DRAFT RED HERRING PROSPECTUS
Dated: September 28, 2015
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Issue

NH Narayana Health

NARAYANA HRUDAYALAYA LIMITED

Our Company was incorporated as Narayana Hridayalaya Private Limited on July 19, 2000 at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956 and was subsequently renamed as Narayana Hrudayalaya Private Limited on January 11, 2008. Our Company was converted into a public limited company and the name of our Company was changed to Narayana Hrudayalaya Limited. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on August 29, 2015. For details regarding change in the name and Registered Office of our Company, see section "***History and Certain Corporate Matters***" beginning on page 139.

Registered Office: No.258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 562 158, Karnataka, India
Corporate Office: 2nd Floor, No. 261/A, Bommasandra Industrial Area, Hosur Road, Bengaluru 562 158, Karnataka, India
Contact Person: Ashish Kumar, Company Secretary and Compliance Officer; **Tel**: +91 80 7122 2802; **Fax**: +91 80 7122 2611
Email: investorrelations@nhhospitals.org; **Website**: www.narayanahealth.org
Corporate Identification Number: U85110KA2000PLC027497

OUR PROMOTERS: DR. DEVI PRASAD SHETTY AND SHAKUNTALA SHETTY

INITIAL PUBLIC OFFER OF UP TO 20,436,081 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF NARAYANA HRUDAYALAYA LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE ("OFFER") AGGREGATING UP TO ₹ [•] MILLION ("OFFER PRICE") THROUGH AN OFFER FOR SALE OF UP TO 6,287,978 EQUITY SHARES BY ASHOKA INVESTMENT HOLDINGS LIMITED, UP TO 1,886,455 EQUITY SHARES BY AMBADEVI MAURITIUS HOLDING LIMITED, UP TO 8,174,432 EQUITY SHARES BY JPMORGAN MAURITIUS HOLDINGS IV LIMITED, UP TO 2,043,608 EQUITY SHARES BY DR. DEVI PRASAD SHETTY AND UP TO 2,043,608 EQUITY SHARES BY SHAKUNTALA SHETTY (THE "SELLING SHAREHOLDERS") AGGREGATING TO ₹ [•] MILLION ("OFFER FOR SALE"). THE OFFER WILL CONSTITUTE ATLEAST 10% OF OUR POST-OFFER PAID-UP SHARE CAPITAL. THE SELLING SHAREHOLDERS MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), OFFER A DISCOUNT OF UP TO [•]% (EQUIVALENT TO ₹ [•] MILLION) ON THE OFFER PRICE TO RETAIL INDIVIDUAL BIDDERS ("RETAIL DISCOUNT"). THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [•] EDITIONS OF [•], [•] EDITIONS OF [•] AND [•] EDITIONS OF [•] (WHICH ARE WIDELY CIRCULATED IN ENGLISH, HINDI AND KANNADA NEWSPAPERS, (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the other members of the Syndicate.

In terms of Rule 19(2)(b)(iii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), this is an Offer for atleast 10% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), through the Book Building Process wherein 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), provided that our Company and the Selling Shareholders may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, may participate in this Offer through an Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective bank accounts which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in this Offer. For details, see section "***Offer Procedure***" beginning on page 295.

RISK IN RELATION TO THE FIRST OFFER

This being the first public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 and the Floor Price is [•] times the face value and the Cap Price is [•] times the face value. The Offer Price (determined and justified by the Selling Shareholders in consultation with the BRLMs as stated under the section "***Basis for Offer Price***" on page 92) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "***Risk Factors***" beginning on page 17.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission or inclusion of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder accepts responsibility severally and not jointly only for statements, made expressly by it the Draft Red Herring Prospectus in relation to itself in connection with the Offer for Sale and the Equity Shares offered by it in the Offer for Sale. Each Selling Shareholder assumes no responsibility for any other statement, including, inter-alia, any of the statements made by or in relation to the Company, other Selling Shareholders or their respective businesses in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [•] and [•], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [•].

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
AXIS CAPITAL	IDFC	Jefferies	KARVY Computershare
Axis Capital Limited 1st floor, Axis House C-2 Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025 Maharashtra, India Tel: +91 22 4325 2183 Fax: +91 22 4325 3000 Email: nh.ipo@axiscap.in Investor Grievance Email: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Lohit Sharma SEBI Registration No.: INM000012029	**IDFC Securities Limited** Naman Chambers, C-32 G Block, Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 6622 2600 Fax: +91 22 6622 2501 Email: nhl.ipo@idfc.com Investor Grievance Email: investorgrievance@idfc.com Website: www.idfccapital.com Contact Person: Gaurav Goyal SEBI Registration No: MB/INM000011336	**Jefferies India Private Limited** 42/43, 2 North Avenue Maker Maxity, Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 4356 6000 Fax: +91 22 6765 5595 Email: Narayana.ipo@jefferies.com Investor Grievance Email: India.investor.grievance@jefferies.com Website: www.jefferies.com Contact Person: Ranjan Prabhu SEBI Registration No.: INM000011443	**Karvy Computershare Private Limited** Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032 Telangana, India Tel: +91 40 6716 2222 Fax: +91 40 2300 1153 Email : einward.ris@karvy.com Website: http:\\karisma.karvy.com Investor Grievance Email: nhhospitals.ipo@karvy.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	[•](1)
BID/OFFER CLOSES ON (FOR QIBs)	[•](2)
BID/OFFER CLOSES ON (FOR OTHER BIDDERS)	[•]

(1) Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.

(2) Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulation, as amended from time to time.

Company Related Terms

Term	Description
AHDL	Asia Healthcare Development Limited
AHF	Asia Heart Foundation
Amaryllis	Amaryllis Healthcare Private Limited
Ambadevi	Ambadevi Mauritius Holding Limited
Articles of Association	Articles of Association of our Company, as amended
Ashoka Holdings	Ashoka Investment Holdings Limited
Auditors/ Statutory Auditors	Statutory auditors of our Company, namely, B S R & Co. LLP, Chartered Accountants
Axiss Dental	Axiss Dental Private Limited
Board/ Board of Directors	Board of directors of our Company or a duly constituted committee thereof
CDC Group	CDC Group Plc
CDC IOL	CDC India Opportunities Limited
CEO	Chief Executive Officer of our Company
CFO	Chief Financial Officer of our Company
Corporate Office	Corporate office of our Company located at 2nd Floor, No. 261/A, Bommasandra Industrial Area, Hosur Road, Bengaluru 562 158, Karnataka, India
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
Executive Directors	Executive Directors of our Company
Group Companies	Our Group Companies are as follows: (a) Akkayya Hospitality Services; (b) Amaryllis Healthcare Private Limited; (c) Annapoorna Health Foods; (d) Asia Heart Foundation; (e) Charmakki Infrastructures; (f) Daya Drishti Charitable Trust; (g) Health City Cayman Islands Limited; (h) Hrudayalaya Pharmacy; (i) Kateel Software Private Limited; (j) Mazumdar Shaw Medical Foundation; (k) Narayana Health Academy Private Limited; (l) Narayana Hrudayalaya Charitable Trust; (m) Narayana Hrudayalaya Foundations; and (n) TriMedx India Private Limited. For details, see section "***Our Group Companies***" on page 181
HCCI	Health City Cayman Islands Ltd.
IDECK	Infrastructure Development (Corporation) Karnataka Limited
JPM	JPMorgan Mauritius IV Holdings Limited
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and the Companies Act, 2013 disclosed in the section "***Our Management***" on page 153
Managing Director	Managing Director of our Company namely, Dr. Ashutosh Raghuvanshi
Memorandum of Association	Memorandum of Association of our Company, as amended
MMRHL	Meridian Medical Research & Hospital Limited
MSMC	Mazumdar Shaw Medical Centre, located within NH Health City
NHAPL	Narayana Health Academy Private Limited
Narayana Cayman Holdings	Narayana Cayman Holdings Ltd.
Narayana Dental	Narayana Hrudayalaya Dental Clinics Private Limited
Narayana Hospital	Narayana Hospital Private Limited
Narayana Malaysia	Narayana Hrudayalaya Hospitals Malaysia Sdn Bhd
NICS	Narayana Institute of Cardiac Sciences located within NH Health City
NH Charitable Trust	Narayana Hrudayalaya Charitable Trust

Term	Description
NH Foundations	Narayana Hrudayalaya Foundations
NH Health City	The facility of our Company situated at No.258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru, Karnataka, India, housing NICS and MSMC, together with ancillary buildings and development, car park and canteen facilities
NH Land	Plot No.258-A, Bommasandra Industrial Area, Survey Nos. 238, 239 and 240, Bommasandra Village, Attibele Hobli, Anekal Taluk, Bengaluru, and Survey No.25, Kittaganahalli Village, Attibele Hobli, Anekal Taluk, Bengaluru
NHIPL	Narayana Health Institutions Private Limited
NHSHPL	Narayana Hrudayalaya Surgical Hospital Private Limited
NIARPL	Narayana Institute for Advanced Research Private Limited
NVDSHPL	Narayana Vaishno Devi Speciality Hospitals Private Limited
"our Company", "the Company", "the Issuer"	Narayana Hrudayalaya Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at No.258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru, Karnataka, India
Promoters	Promoters of our Company namely, Dr. Devi Prasad Shetty and Shakuntala Shetty For details, see section "***Our Promoters***" beginning on page 174
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations
Registered Office	Registered office of our Company located at No.258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 562 158, Karnataka, India
Registrar of Companies/ RoC	Registrar of Companies, Bengaluru located at 'E' Wing, 2nd Floor, Kendriya Sadana, Koramangala, Bengaluru 560 034, Karnataka, India
Restated Consolidated Summary Statements	The restated audited consolidated financial information of the Company, along with its Subsidiaries and associates which comprises of the restated audited consolidated balance sheet, the restated audited consolidated profit and loss information and the restated audited consolidated cash flow information, as at and for the financial years ended March 31, 2011, 2012, 2013, 2014, 2015 together with the annexures and notes thereto
Restated Summary Statements	Collectively, the Restated Consolidated Summary Statements and the Restated Standalone Summary Statements
Restated Shareholders' Agreement	First amended and restated shareholders' agreement dated December 22, 2014, executed between our Company, our Promoters, NHAPL, certain Selling Shareholders, CDC Group and CDC IOL
Restated Standalone Summary Statements	The restated audited standalone financial information of the Company, which comprises of the restated audited standalone balance sheet, restated audited standalone profit and loss information and the restated audited standalone cash-flow information as at and for the financial years ending March 31, 2011, 2012, 2013, 2014, 2015 together with the annexures and the notes thereto.
RHB	Rajasthan Housing Board
RNN	Rotary Narayana Eye Hospital
RTSC	Rabindranath Tagore Surgical Centre, Kolkata, West Bengal
RTIICS	Rabindranath Tagore International Institute of Cardiac Sciences, E.M. Bypass Road, Kolkata 700 099, West Bengal, India
Shareholders	Shareholders of our Company from time to time
SRCC	Society for Rehabilitation of Crippled Children
Subsidiaries	Subsidiaries of our Company, namely, Narayana Hospitals, NIARPL, NHIPL, NHSHPL, NVDSHPL, AHDL, MMRHL, Narayana Malaysia and Narayana Cayman Holdings
TriMedX	TriMedX India Private Limited
Vaishno Devi Board	Shri Mata Vaishno Devi Shrine Board
"we", "us" or "our"	Our Company and our Subsidiaries

Offer Related Terms

Term	Description
Allot/ Allotment/ Allotted	Transfer of Equity Shares to successful Bidders pursuant to this Offer
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus which will be decided by the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Bid/ Offer Period	The day, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by the Selling Shareholders in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by the Selling Shareholders in consultation with the BRLMs to Anchor Investors on a discretionary basis One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price.
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account. ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Bidders participating in the Offer
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Prospective investors (other than Anchor Investors) in the Offer who intend to submit Bid through the ASBA process
Axis	Axis Capital Limited
BSE	BSE Limited
Banker(s) to the Offer/ Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an Offer and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in the section "***Offer Procedure***" on page 295
Bid	An indication to make an offer during the Bid/ Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder/blocked in the ASBA Account upon submission of the Bid in the Offer
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in two national daily newspapers, and in one regional language, i.e., one each in English and Hindi, and in one Kannada daily newspaper, each with wide circulation.

Term	Description
	Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in two national daily newspapers, and in one regional language, i.e., one each in English and Hindi, and in one Kannada daily newspaper, each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Lot	[●]
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLMs or Book Running Lead Managers	The book running lead managers to the Offer namely, Axis Capital Limited, IDFC Securities Limited and Jefferies India Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective website of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who will be allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted
Client ID	Client identification number of the Bidder's beneficiary account
Cut-off Price	Offer Price, finalised by the Selling Shareholders in consultation with the BRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Accounts to the Public Offer Account or the Refund Account, as appropriate, and the SCSBs Offer instructions for transfer of funds from the ASBA Accounts, to the Public Offer Account or unblock such amounts, as appropriate, in terms of the Red Herring Prospectus
Designated Stock Exchange	[●]
Draft Red Herring Prospectus	This Draft Red Herring Prospectus dated September 28, 2015, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addendum or corrigendum thereto
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus will constitute an invitation to subscribe for or purchase the Equity Shares
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Escrow Agreement	Agreement to be entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders), on the terms and conditions thereof
First Bidder	Bidder whose name appears first in the Bid cum Application Form and the Revision Form in case of joint Bids, whose name shall also appear as the first holder of the

Term	Description
	beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI, suitably modified and included in "***Offer Procedure***" on page 295
IDFC	IDFC Securities Limited
Jefferies	Jefferies India Private Limited
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 204,361 Equity Shares which shall be available for allocation to Mutual Funds only
NSE	National Stock Exchange of India Limited
Non-Institutional Bidders	All Bidders including Category III Foreign Portfolio Investors that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of 3,065,413 Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Offer/ Offer for Sale	The public issue of up to 20,436,081 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each, aggregating ₹ [●] million through an Offer for Sale of up to 6,287,978 Equity Shares by Ashoka Investment Holdings Limited., up to 1,886,455 Equity Shares by Ambadevi Mauritius Holding Limited, up to 8,174,432 Equity Shares by JPMorgan Mauritius Holdings IV Limited, up to 2,043,608 Equity Shares by Dr. Devi Prasad Shetty and up to 2,043,608 Equity Shares by Shakuntala Shetty (the "Selling Shareholders")
Offer Agreement	The agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	The final price (less any Retail Discount, if applicable) at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Offer Price will be decided by the Selling Shareholders in consultation with the BRLMs on the Pricing Date
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including revisions thereof including any revisions thereof The Price Band and the minimum Bid Lot size for the Offer will be decided by the Selling Shareholders in consultation with the BRLMs and will be advertised, at least five Working Days prior to the Bid/ Offer Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of Kannada (Kannada being the regional language of Karnataka, where are Registered Office and Corporate Office is located) newspaper [●], each with wide circulation.
Pricing Date	The date on which the Selling Shareholders, in consultation with the BRLMs, will finalise the Offer Price
Promoter(s) Selling Shareholders	The Promoters of our Company i.e., Dr. Devi Prasad Shetty and Shakuntala Shetty
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account(s)	Account opened with the Bankers to the Offer under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
QIB Category/ QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being 50% of the Offer consisting of 102,18,039 Equity Shares which shall be allocated to QIBs (including Anchor Investors)
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto.

Term	Description
	The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to ASBA Bidders) shall be made
Refund Bank(s)	[•]
Refunds through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by the SEBI
Registrar to the Offer or Registrar	Karvy Computershare Private Limited
Retail Individual Bidder(s)	Individual Bidders who have Bid for the Equity Shares for an amount of not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of 7,152,629 Equity Shares which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations
Revision Form	Form used by the Bidders, including ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s) as applicable QIB Bidders and Non-Institutional Bidders are not allowed to lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Selling Shareholders	Ashoka Holdings, Ambadevi, JPM and Promoter Selling Shareholders
Share Escrow Agreement	The agreement to be entered into among the Selling Shareholders, our Company and the Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from ASBA Bidders, a list of which is available at the website of the SEBI at www.sebi.gov.in/sebiweb.home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Syndicate Agreement	Agreement to be entered into among the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to the collection of Bids in the Offer (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [•]
Syndicate or members of the Syndicate	The BRLMs and the Syndicate Members
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date
Working Day	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/ Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding second and fourth Sundays and bank holidays in Bengaluru or Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Technical/Industry Related Terms/Abbreviations

Term	Description
ALOS	Average Length of Stay
ARPOB	Average Revenue per Occupied Bed
CABG	Coronary Artery Bypass Grafting
CGHS	Central Government Health Scheme

Term	Description
CT	Computed Tomography
ERP	Enterprise Resource Planning
GIPSA	General Insurers' (Public Sector) Association of India
ICU	Intensive Care Unit
IDF	International Diabetes Federation
IPD	In-patient Department
JCI	Joint Commission International
MRI	Magnetic Resonance Imaging
NABH	National Accreditation Board for Hospitals and Healthcare Providers
OPD	Out-patient Department
RSBY	Rashtriya Swasthya Bima Yojana
SBLC	Standby Letter of Credit

Conventional and General Terms or Abbreviations

Term	Description
AERB	Atomic Energy Regulatory Board
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS/ Accounting Standards	Accounting Standards issued by MCA
BSE	BSE Limited
Bio-Waste Rules	Bio-Medical Waste (Management and Handling) Rules, 1998
CAGR	Compounded Annual Growth Rate
Category II Foreign Portfolio Investors	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations which shall include investors who are not eligible under Category I and II foreign portfolio investors such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
CERR Act	Clinical Establishments (Registration and Regulation) Act, 2010
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and/ or the Companies Act, 2013 as applicable
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013, and the rules and clarifications issued thereunder to the extent in force pursuant to the notification of the Notified Sections
CRISIL	CRISIL Research, a division of CRISIL Limited
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
Drugs Act	Drugs and Cosmetics Act, 1940
Drugs Rules	Drugs and Cosmetics Rules, 1945
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
Downstream Investment Regulations	The Regulations in Notification No. FEMA.278/2013-RB dated June 07, 2013 issued by the RBI and notified vide G.S.R.393(E) dated June 21, 2013
DP ID	Depository Participant's Identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings / profit before Interest, Taxes, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EIA Notification	Notification No. S.O. 1533 of 2006 dated September 14, 2006, issued by the Ministry of Environment and Forests, Government of India under the EPA, as amended from time to time
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPA	Environment Protection Act, 1986
EPS	Earnings Per Share
Equity Listing Agreement	Listing Agreement to be entered into with each of the Stock Exchanges on which the Equity Shares of our Company are to be listed
ESI Act	Employees State Insurance Act, 1948

Term	Description
ESIS	Employees' State Insurance Scheme
EXIM Bank	Export-Import Bank of India
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, and the rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FIR	First Information Report
FII(s)	Foreign institutional investors as defined under the SEBI FPI Regulations
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GE Capital	GE Capital Services India Limited
GIR	General Index Register
GoI or Government	Government of India
Hazardous Waste Rules	Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008
HSBC	Hongkong and Shanghai Banking Corporation
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ID Act	Industrial Disputes Act, 1947
IDECK	Infrastructure Development Corporation (Karnataka) Limited
IFRS	International Financial Reporting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDA	Insurance Regulatory and Development Authority
IST	Indian Standard Time
IT	Information Technology
IT Act	Income-Tax Act, 1961
Jubilant First Trust	Jubilant First Trust Healthcare Limited
KIADB	Karnataka Industrial Areas Development Board
KSPCB	Karnataka State Pollution Control Board
LIBOR	London Interbank Offered Rate
MICR	Magnetic Ink Character Recognition
Minimum Wages Act	The Minimum Wages Act, 1948
Mutual Fund (s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
MTP Act	Medical Termination of Pregnancy Act, 1971
NABH	National Accreditation Board for Hospitals and Healthcare Providers
N.A./ NA	Not Applicable
NDPS Act	Narcotic Drugs and Psychotropic Substances Act, 1985
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian, FIIs, FPIs and QFIs
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India, and are currently in effect
NRE Account	Non Resident External Account
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003 and immediately before such date had taken

Term	Description
	benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
OCD(s)	Optionally convertible debentures
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAT	Profit After Tax
PCB	Pollution Control Board
PNDT Act	Pre-Natal Diagnostic Techniques (Registration and Prevention of Misuse) Act, 1994
PWA	Payment of Wages Act, 1936
Radiation Rules	Radiation Protection Rules, 2004
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
RM	Malaysian Ringitt
RoNW	Return on Net Worth
₹ / Rs./ Rupees/ INR	Indian Rupees
RTGS	Real Time Gross Settlement
SBI	State Bank of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U.S. Securities Act of 1933, as amended
STT	Securities Transaction Tax
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trade Unions Act	Trade Unions Act, 1926
Transplantation Act	Transplantation of Human Organs Act, 1995
U.S./ USA/ United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US$	United States Dollars
VAT	Value added tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Water Cess Act	Water (Prevention & Control of Pollution) Cess Act, 1977
Water Cess Rules	Water (Prevention & Control of Pollution) Cess Rules, 1978
Wipro GE	Wipro GE Healthcare Private Limited

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in the sections "***Statement of Tax Benefits***", "***Industry Overview***", "***Financial Statements***", "***Outstanding Litigation and Material Developments***" and "***Main Provisions of Articles of Association***" beginning on pages 96, 99, 191, 243 and 347, respectively, shall have the meaning given to such terms in such sections. Page numbers refer to page numbers of this Draft Red Herring Prospectus, unless otherwise specified.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India. All references to the "U.S.", "USA" or "United States" are to the United States of America.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from the Restated Standalone Financial Statements or the Restated Consolidated Summary Statements prepared in accordance with the Companies Act, 2013, Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal, all percentage figures have been rounded off to two decimal places, and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

Our Company's financial year commences on April 01 and ends on March 31 of the next year. The first financial year of our Company commenced on July 19, 2000 and ended on March 31, 2001. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

Our Restated Consolidated Summary Statements have been prepared in accordance with Indian GAAP. There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Conditional and Results of Operations***" beginning on pages 17, 114 and 215 respectively, and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of the consolidated and standalone financial information of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to the Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to the United States Dollar, the official currency of the United States.

