



**“Narayana Hrudayalaya Limited
24th Annual General Meeting”**

August 30, 2024



DIRECTORS & KMP:

**DR. DEVI PRASAD SHETTY – CHAIRMAN
MR. SHANKAR ARUNACHALAM –
INDEPENDENT DIRECTOR AND CHAIRMAN
OF AUDIT, RISK AND COMPLIANCE
COMMITTEE**

**DR. KIRAN MAZUMDAR-SHAW – NON-
EXECUTIVE DIRECTOR AND MEMBER OF
NOMINATION AND REMUNERATION
COMMITTEE**

**DR. NACHIKET MOR – INDEPENDENT
DIRECTOR AND CHAIRMAN OF CORPORATE
SOCIAL RESPONSIBILITY COMMITTEE AND
MEMBER OF STAKEHOLDERS’
RELATIONSHIP COMMITTEE**

**MS. TERRI SMITH BRESENHAM –
INDEPENDENT DIRECTOR AND
CHAIRPERSON OF NOMINATION AND
REMUNERATION COMMITTEE AND**

**MEMBER OF CORPORATE SOCIAL
RESPONSIBILITY COMMITTEE**

**MR. NAVEEN TEWARI – INDEPENDENT
DIRECTOR AND CHAIRMAN OF
STAKEHOLDERS’ RELATIONSHIP
COMMITTEE AND MEMBER OF AUDIT, RISK
AND COMPLIANCE COMMITTEE AND
NOMINATION AND REMUNERATION
COMMITTEE**

**MS. NIVRUTI RAI – INDEPENDENT
DIRECTOR**

**DR. ANESH SHETTY – NON-EXECUTIVE
DIRECTOR**

**MR. VIREN PRASAD SHETTY – EXECUTIVE
VICE-CHAIRMAN AND MEMBER OF
STAKEHOLDERS’ RELATIONSHIP
COMMITTEE AND CORPORATE SOCIAL
RESPONSIBILITY COMMITTEE**

**DR. EMMANUEL RUPERT – MANAGING
DIRECTOR AND GROUP CHIEF EXECUTIVE
OFFICER**

**MS. SANDHYA SRIRAM – GROUP CHIEF
FINANCIAL OFFICER**

MR. SRIDHAR S – COMPANY SECRETARY

Moderator: Dear Shareholders, good morning and a warm welcome to you all to the 24th 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 audio and video will be switched on when they are invited to speak as per the pre-registration. Please note that as per the requirements, the proceedings of the Annual General Meeting will be recorded and will be available on the website of the company. I now hand over to Dr. Devi Prasad Shetty, Chairman. Thank you and over to you Sir.

Devi Prasad Shetty: Dear Shareholders, I am very happy to meet you again and welcome you all to the 24th Annual General Meeting of your company held through video conference facility. Pursuant to the Articles of Association of the Company, as the Chairman of the Board of Directors, I am entitled to chair the General Meeting of the shareholders. Accordingly, I am chairing this 24th 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. Shankar Arunachalam, Independent Director joining the meeting from Bangalore. He is the Chairman of the Audit, Risk and Compliance Committee. Dr. Kiran Mazumdar-Shaw, Non-Executive Director joining the meeting from Bangalore. She is a member of the Nomination and Remuneration Committee.

Dr. Nachiket Mor, Independent Director joining the meeting from Bangalore. He is the Chairman of the Corporate Social Responsibility Committee. Further, he is a member of the Audit, Risk and Compliance Committee and also a member of the Stakeholders' Relationship Committee. Ms. Terri Smith Bresenham, Independent Director joining us from USA. She is the Chairperson of the Nomination and Remuneration Committee and a member of the Corporate Social Responsibility Committee.

Mr. Naveen Tewari, Independent Director joining the meeting from Bangalore. He is the Chairman of the Stakeholders' Relationship Committee. Further, he is a member of the Audit, Risk and Compliance Committee and also a member of the Nomination and Remuneration Committee. Ms. Nivruti Rai, Independent Director joining the meeting from New Delhi. Dr. Anesh Shetty, Non-Executive Director joining the meeting from Bangalore. He is also the Managing Director of Health City Cayman Islands Limited, our subsidiary at Cayman Islands.

Mr. Viren Prasad Shetty, Executive Vice-Chairman joining the meeting from Bangalore. He is a member of the Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. We have our Group CEO and Managing Director, Dr. Emmanuel Rupert, Ms. Sandhya Sriram, Group Chief Financial Officer, and Mr. Sridhar S, Company Secretary, joining us from our Corporate Office in Bangalore.

I also take this opportunity to welcome our recently appointed Directors, Ms. Nivruti Rai, Independent Director and Dr. Anesh Shetty, Non-Executive Director. Ms. Nivruti has been our Independent Director from March 27, 2019 to June 11, 2021 and had to resign due to other

preoccupations and we are glad she has joined our Board again. The new Board members come from diverse industry backgrounds, skills, and expertise. While Ms. Nivruti Rai is a global leader with 30 years of technical and business leadership experience in the US and India and invaluable technology expertise across multiple industrial sectors, Dr. Anesh Shetty, on the other hand is the Managing Director of Health City Cayman Islands, the company's overseas subsidiary and he oversees all of the company's activities in the Caribbean region. Your Board will utilize the diverse and vast experience and expertise of the new Directors for the further growth and governance of your Company. 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 and Mohan, Company Secretaries.

Shareholders kindly note that those shareholders participating in this meeting and have not cast 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.

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 the audited financial statements, Auditor's report, Board's report and other information required to be sent to the shareholders has been sent through the email to the registered email ID of the shareholders and physical copy of Annual Report has been dispatched to those shareholders who have 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, the authorized representatives of corporate shareholders and institutional investors who have submitted the authorization resolution can attend and vote at the 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.

Shareholders can also pose questions through the text question tab provided in the video conference screen anytime up to 12.15 p.m. IST. The registers and documents that are required to be made available during the meeting for inspection to the shareholders under the Companies Act, 2013 are available for electronic inspection. Shareholders who want to inspect can send an email to the designated email ID given in the notice. We shall now have message from our Chairman followed by presentation on the performance of the company by the Managing Director and Group CEO.

