiatives by the company. We will try to answer all your questions after this video. Please continue to stay with us.

**Moderator:** Sridhar sir you may go ahead please.

**S. Sridhar:** Dear shareholders thank you for raising your queries. We will try to respond to all the questions raised by you. However, the shareholders can write to the company on the designated investor email ID. If you have any further questions, and we will respond to your email. I now request the management team to respond to the shareholders questions. Thank you. Chairman, sir.

**Dr. Devi Prasad Shetty:** Sure, thanks Sridhar. About the question of disruption of healthcare, future of healthcare. India will become the first country in the world to dissociate healthcare from affluence. India will prove to the world that the wealth of the nation has nothing to do with the quality of healthcare, its citizens will enjoy. And that is going to happen within the next five to 10 years. How this is going to happen, this is going to happen by two major changes which are going to disrupt the industry. First one is every Indian citizen will have a health insurance or a financial intermediary which will pay for the health care to which every individual will pay a tiny amount of money every month as the premium for getting the health care that is going to happen like we have done in all the other areas. How mobile communication is democratized, healthcare will be democratized. With this low cost financial intermediaries offering some kind of health insurance product to everyone, it will virtually become mandatory for every Indian to have some type of a health insurance that is going to happen very soon, much faster than what you and I can think of.

The second disruption is the digital disruption of healthcare. Once you take away the pen and paper from the hands of doctors, nurses and technicians to replace it with a smart software, everything is going to change. Every citizen of the country will have their electronic medical records in their own mobile phone. When they go to see a doctor, they're not going to talk about their childhood illness or the past history, what treatment they had. All they're going to do is show their QR code to the general practitioners secretary and the entire medical history of the patient will be in the general practitioners laptop in order to avoid keep on repeating the same thing, what we did every time we saw a doctor what I'm allergic to, when I had the surgery, or what my parents illness, nothing is going to be the same. Every illness, the first consultation with the doctor will happen online. And a patient will consult at least three to four different specialists before deciding on which specialist he or she is going to choose to get the care. Because when money is not paid out of pocket, the concern is not about who's going to offer me the affordable health care. It is about the quality and the service. In the end, what matters is the outcome of the treatment and the experience they have overall.

So these two changes are happening very rapidly, and you will start experiencing it in the near future. So, I have no doubt that India will set an example for rest of the world, how to dissociate healthcare from affluence, and we have every ingredient required to make it happen. We are a privileged country indeed.

**Dr. Emmanuel Rupert:** Thank you, sir. There was one question on manpower attrition and just like to inform our shareholders that we have not seen any increase in manpower attrition during these last two financial years, unlike some other industries like mainly the IT industry where they have seen very high attrition rates. So, we have been seeing the same level of attrition if you look at our attrition, our clinical doctor attrition is extremely minimal. So, we do not have too much of a problem with that, we are constantly working towards onboarding and engaging with the new talent, constantly and since our programs are constantly growing we are able to attract like a magnet highly skilled clinicians to come to our hospital. As far as the non-clinical and paramedics also is the same. Nursing there is an attrition, but we have not seen any increase in

attrition, but we have put together a strong robust program of clinical leadership of engaging with them, up skilling them with lots of new initiatives and giving them new compensation for the very skilled people. And also briefly we mentioned in our overview of the academic programs and the training programs which we have across a network, that is used as to partially to mitigate our attrition bias and when people keep finishing the courses, people keep leaving us so we are able to manage these things and not compromise even on any of the quality outcomes or the quality healthcare delivery. We are not compromising on any of these things. Thank you.

**Sandhya J:** Thank you.

**Moderator:** Yes, please go ahead.

**Sandhya J:** Thank you. There were a few questions and clarifications in the financial. First of all, I'm very grateful to you sir, for having looked at our financials in detail and raise these questions. So, may be I can clarify them, there was a question on depreciation going down whereas the asset base going up so, the reason for that is that, the previous year was a COVID year and a lot of investments were significantly curtailed. Only last year after the turnaround started, we started investing and therefore, many of the capitalization happened towards the fourth quarter of the year and the impact of depreciation did not come but at the same time the old assets were getting retired and therefore the depreciation on those assets were not getting incurred and therefore there is a small timing gap that is being seen, it should correct in the current year.

Another question was raised on receivables. Now receivables have a couple of aspects. One is that, there is a increase in the revenue across the years and therefore even though the number of days of DSO may have remained the same, you would see an increase in the absolute value of receivables. But also we went through a small transition, we migrated to ATHMA in our Cayman unit, ATHMA is our HMS. And during that migration around December and March, we had some issues in terms of processing claims in the new system, which also resulted in the 31<sup>st</sup> March balance sheet showing a much higher receivable than the underlying. In terms of our DSO, we're reasonably comfortable. Having said that, of course, given that we also cater to a lot of government schemes. So we do have receivable and collection challenges with the government scheme. We are working closely with these providers to smoothen that process out.

There was a question on patient welfare. Patient welfare essentially is patient food cost. And we can call it patient welfare also. There was a question on advertisement and promotion. Advertisement are linked to some of the revenue that we generate and the investments that we make. So there is no abnormal or significant investment difference in our advertisement. These are the financial related questions that were addressed. We've answered them, but if we have left any of your questions unanswered, please feel free to write to us and we'll be very happy to share any clarifications that you may have with respect to our financials. Thank you.

**Moderator:** Over to you Chairman sir.

**Dr. Devi Prasad Shetty:** Thank you. Dear shareholders, thank you for your active participation and seeking clarification and explanation. Hope we have answered all your questions. You can still email us for any further questions. 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. This scrutinizer 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 1st of September 2022. The meeting will remain open for further 15 minutes for shareholders who have not cast the vote to cast their vote 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 1st of September 2022. With this, we have completed all the business of this 22nd Annual General Meeting. Thank you, to our shareholders, for being part of our journey to make this world a better place to live. Wishing you and your family happy festival season and good health. Thank you so much.