Our Company has presented all numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD:

In ₹ million

Currency	As on March 31, 2011	As on March 31, 2012	As on March 31, 2013	As on March 31, 2014	As on March 31, 2015
1 USD	44.65	51.16(1)	54.39(2)	60.10(3)	62.59

Source: RBI

(1) Exchange rate as on March 30, 2012, as RBI Reference Rate is not available for March 31, 2012 being a Saturday.

(2) Exchange rate as on March 28, 2013, as RBI Reference Rate is not available for March 31, 2013, March 30, 2013 and March 29, 2013 being a Sunday, Saturday and a public holiday, respectively.

(3) Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section "***Risk Factors***" beginning on page 17.

Certain information in the chapters titled "***Summary of Industry***", "***Summary of our Business***", "***Industry Overview***" and "***Our Business***" beginning on pages 44, 47, 99 and 114, respectively of this Draft Red Herring Prospectus has been obtained from CRISIL's Report dated June, 2015 which has issued the following disclaimer:

"The information in the section 'Industry Overview' has been extracted from data and statistics derived from reports prepared by third party consultants, CRISIL Report prepared by CRISIL and certain official publications of the World Health Organization ("**WHO**"), statistics published by governmental agencies and other third party sources available in the public domain that was commissioned by us for the purposes of this Draft Red Herring Prospectus. We have not commissioned any other report other than CRISIL Report for the purposes of this Draft Red Herring Prospectus. Except for CRISIL Report, market and industry related data used in this Draft Red Herring Prospectus have been obtained or derived from publicly available documents and other industry sources. which have not been prepared or independently verified by the Company, the BRLMs or any of their respective affiliates or advisors. Such information, data and statistics may be approximations or may use rounded numbers. Certain data has been reclassified for the purpose of presentation and much of the available information is based on best estimates and should therefore be regarded as indicative only and treated with appropriate caution. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. ".

In accordance with the SEBI ICDR Regulations, the section "***Basis for the Offer Price***" beginning on page 92 includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in India in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- our dependence on patient footfalls;
- our dependence on third parties to continue to operate their facilities;
- failure to obtain or retain the various approvals and licences required to operate our business;
- our reliance on quality human resources, including doctors and paramedics;
- failure to effectively implement our growth strategy;
- our ability to effectively compete against current and future competitors;
- failure to maintain sufficient insurance coverage to cover all possible economic losses and liabilities associated with our business;
- failure to protect the intellectual property rights of our clients;
- our exposure to risks associated with fluctuations in foreign exchange rates;
- our ability to attract and retain our key personnel;
- outcome of legal proceedings pending against us; and
- general economic and business conditions in India and other countries.

For further discussion of factors that could cause the actual results to differ from the expectations, see sections "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 17, 114 and 215, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Although we believe that the assumptions on which such forward-looking statements are based are reasonable, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Neither our Company, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges. Each Selling Shareholder will ensure that investors are informed of material developments solely in relation to statements and undertakings specifically confirmed or made severally and not jointly by such Selling

Shareholder in the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Further in accordance with Regulation 51(A) of SEBI ICDR Regulations, our Company may be required to undertake an annual update of the disclosures made in the Draft Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II: RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages* 114 *and* 215*, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.*

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offering. Before making an investment decision, investors must rely on their own examination of the Offer and us.

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See section "**Forward-Looking Statements**" beginning on page* 15.

The financial information in this section is, unless otherwise stated, derived from our Consolidated Restated Summary Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act, 2013 and SEBI ICDR Regulations.

Internal Risk Factors

1. ***Certain criminal proceedings are pending against our Company, one of our Promoters and some of our Directors. Criminal proceedings are also pending against some doctors engaged by our Company for alleged criminal negligence. The outcome of such proceedings may materially affect our business, financial condition, reputation and future prospects.***

   Our Company, one of our Promoters, Dr. Devi Prasad Shetty, and some of our Directors are defendants in criminal proceedings initiated against them. These proceedings pertain to allegations of cheating and violations of law, including labour, environmental and mining laws. Some of our doctors have also been charged with criminal negligence in providing medical services for and on behalf of our Company. Any unfavourable outcome against us, our Promoter, Directors or doctors engaged by us and who are involved in these matters may adversely affect our business, financial condition, reputation and prospects. For further details, see section "***Outstanding Litigation and Material Developments***" beginning on page 243.

2. ***Our Company is subject to certain legal proceedings. The outcome of such proceedings may materially affect our Company's business, results of operations, financial condition, reputation and future prospects.***

   As on the date of this Draft Red Herring Prospectus, we are involved in certain legal proceedings, which are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate authorities. Our Company has adopted a materiality policy in line with the SEBI ICDR Regulations for the purpose of disclosure relating to litigation in this Draft Red Herring Prospectus, see section "***Outstanding Litigation and Material Developments***" beginning on page 243., for details of the policy.

We cannot assure you that these legal proceedings will be decided in our favour. Decisions in proceedings adverse to our interests may have a significant adverse effect on our cash flows business, financial condition and results of operations.

A summary table of outstanding litigation initiated against our Company, Subsidiaries, Promoters, Directors and Group Companies are set forth below:

In ₹ million

Nature of the cases / claims	Company & Subsidiaries	Promoters	Directors	Group Companies	Amount involved
Criminal	10	1	8	-	-
Public Interest Litigation	1	-	-	-	-
Civil	4	1	3	-	404.70
Labour Proceedings	6	-	1	-	4.03**
Regulatory Proceedings	4	-	2	-	0.04
Legal Notices	9	-	-	-	-
Direct Tax	7	-	-	2	18.07
Indirect Tax	9	-	-	1	5.72
Compounding Proceedings	1	-	-	-	-

* *Excludes costs and interests claimed.*

** *Excludes certain amounts towards claims which have been adjudicated and paid.*

We have also initiated certain proceedings to compound certain contraventions under the FEMA and the Companies Act.

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally, but exclude costs and interest, which are not ascertainable in all instances. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. Any unfavourable outcome against us in these matters may adversely affect our business, financial condition, reputation and prospects. For further details, see section "***Outstanding Litigation and Material Developments***" beginning on page 243.

3. ***Certain facilities from which we operate do not possess occupancy certificates or prior environmental clearance for construction. We may not be able to operate from these facilities in the event the relevant authorities prohibit us from continuing to occupy the buildings, which may materially and adversely affect our business and financial condition.***

AHDL has not obtained an occupancy certificate for its hospital located in Berhampore, West Bengal. With respect to MMRHL's facilities in Howrah, West Bengal, and floors 03 to 08 of RTIICS, which we have constructed, we are in the process of seeking occupancy certificates from relevant local municipal authorities. In addition, 15 facilities, including hospitals and heart centres, that we operate out of owned by third parties which we operate on an operations and management / leave and licence/ lease basis, also do not possess occupancy certificates required to be obtained under local planning and development laws. Certain facilities we operate out of may also not have obtained prior environmental clearance required to be obtained under the EPA.

For further details, see section "***Government Approvals***" beginning on page 259 for facilities where occupancy certificates and prior environmental clearance have not been obtained. Of the facilities that we do not possess occupancy certificates or prior environmental clearance, only Berhampore, West Bengal, belonging to AHDL, MMRHL's facilities in Howrah, West Bengal and floors 03 to 08 situated in RTIICS are owned or constructed by our Company or Subsidiaries.

The failure to obtain occupancy certificates from local planning authorities or prior environmental clearance could potentially result in our Company, MMRHL and AHDL being unable to occupy or operate out of these facilities. We may be forced to vacate these facilities and construction forming part of these facilities may be demolished. We may have no effective remedy in the event of such eviction or demolition. Our revenues, financial condition, results of operations, reputation and future prospects may be impacted significantly as a result of any such action.

4. ***We are dependent on obtaining and maintaining certain governmental and regulatory licences and we have not obtained a number of approvals, registrations and licences with respect to our operations in various facilities. Our ability to operate out of such facilities or carry on the relevant activity / procedures in question, may be impeded as a result, thus adversely impacting our operations and revenues.***

We operate in a heavily regulated environment and are required to periodically obtain a number of approvals and licences from governmental and regulatory authorities. For an overview of the applicable regulations and the nature of approvals and licences to be obtained, see section "***Regulations and Policies***" on page 133. Such approvals and licences may or may not be granted or renewed by the relevant governmental or regulatory authorities. There is no assurance that such approvals and licences will be granted or renewed in a timely manner. Failure to obtain or renew such approvals and licences in a timely manner can prevent us from operating the relevant facilities or from operating certain equipment which requires us to obtain the relevant approval or licence. We may, as a result, be compelled to cease using such equipment, or cease operations altogether from such facilities, until such time that the approval or licence applied for has been granted. Our failure therefore to obtain or maintain licences and approvals on a timely basis may adversely affect our business, financial condition, results of operations, cash flows and prospects.

Further, we have not obtained a number of approvals, registrations and licences applicable to hospitals we operate. We have also not obtained certain approvals, registrations and licences applicable to our clinics. We have, in certain cases, filed applications seeking approvals, registrations and licences. For details, see section "***Government Approvals***" beginning on page 259. Where we have filed applications for grant of approvals, there is no assurance that approvals will be forthcoming. The approvals, registrations and licences which we have not obtained are either fundamental to our ability to continue operations from such facilities or performance of particular procedures and our failure to obtain them may materially and adversely impact our operations and revenues.

5. ***We may not be in compliance with the terms of certain leases granted to us by State Governments and urban development authorities. Our ability to operate out of such facilities, and our ownership over improvements we have made, including building constructed, may be prejudiced as a result of such non-compliance, thus adversely impacting our revenues, operations, financial condition and prospects.***

The Government of Gujarat has alleged, by way of a notice dated December 22, 2010, that our Subsidiary, Narayana Hospitals, has failed to comply with the terms of a memorandum of understanding dated January 13, 2009, entered into between Narayana Hospitals and the Government of Gujarat to establish the "Narayana Health City", a 5,000 bed hospital in Ahmedabad, Gujarat. Our Company currently operates a 133 bed hospital from this property for which Narayana Hospitals has not obtained permission of the Government of Gujarat to permit our Company to operate the hospital situated in Ahmedabad, Gujarat. Further, our Subsidiary has not taken any remedial action with respect to this breach.

Narayana Hospitals has also not obtained permission of the RHB to permit our Company to operate the facility located in Jaipur, Rajasthan under the management agreement dated December 01, 2010, in terms of which our Company operates the facility. Narayana Hospitals has made an application dated September 09, 2015, to the RHB seeking permission for our Company to operate the facility.

Our Company was allotted lands situated in Plot No. 1125 (part), Khata No. 517, Dumduma, Bhubaneshwar by the Government of Odisha under a lease deed dated October 31, 2009. Our Company was required to complete construction of the hospital within a period of 36 months of the lease commencement date. Our Company cited the global economic downturn and liquidity concerns, and obtained an extension of two years for the completion of construction, which was granted by the Government of Odisha by its letter dated November 14, 2012. Our Company has not complied with the requirements under the lease deed dated October 31, 2009 to date. A subsequent show cause notice dated December 27, 2014, was issued by the Government of Odisha to our Company threatening cancellation of the lease. Our Company responded by letters dated January 08, 2015 and July 18, 2015, seeking further time of one year to commence construction of the hospital. Our Company's leasehold rights over the property may be terminated, unless our request for extension of time is acceded to by the Government of Odisha.

Narayana Hospitals obtained a 99 year lease from the Siliguri Jalpaiguri Development Authority over a 5 acre property situated in J.L. No. 81, Mouza Gour Charan, Siliguri, West Bengal, under a lease deed dated May 25, 2010, for the purpose of construction and operation of a multispecialty hospital complex. The land was handed over to Narayana Hospitals on February 05, 2009 and Narayana Hospitals was required to complete construction of the hospital building by August 04, 2009, which it has not undertaken.

As a result, our rights over these properties may be terminated, including significant loss of investments made in land to the extent of ₹ 464.37 million. Any such termination will materially and adversely affect our revenues, operations, financial condition and prospects.

6. ***Our Company, Narayana Hospitals and AHDL have not perfected their occupancy rights over certain hospitals and clinics they operate out of. We have also not obtained ownership rights over certain lands forming part of NH Health City and certain superstructures constructed by us in RTIICS. Our rights, and those of Narayana Hospitals and AHDL to these properties may not be enforceable and we run the risk of being dispossessed of these properties, thus adversely affecting our revenues, profits and financial condition.***

The KIADB allotted to our Company on a lease-cum-sale basis the lands situated in Survey Nos. 23/1A, 23/1B, 23/2, 23/3, 1/1, 1/2, 2/2, 2/3, 135/1 and 135/2, of Kittaganahalli Village, Attibele Hobli, Anekal Taluk, Bengaluru District, measuring approximately nine acres and eleven guntas in total. We are entitled to acquire from the KIADB freehold rights to these lands upon us satisfying the conditions stipulated in the lease-cum-sale agreements entered into in this regard. Our Company has, by letters dated August 26, 2015, addressed to the KIADB, sought conveyance of the land parcels in Survey Nos. 23/1A, 23/1B, 23/2, 23/3, 1/1, 1/2, 2/2, 2/3, 135/1 and 135/2 of Kittaganahalli Village, Attibele Hobli, Anekal Taluk, Bengaluru District, on a freehold basis. Certain land parcels within NH Health City (not including the NICS & MSMC buildings) are covered by these survey numbers. In the absence of acquisition of freehold over the land, our Company runs the risk of the KIADB terminating the lease or the lease terminating by efflux of time, and the KIADB refusing renewal of the lease.

In addition, our leasehold rights over the land parcels in Survey Nos. 23/1A, 23/1B, 23/2 and 23/3, expired in the year 2011, and the KIADB is yet to renew these leases in our favour. Our Company has sought execution of sale deeds with respect to these land parcels, but has neither obtained freehold rights over these properties nor obtained renewal of leasehold rights till date. Our Company is at the risk of being evicted from these properties in view of the expiry of the leases for these parcels of land. Parts of NH Health City (not including the NICS & MSMC buildings) are located on these parcels of land.

Our Subsidiary, Narayana Hospitals has not obtained valid leasehold rights with respect to the property in Plot No. 191, TP Scheme No. 11, Rakhiyal, Ahmedabad, Gujarat, allotted by the Government of Gujarat. It may not be possible for Narayana Hospitals to continue to occupy the property in the event of any adverse action initiated by the Government of Gujarat.

The Government of Assam and our Company entered into a memorandum of understanding dated June 11, 2012, followed by an agreement dated August 16, 2012, in terms of which our Company was to operate a super specialty hospital in Guwahati, Assam for a period of 30 years. Our Company was required to enter into a 30 year lease with the Government of Assam in connection with the operation of the facility no later than September 15, 2012, failing which the agreement dated August 16, 2012, would stand terminated. However, no lease deed with respect to this facility has been entered into till date, and our Company continues to operate from the facility on the basis of the agreement dated August 16, 2012. By a letter dated September 15, 2015, we have requested the Government of Assam to enter into a lease for a 30 year period with respect to the property. In the absence of a registered lease deed with respect to the property our Company may not have the right to continue to operate out of the facility.

We have not been able to take possession of 10 acres of land allotted to us in Survey. No. 22, Bagrana Grana, Jaipur by the Jaipur Development Authority due to encroachment. We have paid the Jaipur Development Authority ₹ 54.44 million towards this land. We may not be able to take possession or develop this property.

Our Subsidiary, AHDL has entered into a deed of agreement dated July 09, 2004 (as amended by the Supplemental Agreement dated March 03, 2005), with the Murshidabad Zila Parishad which entitles AHDL to occupy the hospital situated at Khatian No. 1, Plot No. 960, 30, C.R. Das Road, Berhampore, West Bengal up to the year 2025. The deed of agreement dated July 09, 2004 entered into with the Murshidabad Zila Parishad is neither adequately stamped nor has it been registered under the Registration Act. Failure to register the lease renders AHDL's occupancy a month to month tenancy, terminable with 15 days' notice by the Murshidabad Zila Parishad.

We have constructed, in terms of the management agreement dated January 28, 2008, entered into between the Company and AHF, floors 03 to 08, forming part of the superstructure of RTIICS, which we purport to own. We have not entered into any registered document with AHF which confirms such ownership. Our ownership rights over these floors may be disputed by AHF or may be found to be unenforceable.

In addition, we have not duly stamped or registered leases / leave and licence agreements with respect to a number of clinics we operate.

Our failure to acquire valid leasehold rights over these properties, and perfect our title to superstructures belonging to us in RTIICS may materially impact our ability to operate out of these facilities, thus adversely affecting our operations, revenues, financial condition and prospects.

7. ***Our sources of revenues are concentrated in three hospitals. We are heavily dependent on these hospitals continuing to grow in revenue terms to be able to maintain a healthy financial position. We are also heavily dependant on two fields of specialty for a majority of our revenues, i.e. cardiac care and cardiology. Any material impact on the revenues from these hospitals or earnings from cardiac care and cardiology will impact our financial condition significantly.***

As of March 31, 2015, our three key facilities, NICS, MSMC and RTIICS contributed as much as 57.98% of our total revenues. We are heavily dependent on these facilities to continue to generate higher revenues and maintain a healthy financial position. As of March 31, 2015, more than half of our total in-patient revenue was generated from cardiac care and cardiology procedures. Any material impact on our revenues from NICS, MSMC and RTIICS or from cardiology and cardiac care we provide, including by reason of reduction in patient footfall, reputational harm that our Company may generally suffer, liabilities on account of medical negligence and loss due to natural calamities and increased competition, could significantly dent our revenues and profitability, thus adversely affecting our financial condition.