Dr. Devi Prasad Shetty:

Dear Shareholders, welcome to a young India with amazing possibilities. I have always believed that we will prove to the world that the wealth of the nation or wealth of the family has nothing to do with the quality of healthcare its citizens will enjoy. Contrary to what you may be thinking, it is not going to take 50 or 100 years. I believe that within the next 7 to 10 years, India will achieve universal healthcare through health insurance that is affordable. For over 70 years, we have been promised that we can get free universal healthcare with the taxpayers' money. Sadly, this is a wishful thinking.

We recently analyzed developed countries that have successfully implemented free universal healthcare with taxpayers' money. There are three things these countries have in common. First of all, all of them are very small countries with a population of few lakhs to few millions. No large country including the United States of America can afford free healthcare with the taxpayers money.

Secondly, all these countries have a very high tax-to-GDP ratio between 25% to 45%, whereas our tax-to-GDP ratio is about 11.2%. Thirdly, all these countries are already spending between 10% to 18% of the GDP on healthcare, while our Government spends about 2.1% of GDP on healthcare, but we have an exciting alternative. We are in an enviable position to offer health insurance that is affordable to all citizens. About the status of health insurance in India, there are three important stakeholders in healthcare delivery. Hospitals, health insurance companies, and patients.

Unfortunately, hospitals do not trust the health insurance companies. Health insurance companies do not trust the hospitals. Patients do not trust both entities, and both entities do not trust patients. In any business, if the most important stakeholders do not trust each other, that business has no future. This has to change. Health insurance companies, hospitals, and the patients can learn to trust each other if you build a different ecosystem.

Now, about why your company became a health insurance company. Every day, I see between 60 to 100 heart patients in my outpatient. Most of them come from working class and poor families. When I tell the mother of a child with a hole in the heart that the surgery costs INR 2 or INR 3 lakh, which she doesn't have, she breaks down crying. It is the humiliating experience for any parent to learn the price of their child's life. I see this many times in a day.

After this, she touches my feet and begs me to save her child's life, saying that she can somehow arrange INR 1 lakh to save her child. This young mother inspired me to come up with a health insurance in which that INR 1 lakh can instead pay for many years of premium that can cover the cost of surgeries, including liver, kidney and heart transplant for her entire family. About 15% of the heart surgery done in India are done by our Group.

Every day, we see more and more young people coming to the hospital with preventable heart attacks. When we become a health insurance company, we will work very hard to prevent people from falling sick or developing a heart attack, because keeping people out of the hospital is good for health insurance business. That is exactly what our customers want.

Today, when I tell a patient that they require a heart surgery, the first thing that comes to their mind is whether it is really required. But when we become a health insurance company and tell the patient to get the heart surgery done, there is no conflict since we are going to pay for the surgery. When the customers and the company's interests are aligned, magic will happen.

This is why we become a health insurance company. Our aim is to offer affordable health insurance for everyone and work very hard to keep our customers fit and healthy and out of the hospital. About why your company built a hospital operating system. According to the Lancet Commission on Global Surgery, India needs to perform about 70 million surgeries a year.

Unfortunately, India only does about 30 million surgeries a year. Most of them are non-complex procedures such as emergency caesarean section, surgery for a burst appendix, and surgery for an open fracture. About 30% of all diseases require a surgical treatment. We believe that an affordable health insurance will usher in large-scale infrastructure for surgeries, which in turn will take care of the medical treatment for common illness at an extremely low cost.

To reach the target of 70 million surgeries a year, existing hospitals must double or triple their throughput. A massive increase in throughput cannot happen without a hospital operating system like Athma and Medha AI that we have developed in-house. Our hospital operating system allows us to function fully paperless, give the doctors full information about their patients, allow nurses to order medicines on their phone, and help our patients access all the medical history. About acute shortage of nurses.

Thanks to our Government's active intervention in the last seven years, undergraduate and postgraduate medical seats have virtually doubled. Today, India boasts nearly 1,10,000 undergraduate seats at 760 medical colleges. Thanks to the National Board of Examination, postgraduate seats have also doubled to train more medical specialists.

However, there is still a shortage of trained nurses who are the actual caregivers at the bedside. Patient care is planned by doctors, but executed by the nurses, which makes them the most important caregivers. While the U.S. has four to five nurses for each doctor, India has just 1.8 nurses for each doctor. This is the root cause of all the quality problems in healthcare. The shortage of nurses in India is due to the shortage of nursing colleges. While there are nearly 1,10,000 undergraduate seats in medical colleges, there are only 2,63,000 seats available to train nurses.

India requires at least 10,00,000 seats to train nurses for our country and the rest of the world. Not brain drain, but brain gain. According to the World Health Organization, there is a worldwide shortage of over 80 million healthcare workers, and no developed country has plans to enhance the number of training seats.

When they face a shortfall, all the rich countries will poach nurses from India. Instead of complaining about brain drain, we should see it as an opportunity to train a huge number of doctors, nurses, paramedics, and give millions of Indians the opportunity to run hospitals around the world. We produce over 24 million babies a year.

Irrespective of our policies, there is no way we can create 24 million new jobs every year. All of us want poor people to become rich and have stable jobs. For you to understand how poor families can become rich in just four years, I will give you an example. There are over 100 nurses, most of whom were trained by us, working in our hospital in the Cayman Islands, which is very close to the U.S.

Each one of them is remitting home at least one lakh a month, and these nurses are only 23 or 25 years old. Our Government must allow any busy hospital with over 100 beds to start a nursing college. A hospital or nursing college will offer hands-on training, and these nurses will be extremely skilled even before their graduation.

The shortage of nurses is going to be the biggest challenge Indian healthcare will face unless we wake up quickly and take remedial measures. And I am very optimistic that our Government will recognize this opportunity to create millions of well-paying jobs for our youth. Dear shareholders, we have always been contrarians in our industry.