8. ***We may be viewed as a "foreign controlled" company beginning August 22, 2013, and investments made in our Subsidiaries thereafter may be viewed as indirect foreign investment. Our Company has not complied with the requirements set out in the Downstream Investment Regulations.***

Investments made by Indian companies with foreign investment in other Indian companies are regulated by exchange control regulations. An Indian company, which is either foreign "owned" or foreign "controlled" may make further investments downstream only subject to a number of conditions prescribed under the Downstream Investment Regulations. "Ownership" is defined for this purpose, as the holding of a majority of the shares of the first-level Indian company, and "control" was defined (prior to August 22, 2013), as the ability to appoint a majority of directors on the board of directors of the first-level Indian company. On August 22, 2013, the DIPP amended the definition of "control" as including the right to control the management and policy decisions of the Indian company, including through shareholders' agreements. JPM, Ashoka Holdings and Ambadevi, who are persons resident outside India, possessed extensive veto rights under the Shareholders' Agreement dated January 28, 2008, with respect to the management of our Company. With the further investment that our Company received in December 2014 from CDC Group and CDC IOL, two other persons resident outside India acquired certain veto rights with respect to our Company, in addition to the rights that JPM, Ashoka Holdings and Ambadevi already possessed. Our Company may likely be viewed as "foreign controlled", beginning August 22, 2013, as a result of the veto rights exercisable by our foreign investors. Our Company is required to comply with a number of requirements with respect to investments made downstream, such as making filings with the FIPB and the Secretariat for Industrial Assistance, DIPP, Government of India and meeting pricing guidelines prescribed by the RBI. Our

Company made delayed reportings of its downstream investments to the FIPB, with regard to (i) MMRHL, on August 25, 2015; (ii) AHDL, on August 28, 2015; (iii) NVDSHPL, on August 29, 2015; and (iv) TriMedX, on August 31, 2015. Our Company has not obtained certifications from its Statutory Auditor for FY 2014 and FY 2015 with respect to compliance with the Downstream Investment Regulations. Our Company has historically had two inoperative Subsidiaries, NIARPL and NHIPL, and the investment by CDC Group and CDC IOL in our Company may be viewed as indirect foreign investments in these entities, requiring that our Company obtain prior approval of the FIPB. Our Company has not obtained any approval from the FIPB in this regard. Among other things, our Company may be subjected to penalties that the RBI may levy for contravention of the FEMA, which may extend up to three times the amount involved in the contravention (where the contravention is quantifiable) and an amount of up to ₹ 0.20 million for contraventions which are not quantifiable.

9. ***We may be exposed to varying interpretations of exchange control regulations, thus impacting our level of compliance.***

We operate in an exchange-controlled economy. Exchange control laws often take the form of press notes issued by the DIPP, Government of India and circulars issued by the RBI. Interpretation of exchange control laws is driven by past practice, including precedence available in the public domain, and the policy intent of regulators. As a result, where the language of the press notes and circulars are not entirely clear, there exists the possibility of more than one interpretation. By way of illustration, there historically existed a doubt if the activity of leasing of real property within group entities would be treated as foreign investment in the "real estate" sector. However, on September 15, 2015, the DIPP issued a clarification confirming that leasing arrangements between group companies will not, subject to compliance with certain conditions, qualify as engaging in the business of "real estate" under exchange control laws. While we have formally applied to the RBI seeking their views on the question of permissibility of our Company's leasing activities to group companies as well as certain third parties, we may remain exposed to interpretative issues of exchange control laws. Any interpretation contrary to positions we have adopted could expose us to penalties for non-compliance with the exchange control laws, result in us discontinuing activities that may be viewed as impermissible, and as a consequence, adversely impact our operations, revenues and profitability.

10. ***We derive a significant portion of our revenues from arrangements with insurance companies, government-sponsored health schemes and corporate tie-ups. Any adverse change in these relationships may adversely affect our business, results of operations, cash flows and prospects.***

As much as 40.70% of our billed revenues from operations (excluding revenues from MMRHL, our facilities in Durgapur, Landsdowne clinic, Kolkata, other ancillary businesses and Managed Hospitals) for FY 2015 were derived from providing treatment to patients who are covered by health insurance, corporate programs and government-sponsored health schemes (excluding walk-in patients). We expect to continue to derive a significant portion of our revenues going forward from such patients. We are required to be empanelled / affiliated on an ongoing basis with insurance companies and the relevant government entities administering government-sponsored schemes to be able to attract these patients. The terms of our empanelment / affiliation requires us to comply with conditions imposed by the insurance company / relevant governmental entity. Any failure on our part to comply with conditions could potentially result in our hospitals no longer being empanelled. Our continued ability to be covered by health insurers and government schemes is dependent on our compliance with these stipulations. Our corporate tie-ups are of a short term nature, and may not be renewed, including by reason of renegotiation of rates. We may consequently lose revenue streams from patients covered by insurance, corporate programs or government-sponsored schemes, thus adversely affecting our business, results of operations, cash flows and prospects.

11. ***Our Promoters are required to hold at least 51% of our Company's share capital at all times, failing which certain counterparties dealing with our Company may be entitled to terminate arrangements with our Company or be entitled to call a default on our Company's part. Certain counterparties have stipulated that there should occur no change in our Company's "control", failing which, certain contractual rights accrue to them, including the right to terminate the arrangements.***

A number of our lenders have stipulated that our Promoters (either directly or indirectly, or together with their families) will need to hold on a continuing basis at least 51% of our Company's share capital. For a lender-wise requirement pertaining to minimum holding by our Promoters, see section

"***Financial Indebtedness***", beginning on page 192, setting out the material covenants of our financing facilities. The following counterparties to contracts we have entered into have termination rights, exercisable if there is a "change in control" of our Company: (i) Shija Hospitals and Research Institute Private Limited, with respect to the heart centre proposed to be operated by our Company in Imphal; (ii) Chunilal Mangalji Choksi Charitable Trust, with respect to the managed facility we operate in Palanpur, Gujarat; (iii) Shree Hanumant Seva Medicare Trust, with respect to the managed facility we operate in Mahuva, Gujarat; and (iv) JSW Foundation, with respect to the managed facility we operate in Bellary, Karnataka.

Further, our Promoters are required to hold a minimum 51% stake in our Company until such time that the KIADB has executed absolute sale deeds in favour of our Company with respect to lands situated in the following survey nos. of Kittaganahalli Village, Attibele Hobli, Anekal Taluk, Bengaluru District: 23/1A, 23/1B, 23/2, 23/3, 1/1, 1/2, 2/2, 2/3, 135/1 and 135/2. Failure to do so may result in our Company having to pay KIADB "*penalty or revised cost of land as decided by the [KIADB] from time to time in this regard*."

The joint venture agreement dated July 25, 2012, between Ascension Health Alliance, Ascension Health Ventures, LLC ("**Ascension Ventures**"), our Company and Narayana Cayman Holdings provides that Ascension Ventures shall be entitled to a put option with respect to the shares held in HCCI, exercisable against Narayana Cayman Holdings, in the event that "*Dr. Devi Shetty and his immediate family members cease to own more than 50% of the voting interests*" in our Company.

Subject only to mandatory lock-in periods prescribed under the SEBI ICDR Regulations, our Promoters are free to transfer their shareholding post listing of the Equity Shares of our Company such that their aggregate holdings reduce below 51% of our Company's capital. We may be exposed to recall of our loans, contractual claims and termination by counterparties of agreements we have entered into with them as a result of such change in shareholding. Any such action may materially affect our Company's financial condition.

12. ***A majority of our doctors are not our employees. Our arrangements with such doctors are on a consultancy basis. There is no assurance they will continue to provide services to us on an ongoing basis. Our revenues, profits and financial condition will be significantly impacted in the event that our consultant doctors cease providing services to us.***

As on July 31, 2015, we engage the services of 2,478 doctors (of whom 1,660 were engaged on a consultancy basis including visiting consultants, 493 were student doctors and 325 were employee doctors), 5,438 nurses and 2,009 paramedical staff in employee and student category. As of that date, as many as 1,660 doctors (including visiting consultants), provided services to us on a consultancy basis. We have not entered into any employment agreements with our consultant doctors, obligating them to serve a minimum period of time with us. Some of our doctors do not work exclusively with us and are permitted to engage in private practice outside of our business. There is no assurance that our consultant doctors will continue to provide services to us or devote the whole of their time to our hospitals. We may, as a result, be unable to effectively utilise their time and expertise in providing services to our patients. Any significant change to the number or quality of the consultant doctors we engage or are able to retain, could materially impact our revenues, profits and financial condition.

13. ***We have in the past not been in compliance with the terms of the Memorandum of Association and have carried on activities, prior to September 29, 2014, which were not expressly permitted by our Company's Memorandum of Association. Such activities could be viewed as being beyond our Company's powers. Our Company may not be able to enforce contracts entered into at a time when our Company was engaged in business not permitted by our Company's Memorandum of Association which may materially and adversely affect our business, financial condition and results of operations.***

The main objects of our Company were modified at the AGM of our Company held on September 29, 2014. Prior to this amendment, the main objects of our Company were limited to providing treatment in the field of cardiac and heart ailments. The amended main objects 1 and 2 of the Memorandum are as follows:

"*1. To undertake, assist, promote, conceive, design, build and construct, establish, set up, develop, takeover, run, manage and operate establishments, organisations and institutions, facilities for providing, giving and dispensing medical treatment, medical facilities, para medical facilities, healthcare facilities and all health, medical and other related and ancillary activities, and support and carrying out all medical and healthcare activities, including general, multispecialty and superspecialty hospitals.*

2. To assist, engage in and provide hospital management services including technical, managerial and commercial expertise required to enhance the functioning of new and existing hospitals and healthcare centres; to carry on the business of acting as technical and business consultants, project developers and technical management and commercial advisors on all facets of medicare, healthcare and hospital management including but not limited to conceiving, designing, surveying, evaluating, implementing, setting up and equipping of new hospitals, diagnostic centres, day care networks, health sanitaria, clinics, health resorts, health spas and hospices."

The Memorandum of Association as it stood immediately prior to the amendment on September 29, 2014 did not permit our Company to operate full-fledged hospitals and limited our Company's businesses to providing treatment for cardiac and heart ailments. Potentially, the carrying on of activities by our Company, prior to September 29, 2014, which were not expressly permitted by the Memorandum of Association could be viewed as beyond our Company's powers. Our Company may not be able to enforce contracts entered into at a time when our Company was engaged in business not permitted by the Memorandum of Association. Such inability to enforce contracts could materially affect our Company’s business and financial condition.

14. ***We have in the past ceased operations out of certain facilities and will continue to do so. We may not be able to successfully implement all our growth strategies, particularly in Tier II and Tier III cities, which could adversely affect our business, financial condition, results of operations and prospects.***

We are continually impacted by economic and social factors in each of the locations we operate out of. Our management decisions are influenced significantly by our current financial condition, expectations of future growth and our perception of opportunities, together with associated risks and costs. The foregoing factors may not enable us to implement our growth strategies as we would expect to. Our strategies may also change over a period of time, including having to exit certain markets, based on our experience with implementation and other market factors. For instance, we have ceased operations out of facilities at Kuppam, Andhra Pradesh and Jodhpur, Rajasthan, both in the year 2015 and more than20 standalone clinics in FY 2015 and up to the date of this Draft Red Herring Prospectus. Our Company intended to commence operations of our overseas Subsidiary, Narayana Malaysia, which we were unable to achieve. We will continue to cease operations out of facilities which we believe have not met our expectations, while seeking to deploy our resources in more attractive opportunities. You should expect that the cessation of operations, depending on the size and scale of the facility, will impact our operating results, such as revenues and profits. Changes in our strategies may require additional capital expenditure or writing-off investments already made. Constraints around implementation of growth strategies and investments that do not meet our expectations could adversely affect our business, financial condition, results of operations and prospects.

15. ***Our failure to compete effectively against existing and new competitors, other multispecialty and/or superspecialty hospitals and/or medical practitioners, could adversely affect our market share, business, financial condition, results of operations and prospects.***

We operate in a competitive environment. In most markets, we are required to compete with hospitals, clinics and dispensaries of varying sizes and with ability to perform different kinds of services, some or all of which we may or may not be able to offer. Our ability to compete in a given market is driven significantly by the extent and depth of diagnosis and procedural capabilities of our competitors and the complexities involved. The healthcare industry is driven by, amongst others, brand value and reputation, including skills of particular consulting doctors and the abilities of surgeons. We are constantly required to evaluate and increase our competitive position in each of our markets, including requiring meeting industry standards as regards compensation for doctors and paramedical staff and offering our patients competitive rates for diagnosis, treatment and procedures. We are continually required to hire better talent, which comes at a significant cost. As a result, we may have to lower our profitability levels and continue to strive to compete with our competition on all fronts. Our competitive position in a market therefore significantly impacts our market share, business, financial condition, results of operations and prospects.

16. ***We recently acquired a third party hospital and two companies that own and/or operate hospitals. These and any future acquisitions may turn out to be unprofitable. Acquisitions carry the inherent risk of past non-compliance and undisclosed liabilities. Any material non-compliance or undisclosed liability would materially alter our valuation assumptions and our ability to optimise returns from our acquisitions.***

We acquired AHDL and MMRHL, and the Jubilant Kalpataru Hospital in Barasat, West Bengal, in the year 2014. As of March 31, 2015, these businesses were loss-making. Results of operations from these businesses post our acquisition are not available for a significantly long period of time for us to evaluate the performance of our investment. Our return on investment will need to be higher than our costs of acquisition for the long term viability of our acquisitions. Our investments may take a significant period of time to turn profitable. We cannot assure you that AHDL, MMRHL or the Jubilant Kalpataru Hospital , Barasat, West Bengal, will become profitable at any time in the future.

We have only conducted such due diligence on these businesses and entities as considered appropriate and have relied significantly on representations, warranties and indemnities provided by the sellers of these businesses. As with any acquisition of third party businesses, the risk exists that undisclosed liabilities from the past and historic non-compliance in relation to these businesses may exist, notwithstanding the exercise of due diligence by our Company or the obtaining of indemnities that our Company considers adequate in context of the acquisitions, including with respect to quantum, time periods, exclusions and monetary limitations. The existence of undisclosed liabilities or historic non-compliance may, depending on their nature and materiality, impact the acquired business, including resulting in claims, damages, losses and interruption to business. In such an event, regardless of any contractual rights against counterparties that our Company may have, our Company may have to bear the consequences of such undisclosed liabilities or historic non-compliance, and be entangled in disputes over an indefinite period of time to enforce its rights. Such events may materially affect our Company's and the acquired business' financial condition, revenues and profitability.

17. ***We are highly dependent on our doctors, nurses and other healthcare professionals, as well as other key personnel, and the loss of, or inability to attract or retain, such persons could adversely affect our business, cash flows and results of operations.***

We operate in an industry which is critically dependent on the availability of quality human resources, particularly doctors and paramedical staff. As of July 31, 2015, our operations were spread across 56 hospitals, heart centres and primary care facilities in India, and each location will need to hire and retain quality doctors and paramedical staff on a continual basis. As on July 31, 2015, we engage the services of 2,478 doctors (of whom 1,660 were engaged on a consultancy basis including visiting consultants, 493 were student doctors and 325 were employee doctors), 5,438 nurses and 2,009 paramedical staff in employee and student category. Our hospitals in far-flung areas are inherently disadvantaged in being able to attract and retain talent by reason of their location. We will need to continually increase, on a competitive basis, compensation packages for our doctors and paramedical staff, which we may not be able to in the event the financial condition of our Company is adversely affected. Our ability to hire nurses may be impacted in the event there are no nursing colleges in the vicinity of our hospitals.

18. ***Our Company and certain doctors employed with the Company are involved in certain medical negligence cases, wherein the claims of the complainants are not covered by any indemnity insurance. Any adverse orders against our Company may affect the financial condition of our Company. Further, we may be subject to liabilities arising from the risks of providing medical services including those resulting from claims of malpractice and medical negligence which may not be covered by insurance.***

Our Company and certain doctors are subject to pending proceedings for medical negligence, both civil and criminal. Of all claims made, claims amounting to ₹ 13.23 million are not covered by malpractice insurance. Our Company will need to bear such claims in the event the proceedings are adversely determined. For further details, see section "***Outstanding Litigation and Material Developments***" on page 243. Our business is liability-intensive. Doctors, nurses, paramedics and personnel deployed at our hospitals need to take utmost care and diligence in treating patients, beginning from diagnosis to operative procedure, and post-operative care. We are often subjected to claims of medical negligence and malpractice. Regardless of the merits of each claim, our exposure to liability on account of claims of medical negligence and malpractice remains a constant threat. While the duty to ensure that diagnostics and procedures performed are medically sound, free of negligence or incompetence rests with the relevant doctors, nurses and paramedical staff, our Company remains liable to patients for medical negligence of our personnel. Our Company has obtained professional indemnity insurance, with a cover of ₹ 160.00 million, to provide for liability in the case of medical negligence of our personnel. Other than continual training and constant reinforcement of the need to exercise caution, our Company is not in a position to mitigate the risk of malpractice or medical negligence on a day-to-day level. Liabilities arising on this account can be financially harmful to our Company and may affect our reputation.

19. ***Canara Bank has the right to appoint a nominee director on our Board even in the absence of defaults on our part in servicing the debt owed to them.***

Canara Bank has the right to appoint a director on our Board from time to time, even in the absence of any defaults on our part in servicing the debt due to Canara Bank. Canara Bank may seek to exercise this right, and in the event that they do, our Company will be obligated to appoint a person of Canara Bank's choice as a director. While requiring us to permit such nominee to participate fully in Board proceedings of our Company, we may also be obligated to increase our Board size and composition, including appointment of additional Independent Directors to meet legal requirements. Our operations and management might come under significant lender scrutiny as a result of such appointment. We may not be able to fully implement business decisions or take risks we deem appropriate. Further, Canara Bank may impose additional restrictions and covenants on us as a result of their participation in the management of our Company and Subsidiaries.

20. ***We operate a number of facilities under arrangements with third parties such as operations and management agreements and lease agreements. Counterparties may terminate these arrangements and may require us to cease doing business out of such facilities. Any such action will adversely affect our revenues and financial condition.***

We operate a number of multispecialty hospitals across India, over which we have no ownership rights (including RTIICS). We have entered into arrangements with third parties, including charitable trusts, to operate these facilities, either on a lease basis or on an operations and management basis or a combination of lease rentals and sharing of revenues. Our ability to operate out of these facilities going forward is dependent on the continued validity of these arrangements. Our counterparties may seek to unilaterally terminate these arrangements, regardless of the validity of such termination. We may also be prevented from continuing to operate out of these facilities. We have not entered into a written agreement with AHF towards the operation and management of RNN, and we may be required to cease operations out of these facilities should AHF require us to do so. Our Company may need to take legal action against such termination, and seek to continue to operate out of these facilities. Such actions may not be successful or legal remedies may not be obtained in a timely fashion. We may also stand to lose any advance or deposits that we may have paid as consideration towards operations and management agreements or towards lease of property. Any action by a counterparty to terminate the arrangement entered into with us can therefore materially impact our operations, revenues and financial condition.

21. ***Third party facilities we operate from are encumbered in favour of lenders who have provided financial assistance to our counterparties. Any enforcement action taken by lenders against such properties will adversely affect our ability to continue operations from such facilities.***

A number of facilities we operate from are owned by third parties and are encumbered in favour of lenders who have extended financial assistance to them. These typically are in the form of mortgages created over land and building, entitling the lenders to enforce their security interest in the event that our counterparties fail to service their debt obligations on a timely manner. Such enforcement action may result in the land and building being sold by lenders in their capacity as mortgagees, and our right to continue operations from such properties being terminated. Any such action will adversely impact our operations and revenues.