We believe that the current model of delivering healthcare must change, and we want to be the change agents. Everything that we have achieved so far would not have been possible without your support and blessings. Have a healthy, happy, and prosperous year ahead.

Thank you so much. With warm regards, it's me, Devi Shetty again.

Dr. Emmanuel Rupert:

Dear Shareholders, ladies and gentlemen, we are grateful for your participation and confidence in the ongoing growth of Narayana and thankful for your unwavering support. We are delighted to announce the appointment of Mr. Ravi Vishwanath CEO of Narayana One Health. Ravi comes to us with over 25 years of experience in finance, services, and insurance domains. He started his career with AIA, where he spent over 12 years with roles in sales, distribution, and marketing across India and the Middle East.

He has held key positions at Apollo Munich, Tata AIA Life Insurance, Reliance General Insurance. Prior to coming on board with us at Narayana Health, he was also with the HDFC Ergo as President, Accident and Health Business. He has been a transformational leader, and as CEO of Narayana One Health, Mr. Ravi will drive the integrated care organization that will combine the subscription programs for our customers, managed care services, and entry into the insurance domain, which will enable us to become a comprehensive integrated healthcare provider in the country.

We are also delighted to announce the appointment of Ms. Sheela Ananth as Executive Director and Chief Executive Officer of Narayana Health Insurance Limited. Ms. Sheela brings a wealth of experience to the Narayana Health Group. Over the last two decades, she has held key positions at renowned organizations such as Star Health Insurance, Tata Motors, and Vidal Health TPA.

Ms. Sheela will lead our foray into the health insurance segment. This is a representative of Narayana Health's geographical footprint in India and highlights various locations across India where Narayana Health has its facilities. These 18 facilities with 5,300 plus operational beds,

three heart centers, 17 clinics, and dialysis centers represent Narayana Health's reach across the country, indicating a significant presence in both metropolitan and regional areas.

The international presence is situated in the Cayman Islands with 110 operational beds. Narayana Health has strategically identified several medical specialties as its key focus areas. Apart from the key specialties of cardiac sciences and oncology, we are also focusing on gastro sciences, neurosciences, renal sciences, bone, spine, and joint care, solid organ transplants, robotics, image-guided therapies, emergency, and critical care.

These segments reflect NH specialized services and areas of expertise, targeting some of the most critical and high-demand medical fields. The inauguration of Health City at Cayman Bay recently signifies an expansion of healthcare services offered by Health City Cayman Islands with a focus on high-quality medical care.

This new facility aligns with the Narayana Health's strategic goal of broadening its international presence and offers specialized medical services in the fields of emergency medicine, urgent care, and acute care, interventional radiology and imaging sciences, oncology in the form of radiotherapy, the latest immunotherapies, bone marrow transplant, apart from medical oncology and surgical oncology, the mother and child health unit with focus on obstetrics, neonatology, the neonatal intensive care and the pediatric intensive care, robotic surgery, and solid organ transplants.

This chart shows the financial performance focused on the consolidated operating revenues and operational profitability of our company over several fiscal years from FY'16 to FY'24 and it shows a continued upward trend of revenue growth of 50,182 million in FY'24 with a CAGR of 15.2%. The operational profitability has continued to grow with EBITDA margins reaching 24.4% with CAGR of 26.3% indicating improved efficiency and profitability gains.

This outlines the various expansion and development projects being undertaken by Narayana Health across different locations in India. These projects include the greenfield projects at Kolkata, Rajarhat, Newtown area, and the HSR Layout in Bangalore and brownfield expansions in the units in Howrah, Raipur, and the Health City campus in Bangalore which enhances the Narayana Healthcare delivery capabilities.

The brand re-defined. Our brand is evolving from hospital to healthcare and we are currently known by multiple names which also needs to be converged. In this journey, we have done a natural upgrade to the brand's look and feel to make a branded house approach come alive where Narayana Health being the mother brand and extended it to Narayana hospitals, Narayana clinics, Narayana insurance, Narayana pharmacies, and more after.

We wanted to be the hospital of choice for the neighborhood. For this, we worked on real-life cases of the emergency room and presented in a manner the consumer watch. We are able to showcase the stress patients' families go through and how a clinical team including doctors put efforts in making them calm and not so anxious and working towards improving the patient's health. We have done more than 100 million views on the series and still going strong.

Narayana Health Insurance has got the license from IRDA in record time of around six months. We have launched the Narayana ADITI insurance program for the missing middle which is available for sales in the district of Mysore and the neighboring four districts of Mysore. The plan provides coverage of INR 1 crores for surgery and INR 5 lakhs for medical management at a base premium of INR 10,000 for a family of four with the eldest member being 40 years.

The Narayana Health Insurance is focused on leveraging data, technology and deep-seated clinical expertise to offer differentiated experience to customers for policies, servicing and claims. The roadmap for Narayana Insurance looks promising with this focus on bringing out novel products to cater to different markets and geographies. The Narayana Health integrated vertical has clinics present at seven locations in Bangalore and its vicinity and we are in the process of exploring avenues at other locations to further deepen our presence.

Narayana Health's mission is and always been to create an affordable, globally benchmarked, and quality-driven healthcare service model. Narayana One Health provides healthcare that is simple, comprehensive, integrated, friendly, and personalized. This outlines the renewed approach to care delivery in healthcare and it includes the entire journey from the wellness program to imaging and diagnosis, preparation, intervention, and procedures, recovery and rehabilitation, and monitoring post-rehabilitation and managing their health.

It combines comprehensive healthcare available at home, at our clinics, and our hospitals. This personalized healthcare services based on the healthcare needs of the patient and our deep healthcare knowledge and seamless healthcare financing in the form of health insurance, our world-class clinical talent and state-of-the-art healthcare delivery systems will help our customer get well and stay healthy. At NH, we've always believed in getting closer to patients and bringing the promise of quality, affordable healthcare to the doorstep of the country's population.