22. ***Operations and management agreements and lease deeds under which we operate from third party facilities may not be renewed.***

Operations and management agreements and lease deeds under which we operate from third party facilities / premises are normally entered into for terms between 10 and 20 years. While certain arrangements are for a period of 25 or 30 years, our ability to operate from third party facilities are inherently limited in time by medium to long term agreements we have entered into. Such agreements may not be renewed by the counterparties as and when they expire. We may have to cease operations out of such facilities as a result of non-renewal of our arrangements with third parties. We may not be able to find alternate locations in the same vicinity to operate our facilities out of. We may have to wholly cease operations from such locations until such time we are able to identify alternatives and arrive at a suitable arrangement with the landlord. Our market presence may be impacted by reason of our inability to continue operations and we may lose patients to our competition in such locations. Our revenues and financial condition will be impacted significantly as a result of the above.

23. ***Some of our arrangements entered into with third parties for operation of hospitals and heart centres, though styled as operations and management agreements, memoranda of understanding or licences, may in effect be viewed as leases granted over immovable property, requiring that they be registered under the Registration Act for their validity and enforceability. These agreements have not been registered under the Registration Act. Our Company may not be able to enforce such agreements or continue to operate out of these facilities in the event a court or an arbitral tribunal finds that an arrangement in question amounts to a lease over immovable property. We have also not duly stamped a number of such instruments as "leases", resulting in such instruments being inadmissible in evidence.***

Our Company has entered into arrangements with a number of third party hospitals to operate heart centres (forming part of such hospitals) or the hospitals in their entirety. These arrangements in effect contemplate exclusive operation of the heart centres or the hospitals (as the case may be) by our Company, with one of the following revenue models having been agreed with the counterparties: (i) fixed licences fees; (ii) base fee with a variable component linked to revenues; and (iii) revenue share based on a sliding scale of revenues, with a minimum guaranteed payment determined either on a yearly or on a monthly basis. Each of these contracts provide for terms which dictate the precise nature of the mutual rights and obligations of our Company and the counterparties. These arrangements may depending on the interpretation of the contracts in question, be viewed as creating leasehold rights in favour of our Company over immovable property. Under the Registration Act, a lease of immovable property for a period exceeding one year or more requires to be compulsorily registered with the Sub-Registrar of Assurances. Failure to so register a lease renders the arrangement a month to month tenancy terminable by either party with 15 days' notice. Our Company may not be able to enforce provisions of these arrangements, or continue to operate from these facilities in the event that in the context of a dispute, the arrangement in question entered into by our Company is held to be a lease by a court or an arbitral tribunal. A number of such agreements entered into by our Company have also not been duly stamped as "leases" under the relevant stamp legislation resulting in such agreements being inadmissible in evidence. Our Company's revenues from such facilities will be impacted as a result of the risk.

24. ***Our revenue is dependant on in-patient treatments, ancillary services and outpatient primary care, which could decline due to a variety of factors. Any such decline will adversely affect our cash flows and financial position.***

Our business is dependent on patient footfall in our hospitals and our bed occupancy rates. In-patient admission and treatment are significantly larger sources of revenues for us, as compared to out-patient consultative care. Except for certain institutionalised and corporate programs, we do not have long term contracts which guarantee revenues. A majority of our revenues come from in-patients and out-patients who are not covered by any governmental or corporate health programs. Our revenues will decline significantly if the number of patients visiting our hospitals reduces. In markets where we do not have an existing presence, our ability to reach out to patients may be limited and we may need to position ourselves and offer services in a competitive manner. Patients may choose not to take treatment at our hospitals and instead choose a competitor’s facility, including by reason of our charges for treatment not being competitive. Our ability to operate with relative freedom in such markets (as compared to markets where we have an established presence) may therefore be limited. New competition to our business in markets where we may have had significant ability to attract patients in the past may be affected resulting in us losing patients to our competition. Patients may, during times of economic difficulty, choose to avoid procedures which may be costly. These factors may therefore significantly impact our revenues.

25. ***We may lose existing industry accreditations we have received or fail to obtain accreditations for facilities for which we have made applications if we are not able to maintain / meet evolving accreditation standards.***

Together with our associate, HCCI, we operate three JCI and four NABH accredited facilities. We currently have applications pending with the NABH for accrediting eight more facilities. These applications are pending scrutiny and inspection at various levels. Our ability to retain our accreditations depends on the standards and protocols we are required to maintain by the accrediting body. We may also be required to progressively achieve better standards and meet stricter requirements if norms for accreditation are revised. We may not be able to meet such standards. There can be no assurance that our pending applications for accreditations will be granted. We may face reputational risk if our accreditations are either withdrawn or not renewed. Any such action may adversely affect our revenues, prospects and results of operations.

26. ***We have, in the past, delayed certain exchange control filings with respect to foreign investments we have received and outbound investments we have made. We may be exposed to penalties as a result of contravention of exchange control regulations.***

We are required to make annual filings with the RBI with respect to our position on foreign assets and liabilities as of end of every Financial Year, on or before July 31 of the next Financial Year. Our Company has not made these filings for the years 2008, 2009, 2010 and 2011. We are required to report outbound investments made by our Company to our authorised dealer bank within 30 days of the investment in Form ODI. We have made delayed filings of a number of Form ODIs with respect to our overseas investments in Narayana Malaysia and Narayana Cayman Holdings.

We may be exposed to penalties as a result of contravention of exchange control regulations. The RBI may impose on us a penalty of up to ₹ 0.2 million per contravention.

27. ***Some of our counterparties with whom we have entered into operations agreements have the right to renegotiate terms with us in the event of change in our "legal status".***

We have entered into an agreement dated July 15, 2013, with Suguna Ramaiah Hospitals Private Limited in terms of which we are entitled to operate a heart centre located in the Suguna Ramaiah Hospital, in Rajajinagar, Bengaluru, Karnataka. We have also entered into a leave and licence agreement dated October 18, 2008 with Shri Dharmasthala Manjunatheshwara Educational Society for the operation of the cardiac facility at SDM College of Medical Sciences and Hospital, Dharwad, Karnataka, and a memorandum of understanding dated August 09, 2012, with Bapuji Educational Association to operate the cardiac facility at SS Institute of Medical Sciences and Research Centre Hospital, Davangere, Karnataka.

In terms of these agreements, a change in our "legal status", entitles the counterparties to renegotiate the terms of their respective arrangements with us. Our Company was converted from a private company to a public company on August 29, 2015. Such conversion arguably results in a change in our "legal status", thus giving our counterparties the right to renegotiate the agreements we have entered into with them. As of the date of this Draft Red Herring Prospectus, these counterparties have not formally communicated their intention to renegotiate the respective arrangements. Should they choose to do so, our Company may be required to, for instance, agree to pay them a larger consideration or where agreement cannot be arrived on revised terms, the existing arrangements may be terminated, and our Company being required to cease doing business out of these facilities. Any such action would adversely impact our revenues.

28. ***Certain clinics operated by our Company are further to leases granted by third parties for a period in excess of one year. These lease deeds have not been registered under the Registration Act resulting in their unenforceability. Some of the lease deeds have also not been adequately stamped, resulting***

in their inadmissibility in evidence. Some of the lease / leave and licence arrangements on the basis of which we operate certain facilities have not been reduced to writing. We may no longer be able to continue operations from such facilities.

Our Company has taken on lease properties belonging to third parties for the purpose of operation of clinics. Some of these leases exceed a period of one year in term, requiring that they be compulsorily registered under the Registration Act. Our Company has not registered these leases under the Registration Act. Consequently, our Company's rights over these properties are limited to that of a month-to-month tenancy, terminable by the landlords with 15 days' notice. Our Company has also not duly stamped some of these lease deeds under the relevant stamping legislation, resulting in the leases being inadmissible in evidence. Our Company may not be able to enforce its leasehold rights or the provisions of the lease with respect to such clinics. In certain instances, we are yet to enter into formal lease / leave and licence agreements to operate some of our clinics and operate on a month to month tenancy. We may be required to vacate such premises and cease operations from such facilities in the event that we are not able to formalise or renew our rights to such properties. Our revenues may be impacted as a result of loss of leasehold or licence rights to these clinics.

29. ***Our insurance coverage may be insufficient to protect us against all present and future risks, which may adversely affect our business, financial condition, results of operations and prospects.***

We obtain insurance policies to cover a wide range of risks, such as medical negligence, public liability, burglary, building and fire related insurance and insurance against natural calamities. Insurance policies are obtained for identified risks, which we consider material. The quantum of insurance is dependent on our perception of likelihood of the risk materialising, our scale of operations for the particular facility, and in certain cases, on the basis of actuarial valuation. We may not have obtained insurance for a number of risks, or where obtained, the quantum of cover, or the terms subject to which we may be entitled to make claims, may not fully enable to us to recover all losses suffered as a result of the risk insured materialising. There may also be future risks for which we may not obtain insurance. We may, in such cases, be left to bear all or a significant portion of the losses suffered, without any insurance coverage. Our business, financial condition, results of operations and prospects may be adversely affected in the event of insufficient insurance coverage for risks we encounter in our operations.

30. ***Third parties from whose hospitals we operate may not be compliant with applicable laws relating to government approvals and licences, and any adverse regulatory action against such third parties or the respective facilities may adversely affect our operations and revenues.***

We operate out of a number of hospitals which are owned, managed and operated by third parties. Our revenue generation from such hospitals is also dependent on patients visiting such hospitals and referral of patients with cardiac ailments by doctors practicing in such hospitals. We do not exercise any oversight or control over the running or management of such hospitals or the doctors or paramedical staff employed in the hospitals. We are not in a position to monitor compliance by these hospitals with applicable laws, including obtaining and renewing regulatory approvals and licences. Any failure by the respective hospitals to obtain and renew regulatory approvals and licences on a timely basis may potentially result in adverse action being taken against such hospitals, including potentially, cessation of operations from such hospitals. To the extent that we operate out of these hospitals and are also dependent on these hospitals for patient footfall, we may be adversely affected in terms of revenues and financial position, as a result of non-compliance by the third parties with applicable law.

31. ***Third parties from whose premises we operate may not have good and valid freehold / leasehold rights to their respective properties. Any adverse action with respect to their continued peaceful ownership / occupation of the properties will impact our ability to operate out of such properties, and consequently adversely affect our operations, revenues and financial condition.***

In entering into agreements with third parties for operation of their facilities or in entering into leases / licences over third party owned properties, we do not conduct a title due diligence to verify if the third parties indeed hold valid freehold / leasehold rights over the properties. While we believe we have obtained sufficient contractual assurances as to their capacity to enter into arrangements with us, their title to properties may, as a matter of fact, be defective or subject to competing interests. Any adverse claims as to title or possession with respect to these facilities may potentially result in our inability to continue to operate out of them.

32. ***Some of our healthcare facilities are required, and other facilities may be required in the future, to provide free or subsidised medical services to patients belonging to economically disadvantaged sections of the society and certain classes of patients.***

We are required to provide free treatment or subsidise costs to certain categories of patients across a number of facilities we operate from. In addition, we are required by some of our counterparties to operate a minimum number of free beds in certain facilities. Requirements of such nature are applicable to our multispecialty hospitals in: (i) Guwahati, Assam; (ii) Ahmedabad, Gujarat; and (iii) Narayana Superspeciality Hospital at Howrah, West Bengal. Our agreement with SRCC for the operation of the proposed multispecialty paediatric facility in Mumbai also requires that we discharge the charitable obligations of the SRCC under the Bombay Public Trusts Act, 1950. Our ability to price our services and procedures freely is impacted as a result. Our margins will be adversely affected if we are unable to increase our charges in line with increase in our costs. Our pricing constraints can impair our continued profitability and financial condition in general.

33. ***If we are unable to keep abreast with rapid technological changes, frequent new equipment and product introductions, changes in-patients' needs and evolving industry standards, our business and financial conditions may be materially and adversely affected.***

Healthcare services require constant upgradation of diagnostic and operative procedures to meet industry standards. Such upgradation often involves capital expenditure on the acquisition of equipment. We may not be able to fully utilise such equipment or recover the expenditure incurred within a reasonable period of time. Further, there exists the risk that new technologies may be outdated in a short span of time, requiring us to make further investments to acquire newer technologies. We may also not be able to acquire certain equipment on an outright purchase basis considering they involve significant capital expenditure, and may choose to utilise such equipment on an operating lease basis. Our continued ability to use the equipment will depend on the timely renewal of the lease and the willingness of the equipment owner to continue to lease such equipment. As part of such renewals, we may be subjected to an increase in rentals.

34. ***Lack of health insurance in India may adversely affect our business, cash flows and results of operations.***

A large population of India is not covered by health insurance. Data provided by CRISIL(*as per the Insurance Regulatory and Development Authority reports*) indicates that as of the year 2013-2014, only 17.00% of the Indian population had access to health insurance. In the absence of health insurance, procedures and diagnostics involving significant costs may not be affordable to a number of patients. Such patients may choose not to undergo such procedures, despite being in need of them, or may choose to undergo similar procedures from hospitals which are less costly. As a result, we may not be able to undertake such procedures and may lose out on revenues we may expect to realise from such procedures.

35. ***If we do not receive payments on a timely basis from private healthcare insurers, government sponsored insurance, corporate clients or individual patients, our business, cash flows and results of operations may be adversely affected.***

We suffer from significant time lapse in recovering our fees and costs incurred on treating patients, especially in the case of patients covered under government sponsored schemes, health insurance policies and corporate clients who settle bills due to us only at pre-agreed intervals. Our working capital needs may be impacted if we do not receive payment for services rendered on a timely basis. In such situations, we may need to borrow monies for working capital, which involve significant interest costs. Time lag in recovering payments due to us can significantly impact our business, cash flows and results of operations.

36. ***Our borrowings and the conditions and restrictions imposed by our financing arrangements may limit our ability to manage our growth. Further, we may require additional funding to finance our operations, for which financing may not be available on terms acceptable to us or at all.***

As a going concern, our Company regularly borrows monies from banks and financial institutions for various needs, including towards working capital, term loans, cash credit, bank guarantee and letter of credit. As of March 31, 2015, our total borrowings stood at ₹ 3,620.27 million. See the section "***Financial Indebtedness***" beginning on page 192 for a detailed account of our liabilities as a result of borrowings.

We are heavily dependent on financing facilities to run our business, and may continually require debt funding for expansion and capital expenditure. Our lenders impose a number of restrictions on our business, including requiring that their consent be obtained for us to take significant business decisions. These include, by way of illustration, stipulations around the total borrowings we may raise, debt equity ratios to be maintained, minimum requirements for debt servicing and security cover. We may also be subjected to other restrictive covenants going forward depending on our general financial condition, total borrowings and indebtedness. We may therefore not be able to expand our business or incur expenditure as we decide to. We may further be constrained by the terms on which financing facilities may be available to us, including interest rates, tenure and security cover. Our financing facilities may be recalled by lenders at short notice and we may not have the necessary ability to repay such loans. Lenders may unilaterally seek to determine non-compliance by our Company with lending covenants and seek to enforce rights under lending documents, including converting their debt to equity or taking over the management of our Company. As a result, our business and financial condition may significantly and adversely be impacted.

37. ***Unsecured loans taken by us, the Promoters, Group Companies or associates can be recalled by the lenders at any time.***

We may borrow unsecured loans from time to time for our operational needs. We may be required in such a case to repay the entirety of the unsecured loans together with accrued interest and other outstanding amounts payable in relation to the facility. We may not be able to generate sufficient funds at short notice to be able to repay such loans. We may resort to refinancing such loans at a high rate of interest and on terms not favourable to us. Failure to repay unsecured loans on a timely manner may have a material adverse effect on our business, cash flows and financial condition.

Our Promoter and Group Companies may also have availed of unsecured borrowings which may be recalled by their lenders at any time. If any of lenders of these unsecured borrowings seeks the accelerated repayment of any such loan, it may have a material adverse effect on the business, cash flows and financial condition of the entity against which repayment is sought.

38. ***We may not be able to effectively manage our growth, which may materially and adversely affect our business, financial conditions and results of operations.***

Our management adopts and implements business strategies taking into account a number of macro and micro economic considerations, including our current financial condition and expected levels of growth over the medium to long term. We routinely expand into and enter new markets within India, by either setting up new hospitals on our own, or entering into lease or revenue share arrangements with existing hospitals. Our entry into a given market is dictated by a host of factors and our perception of the potential the market may offer. We may make significant investment decisions on the basis of the above. Our analysis of a given market, including growth potential, may turn out to be incorrect, regardless of any caution that we may exercise. We may commit errors in judgment in analysing current and future demand for healthcare in particular markets, including whether our presence should be limited to only primary healthcare or should include the provision of superspecialty and/or tertiary healthcare. We may make investments in markets which may take a long time to turn profitable. Our business decisions are also influenced by our perception of existing competition in a market and our ability to effectively compete with existing market participants. Our analysis of these factors may turn out to be incorrect, thus materially affecting our business and financial condition.

39. ***We rely on third-party suppliers and manufacturers for our equipment and drugs, and we have limited control over these suppliers and manufacturers and may not be able to obtain quality products on a timely basis or in sufficient quantity. Further, any discontinuation or recall of existing equipment and drugs by the manufacturers could materially and adversely affect our business, financial condition, results of operations and cash flows.***

Hospitals require large quantities of medicines, drugs and equipment to treat patients. These will need to be procured across our various locations on a regular basis and at certain quantities to be able to meet expected patient demand. This makes our business heavily dependent on drug and equipment manufacturers, who deal with hospitals through an array of intermediaries, such as distributors and stockists. We do not have long term contracts for the procurement of drugs and equipment. Our suppliers have no obligation to supply medicines to us, or to negotiate any rates with us. They may choose not to renew existing arrangements, which will result in our inability to procure drugs and pharmaceuticals for our hospitals. Further, our ability to obtain drugs of sufficient quantities is limited by manufacturers' production, and the demand for drugs in the market generally. A number of micro and macro economic factors impact the production and supply chain for drugs and these have a direct bearing on the prices, the availability and our ability to procure drugs and pharmaceuticals from our distributors at competitive rates. Our continued financial well-being is dependent on the drug market in general and suppliers in particular.

In addition, the market for supply of quality high-end medical diagnostic equipment is limited in terms of the number of market players. We are constrained to deal with a limited number of manufacturers for most of our equipment needs. We do not have any long term arrangements with the manufacturers and place orders post negotiation on an equipment-by-equipment basis. Our negotiating ability with the manufacturers is inherently limited, while our dependence on them for supply of equipment is very high. Refusal to supply to us or increase in the prices charged for equipment may significantly impact our business and financial condition.

40. ***We are exposed to risks associated with clinical trials we undertake and stem cells we preserve.***

We undertake clinical trials for a number of drug and medical equipment manufacturers. Clinical trials involve the testing of new drugs, biologics and devices on human volunteers. This testing carries risks of liability for personal injury, sickness or death of patients resulting from their participation in the study. These risks include, among other things, unforeseen adverse side effects, improper application or administration of a new drug, biologic, or device, and the professional malpractice. In addition, regulatory agencies may introduce newer stricter regulations that prevent or restrict clinical trials. The clinical studies may also be the focus of negative attention from special interest groups that oppose clinical trials on ethical grounds. We could be held liable for errors or omissions in connection with the services we perform or for the general risks associated with our clinical trials including, but not limited to, adverse reactions to the administration of drugs. While we have constituted ethics committees to oversee the clinical trials we conduct, which committees are duly registered with the licensing authority under the Drugs Act, phase-wise approvals for clinical trials and registration of trials with the Clinical Trials Registry – India are undertaken by the sponsoring pharmaceutical companies. We do not monitor compliance by our sponsoring pharmaceutical companies with regulatory requirements applicable to them. We have not obtained any insurance coverage against risks associated with conducting clinical trials. If we are required to pay damages or bear the costs of defending any claim outside the scope of, or in excess of, the contractual indemnification provided by our clients, our business and results of operations may be adversely impacted.