This is a framework for clinical governance and quality aimed at achieving beyond safety, striving for zero harm. It is structured around several key principles, each corresponding to a specific action or focus area. Ensuring the patients have timely access to care and services. Doing it right the first time, which is emphasizing the importance of quality and accuracy in initial care to prevent errors and complications, evidence-based practice and SOP-based, guideline-based practices by the clinical team.

Prioritizing patient safety as a central component, key performance indicators to monitor and ensure the quality of care and patient outcomes, stressing the collective responsibility of healthcare professionals in controlling infection, robust implementation of strong risk management to mitigate potential harm, learning through continuous audits and reviews and enabling the change digitally, facilitating this through digital tools and technology. These principles collectively aim to enhance the quality and safety of healthcare services, ensuring that care is delivered efficiently, effectively, with minimal risk to patients.

Service delivery transformation journey at Narayana Health is a long journey aimed at achieving customer delight. The transformation is focused on improving patient experience by addressing common challenges in healthcare settings such as communication issues, long queues, overcrowding, delays, manual processes, complaints, lack of structured feedback, service quality

concerns, unresponsiveness, and implementing technology solutions for solving all these problems.

Through access control and crowd management, implementing systems to manage patient flows, self-help kiosks and do-it-yourself methodologies for all invoicing, billings, payments, queue management for laboratory, phlebotomy services, diagnostics, seamless order fulfillment in pharmacies, enhancing the pharmacy order fulfillment to ensure quick and accurate dispensing of medication, and admission and discharge processes automation.

These interventions are designed to transform the healthcare delivery experience by reducing bottlenecks, improving communication, leveraging technology to create a more efficient and patient-centered environment. This showcases the divisions of our technology divisions of Athma and Medha and a range of automation initiatives designed to enhance healthcare operations across various sectors targeting hospitals, businesses, nurses, patients, and doctors.

These initiatives aim to drive efficiencies, improve patient care, enable informed decision-making through digital transformation and automation. Athma is our hospital information management system and focuses on optimizing hospital operations and enhancing clinical efficiency. It includes compliance with international standards and we are going for the accreditation for the electronic medical records adoption model level 7 which will make it almost a pure paperless hospital.

The integration of electronic medical records with clinical decision support, digitization of medical records and these initiatives also emphasize specialty-specific EMRs for areas such as oncology and chronic diseases to enable them to be monitored over a long period of time between multiple departments. Other elements involve operational automation, in-patient EMR implementation, and a push towards integrated clinical data and expansion into new markets. Medha is an analytical platform and it supports data-driven decision-making in healthcare management.

Its primary focus is on improving revenue cycles, patient experience, resource utilization, and by leveraging analytical. Medha optimizes inventories, engages patients more effectively, and implements clinical AI for predictive care delivery early mornings for clinical evaluations and risk scoring, thereby making care delivery more efficient and financially viable.

Namah app for nurses seeks to digitally empower nurses for staff to automation of routine tasks such as monitoring vital signs, patient transfers, ICU management, and also improves communication between healthcare teams and facilitates better handover, infection control, and overall nursing efficiency. The automation tools help to reduce the administrative burden on nurses, allowing them to focus more on patient care.

NH Care for patients aims to enhance the patient experience by introducing digital services like online appointments, diagnostics, scheduling, and queue list payments. It also provides patients with instant access to health records, invoices and reports. These initiatives foster greater engagement and enable contactless transactions, ensuring that patients can interact with healthcare services more seamlessly and conveniently.

The AADI, which is a doctor application app for the doctors, focuses on improving doctor-patient family communications and collaboration with care teams. By facilitating dynamic care team coordination and enabling easy communication with patient families, AADI ensures that doctors can deliver quality care continuously while maintaining clear channels of communication across all involved stakeholders involved in the patient care. Together, these initiatives aim to transform healthcare delivery by harnessing the power of technology, data, and automation across various aspects of healthcare operation.

None of this will be possible without future ready talent supported by a robust human resources initiative. We currently have over 19,000 employees, a strong talent acquisition and retention policies, compared with our talent development and learning initiatives, as well as our engagement and well-being programs ensure that all our staff remain effectively engaged and continuously deliver on our goals. Narayana Health's environmental, social, and governance ESG vision is Health for All, with an emphasis on creating a sustainable, inclusive, and innovative healthcare ecosystem.

The vision is divided into three key pillars of a healthy planet, a healthy society, and a healthy institution, each with specific goals and progress indicators. The healthy planet pillar focuses on environmental responsibility aimed at reducing the organization's ecological footprint, and we are targeting a 30% renewable energy mix by 2030 with a plan to achieve carbon neutrality by 2040 and reduce paper use by 50% across all patient care areas by 2025. These actions reflect the NH commitment to resource efficiency and sustainability with several goals already in progress.

With a healthy society pillar, Narayana Health emphasizes improving access to healthcare and building a robust workforce for the future. We aim to train over 25,000 healthcare professionals of doctors, nurses, and paramedics by 2030, while also supporting 4,000 underprivileged students aspiring to become doctors. We are one of the largest postgraduate training programs in the National Board of Education under all our hospitals.

The healthy institution pillar focuses on fostering innovations and maintaining strong governance, and the aim to lead in clinical governance, the organization is also committed to clinical research, leading to over 1,000 publications and peer-reviewed journals over the five years, focused on achieving cyber-resilience with zero-trust architecture by 2025. These efforts demonstrate NH's commitment to innovation, knowledge, creation, and robust governance.

We are the first Group in India and sixth globally to be accredited by the Golden Seal of Joint Commission International, which is a healthcare accreditation body based in the United States. This is a new accreditation standard. Eight of our hospitals are Joint Commission-accredited institutions, and as a Group, we have structured uniform processes across the entire network, and that is why we have been able to achieve the Joint Commission International recognition for the entire Group, which is an enterprise-wide Joint Commission International accreditation.