We operate a stem cell bank in NH Health City. We are required to comply with the Drugs Act and the terms of the licence granted to us to operate the stem cell bank. We may be exposed to statutory and contractual liabilities in relation to the collection, storage and disposal of human stem cells.

41. ***Most of our radiotherapy and diagnostic imaging equipment contain radioactive and nuclear materials or emits radiation during operation which could make us liable for damages.***

Radioactive procedures are commonly used in medical applications. Beginning with x-rays, to scans and advanced procedures to treat malignancy, our hospitals routinely use equipment that deal with radioactive substances. We are required by a host of regulation promulgated under the Atomic Energy Act, 1962, and administered by the AERB, to obtain certifications, licences and registrations for various processes and medical applications involving radioactive substances. The AERB also imposes stringent control requirements as to the use, handling and disposal of radioactive substances and procedures. A number of record maintenance requirements are also applicable to our Company. Despite precautions and compliance with regulations, the risk exists that accidents could occur during our operation of radiation generating equipment and use of radioactive material, resulting in the release of radiation or leakage of substances in a manner or to an extent unsafe for human beings or for the environment in general. Such accidents involving radioactive substances can be devastating to human life and well being, including causing death. We may be absolutely liable for all such damage caused as a result of any accident, and may be required to compensate persons suffering injury as a result of such exposure to radiation. Often, such damages awarded are significant. Such damages may materially impact our business and financial condition.

42. ***Our Statutory Auditors have made certain observations in the audit reports of our Company and its Subsidiaries.***

The Statutory Auditor's Examination Report dated September 19, 2015 on our Restated Consolidated Summary Statements and Restated Consolidated Summary Statements, referred to an annexure, with certain matters specified in the Companies (Auditors Report) Order, 2003. Company had not completed reconciliation of certain physically verified fixed assets with the fixed assets register during FY 2013. There were slight delays in NHSHPL in remitting income tax, professional tax, service tax and luxury tax for the year ended March 31, 2015. NHSHPL did not conduct a physical verification of fixed assets during FY 2013. During FY 2014, NHSHPL utilised funds amounting to ₹ 140.59 million raised on short term basis for long-term investments. NIARPL did not have an internal audit system for FY 2011, FY 2012, FY 2013 and FY 2014. Investors should consider these observations in evaluating our financial position, cash flows and results of operations.

43. ***We administer certain educational courses to doctors. We are required to meet accreditation requirements and standards stipulated by third parties as a result.***

We are accredited with the National Board of Examination and offer Diplomate of National Board courses in a number of specialties out of NH Health City, RTIICS and our facility in Jaipur, Rajasthan. To this end, we are required to comply with a number of accreditation requirements and maintain standards prescribed by such organisations on a continual basis to be able to continue to provide these courses. Failure to meet such requirements and standards could result in our being unable to provide these courses.

44. ***Any downtime for maintenance and repair of our medical equipment could lead to business interruptions that could be expensive and harmful to our reputation and to our business.***

Our equipment, including operation theatres, require constant maintenance, including cleaning, sanitising and overhaul. Maintenance work on most equipment can be performed only by the manufacturer or a designated service provider and involves significant downtime to complete maintenance. At times, maintenance of some equipment cannot be performed at our hospitals, and may have to be moved to the location of the manufacturer or service provider, adding to the downtime. Our equipment is subject to normal wear and tear and will be in need of repairs from time to time. Some repairs may be routine in nature, involving lower downtime, and some repairs may require replacement of parts of the equipment, which may be time consuming. During such times, we may not be able to put the equipment to use. We may, as a result, suffer losses by reason of not being able to use such equipment.

45. ***We are vulnerable to failures of our IT systems, which could adversely affect our business.***

We are reliant on our centralised, outsourced, cloud-based ERP systems for all our clinical, administrative and procurement needs for hospitals across the country. These systems are maintained and operated electronically by third party technology service providers. Our Corporate Office and function heads use our ERP systems to continually monitor, respond to and interact with personnel in hospitals situated across the country on a variety of issues, beginning general administration, finances, procurement, maintenance, handling of significant events and compliance. A large part of our communications happens over email, which is cloud-based. Our payroll processes are entirely electronic, operating from a SAP platform. We are therefore dependent heavily on our IT systems to be able to undertake day-to-day operations, management and administration. We have invested significantly in these resources, and our ability to continue to use these facilities will depend on ongoing licence fees payable and capital expenditures we may be required to incur from time to time. Our business will be significantly impacted if there are failures in our IT systems or are unable to negotiate favourable terms with our technology service providers going forward.

46. ***We have created significant brand value and equity around the "Narayana Health" brand. We may fail to protect our intellectual property rights in our brand name and be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect as to our business.***

We have filed applications for registration of a number of trade marks with respect to the "Narayana Health" and certain other brands, including associated logos. These applications are pending with the trade mark registry. In addition, our trade mark applications will be advertised for objections from the public. We are presently not aware of any claims or objections that third parties may have with respect to these trade marks sought to be registered. We may be subjected to claims of infringement of trade mark by one or more persons, and proceedings in this regard may be adverse to our Company. We may not be able to use trade marks in the event we are found to be infringing third party intellectual property. Our Company may also be refused registration in the event our Company's trade marks do not qualify for registration. We have neither performed a search nor conducted any enquiry as to the registrability of our trade marks, including assessment of similarities and verification of prior use, if any, by third parties. We may be liable in damages to third parties as a result of infringement of intellectual property.

A number of third party hospitals we operate are co-branded to include reference to the words "Narayana" or "Narayana Health" or "Narayana Hrudayalaya". While we believe we have, as far as possible, provided for protective covenants requiring counterparties to utilise the licence granted to our brands in the manner contemplated by the respective agreements, we remain vulnerable to misuse of our intellectual property by third parties.

Some of our Subsidiaries, Promoter Group and Group Companies use either or both names "Narayana" and/or "Hrudayalaya" as part of their names. We have not entered into any trade mark licensing agreements with any of them. We also do not receive any consideration from them towards such use. Their unfettered use of our brand names may also involve reputational risks for us.

Loss of intellectual property may significantly affect our media and advertising activities, and loss of equity for the "Narayana Health" brand, thus adversely affecting our business, revenues and prospects.

47. ***We are constrained by a subsisting non-compete agreement with Axiss Dental which prevents us from operating stand alone dental health clinics in India until the year 2020.***

In the year 2013, our Company sold the investment it held in its erstwhile subsidiary, Narayana Dental. Narayana Dental was engaged in the business of operation of dental health centres, and by selling its investment in Narayana Dental, our Company exited this line of business. Further to a share purchase agreement dated May 21, 2013, our Company has agreed with Axiss Dental, the purchaser of Narayana Dental, to not compete for a period of seven years, beginning October 08, 2013, either directly or indirectly, in the business of "*owning and operating stand alone and/or retail dental clinics and other allied businesses (such as dental clinics in diagnostic centres, poly clinics etc.)*". Our Company has accordingly discontinued the business of engaging in owning or operating stand alone or retail dental clinics (not forming part of a hospital owned or managed by our Company). Our Company cannot therefore commence ownership or operation of retail / stand alone dental clinics until the year 2020.

48. ***We are constrained by non-competition provisions we have entered into with third parties, which prevent us from setting up new facilities in certain markets.***

Our Company has entered into an agreement with T.K. Patil (Benakatti) Charitable Trust in respect of the operation of the facility situated in HSR Layout, Bengaluru. In terms of our agreement with T.K. Patil (Benakatti) Charitable Trust, our Company is required not to build or set up, operate or manage a hospital having inpatient facilities at HSR Layout, Bengaluru or Koramangala, Bengaluru without the prior consent of T.K. Patil (Benakatti) Charitable Trust. Our ability to set up new tertiary care facilities of the size of the proposed facility in Lucknow, Uttar Pradesh, is subject to a non-compete agreement we have entered into with UP Healthcare Private Limited. Similarly, we require the approval of SPS Energy Foundation to set up or operate a hospital in Durgapur, West Bengal.

We may not be able to set up hospitals in areas covered by the non-compete provisions referred to above, even though setting up such hospitals may be profitable. Our ability to grow or manage our existing presence in these areas will be significantly affected by our non-compete commitments.

49. ***We are subject to various laws and regulations relating to the handling and disposal of hazardous materials and wastes and bio-medical wastes. If we fail to comply with such laws and regulations, we could become subject to prosecution, including imprisonment and fines or incur costs that could have a material adverse effect on the success of our business.***

The EPA and the rules made thereunder regulate our handling of hazardous substances and bio-medical wastes. We are required to obtain registrations from the relevant State Pollution Control Board to be able to handle and dispose hazardous and bio-medical wastes. We are also required to take a number of precautionary measures and follow prescribed practices in this regard. Our failure to comply with these laws could result in we being prosecuted, including our directors and officers responsible for compliance being subjected to imprisonment and fines. We may also be liable for damage caused to the environment. Any such action could adversely affect our business and financial condition.

50. ***We have granted security interests over certain of our medical equipment in order to secure borrowings. Any failure to satisfy our obligations under such borrowings could lead to the forced sale of such equipment.***

We have financed and will continue to finance equipment purchases through loans. We have created security interests in favour of our creditors who have extended equipment financing to us by way of hypothecation. Refer to section "***Financial Indebtedness***" beginning on page 192 for equipment which we have bought subject to loans and encumbrances. We are required on a continual basis to service these loans, including interest owed on the loans. In the event we fail to timely service our debt obligations with respect to these equipment, we run the risk of our creditors repossessing the equipment hypothecated to them towards recovery of monies due from us. In the event that they take any enforcement action with respect to our equipment, we may not be able to utilise such equipment or provide diagnosis / treatment services to our patients using such equipment. Our financial condition and revenues may therefore be adversely affected as a result of any such action.

51. ***We are significantly dependant on our current pool of Key Management Personnel to manage our day-to-day operations and to execute our growth strategy going forward.***

We depend on our current pool of Key Management Personnel to carry out our day-to-day management and overseeing of operations. We also rely on them significantly to plan and execute our growth strategy in the future. The availability of senior management talent in the healthcare industry, especially with experience in managing large-scale hospitals, is limited. We may not be able to retain the services of the current management team, and could lose talent to our competition. Replacement of Key Management Personnel may not be easy, and we may need to wait indefinitely to fill positions until we find suitable candidates. Any significant loss of senior management or key personnel could materially and adversely affect our business and prospects.

52. ***Our Company has issued Equity Shares during the last one year at a price that may be less than the Offer Price.***

Our Company issued 20,339 Equity Shares to CDC Group on December 24, 2014, at a price of ₹ 98,336.27 per Equity Share. For an aggregate consideration of approximately ₹ 2,000.06 million, CDC Group acquired a 5.88% stake (as at the time of issuance of the Equity Shares) in our Company. Our Company also undertook a bonus issue of Equity Shares on March 25, 2015. We propose to convert all OCDs held by CDC IOL into Equity Shares prior to the filing of the Red Herring Prospectus. The price of our Equity Shares in this Offering will be determined only as at the time of completion of the book-building process. The Offer Price may eventually work out to be more than the price at which CDC Group acquired our Equity Shares.

53. ***Our insurance premia may increase and any significant deterioration in our claims experience, may result in insurance not being available to us on acceptable terms.***

Our expenditure towards obtaining insurance may increase if the premia to be paid on our policies is increased by insurance companies. Further, the more the number of claims we make on an insurer with respect to a particular risk, the worse our claim history becomes, thus resulting in a potential increase in premia payable when we renew our insurance policies. Increase in insurance premia payable may impact our profits adversely.

54. ***Our Promoters, some of Promoter Group, Group Companies, Directors and Key Management Personnel may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.***

In addition to their respective shareholding in our Company, and any remuneration, benefits or reimbursements, our Promoters, Directors and Key Management Personnel may receive from our Company, certain members of the Promoter and Promoter Group have certain other interests in us as follows:

Under the Restated Shareholders' Agreement, Dr. Devi Prasad Shetty has the right, but not the obligation, to require our Company to transfer to Dr. Devi Prasad Shetty or to any person connected with Dr. Devi Prasad Shetty or Shakuntala Shetty (as defined in the Restated Shareholders' Agreement) or an affiliate or a partnership firm in which Dr. Devi Prasad Shetty is the majority partner, and nominated by Dr. Devi Prasad Shetty in writing, the lands of the Company in Plot No.258-A, Bommasandra Industrial Area, Survey Nos. 238, 239 and 240, Bommasandra Village, Attibele Hobli, Anekal Taluk, Bengaluru, and Survey No.25, Kittaganahalli Village, Attibele Hobli, Anekal Taluk, Bengaluru. In the event of such transfer, our Company is also entitled to an irrevocable lease of the land from Dr. Devi Prasad Shetty or such other person to whom the land has been transferred on certain terms set out in the Restated Shareholders' Agreement. For further details, see section "***History and Other Corporate Matters***" beginning on page 139.

Our Promoters, some of our Directors, key management personnel and their relatives are interested in a number of related party transactions entered into by our Company. For further details, see sections "***Financial Information***" beginning on page 191 and "***Financial Statements – Statements of Related Parties and Related Party Transactions***" beginning on page F-62 and beginning on page F-127.

55. ***Some of our Group Companies and Directors are involved with one or more ventures which are in the same line of activity or business as that of our Company which could result in a conflict of interest.***

Some of our Group Companies and Directors are engaged in businesses that are similar to ours. Our Group Companies, AHF, NH Foundations and NH Charitable Trust are engaged in businesses ranging from operation of pharmacies and trading in pharmaceuticals to operation of hospitals and conducting medical research. For further details, see section "***Our Group Companies***" beginning on page 181 and section "***Related Party Transactions***" beginning on page 189. Our non-Independent Director, Viren Shetty is a director in Amaryllis, which is engaged in the business of sale of disposables. Our non-Independent Director, Kiran Mazumdar Shaw, is interested in Biocon Limited, Syngene International Limited and certain other entities that are in the business manufacturing and research in pharmaceuticals.

The interests of our Promoters and some of our Directors, may therefore conflict with our interests or with the best interests of our other Shareholders. Among other situations, conflicts may arise in connection with our negotiations and dealings with members of our Promoter Group, Group Companies, and entities in which our Directors are interested, with respect to the contractual arrangements that we may enter into with them.

56. ***Some of our Group Companies have incurred losses in the past.***

The following Group Companies are loss making entities:

In ₹ million

S.No.	Group Company	Financial Years in respect of which losses have been incurred 2015	2014	2013	2012
1.	Asia Heart Foundation[1]	-	(21.93)	(23.23)	(16.54)
2.	Annapoorna Health	-	(0.21)	(0.25)	0.87

	Foods[1]				
3.	Daya Drishti Charitable Trust[1]	-	(0.08)	(0.03)	(0.04)
4.	Health City Cayman Islands Limited (In USD million)	(14.37)	(3.38)	(0.54)	NA
5.	Mazumdar Shaw Medical Foundation[1]	-	(31.38)	NA	NA
6.	Narayana Health Academy Private Limited	(0.13)	(0.11)	(0.10)	(0.04)
7.	TriMedx[1] [2]	-	18.14	(4.57)	NA

(1) We have audited financial statements only till year ended March 31, 2014.
(2) The financial year of TriMedx is the 12 month period ending June 30 of that particular year.

Most of our Group Companies' audited financial statements as of March 31, 2015, are not available as at the time of filing this Draft Red Herring Prospectus. It is possible that other Group Companies may, in fact, be loss making for the year ended March 31, 2015.

There is no assurance that any of our Group Companies may become profitable.

57. ***We will not receive any part of the proceeds from this Offer.***

The Offer comprises of sale of 20,436,081 Equity Shares of our Company through an Offer for Sale by the Selling Shareholders out of which our Promoter Selling Shareholders are offering to sell up to 4,087,216 Equity Shares. The primary objects of the Offer are to achieve the benefits of listing our Equity Shares and carry out the divestment of Equity Shares by our Promoters and our investor Selling Shareholders.

58. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

As with any business, our ability to generate returns for Shareholders is dependent on a host of factors that impact our business and financial condition. Our Company has not paid any dividend on its Equity Shares during the last five Financial Years. The amount of future dividend payments, if any, will depend upon a number of factors, such as our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions, capital expenditures and cost of indebtedness. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into. Even in years in which we may have profits, we may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We may also require the consent of our lenders to be able to declare dividend, which consent may be withheld by our lenders in their absolute discretion. There can therefore be no assurance that we will be able to pay dividends in the future. For further details, see section "***Dividend Policy***" on page 190.

59. ***We have a number of contingent liabilities and our profitability could be adversely affected if any of these materialise.***

The following contingent liabilities as of March 31, 2015, have not been provided for in our Restated Consolidated Summary Statements:

In ₹ million

Contingent liability	**As at March 31, 2015**
Demand for payment of entry tax*	2.15
Demand for payment of income-tax	12.17
Customer claim	8.57
Bank guarantees	555.06
Corporate guarantees	734.74

* *The Karnataka Special Tax on Entry of Certain Goods Act, 2004, further to which this demand was made, has been struck down by the High Court of Karnataka by way of an order dated March 29, 2007 in Bharat Earth Movers Limited & Others v. State of Karnataka & Others.*

For further details see section, "***Financial Statements — Note 31 in Annexure VI of Restated Consolidated Summary Statements*** " in accordance with the provisions of Accounting Standard 29 — "Provisions, Contingent Liabilities and Contingent Assets" and Risk Factor no. 59. If any of these contingent liabilities materialise, our profitability and cash flows could be adversely affected. .

60. ***We may suffer reputational harm from the activities or omissions of hospitals managed by our partner hospitals.***

We operate from a number of hospitals which are owned by third parties. In certain cases, we operate only the heart centre located within third party hospitals, while the third parties continue to operate other departments of the hospital. Any reputational harm suffered by such hospitals may directly impact us and our ability to generate revenues from such hospitals, including decline in patient footfall.

61. ***Some of our contract employees are unionised, and we may be subject to labour unrest, slowdowns and increased wage costs.***

Contract labour employed by our Company in RTIICS and RNN are unionised. We have, in the past, faced labour unrest as a result and have also experienced claims for increase in wages. We may be compelled to negotiate with unions, and also be required to increase wages, failing which industrial disputes may be raised against us. We may also face slowdowns and strikes, thus affecting our operations. Any such act will materially impact our operations, and consequently our revenues and financial condition in general.

62. ***We will incur costs associated with replacing obsolete equipment.***

A number of medical equipment we use as part of our business have limited life span, and may become obsolete, including by reason of advancement of technology. We may be required to continually service our existing equipment and replace them whenever required, with new equipment. Replacement of medical equipment may be costly and involve significant capital expenditure, requiring that we plan for and fund such expenditure in advance. Our cash flows and general financial condition may constrain us from replacing our medical equipment as and when appropriate. Any constraints on our ability to replace and upgrade our medical equipment may result in our inability to offer services that involve the use of such equipment, thus adversely affecting our revenues.

63. ***We are exposed to the risk of currency fluctuations.***

Some of our equipment needs are met through imports. Our payment obligations against our imports are denominated in foreign currency and are settled through letters of credit arrangements which may expose us to the risk of currency fluctuation for as much as 180 days. As on March 31, 2015, we face financial exposure with respect to a USD 8.58 million or ₹ 537.03 million bank guarantee issued by Canara Bank in favour of the Bank of America with respect to our associate company, HCCI's borrowings. We have also availed a foreign currency loan of USD 4.50 million or ₹ 281.66 million from EXIM Bank for part financing investments in joint venture with Ascension Health namely, HCCI through Narayana Cayman Holdings. Our revenues from operations which are denominated in foreign exchange could be impacted adversely if the Indian Rupee strengthens against the USD. For treatment of foreign exchange in our books of accounts, see section "***Financial Statements – Note 1.15 in Annexure IV of the Restated Consolidated Summary Statements***" beginning on page F-16.