Being known for heart care, during the World Heart day in September, we embarked on a very aspirational journey of doing the unthinkable, of making a Guinness Book of World Records,

associating with the Guinness, and doing almost 3,800 ECGs in one day, which put us as one of the best of the best, not only in India, but gives us a platform internationally.

These are some of the accolades which have been awarded to our unit from the Times Newsweek and Statista as the best hospital, as a single specialty hospital, and from the Outlook and various other organizations for most of our hospitals. Ladies and gentlemen, thank you for taking part in our healthcare organization journey.

Your encouragement and trust has been extremely important. We have achieved amazing milestones together, and we are committed to excellence and doing our best. We appreciate your steadfast belief in our vision and mission.

Dr. Devi Prasad Shetty: Dear Shareholders, the notice along with the financial statements, Director's report, and Auditor's report, having been 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 the secretarial auditor's report, it does not call for reading the said reports. I now request the shareholders who have registered to speak at the meeting, please address the meeting. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. In order to give us all the registered speaker members an opportunity to speak at the meeting, each speaker member will be allotted three minutes each. Members may note that in order to avoid repetition, all questions will be answered after the speaker registered members have spoken. We request everyone to remain connected. Our first speaker shareholder is Faisal Hawa. Kindly join us panelists. Unmute your audio and switch on your camera and proceed with your question.

Bilkis Faizal Hawa: Thank you very much for an excellent Chairman's speech and having set the entire tone for not only the company but also the country and even the world at large with healthcare systems. We have always followed you as an icon or a legend in this industry and always looked up to you to show the right path for universal healthcare. Many congratulations and I'm actually very much privileged to be on the same screen as you. So, I'll just go across with my questions.

Number one is every leader always has some belief, a deep belief in a mission or his vertical which he believes in very deeply but he can never get his team to be on the same path or on the same wavelength, as sometimes it's a difficult target. So we are not able to really you know even grasp or see that it is doable. So, what is that one belief that you have which you can never get your team to actually execute and believe in deeply. That's one.

Second is that do we have any kind of invites from other countries or island countries who actually set up hospitals there just like they've done in Cayman Islands and actually fixed even their healthcare systems. That's second. Third, are you having some kind of model in mind which could be a low cost with no kind of investment on our part, which probably even doesn't require a full-fledged hospital and it could be like medical assistance over AI or even over a camera and we could do a lot more patients.

What I mean is, where the multiplying factor of patients is very high but the number that we charge per patient is quite low and we monetize it that way. Fourth is what kind of improvements you feel that we could do in our systems and can you name three improvements which could yield in some kind of EBITDA margin increase for us.

Fifth is what are the KRAs that we are setting for the new healthcare insurance company that we are setting. How are these KRAs actually linked to outcomes as well as revenue and as well as culture of these new companies are concerned and have we set up any kind of mechanism where we are protected from the high risk that could come in from insurance because insurance is a product where most companies don't make very good profit.

So, all very well to know that we know healthcare well but doesn't actually follow as a corollary that we will know the outcomes of insurance also as well. Sir, Amazon is also known to set up something in healthcare which would fix the USA's healthcare system. Have you studied that in any kind of depth and is there some model which we could adopt where we could actually be a low-cost provider to most western countries and earn our larger profits there and probably then set up even a low-cost model in India and scale that up too.

I mean most hospitals what they do is they make a big money from four or five surgeries that are totally paid and which actually subsidizes another 100 or so surgeries. Then again sir, what are our plans for India? How many hospitals would we want to set up in the next decade and is setting up hospitals the go-to goal or is it to really have a affordable healthcare for all of us and how do you really get your own untiring vision to go to your team and make them also believe in the same outcome and believe in the mission rather than as well as being a public company you have to focus on almost quarterly profits delivering ROCE, ROE which is difficult in areas like healthcare and education.

Sir, these are all my questions and I cannot thank you enough for setting up a large corporate in a very difficult field and going beyond your comfort zone of already being a very successful doctor but taking on a much more onerous task. The nation cannot thank you enough sir. Thank you so much.

Moderator: Our next speaker shareholder is Ankur Chanda. Kindly join us panelists and unmute your audience, switch on your camera and proceed with your question.

Ankur Chanda: Okay. Good afternoon to everyone. Sir, I just want to say that our corporate governance is too good, so there's no difficulties. Our profit is increasing continuously and it reflected in share price. As an investor and as shareholder each one will like his company to grow and progress that is going well. One question, is there any effect of geopolitical issues on our company, positive or negative? I want to know that. Rest, CS Department is very good. Thank you.

Moderator: Thank you. Thank you. Our next speaker shareholder is Dipankar. Kindly join us panelists, unmute your audio and switch on your camera and proceed with your question.

Dipankar: So, I have got three questions. The first is sometime back there was a discussion in the Supreme Court on standardization of hospital rates as per CGHS. So, has anything developed after that any communication from the Government of India, Ministry of Health or any further

developments on this because if that is implemented the hospital sector would take a hit as far as profitability is concerned.

The second question is alluding to the first shareholder's comments on overseas expansion. If you look at the accounts, obviously the Cayman Islands business is more profitable than our domestic healthcare business. So, looking from that point of view, does the Group have any plans to expand overseas?

We had some subsidiaries in Mauritius and Kenya which have been closed. So, any plans to revive ventures elsewhere in the world? If you could throw some light on your thinking on that subject because I read in your analyst's con-call that you do not differentiate between international payment patients and domestic patients as far as visits to your Indian hospitals are concerned.

So, if we want to capture higher profitability, then in that case the only way is to open hospitals abroad. So, any thoughts on that? And thirdly, on this health insurance business which has now been started, you have provided a capital of INR 100 crores which is as per the IRDA Regulations on minimum capital.

So, there is, I find some sort of a disconnect in the Chairman's message and letter to shareholders and if you read the transcripts of the analyst's con-call, a lot of emphasis is laid on the fact that this is a pilot venture, it will be done in very slow phases, it will be a very narrow activity and we are not going to expand in a hurry, whereas the Chairman's message and Chairman's letter to shareholders talks in very expansive terms that this is going to transform the Indian health insurance scenario and so on.

So, I mean, what is the actual strategy going to be? Are you going to be narrow in terms of geographical coverage or are you going to be narrow in terms of hospitals or what is that, if you could sort of elaborate on how you are going to bridge this gap between narrowness and transformation of the entire healthcare industry? And one small question on this, under the IRDA Regulations as far as I know, portability is provided on all health insurance policies.

If I have a health insurance policy with company A, I can port to company B, if for any reason I am not satisfied with company B. So, have you all allowed for portability in your company's healthcare insurance policies? I know it is presently only in some areas of Karnataka, but even in those areas, has anybody ported their policy onto your company's policies? Thank you very much for the opportunity and good day.

Moderator:

Thank you. Our next speaker shareholder is Mr. Aditya Goyal. Kindly join us, panelist. Unmute your audio and switch on your camera and proceed with your question, please.

Aditya Goyal:

Good afternoon, everyone. Thank you, sir, for taking out the time. It was a great presentation and it's an honor to speak to you. So, my question is simple. So, over the last few years and this in quarter one FY '25 also, eastern periphery has been the fastest growing region for NH. So, what kind of opportunity does the management see in the region?

Because it's highly underpenetrated also. And especially in Raipur, as I've seen many established players and many listed players also entering the Raipur region. So, how much capacity is being added? What kind of medical teams is being added? And what kind of top line and growth rates is Narayana seeing in Raipur? Thank you. Thank you for your time. That's all my question.

Moderator: Thank you very much. Our last registered speaker shareholder is Dennis. Kindly join us, panelists. Unmute your audience, switch on your camera and proceed with your question, please. Thank you. Go ahead.

Dennis: Very well. Okay. Yeah. Dear Chairman, dear fellow shareholders, first of all, I'd like to congratulate on a very successful financial year, 2023-2024. I speak on behalf of Okoworld Lux S.A.. We are a very stringent asset manager of solely ethical investment funds from Germany. And while reading your annual report, a few questions came up. The first one is on carbon neutrality and the aim to achieve 35% renewable energy mix by 2030. First of all, yeah, what are your major challenges and plan key measures in achieving these aims?

Then I would like to know to what extent does the company plan to use offsetting? What role do absolute greenhouse gas emission reductions play? Are you going to plan to report also on scope free emissions? Do you have climate targets that you will verify in accordance with the science-based targets?

And lastly, on carbon neutrality and the environment, do you plan to certify your facilities according to ISO 14001? Then I have one question or actually two about your supply chain. We think of course that as a healthcare provider, you have a very strict environment in which you operate in.

However, we couldn't find any information on supplier code of conduct. Does such a document exist? And if so, we would really appreciate if it was published. And then a general question, what do you do in order to ensure responsible sourcing? Are your suppliers audited with respect to upholding human rights, protecting workers' rights, and also the environment?

Next is a question on diversity. We see that actually women make up the majority of employees, but are however still underrepresented in management positions. Therefore, I'd like to know if there's any plans to increase the proportion of women in management positions. And what measures is the company carrying out in order to increase diversity overall? And lastly, and I think you already expanded a little bit on this in your presentation. So thank you for that.

It's about the health insurance that you're trying to start. What are the long-term plans there in ensuring affordable healthcare for the people of India and in the other countries where you operate? There's actually been a few more questions now overall. So thank you for your attention. And also thank you for answering these and taking the time today.

Moderator: Ladies and gentlemen, that was the last speaker shareholder. I now hand over the proceedings to Mr. Sridhar.

Mr. Sridhar: Dear shareholders, thank you for your comments, suggestions, and questions. We are now playing a video on emergency response and our CSR initiatives. We will try to answer all the questions raised in this meeting and also send through email. Please continue to stay with us.

Playing of videos.

Resumption of the proceedings.

Mr. Sridhar: Dear shareholders, thank you for your comments, suggestions, and the questions raised in this AGM.

Management and Directors will respond to your queries now. You are also requested to write to the Company on the dedicated email ID provided if you have any further questions. I now request the management team to respond to the shareholders' questions. Thank you.

Dr. Devi Prasad Shetty: Answering the first question about what I believe will be transformative, but the belief is not shared by other hospital Groups. I believe that India will become the first country in the world to dissociate healthcare from wealth. India will prove to the world that the wealth of the nation or wealth of the family has nothing to do with the quality of healthcare its citizens will enjoy.

And it's not going to take 30 years, 50 years. I believe it's going to happen in five to 10 years time. The reason is we have all the ingredients for the massive transformation. The fundamental belief is Indians do not have money for the healthcare but they have the money for affordable health insurance, which is currently missing. This is what we want to create. That is the first thing.

The second reason why I'm so confident is because healthcare is not limited by any finite components. Healthcare is delivered by people and we produce 24 million of them every year. All we have to do is to train a large number of youngsters as doctors, nurses, technicians and the magic will happen.

Our greatest strength is that we are the pharmacy of the world. Some of the best drug companies in the world are from India and they come up with so many innovative molecules and innovations and it is a matter of time before there will be medicines available to everyone, which is affordable to them. So I believe that we will be changing the way healthcare is delivered and we will set an example for the rest of the world to follow. Thank you. I would like to now request my colleagues to take over.

Mr. Viren Prasad Shetty: Thank you, shareholders for all the questions that were asked. There was a question asked about our other overseas expansion. Given the success of our operations in the Cayman Islands, many investors have asked us over the years whether we will be looking at expanding the operations. As of today, we are extremely focused on commissioning the new hospital getting the operations up and running and making sure that we provide Health City at Caymana Bay as a leading center of excellence for daycare-focused surgery for emergency and ambulatory care and for obstetrics and neonatology.

While we do get opportunities to work in other islands from time to time these are in still very early stage of discussion and it is not something we are not interested in. It's that it's not a major priority for this Company at this moment.