Because of our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the USD, can have a material impact on our results of operations, cash flows and financial condition. The exchange rate between the Indian Rupee and USD has been volatile in recent periods.

We hedge certain of our foreign currency exposures. However, these hedges do not cover all such exposures and are in any event subject to their own risks, including counterparty credit risk. Adverse moves in exchange rates that we have not adequately hedged may adversely impact our profitability and financial condition. For details, see section "***Management's Discussion and Analysis of Financial Condition***" beginning on page 215.

External Risks

64. ***Challenges that affect the healthcare industry will have an effect on our operations.***

As a provider of health care services, we are impacted by challenges that affect the industry in general. These include general economic conditions and outlook, improvements in technologies, increase in operating costs, government regulation and policy and importantly, our competitive position in the market in general. These factors will impact us and our business on an ongoing basis. We will be constrained to respond to changes adequately to remain profitable, including bringing about changes to operations, cutting down on costs, and reassessing growth plans and strategies. We are unable to predict these challenges and cannot assure you that we will continue to maintain our current levels of financial performance.

65. ***The Indian Accounting Standards ("Ind AS") have been recently introduced and are expected to become applicable to our Company from April 01, 2016 . Our accounting practices and treatment may therefore change to the extent Ind AS is not in accordance with the accounting standards prescribed under the Companies Act, 1956.***

The Ministry of Corporate Affairs, Government of India, notified the Companies (Indian Accounting Standards) Rules, 2015, effective April 01, 2015. These rules require certain companies, such as listed companies having a net worth of ₹ 5,000 million or more to adopt and draw up their accounts in accordance with the Ind AS beginning financial year April 01, 2016. Our Company and its auditors will be required to review existing accounting practices and treatment to the extent they are not in conformity with Ind AS. Our Restated Summary Statements as set out in the section "***Financial Statements***" beginning on page 191, have been prepared based on Indian Generally Accepted Accounting Principles as notified under the Companies Act, 1956, the applicable provisions of Schedule III of the Companies Act, 2013 (for the limited period of FY 2014-2015), and have been restated as required by the SEBI ICDR Regulations. These statements have not been drawn up in accordance with Ind AS and they may be impacted if Ind AS were applied to them. The effect that Ind AS may have on our accounting practices, and as a result, on our financial reporting, including revenues and our trading position cannot be predicted. Without limitation, Ind AS may impact the treatment to be adopted as regards a number of line items of our profit and loss account and balance sheet, including requirements for provisioning, thus dictating our profitability. Our quarterly unaudited financial results may also be required to be presented in line with Ind AS, and there exists no certainty that such presentation will be in line with our current accounting practices. You should therefore expect that the financial condition and trading position of our Company may be impacted going forward as a result of adoption of Ind AS.

66. ***If we are unable to identify expansion opportunities or if we experience delays or other problems in implementing projects, our growth, financial condition, cash flows and results of operations may be adversely affected.***

Uncertainties exist around the viable implementation of new projects and our expansion into new markets. We may not be able to grow our business as planned. We are limited by a number of factors in assessing the viability of new projects or entry into new markets. These include the relative profile of each sub-market, existing competition, demand for healthcare and the nature of healthcare (primary, tertiary or superspecialty), our expectations on returns, our access to funds and associated costs, perception of risks, availability of quality infrastructure and access to human resources, to identify a few. While we continually assess new opportunities across India, we may have to wait indefinitely to identify opportunities in a new market or to undertake a new project. We may therefore have surplus cash and reserves which we may not be able to usefully deploy in undertaking further expansion and business development. In addition, once identified, we may experience a number of delays and other problems in implementation of new projects. We may be at a disadvantage in understanding and commencing operations in local markets in which we do not have a presence currently. Our counterparties may delay or default in performance of their obligations, which may impede our ability to commence operations from a new market. We may shelve expansion plans or stall ongoing expansion activities if macro economic conditions become unfavourable to our industry in general. Our new projects may suffer from long gestation periods. Our growth, financial condition, cash flows and results of operations may be adversely affected as a result.

67. ***The Central or State Governments may exercise rights of eminent domain in respect of the land on which our facilities are situated.***

Properties belonging to our Company and Subsidiaries may be subjected to compulsory acquisition by Central or State Governments. We may not receive adequate compensation for such acquisition and may not be able to set up hospitals in the vicinity which will generate revenues at a scale our current facilities located in these properties may be able to. Our business, revenues, financial conditions and prospects may be adversely impacted as a result of such acquisitions.

68. ***Compliance with applicable health, safety, environmental and other governmental regulations may be costly and adversely affect our results of operations.***

Compliance with applicable health, safety, environmental and other governmental regulations is time consuming, costly and requires a number of dedicated personnel. We are subjected to payment of fees and levies on an ongoing basis with respect to a number of licences, approvals, consents and permissions we are required to obtain from governmental authorities. We are also required to avail a number of third party services with respect to collection, treatment and disposal of wastes generated from our hospitals. We expend significant funds in making such payments. We are required to periodically maintain a number of records and registers and file a number of returns. Ensuring compliance requires that we hire trained personnel across our locations. Our compliance costs may adversely affect our revenues.

69. ***Our business and activities may be further regulated by the Competition Act and any adverse application or interpretation of the Competition Act could materially and adversely affect our business, financial condition, cash flows and results of operations.***

The Competition Act, 2002, of India, as amended ("**Competition Act**") regulates practices having an appreciable adverse effect on competition ("**AAEC**") in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of guests in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

Merger control provisions under the Competition Act came into effect from June 01, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India ("**CCI**"). However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty.

We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

70. ***The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism, military actions, civil unrests and other acts of violence or war in India and around the world, could adversely affect our business, financial condition and results of operations, including in the following respects:

- A natural or man-made disaster, could result in damage to our assets or losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets;

- Pandemic disease, caused by a virus such as H5N1, the "avian flu" virus, the Ebola virus, or H1N1, the "swine flu" virus, could have a severe adverse effect on our business; and

- Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence.

India has, from time to time, experienced instances of civil unrest and political tensions and hostilities in some parts of the country and among neighbouring countries. Such political and social tensions could create a perception that investment in Indian companies involves higher degrees of risk and have a possible adverse effect on the Indian economy, future financial performance and the trading prices of our Equity Shares.

71. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The following external risks may have an adverse impact on our business and results of operations should any of them materialise:

- a change in the Central or State Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular;

- high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins; and

- a slowdown in economic growth or financial instability in India could adversely affect our business and results of operations.

72. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("**STT**") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months, which are sold other than on a recognised stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the equity shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

73. ***It may not be possible for investors outside India to enforce any judgement obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.***

Our Company is incorporated as a public limited company under the laws of India and certain of our directors and executive officers reside in India. Further, most of our assets, and the assets of our executive officers and directors, are located in India. As a result, it may be difficult to effect service of process outside India upon us, including in the United States, and our executive officers and directors or to enforce judgments obtained in courts outside India against us or our executive officers and directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India, including without limitation United States federal securities laws. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. The United States has not been declared as a reciprocating territory for the purposes of the Civil Code and thus a judgement of a court outside India may be enforced in India only by a suit and not by proceedings in execution. In order to be enforceable, a judgement from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 ("**Civil Code**"). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not include arbitration awards. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgement for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgement in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgement is rendered may bring a fresh suit in a competent court in India based on a final judgement that has been obtained in a non-reciprocating territory within three years of obtaining such final judgement. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgement rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgement in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgement.

74. ***Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and the trading price of the Equity Shares.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

75. ***Our current and future overseas Subsidiaries and associate companies will continue to remain subjected to local laws, which may change from time to time. Such changes may impact their operations and particularly, our ability to consolidate our financial statements with our Subsidiaries.***

Our overseas Subsidiaries in the Cayman Islands and Malaysia, and our associate company in the Cayman Islands, HCCI, are governed by their local laws, respectively. Changes in foreign laws may impact the operations of our overseas Subsidiaries and associates, including our ability to consolidate the financial statements of our Subsidiaries with ours. We may also be subjected to foreign laws that may impede our ability to repatriate funds to India or to continue to hold or increase our investments in our overseas Subsidiaries and associates. Their assets and our investments in our Subsidiaries and associates may also be subjected to expropriation by host country laws. Any such action may adversely affect our revenues and financial condition in general.

Prominent Notes:

- Our Company was incorporated as Narayana Hridayalaya Private Limited on July 19, 2000 at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956. Our Company was renamed Narayana Hrudayalaya Private Limited on January 11, 2008, and a fresh certificate of incorporation to this effect was issued by the RoC. Our Company was converted into a public company, and a fresh certificate of incorporation was issued by the RoC on August 29, 2015. For further details in relation to the change in the name of our Company, see section "***History and Certain Corporate Matters***" beginning on page 139.

- The public issue of up to 20,436,081 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [•] each, aggregating ₹ [•] million through of an Offer for Sale of up to 6,287,978 Equity Shares by Ashoka

Investment Holdings Limited, up to 1,886,455 Equity Shares by Ambadevi Mauritius Holding Limited, up to 8,174,432 Equity Shares by JPMorgan Mauritius Holdings IV Limited, up to 2,043,608 Equity Shares by Dr. Devi Prasad Shetty and up to 2,043,608 Equity Shares by Shakuntala Shetty aggregating to ₹ [●] million. The Offer will constitute at least 10% of the post-Offer paid-up Equity Share capital of our Company.

- Our net worth was ₹ 7,647.68 million as on March 31, 2015, in accordance with our Restated Consolidated Summary Statements included in this Draft Red Herring Prospectus.

- As of March 31, 2015, our Company's net worth was ₹ 7,912.99 million as per the Restated Standalone Summary Statements.

- As of March 31, 2015, our Company's net asset value per Equity Share was ₹ 39.56 as per the Restated Standalone Summary Statements and ₹ 38.24 as per the Restated Consolidated Summary Statements.

- The average cost of acquisition of Equity Shares by our Promoters, Dr. Devi Prasad Shetty and Shakuntala Shetty is ₹ 0.017 per Equity Share. For further details, see section "***Capital Structure***" beginning on page 73.

- Except as disclosed in the chapter "***Our Group Companies***" and section "***Financial Statements – Statements of Related Parties and Related Party Transactions***" beginning on pages 181 and F-62 and F - 127, none of our Group Companies have business interests or other interests in our Company.

- The details of related party transactions entered into by our Company with the Group Companies and our Subsidiaries during the last financial year ended March 31, 2015, the nature of transactions and the cumulative value of transactions are as follows:

In ₹ million

S.No.	Particulars	Amount
1.	Payment of share application money	384.57
2.	Rental expense net of taxes	6.03
3.	Refund of share application money	0.08
4.	Reimbursement of expenses	9.85
5.	Hospital management fees	25.00
6.	Sale of medical consumables and drugs	55.27
7.	Guarantee commission	13.15
8.	Software licence fees	7.41
9.	Purchase of medical consumables	73.71
10.	Revenue from healthcare services	15.51
11.	Discount entitlement	18.00
12.	Maintainence of medical equipments	267.80
13.	Hotel accommodation expenses incurred	0.25
14.	Corporate Guarantee	323.53
15.	Payment of remuneration	54.67

- There have been no financing arrangements whereby our Promoter Group, Directors and their relatives have financed the purchase by any other person of the Equity Shares other than in the normal course of our business during the period of six months immediately preceding the filing of this Draft Red Herring Prospectus.

Investors may contact the BRLMs for any complaints, information or clarification pertaining to the Offer. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, or the Syndicate Members, or the Registered Broker, as the case may be, giving full details such as name, address of the Bidder, number of Equity Shares applied for, DP ID, Client ID, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSB or the Specified Locations where the Bid cum Application Form has been submitted by the ASBA Bidder. All grievances relating to Bids submitted through the Registered Broker may be addressed to the Stock Exchanges with a copy to the Registrar.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

*The information contained in this section is derived from several industry sources. Certain information contained in this section is derived from the report "Report on Healthcare Delivery Sector in India" by CRISIL Limited, dated June 2015 ("**CRISIL Report**"), certain official publications of the World Health Organization ("**WHO**"), statistics published by governmental agencies and other third party sources available in the public domain. Information in the CRISIL Report is based on information obtained by CRISIL from sources which CRISIL has considered reliable. References to CRISIL should not be considered as CRISIL's opinion as to the value of any security or the advisability of investing in us. The WHO relies on a number of external sources for its data, including Indian government-published statistics and information and academic literature. Neither we nor any other person connected with the Offer has independently verified information contained in this section. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Unless otherwise specified, references to years in this section are to calendar years. We have used these information for the purposes of this Draft Red Herring Prospectus. We have not commissioned any other report other than CRISL Report, certain official publications of WHO and statistics published by governmental agencies and other third party sources available in the public domain for the purposes of this Draft Red Herring Prospectus.*

Overview of the healthcare delivery industry

India is the world's tenth largest economy in terms of nominal gross domestic product ("**GDP**") with a GDP of USD 1.9 trillion and accounts for approximately 20.00% of the world's population with 1.2 billion inhabitants *(Source: CRISIL Report)*. The population is expected to reach 1.4 billion by 2026, of which over 50% would be aged 30 years or older, compared to 40.00% currently. According to WHO estimates, approximately 9.8 million deaths occurred in 2012 in India, of which 60.00% were on account of non-communicable diseases ("**NCDs**") and nearly 17.00% were caused due to cardiovascular diseases. While progress has been made in the past decade in improving the quality of healthcare services in India, the overall standard of healthcare infrastructure falls below global benchmarks. CRISIL believes the role of a robust healthcare delivery system in driving inclusive growth in India will be critical, and the large unmet medical needs of its growing and ageing population presents a significant market opportunity for healthcare services providers that are able to provide high quality, affordable care to the broader population.

The healthcare delivery industry in India consists of a range of medical practitioners, beginning with grassroots level physicians practicing traditional or indigenous forms of medicine (such as Ayurveda), independent practitioners with clinics of varying sizes and capabilities, and hospitals that are multi-disciplinary or specialty-focussed. The availability of specialised healthcare services is largely demography driven. Large urban centres with higher population densities typically have multispecialty tertiary care hospitals, while smaller cities and towns tend to have hospitals with capabilities in basic diagnostics and routine medical procedures but refer tertiary care needs to hospitals in larger cities.

India's total expenditure on healthcare was 4.00% of its GDP in 2013 (*Source: WHO's Global Healthcare Expenditure Database*). Except with respect to select health programmes, the private sector dominates the provision of personal medical care in India with 80.00% of all out-patient care and 60.00% of all in-patient care being provided by the private sector (*Source: WHO Strategy Report*). As of 2013, government spending on healthcare in proportion to total spending on healthcare was only 32.20% (*Source: WHO's Global Healthcare Expenditure Database*).

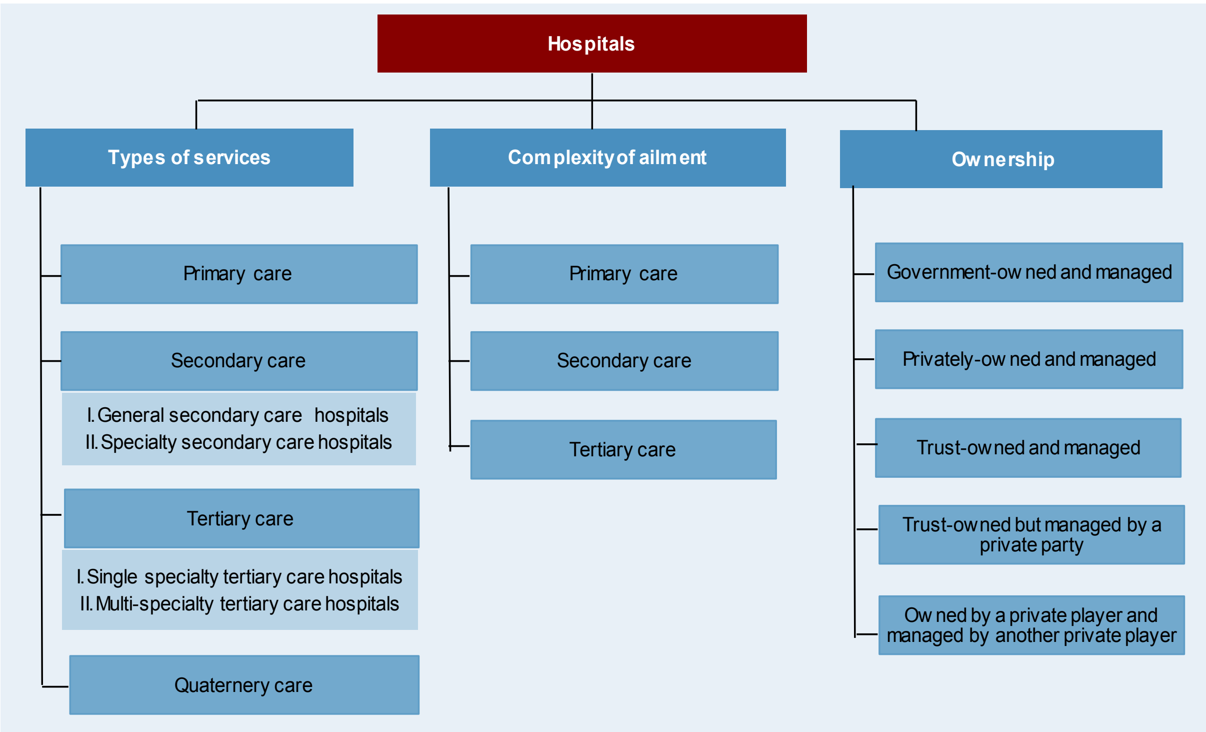
A key concern India faces is the affordability of healthcare by a vast majority of its population. According to the WHO, while 58.00% of the total healthcare expenditure in India is borne by consumers directly (without insurance coverage or reimbursements), this proportion rises to 86.00% in case of private healthcare services. This has however reduced over the last decade and out-of-pocket expenses have reduced from 70.00% in 2003 to 58.00% in 2013.

Urban areas in India are materially better served than rural areas in terms of distribution of medical personnel per capita. The proportion in urban to rural areas is approximately 1.3 to 0.39 doctors, 4.2 to 1.18 total health workers, and 1.59 to 0.41 nurses and midwives, respectively (*Source: WHO Strategy Report*). India's overall bed density is seven per 10,000 persons (compared to a global median of 27), with a bed density of two in rural areas and 25 in urban areas (*Source: CRISIL Report*).

CRISIL estimates the size of the Indian healthcare delivery industry at 3,400 million treatments in volume terms and ₹ 3.8 trillion in value terms in the year 2014-15. The healthcare delivery industry in India is estimated to have grown at a CAGR of approximately 14-15% in value terms over the last five years (*Source: CRISIL Report*). CRISIL expects the healthcare delivery market to grow at a CAGR of 12.00% and reach ₹ 6.8 trillion by the year 2019-2020, driven by population growth, rising income levels, and increase in lifestyle-related diseases, amongst other factors.

Structure of the healthcare delivery industry

Hospitals can be broadly classified on the basis of the services offered, complexity of ailments treated, and the ownership model:



Source: *CRISIL Report*

Revenue and cost structure of hospitals

Revenues

The primary revenue streams for hospitals are the IPD and OPD. IPD accounts for approximately 81.00% of the healthcare delivery industry, or ₹ 3.1 trillion, in 2014-15, while OPD accounts for the remaining 19.00%, or ₹ 0.7 trillion (*Source: CRISIL Report*).

While surgeries account for a large portion of revenues for most hospitals, the share of different verticals in total revenues differs across hospitals, depending on pricing strategies and the emphasis on different specialties. In certain hospitals, facilities like diagnostic centres and pharmacies are outsourced.