The other question was asked about how our company thinks about the role of telemedicine, AI and other digital applications. Shareholders will be glad to know that our Company has made an incredible amount of investment in building our homegrown hospital operating system, which is called Athma. We also have made a tremendous investment in an analytics and AI tool called as Medha. This is a tool that was built by NH not just for NH but for hospitals throughout India and the world.

As we speak today, our tools are being used by multiple hospitals, clinics, pharmacies and diagnostic centers in India and pretty soon will be seen in hospitals around the world. This reinforces our belief that the transformation of healthcare will not just happen through adding more beds and doctors and nurses but by changing the way hospitals operate. These two tools are an essential way to achieve that.

The question that was asked on other steps that we will take towards improving the in-depth performance of our hospital. As was detailed in the annual report and in all the investor conferences, your companies embarked on a grand plan of complete process and service excellence. We believe that patients should not have to come to the hospital and stay for unnecessary lengths of time.

We invested a huge amount in digitization to speed up the billing process, allow patients to operate fully digitally. We plan to eliminate a lot of the manual transaction points and replace them with kiosks and counters and provide a seamless discharge process for the patient. It is still early days in this journey but it's something your Company is working extremely hard to achieve. By doing this, we hope to improve the throughput and thus improve the EBITDA of the company.

A lot of questions were asked on our new insurance vertical. Namely, what are we doing to hedge against risk? What is the gap between the investor statements we make about visiting a pilot and Dr. Shetty's brand ambition?

How we balance scale versus profitability and whether we would allow portability. So we started insurance not with the intent of it being a pilot, not with the intent of not being clear about what our plan is. Our strategy is guided entirely by Dr. Shetty's ambition to be the number one provider of healthcare in the world.

And we believe this cannot be achieved without building an extremely robust health insurance program. But we do not plan to build health insurance in the traditional manner that has been the norm in this country for the past 15 years. Our plan starts small. We will not chase scale. Scale will not be important to our plan. We plan to be a niche provider of extremely intensive, very personalized and very oriented around preventative insurance plans. When we can prove that we can improve outcomes for our patients, we will look at scaling it across the country.

So this may be the reason why the investor felt that we're not being aggressive enough. Believe us, we are extremely aggressive. It's only that there is a cost to scaling without having the right model in place. And that comes at the cost of profitability, which is something we'll never do.

The question of whether we would allow portability in health insurance, as we will follow all the norms that are listed as per the IRDA. But what's very differentiated about our insurance plan compared to most others is that we conduct a significant amount of clinical underwriting. And that involves not a questionnaire but a comprehensive screening that takes into account your past medical history. We take your samples. We conduct a radiology diagnostic test. And you are seen by a specialist that we get an accurate picture of your health. Should that qualify then obviously we would allow anyone to port into our program if they are within our coverage area.

A question was asked about Amazon's experience in healthcare and what we are doing to learn from that. So Amazon is one of the largest sellers of medicine in the United States. We required a company that does e-commerce and medicine delivery. They have tremendous scale. They have tremendous financial firepower. But ours is a services first industry. This is a business that scale works to an advantage only in a limited sense.

There is a huge amount of customization involved. There's a huge amount of process involved that is the fundamental basis of healthcare, nurses, doctors, physiotherapists, caring for patients up front. And that is an advantage that any services first company would always have. Now, it's not to say that Amazon could not build a significant healthcare model. It is that we believe that there is a superior model being built by us in the scope of integrated care, which combines hospitals, clinics, diagnostic centers and insurance in a model that looks at the whole patient and keeps them the center of our plan. This ties into the next question that was asked, whether we would do anything outside of hospitals.

And you'll be pleased to know that we've made a huge amount of investment in our vertical called NHIC, Narayana Hrudayalaya Integrated Care. This is a vertical that will house all our clinics, pharmacies, diagnostic centers to provide 24-hour comprehensive care to patients when they are not in the hospital. This is being rolled out in Bangalore for this year and the next and will scale to all our network hospitals over the coming years.

There was a question about the geopolitical issues. What are companies doing to face that? The major and most recent geopolitical issue that this company has been facing is the political instability in Bangladesh. As you may know, we derive a significant number of our international patients from Bangladesh. While we have not seen any immediate hits to the volume of patients coming from Bangladesh, this is a point of concern for us. But this is not something that is completely unknown.

The reason that a large number of people come from Bangladesh to India is because the healthcare facilities are relatively underdeveloped compared to India. But this situation will not stay forever. There are a large number of hospitals coming up in Bangladesh. And over time, we expect that the number of patients from Bangladesh coming to India will only reduce. This is

something we wholeheartedly support. And we have always worked with doctors to give them the tools they need to be self-sufficient in their own healthcare system.

So over time, we expect the volume of international patients coming to our hospitals to gradually dwindle to zero. But we are refocused on providing an extreme level of customization and personalization of healthcare services to patients within the periphery of our hospitals. And a huge part of our retail healthcare effort is an attempt to achieve the same.

The question was asked about a Supreme Court observation that was made a couple of months ago, where a judge said that if the states do not roll out the Clinical Establishments Act, they will be forced to apply CGHS rates to the entire industry. Now, this, of course is legally not easy to do because healthcare is a state subject. And there are certain observations that other courts have made on the impracticality of such a suggestion.

We are in talks with various states, industry associations are working with them for the rollout of the Clinical Establishment Act and a lot of states have complied with that. But it does speak to the larger issue, which is that healthcare is still very opaque. It can be very non-transparent to the patient.

And we believe this is mostly caused by the fact that 60% of all people in India pay for healthcare out of pocket. This is unsustainable for a poor country. And the richer we get, this will continue to be a major problem for patients, which is why our company has invested so much time, effort, technology, and money towards building an integrated insurance play.

Because we do not want to expose our customers to the full cost of a surgery all at once. Indians can afford motorbikes, cars, houses, if it is available at an EMI option. And insurance is an EMI for your health. That is, we will be different because we will take care of the health and make sure they do not end up in the hospital.

So until we move to that, we will always expect the public perception of healthcare to be one in which healthcare seems expensive. But let us assure you that while it is expensive, the cost of delivering healthcare in India is among the lowest in the world. Even adjusting for the purchasing power parity of a country like India, the very advanced healthcare services are available in India at a fraction of the price compared to nearby Southeast Asian markets.

Yet, it is still not enough. Dr. Shetty, pushes us every day to find ways to lower the cost even further. And this is something your company will attempt. I will now pass on to Dr. Rupert to address the other shareholder questions.

Dr. Emmanuel Rupert:

Good afternoon. There was a question on the Eastern Periphery Units opportunities and management's view, especially in Raipur, and what is the capacity and the medical streams that is being added to Raipur. At present, the Raipur unit has got 300 beds and we are in collaboration talks with the trust, the MMI trust, to add an additional block in the adjacent land area, which will be operational around 2, 3 years time.

But we are in the process of adding a lot of specialties, which will you have a very low occupancy levels. And we have used these opportunities in the oncology space, which has been showing a

very remarkable growth in the form of radiotherapy. We have put the state-of-the-art linear accelerator and the brachytherapy.

And we've also used a good unit for chemo and immunotherapy, in that particular area, which is all a daycare kind of a procedure. We've also installed the latest generation of Cath Lab, which has got capability of, in addition to doing Cardiac work, to do interventional Neurology work and interventional Radiology work, which is the need of the hour and the latest trends to tackle many of these diseases as almost like a daycare procedure.

And we will be commissioning the robotic program in the coming months. And that will also take a cutting edge opportunities for the patients too, so that the lot of major surgeries can be done, with a very low occupancy levels. And these things will add to the growth of that particular unit. And we receive patients from Chhattisgarh and the nearby states.

While we do not disclose the revenue separately for each hospital, we can share that the significant portion of the revenue from Eastern peripheral units, as reported in our investor deck, comes from Raipur, and we will be seeing a very healthy growth in the hospital. There was a question on carbon neutrality by 2040 and 35% renewable energy mix by 2030.

And also on the major challenges and planned key measures in achieving these aims. This was asked by Mr. Dennis from the Oakworld markets. For reduction of emissions on account of scope one, which is the direct emissions, we have taken many projects under the category of stationary combustion, mobile combustion and fugitive emissions from refrigeration.

For the reduction in emissions under scope two, which includes electricity purchased from the grid through the discounts, this includes both fossils as well as renewable based energies. And we have worked extensively on that in energy source optimization initiatives, both new initiatives and renewables from the new renewable source.

We've achieved 26% in FY '24, and in the first quarter of FY '25, we have achieved 32%. While we've also worked on the energy efficiency levels with through the retrofit and upgradation initiatives, as part of a commitment to reduce the energy consumption. And we have implemented various energy efficient measures.

This includes replacing traditional technologies like chillers, pumps, cooling towers with more energy efficient equipments. Scope three emissions assessments and baselines is under progress and the entity has scheduled scope three mapping and reporting of that in FY '25. Additionally, these disclosures processes for our value chain partners have been initiated in alignment with the SEBI guidelines and will be put into place this year.

Following the establishment of the scope one, scope two and scope three, baseline as part of our ESG strategy, we'll develop a carbon neutral roadmap targeting the carbon neutrality by 2040. This roadmap will outline our emissions reduction strategy and be publicly disclosed. Subsequently, we'll plan to seek validation of our targets through an external agency such as science based targets initiative.

The challenges increase in renewable energy mix for the entity. Each project must be tailored to the local climate condition, energy demands, feasibility, regulatory requirements and compliance with renewable power obligations mandated by the state or the provisional electricity boards.

This way it takes time, but we will be, we will enhance our renewable energy mix. And Narayana is dedicated to that and our health and safety management practices are aligned to NABH and the JCI standards, which thoroughly cover the environmental compliances with key performance indicators, which includes the water usage, water management, air quality, greenhouse gas emissions and sustainable sourcing.

With our current standards effectively address these areas, we will review and then consider pursuing the ISO 14001 certification on pilot basis, to further enhance our environmental management practices and reinforce our commitment to sustainability. For the question on supply chain and the supplier code of conduct, we have developed a supplier code of conduct which outlines ethical behavior requirements, including adherence to human rights, environmental protection standards.

This code has been communicated to and integrated into contracts with all our value chain partners. And we'll be publishing this document on our website shortly. And currently 29% of our inputs by value are sold sustainably. Operating in the healthcare energy services sector, where product and service regulations are stringent, our company sources from approved vendors who adhere to various regulatory standards.

We prioritize partnerships with vendors certified for social and environmental compliance, which include ISO 9001, ISO 14001, ISO 45001. For high value utilities, we perform a lifecycle cost analysis to identify sustainable products, with lower energy footprints, ensuring optimal energy efficiencies and resource use.

There was a question on the women diversity and women employees, and women make up for 60% of our workforce. And women directors on the board constitute 30% of the Board. And senior management, women employees are 20%. We are actively promoting internal movements in senior positions across the organization.

And in the mid-level positions, we actively engage with women candidates, who seek to return to work post a break due to personal or family reasons. And in our new business initiatives, like the insurance and the managed care, more than 50% of the key management roles are fulfilled by women candidates. It has been a continuous endeavor to drive diversity in our hiring process.

And our long-term plans on affordable health insurance has been covered by Viren. And regarding these things, we'll be happy to engage further with you on a one-on-one and answer your questions in more detail, if necessary. Over to Sridhar.

Mr. Sridhar :

Request Dr. Devi Shetty, Chairman, to give the concluding remarks. Thank you.

Dr. Devi Prasad Shetty:

Thank you. Dear Shareholders, thank you for taking part in this 24th Annual General Meeting. 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 scrutinizer shall submit his report at the earliest after the close of the voting, and the voting result will be declared and published on or before September 3, 2024.

The meeting will remain open for a further 15 minutes, for shareholders who have not cast a vote to cast their votes, 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 September 3, 2024.

With this, we have completed all the business of this 24th Annual General Meeting. Thank you once again for spending your valuable time to attend your company's AGM. Thank you.