Occupancy level is one of the key operating metrics dictating a hospital's financial health. Given the high fixed costs (such as in equipment, beds and other infrastructure), occupancy levels need to be commensurate to expenditure incurred for a hospital to break-even. According to CRISIL's estimates, large hospitals typically operate at 65-70% occupancy levels. Directly linked to occupancy levels in hospitals is the ALOS. Hospitals generally aim to operate at a high occupancy level and short ALOS, which would enable them to record higher utilisation levels and ensure that more patients are treated at the same time. Indicative ailment-wise ALOS are set out below:

Ailment-wise length of stay

Ailment	ALOS	Remarks
Cardiac	5 days	In complex surgical cases ALOS is 7-8 days Angiography - day care and angioplasty - 2 days
Orthopaedics	3-4 days	-
Oncology	5-6 days	Hospitalization is for surgical cases only. For chemotherapy there are day care beds and for radiotherapy no stay is required
Neurosurgery	8-10 days	Would vary on a case-to-case basis, depending on the complexity of the case
Ophthalmology	1 day	Day-care

Source: CRISIL Report

Indicative costs for key procedures

Ailment	Procedure	Cost (Rs)
Cardiac	Angiography	12,000-14,000
	Angioplasty (without Stent)	65,000-75,000
	Coronary bypass and other cardiothoracic surgeries	3,00,000-4,00,000
Orthopaedics	Total Hip Replacement	1,50,000-2,00,000
	Total Knee Replacement	1,00,000-1,50,000
Ophthalmology	Cataract extraction	13,000-15,000
	Glaucoma surgery	16,000-18,000
Oncology	IMRT(Intensity Modulated radiotherapy)	1,25,000-1,50,000
	IGRT(Image guided radiotherapy)	1,75,000-2,00,000
Neurosurgery	Craniotomy and Evacuation of Haematoma	85,000-1,10,000
	Excision of Brain Tumours	1,85,000-2,10,000

Source: CRISIL Report. Treatment costs are indicative; weighted average for cost of treatments in government and private hospitals

Costs

In addition to the operating expenditure that hospitals incur, a key cost factor in a hospital is the initial capital outlay required, particularly for land and building development and equipment. The capital cost to build a hospital is typically ₹ 7-8 million per bed (for a typical 200 bed multispecialty hospital, excluding land costs) (*Source: CRISIL Report*). While costs for secondary-care hospitals are lower, high technology and equipment costs keep total capital costs for superspecialty tertiary care hospitals at the higher end. The use of imported equipment can further drive up equipment costs.

Outlook on healthcare delivery market in India

CRISIL believes that aside from a change in age demographics and rising incomes, improvement in health awareness, changes in the disease profile (towards lifestyle-related ailments), rising penetration of health insurance and increasing opportunities from medical tourism will propel demand for healthcare facilities in India. Expansion plans by major private players are expected to be skewed towards illnesses related to the IPD and hence, the share of IPD by value is expected to increase from 81.00% in 2014-15 to 83.00% in 2019-20. During the same period, the average cost for IPD treatments is expected to increase at nearly 8.00% CAGR. By 2019-20 the IPD market is estimated to reach ₹ 5.7 trillion while the OPD market size is estimated to reach ₹ 1.1 trillion.

SUMMARY OF OUR BUSINESS

*In this section, unless otherwise stated, references to "we", "us" and "our" include our Subsidiaries and exclude our associate company, HCCI. Investors' attention is drawn to the qualifications, exclusions and assumptions with respect to certain operational data and financial metrics presented in this section ("**Qualifiers**"), which are stated by way of footnotes. Due regard should be had to the Qualifiers in understanding such information presented in this section.*

Overview

We are one of the leading private healthcare service providers in India, operating a chain of multispecialty, tertiary and primary healthcare facilities. As of the date of this Draft Red Herring Prospectus, we had a network of 23 hospitals (multispeciality and superspeciality healthcare facilities which provide tertiary care), 8 heart centres (superspeciality units which are set up in a third party hospital) and 25 primary care facilities (including clinics and information centres), across a total of 32 cities, towns and villages in India, with 5,600 operational beds[1] and the potential to reach a capacity of up to 6,600 beds.[2] In FY 2015, our facilities provided care to over 1.97 million patients.[3]

We were founded in 2000 by our Promoter, Dr. Devi Prasad Shetty, who has over 30 years of medical experience, including as a cardiac surgeon. We are headquartered in Bengaluru, India, and operate a national network of hospitals in India with a particularly strong presence in the southern state of Karnataka and eastern India, as well as an emerging presence in western and central India. Our first facility was established in Bengaluru with approximately 225 operational beds and we have since grown to 57 facilities[4] with 5,600 operational beds[5] as of the date of this Draft Red Herring Prospectus, through a combination of greenfield projects and acquisitions. We believe our "Narayana Health" brand is strongly associated with our mission to deliver high quality and affordable healthcare services to the broader population by leveraging our economies of scale, skilled doctors, and an efficient business model.

We have received numerous awards which we believe are a testimony to our strong brand value, including the "*Healthcare Excellence Award for Addressing Industry Issues*" in 2012 from the Federation of Indian Chambers of Commerce and Industry, Financial Times' "*Arcelor Mittal Boldness in Business Award*" in 2013 and the "*Outstanding Achievement Award Healthcare – Social Cause*" in 2015 from Stars of the Industry.

We operate our business through a combination of the following models:

- hospitals that we own and operate;
- hospitals and heart centres that we operate and pay a revenue share to the owner of the hospital premises;
- hospitals, standalone clinics and primary care facilities that we operate on a lease or licence basis; and
- hospital management services[6] that we provide to third parties for a management fee ("**Managed Hospitals**").

This calibrated approach has allowed us to achieve an effective capital cost per bed of ₹ 2.49 million[7] as of March 31, 2015. We also conduct clinical trials for pharmaceutical and medical equipment manufacturing companies and offer certain educational and training courses to doctors and paramedics.

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[1] *Includes facilities and beds across hospitals that are owned, operated, leased and managed, and the 101 operational beds (104 capacity beds) facility in the Cayman Islands operated by our associate company, HCCI.*

[2] *Includes facilities and beds across hospitals that are owned, operated, leased and managed, and the 101 operational beds (104 capacity beds) facility in the Cayman Islands operated by our associate company, HCCI.*

[3] *Includes inpatients, outpatients and outpatients undergoing dialysis and excludes Managed Hospitals.*

[4] *Includes 56 facilities in India and the 1 facility in the Cayman Islands operated by our associate company, HCCI.*

[5] *Includes facilities and beds across hospitals that are owned, operated, leased and managed, and the 101 operational beds and 104 capacity beds facility in the Cayman Islands operated by our associate company, HCCI.*

[6] *Within this model, the scope of our services and extent of involvement may differ from case to case.*

[7] *Effective cost per bed is arrived at by the following formula: (Gross Block+ Capital Work in Progress (CWIP))/Number of Operational Beds. Data excludes HCCI and Managed Hospitals.*

In aggregate, our centres provide advanced levels of care in over 30 specialties, including cardiology and cardiac surgery, cancer care, neurology and neurosurgery, orthopaedics, nephrology and urology, and gastroenterology. In FY 2015, we generated 90.72% of our revenue from our 19 hospitals offering multispecialty and superspecialty services, 7.30% of our revenue from our heart centres and the remaining approximately 1.98% of our revenue from the management fee received from our 4 Managed Hospitals, ancillary businesses and other standalone clinics and primary care facilities.

As of July 31, 2015, we had 11,478 employees and students, including 818 doctors, 5,438 nurses, 2,009 paramedical staff, and engaged the services of an additional 1,660 doctors on a consultancy basis (including visiting consultants).[8] In FY 2015 and the 3 months ended June 30, 2015, we had a daily average of 534 in-patient admissions and 4,477 out-patients, and performed a daily average of 312 surgeries and procedures (of which 39 were cardiac surgeries, 142 catheterisation laboratory procedures, and 2 kidney transplants), and 513 dialyses.[9]

We endeavour to offer best-in-class clinical services to our patients. Our hospitals and facilities are fitted with modern medical equipment and our practices and protocols are designed to offer treatment on standards that are internationally and nationally recognised and accredited. 3 of our hospitals are accredited by the JCI, USA for meeting international healthcare quality standards for patient care and organisation management (including HCCI's facility in the Cayman Islands), and 4 of our hospitals are accredited by the National Accreditation Board for Hospitals and Healthcare Providers, India ("**NABH**"). In addition, we have submitted applications for accreditation to the NABH for 8 hospitals.

We operate our supply chain through focus on streamlining our administrative and clinical functions, continuous process innovation, and economies of scale. We have invested in technology both for clinical purposes as well integrating systems and processes through ERP. We have adopted technology with a view to ensure quick transmission of disease data, subsequent analysis, and prompt disease management.

Based on the Restated Consolidated Summary Statements, for the reporting date ended March 31, 2015, we generated revenue from operations of ₹ 13,638.51 million, EBITDA of ₹ 1,369.31 million, and restated profit after tax (before consolidated share of (loss)/profit from associate and minority interest) of ₹ 118.31 million. For the four fiscal years ended March 31, 2015, we achieved a CAGR of 30.00% in total revenue, 23.80% in EBITDA and our total investment in Fixed Assets amounted to ₹ 5,589.08 million.[10]

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[8] *Data excludes Managed Hospitals.*

[9] *Data excludes Managed Hospitals.*

[10] *Difference between the total of (i) gross block; (ii) capital work in progress; and (iii) intangible assets under development, as on March 31, 2015 and March 31, 2011.*

Our existing and upcoming hospitals and heart centres as of the date of this Draft Red Herring Prospectus are set out in the map below:

Our Competitive Strengths

We believe we are well-positioned to capture market opportunities and to benefit from the expected growth in the healthcare services market in India through our competitive strengths, which principally include the following:

Pan-India network with a strong presence in Karnataka and eastern India

We believe we have a broader network of healthcare facilities across India than many of our competitors, with 23 hospitals, 8 heart centres and 25 primary care facilities across India. We have an established presence and strong brand recognition in two geographical clusters in the southern state of Karnataka and eastern India, as well as an emerging presence in western and central India. We believe that our brand image and operational experience in our core markets provide us the platform to further expand our presence and operations in selected locations across the country.

Our Karnataka cluster is centred on NH Health City, located in Bommasandra, Bengaluru, which comprises NICS, a superspecialty hospital for cardiology and cardiac surgery, and MSMC, a multispecialty hospital for cancer care, neurology and neurosurgery, nephrology and urology, and houses what we believe, is one of India's largest bone marrow transplant units. As of the date of this Draft Red Herring Prospectus, our Karnataka cluster comprised 4 hospitals in Bengaluru and a hospital each in Mysore, Bellary and Shimoga,[11] and 7 heart centres totalling 2,344 operational beds, with a capacity of 2,913 beds. In addition, our Hospital in Hyderabad, Telangana, has 305 current operational beds.

[11] *Including the Managed Hospital in Bellary.*

Our presence in eastern India is centred on RTIICS, a multispecialty hospital located in Kolkata with a strong presence in cardiology and cardiac surgery, as well as neurology and neurosurgery, and nephrology and urology. As of July 31, 2015, we operated 10 hospitals[12], including hospitals in the greater Kolkata area encompassing Howrah, Barasat and the Eastern Metropolitan Bypass, a multispecialty hospital in Jamshedpur, Jharkhand, a superspecialty hospital in Guwahati, Assam and a hospital each in Durgapur and Berhampore, West Bengal and a heart centre in Durgapur, West Bengal, totalling to 1,993 operational beds, with a capacity of 2,270 beds.

Our presence in western and central India comprises 5 hospitals, in Jaipur (Rajasthan), Raipur (Chhattisgarh), Palanpur (Gujarat), Ahmedabad (Gujarat) and Mahuva (Gujarat) totalling to 857 current operational beds with a capacity of 1,008 beds.[13] We are currently in the process of commissioning a dedicated paediatric hospital in Mumbai, Maharashtra and a multispecialty hospital in Lucknow, Uttar Pradesh.

Pre-eminence in cardiac and renal sciences and strong capabilities in other specialties

We believe our strong reputation and clinical capabilities in cardiac and renal sciences, as well as our continuing expansion across other high value clinical specialties, positions us to benefit from the increasing demand in India for quality healthcare services, particularly tertiary healthcare services. Our chain of multispecialty, tertiary and primary healthcare facilities provide advanced levels of care in over 30 specialties.

We have a strong legacy in cardiac and renal sciences, which formed the foundation of our services offering. In FY 2015, we performed 51,456 cardiology procedures, 14,036 cardiac surgeries, and 184,443 dialysis procedures. In FY 2015, cardiology and cardiac surgery accounted for 54.31% of our in-patient billed revenue.[14] Key volume statistics for our cardiac and renal specialties are set out below:

FY	Cardiac surgeries	Cardiology procedures	Dialysis procedures	Kidney transplants
2013	11,563	37,878	110,823	507
2014	13,206	47,743	152,825	655
2015	14,036	51,456	184,443	829

We believe that a combination of factors, including changing demographics, increasing affluence of the Indian population, greater health awareness, and an increase in lifestyle-related diseases will lead to an increase in demand for quality tertiary and other healthcare services. We have therefore expanded our core specialty areas to include four additional areas of focus: cancer care, neurology and neurosurgery, orthopaedics, and gastroenterology. In FY 2015, we performed a total of 112,008 surgeries and procedures.[15] The contribution to in-patient billed revenue from areas outside of cardiac and renal sciences increased from 32.27% in FY 2013 to 38.29% in FY 2015.[16]

Highly recognised brand with a reputation for clinical excellence and affordable healthcare

We believe that our "Narayana Health" brand is widely recognised in India and internationally for the provision of high quality, compassionate and affordable healthcare services. We have received numerous national and international awards and recognitions which we believe are a testimony to our strong brand value built over 15 years in the healthcare services industry. These include the "Public Health Champion Award" under the category of Innovation by the WHO India in 2015, Frost and Sullivan "India Healthcare Excellence Awards 2015" as comprehensive Cardiology Service Provider Company, "VC Circle Healthcare Award" as the best multispecialty tertiary care hospital chain in 2015, recognition of our operational excellence in the Boston Consulting Group Local Dynamos 2014, "India Health & Wellness Award" for Superspecialty Hospital in 2014, and Porter Prize for Industry Architectural Shift in 2013. We believe our strong brand equity and goodwill among patients and healthcare professionals has also positioned us as a partner-of-choice for governmental

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12 *Including the Managed Hospital in Durgapur, West Bengal.*

13 *Including Managed Hospitals in Mahuva and Palanpur, Gujarat.*

14 *Excluding revenue from MMRHL and Managed Hospitals.*

15 *Excluding dialyses and data pertaining to Managed Hospitals.*

16 *Excluding revenue from MMRHL and Managed Hospitals.*

bodies, not-for-profit trusts and charities, and private organisations seeking partners to operate and manage their healthcare facilities.

We believe clinical excellence is a critical consideration for many people when choosing their healthcare services provider. Our hospitals and facilities are fitted with modern medical equipment and follow well-defined quality and patient safety protocols and adhere to nationally and internationally accepted clinical standards in patient handling and care, as evidenced by our JCI and NABH accreditations.

We believe the following competitive advantages enable us to deliver affordable healthcare services to our patients:

- Economies of scale and competitive prices from our suppliers and service providers through centralised purchasing;

- Cost efficiencies through supply chain management, sharing of managerial and clinical resources, and standardising the types of medical and other consumables as well as optimising their use by establishing guidelines for medical and operating procedures across our network;

- Access to cloud based ERP system and network of telemedicine centres to increase hospital efficiencies and lower overall costs; and

- Packaged treatment offerings for patients, which are typically fixed-fee, all-inclusive packages covering a suite of consultancy, diagnosis, consumables, medical, operative and post-operative care requirements of patients. We believe our packaged offerings also provide patients with a high level of transparency on treatment costs and enhance patient trust in our brand.

Effective model of capital deployment to achieve growth

We believe our calibrated model for establishing and expanding our hospitals has allowed us to achieve a more efficient use of capital than many of our competitors. We have an effective capital cost per bed of ₹ 2.49 million[17] as of March 31, 2015. We operate our business through a combination of four models in order to expand our market presence while maximising the efficiency of our capital deployment: out of the 23 hospitals we operate in India, we own and operate 4 hospitals (including land and building), operate 7 hospitals on a revenue share basis (including 1 hospital in Guwahati on a public-private partnership model), operate 8 hospitals on a lease basis, and operate 4 hospitals on a management fee basis.

Our "asset right" model for expansion of our hospital network is based on engaging with partners that invest in and own the fixed assets, primarily land and building, while we invest in and own the medical equipment and operate and manage the hospital, typically on a revenue share basis, with or without a minimum revenue guarantee given to our partners. We continuously invest in medical technology and equipment and modernise our hospitals so as to offer high quality healthcare services to our patients and expand our range of healthcare services.

We believe our mission and our track record of providing high quality, affordable healthcare services to the broader population positions us as a partner-of-choice for a number of State Governments in India that are seeking to improve and expand their local healthcare infrastructure and accessibility to healthcare services. For example, our superspecialty hospital in Guwahati, commissioned in December 2013, is a partnership with the Government of Assam and the multispecialty hospital in Vaishno Devi, expected to be commissioned within the next 12 months, is a partnership with the Vaishno Devi Board.

We supplement our "asset right" model with the acquisition of existing healthcare facilities and other healthcare services companies. For example, in the state of West Bengal, we acquired a 136 capacity bed hospital in Barasat and a 66 capacity bed hospital in Berhampore in March 2014, and 2 multispecialty hospitals with a combined capacity of 388 beds in Howrah in November 2014. We believe these acquisitions have positioned us as one of the leading healthcare services providers in eastern India. We evaluate each acquisition on its own

[17] *Effective cost per bed is arrived at by the following formula: (Gross Block+ Capital Work in Progress (CWIP))/Number of operational beds. Data excludes HCCI and Managed Hospitals.*

merits, such as long-term strategic value, potential synergies, expected returns, valuation, and the cost of financing, amongst other factors.

Ability to attract high quality doctors and medical support staff

We believe our reputation for clinical excellence, competitive compensation packages and ethical practices enable us to attract not only patients but also quality doctors and medical support staff within India as well as Indian nationals returning home after having studied or worked overseas. We believe our doctors and consultants are some of the most experienced within their respective specialties in India which allows our hospitals to handle complex and high intensity clinical cases. As of July 31, 2015, our healthcare facilities had 818 employee and student doctors and 1,660 doctors associated with us on a consultancy basis (including visiting consultants).[18] We believe that our doctors and consultants have contributed significantly to building our "Narayana Health" brand.

We endeavour to access qualified and trained medical resources through our educational initiatives. We are accredited by the National Board of Examination to enrol students to a number of specialty-specific Diplomate of National Board courses, which serves as a training ground for a number of student doctors. In a market where demand for physicians and paramedics is high and supply scarce (*Source: CRISIL Report*), we expect that our continuing need for quality human resources will be met by the strong academic and learning environment we have created for prospective doctors, nurses and paramedics.

Experienced management team with a strong execution track record

We believe the experience and depth of our management team to be a distinctive competitive advantage in the complex and rapidly evolving healthcare industry in which we operate. Many of our senior management team members and hospital management personnel are also qualified doctors. Our dedicated and experienced team of senior managers have been with us for an average of about 7 years and have an average of about 12 years of experience in the healthcare services industry in India and abroad. We believe they have been key to driving our growth in revenue and earnings through the efficient roll-out of our greenfield projects and the execution and integration of our acquisitions. We believe the experience we have gained from building, integrating and operating a network of hospitals and healthcare facilities has enabled us to build and operationalise new centres efficiently and rapidly.

Our founder and Chairman, Dr. Devi Prasad Shetty, has over 30 years of medical experience in the United Kingdom and India. Dr. Shetty is a well-recognised cardiac surgeon and businessperson and has received a number of national and international awards, including the "*Padma Bhushan*" in 2012 (the third highest civilian award in India, received for his contribution to the field of affordable healthcare), The Economic Times' "*Entrepreneur of the Year*" award in 2012, and The Economist's "*Innovation Award for Business Process*" in 2011. Dr. Shetty also served as the personal physician to Nobel Peace Prize recipient Mother Teresa. Dr. Shetty, together with the Government of Karnataka, is credited with designing the Yeshasvini Scheme, an innovative micro-insurance scheme that covers approximately 3.45 million people in Karnataka (as of December 31, 2013). Dr. Devi Prasad Shetty has also served, in the past, as a member of the governing body of the Medical Council of India.

Our Vice Chairman, Managing Director and CEO, Dr. Ashutosh Raghuvanshi, has about 26 years of experience in the healthcare industry, including at Manipal Hospitals, Apollo Hospitals, and Bombay Hospital. Our CFO, Kesavan Venugopalan, has over 20 years of experience in finance, including as Senior Vice President and Corporate Controller at Wipro Limited, an India-based information technology company listed on the BSE and the NSE. Dr. Ashutosh Raghuvanshi and Kesavan Venugopalan have been key to our day-to-day operations and management across our large network and have been at the forefront of identifying and pursuing expansion opportunities.

Track record of operational and financial performance

We have a track record of sustained growth in revenue and profitability. Based on the Restated Consolidated Summary Statements, for the four fiscal years ended March 31, 2015, we achieved a CAGR of 30.00% in total revenue and 23.80% in EBITDA. We continue to diversify our revenue base across hospitals and medical

[18] *Data excludes Managed Hospitals.*

specialties. The contribution to our revenue from our top 5 hospitals by revenue (as of March 31, 2015) was 67.52% in FY 2015 compared to 80.45% in FY 2013. The contribution to our in-patient billed revenue from specialties outside of cardiac and renal sciences was 38.29% in FY 2015 compared to 32.27% in FY 2013.[19]

We adopt stringent methodologies and hurdle rates in the evaluation of new projects and investments and have extensive experience in identifying, implementing and developing new hospital projects. We believe this, coupled with our calibrated approach to capital deployment, has allowed us to achieve strong organic growth and attractive returns on our investments, while maintaining reasonable leverage ratios.

[19] *Excluding revenue pertaining to MMRHL and Managed Hospitals.*

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Summary Statements of our Company.

These Restated Summary Statements have been prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and presented under the section ***"Financial Statements"*** *on page* 191. *The summary financial information presented below should be read in conjunction with the Restated Summary Statements, the notes thereto and the sections* ***"Financial Statements"*** *and* ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** *on pages 191 and 215 respectively.*

Restated Consolidated Summary Statement of assets and liabilities

In ₹ millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
EQUITY AND LIABILITIES					
A. Shareholders' funds					
Share capital	3.25	3.25	3.25	3.25	2,000.00
Reserves and surplus	4,806.17	5,150.18	5,466.99	5,800.71	5,647.68
	4,809.42	**5,153.43**	**5,470.24**	**5,803.96**	**7,647.68**
B. Minority interest	**-**	**17.79**	**50.06**	**27.82**	**6.81**
C. Non-current liabilities					
Long-term borrowings	900.09	1,157.39	1,873.38	2,272.26	2,065.78
Deferred tax liabilities (net)	152.78	175.01	190.36	252.05	339.42
Other long-term liabilities	0.07	11.97	19.22	20.86	47.55
Long-term provisions	26.07	48.23	55.06	62.34	106.28
	1,079.01	**1,392.60**	**2,138.02**	**2,607.51**	**2,559.03**
D. Current liabilities					
Short-term borrowings	0.00	5.02	313.06	522.17	985.27
Trade payables	526.86	700.53	771.33	1,529.14	1,370.42
Other current liabilities	579.86	523.61	862.99	1,025.96	1,001.67
Short-term provisions	25.70	36.53	26.35	40.33	78.13
	1,132.42	**1,265.69**	**1,973.73**	**3,117.60**	**3,435.49**
TOTAL (E=A+B+C+D)	**7,020.85**	**7,829.51**	**9,632.05**	**11,556.89**	**13,649.01**
ASSETS					
F. Non-current assets					
Goodwill	-	-	-	8.73	642.17
Fixed assets					
Tangible assets	4,832.35	4,907.98	6,151.89	7,304.35	8,403.19
Intangible assets	4.15	4.15	50.78	70.57	31.07
Capital work-in-progress	433.99	800.62	421.88	197.16	204.52
Intangible assets under development	30.66	68.75	22.69	-	-
	5,301.15	5,781.50	6,647.24	7,580.81	9,280.95
Non-current investments Long-	-	-	67.91	514.21	521.81
term loans and advances Other	633.14	761.03	1,142.16	1,059.87	1,225.54
non-current assets	-	-	13.40	13.97	10.85
	5,934.29	**6,542.53**	**7,870.71**	**9,168.86**	**11,039.15**
G. Current assets					
Inventories	259.69	279.82	383.74	492.57	512.24
Current investments	-	-	-	-	0.38
Trade receivables	463.10	672.44	914.76	1,341.84	1,429.27
Cash and bank balances	223.57	191.95	254.31	280.59	295.20
Short-term loans and advances	107.86	98.05	133.71	141.21	260.27
Other current assets	32.34	44.72	74.82	131.82	112.50
	1,086.56	**1,286.98**	**1,761.34**	**2,388.03**	**2,609.86**
Total (H=F+G)	**7,020.85**	**7,829.51**	**9,632.05**	**11,556.89**	**13,649.01**

Restated Consolidated Summary Statement of profit and loss

In ₹ millions

Particulars	For the year ended 31 March 2011	2012	2013	2014	2015
INCOME					
Revenue from operations	4,775.81	6,577.84	8,392.88	10,951.17	13,638.51
Other income	26.33	29.03	151.58	223.91	77.36
Total revenue	**4,802.14**	**6,606.87**	**8,544.46**	**11,175.08**	**13,715.87**
EXPENSES					
Purchase of medical consumables, drugs and surgical Equipment	1,630.28	1,977.77	2,431.66	2,931.94	3,426.57
Changes in inventories of medical consumables, drugs and surgical equipment	(103.24)	(20.13)	(103.92)	(119.12)	(19.67)
Employee benefits	779.29	1,125.85	1,565.37	1,984.93	2,769.33
Other expenses	1,912.87	2,672.13	3,687.17	4,952.53	6,170.33
Total expenses	**4,219.20**	**5,755.62**	**7,580.28**	**9,750.28**	**12,346.56**
Profit before interest, tax, depreciation and amortization	**582.94**	**851.25**	**964.18**	**1,424.80**	**1,369.31**
Finance costs	53.34	92.39	166.11	283.55	408.90
Depreciation and amortization	321.35	372.32	460.07	574.43	666.90
Profit before tax, as restated	**208.25**	**386.54**	**338.00**	**566.82**	**293.51**
Tax expense					
Current tax	68.00	107.07	84.32	152.33	137.05
Deferred tax charge/ (credit)	32.80	22.25	15.33	61.15	38.15
Minimum Alternate Tax credit entitlement	(28.96)	-	-	-	-
Total tax expenses	**71.84**	**129.32**	**99.65**	**213.48**	**175.20**
Restated profit after tax before consolidated share of	**136.41**	**257.22**	**238.35**	**353.34**	**118.31**
(loss)/profit from associate and minority interest					
Share in (loss)/profit of associate	-	-	2.31	(58.51)	(251.31)
Share in loss attributable to minority interest	-	0.32	7.30	22.25	24.39
Profit/(loss) for the year, as restated	**136.41**	**257.54**	**247.96**	**317.08**	**(108.61)**

Restated Consolidated Summary Statement of cash flow

In ₹ millions

Particulars	For the year ended 31 March 2011	2012	2013	2014	2015
Cash flow from operating activities					
Profit before tax, as restated	208.25	386.54	338.00	566.82	293.51
Adjustments:					
Depreciation and amortisation	321.35	372.32	460.07	574.43	666.90
Interest income on bank deposits and others	(7.70)	(6.46)	(4.20)	(5.22)	(8.04)
Interest expense and other borrowing costs	53.34	92.39	166.11	283.55	408.90
Profit on sale of non-current investment	-	-	-	(166.74)	-
(Profit)/loss on sale of fixed assets and capital work in progress, net	(1.78)	1.19	(128.54)	1.01	20.68
Foreign exchange unrealised gain, net	0.06	2.22	8.04	(19.83)	2.25
Operating cash flow before working capital changes	**573.52**	**848.20**	**839.48**	**1,234.02**	**1,384.20**
Changes in trade receivables	(245.59)	(209.34)	(242.32)	(420.99)	(73.28)
Changes in inventories	(103.24)	(20.13)	(103.92)	(113.15)	(12.22)
Changes in loans and advances	(128.87)	(94.82)	(88.03)	(57.70)	21.89
Changes in other assets	27.86	(12.52)	(28.79)	(50.93)	(38.59)
Changes in liabilities and provisions	274.41	149.47	242.88	709.08	(291.72)
Cash generated from operations	**398.09**	**660.86**	**619.30**	**1,300.33**	**990.28**
Income taxes paid, net	(101.12)	(132.23)	(173.12)	(200.44)	(223.04)
Net cash generated by operating activities (A)	**296.97**	**528.63**	**446.18**	**1,099.89**	**767.24**
Cash flow from investing activities					
Purchase of fixed assets	(1,065.69)	(947.12)	(1,301.14)	(1,290.96)	(981.50)
Proceeds from sale of fixed assets and capital work in progress	3.79	0.08	159.51	3.16	66.46
Payment for acquisition of long-term investment	-	-	-	(23.74)	(883.95)
Interest received on bank deposits and others	7.70	5.31	2.89	4.83	8.18
Movement in bank deposits (due to mature after 12 months from the reporting date)	116.05	26.74	(13.40)	(1.00)	1.21
Movement in bank deposits (having original maturity of more than 3 months)	-	-	(1.85)	(32.34)	(41.12)
Purchase of assets on slump sale	-	-	-	(419.83)	-
Government grant received	-	-	50.00	170.00	-
Share application money paid	-	-	(362.78)	(260.50)	(384.57)
Proceeds on sale of non-current investment	-	-	-	168.75	-
Investment in mutual fund	-	-	-	-	(0.38)
Net cash (used) in investing activities (B)	**(938.15)**	**(914.99)**	**(1,466.77)**	**(1,681.63)**	**(2,215.67)**
Cash flow from financing activities					
Proceeds from long-term borrowings	645.57	492.37	1,049.90	1,225.00	1,277.95
Proceeds from short-term borrowing	0.19	5.21	239.81	-	300.00
Repayment of long-term borrowings	(81.00)	(128.59)	(210.34)	(604.10)	(2,854.14)
Repayment of short-term borrowings	-	-	-	(224.84)	(50.00)
Change in bank overdrafts	-	-	68.22	453.95	191.46
Proceeds from issue of equity shares	-	-	-	-	2,000.06
Proceeds from issue of debentures	-	-	-	-	1,000.00
Interest and other borrowing costs paid	(53.34)	(90.00)	(164.54)	(280.96)	(389.59)
Proceeds from issue of shares to minority	-	102.49	98.04	-	-
Expenses incurred in relation to issue of debentures	-	-	-	-	(16.85)
Expenses incurred in relation to issue of shares	-	-	-	-	(56.18)
Net cash provided by financing activities (C)	**511.42**	**381.48**	**1,081.09**	**569.05**	**1,402.71**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(129.76)**	**(4.88)**	**60.50**	**(12.69)**	**(45.72)**
Cash and cash equivalents at the beginning of the year	315.15	185.39	180.51	241.01	234.96
Cash and cash equivalents acquired on acquisition of subsidiary	-	-	-	10.74	19.21
Cash and cash equivalent acquired on slump sale basis	-	-	-	3.57	-
Cash and cash equivalent on disposal of subsidiary	-	-	-	(7.67)	-
Cash and cash equivalents at the end of the year	**185.39**	**180.51**	**241.01**	**234.96**	**208.45**

Restated Standalone Summary Statement of assets and liabilities

In ₹ millions

Particulars	As at 31 March 2011	2012	2013	2014	2015
EQUITY AND LIABILITIES					
A. Shareholders' funds					
Share capital	3.25	3.25	3.25	3.25	2,000.00
Reserves and surplus	4,857.39	5,147.22	5,331.67	5,693.50	5,912.99
	4,860.64	**5,150.47**	**5,334.92**	**5,696.75**	**7,912.99**
B. Non-current liabilities					
Long-term borrowings	872.75	1,112.67	1,731.89	2,172.17	1,593.36
Deferred tax liabilities (net)	152.78	175.01	190.36	241.15	272.89
Other long-term liabilities	-	8.65	15.17	20.86	46.22
Long-term provisions	25.99	48.01	54.50	61.47	97.78
	1,051.52	**1,344.34**	**1,991.92**	**2,495.65**	**2,010.25**
C. Current liabilities					
Short-term borrowings	0.00	0.00	293.22	522.17	943.47
Trade payables	526.94	692.91	764.06	1,552.87	1,222.04
Other current liabilities	545.13	543.03	864.18	973.83	778.73
Short-term provisions	25.65	36.23	25.21	38.06	65.90
	1,097.72	**1,272.17**	**1,946.67**	**3,086.93**	**3,010.14**
TOTAL (D = A + B + C)	**7,009.88**	**7,766.98**	**9,273.51**	**11,279.33**	**12,933.38**
ASSETS					
E. Non-current assets					
Fixed assets					
Tangible assets	4,066.13	4,068.29	4,984.75	6,194.67	6,424.77
Intangible assets	3.56	3.49	50.13	70.18	30.72
Capital work-in-progress	366.88	725.57	421.83	121.04	88.53
Intangible assets under development	30.66	68.75	22.69	-	-
Non-current investments	58.00	125.27	314.42	513.72	2,408.20
Long-term loans and advances	1,451.27	1,532.86	1,679.82	1,926.82	1,465.15
Other non-current assets	-	-	13.41	13.06	8.76
	5,976.50	**6,524.23**	**7,487.05**	**8,839.49**	**10,426.13**
F. Current assets					
Inventories	251.87	271.41	364.02	473.87	482.63
Trade receivables	462.28	672.44	914.70	1,331.50	1,430.65
Cash and bank balances	172.99	138.11	229.25	223.13	233.71
Short-term loans and advances	113.90	116.20	204.07	281.87	241.25
Other current assets	32.34	44.59	74.42	129.47	119.01
	1,033.38	**1,242.75**	**1,786.46**	**2,439.84**	**2,507.25**
TOTAL (G = E + F)	**7,009.88**	**7,766.98**	**9,273.51**	**11,279.33**	**12,933.38**

Restated Standalone Summary Statement of profit and loss

In ₹ millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
INCOME					
Revenue from operations	4,729.20	6,470.57	8,250.72	10,758.14	13,075.65
Other income	26.22	23.77	22.76	155.02	100.53
Total revenue	**4,755.42**	**6,494.34**	**8,273.48**	**10,913.16**	**13,176.18**
EXPENSES					
Purchase of medical consumables, drugs and surgical equipment	1,616.76	1,965.47	2,401.18	2,866.45	3,286.36
Changes in inventories of medical consumables, drugs and surgical Equipment	(95.42)	(19.54)	(92.61)	(109.85)	(8.76)
Employee benefits	771.79	1,108.33	1,539.22	1,924.04	2,640.64
Other expenses	1,850.27	2,579.28	3,545.44	4,855.68	5,833.36
Total expenses	**4,143.40**	**5,633.54**	**7,393.23**	**9,536.32**	**11,751.60**
Profit before interest, tax, depreciation and amortization	**612.02**	**860.80**	**880.25**	**1,376.84**	**1,424.58**
Finance costs	52.25	87.04	156.78	266.95	347.07
Depreciation and amortization	313.89	355.68	439.69	546.81	619.56
Profit before tax, as restated	**245.88**	**418.08**	**283.78**	**563.08**	**457.95**
Tax expense					
Current tax	68.00	106.00	84.00	152.00	137.00
Deferred tax charge	32.80	22.25	15.33	50.79	31.75
Minimum Alternate Tax credit	(28.96)	-	-	-	-
Total tax expense	**71.84**	**128.25**	**99.33**	**202.79**	**168.75**
Profit for the year, as restated	**174.04**	**289.83**	**184.45**	**360.29**	**289.20**

Restated Standalone Summary Statement of cash flow

In ₹ millions

Particulars	For the year ended 31 March				
	2011	**2012**	**2013**	**2014**	**2015**
Cash flow from operating activities					
Profit before tax, as restated	245.88	418.08	283.78	563.08	457.95
Adjustments:					
Foreign exchange unrealized gain, net	(0.40)	(0.50)	-	-	(1.09)
Depreciation and amortization	313.89	355.68	439.69	546.81	619.56
Provision for other than temporary diminution in the value of long-term investments	-	-	-	30.46	10.74
Interest income on bank deposits and others	(7.70)	(4.39)	(4.20)	(6.41)	(32.12)
Interest expense and other borrowing costs	52.25	87.04	156.78	266.95	347.07
Profit on sale of non-current investment	-	-	-	(93.02)	-
(Profit) / loss on sale of fixed assets	(1.77)	-	-	0.29	2.58
Operating cash flow before working capital changes	**602.15**	**855.91**	**876.05**	**1,308.16**	**1,404.69**
Changes in trade receivables	(252.43)	(210.16)	(242.26)	(416.80)	(99.15)
Changes in inventories	(95.42)	(19.54)	(92.61)	(109.85)	(8.76)
Changes in other assets	(22.11)	(12.25)	(28.40)	(55.05)	26.05
Changes in loans and advances	(124.61)	(104.99)	(139.44)	(134.08)	(267.10)
Changes in liabilities and provisions	332.32	196.36	244.22	1,248.09	(246.41)
Cash generated from operations	**439.90**	**705.33**	**617.56**	**1,840.47**	**809.32**
Income taxes paid, net	(101.12)	(131.59)	(172.28)	(195.79)	(199.83)
Net cash generated from operating activities (A)	**338.78**	**573.74**	**445.28**	**1,644.68**	**609.49**
Cash flow from investing activities					
Purchase of fixed assets	(983.66)	(850.75)	(1,071.67)	(1,221.80)	(803.07)
Investment in subsidiary	(146.31)	(19.58)	(189.25)	(403.92)	(377.38)
Movement in deposits (having original maturity of more than three months), net	116.05	26.74	(1.85)	(22.84)	(50.60)
Movement in deposits (due to mature after 12 months from reporting date), net	-	-	(13.40)	1.68	2.39
Payment for acquisition of long-term investment	-	-	(0.26)	(2.74)	(883.95)
Government grant received	-	-	50.00	170.00	-
Proceeds from sale of fixed assets	3.79	-	-	-	10.11
Purchase of assets on slump sale	-	-	-	(419.83)	-
Proceeds from sale of non-current investments	-	-	-	168.78	-
Refund of share application money received	-	-	-	-	300.00
Unsecured loan given to related parties	-	-	-	-	(224.24)
Repayment of loan by related party	-	-	-	-	85.68
Interest received on bank deposits and others	7.70	3.37	2.76	4.74	18.43
Net cash (used) in investing activities (B)	**(1,002.43)**	**(840.22)**	**(1,223.67)**	**(1,725.93)**	**(1,922.63)**
Cash flow from financing activities					
Proceeds from long-term borrowings	614.07	468.02	932.27	502.38	985.80
Proceeds from short-term borrowings	-	-	225.00	-	300.00
Repayment of long-term borrowings	(81.00)	(125.02)	(202.61)	(418.59)	(2,744.06)
Repayment of short-term borrowings	-	-	-	(225.00)	(50.00)
Change in bank overdrafts	0.19	-	68.22	453.95	171.30
Proceeds from issue of debentures	-	-	-	-	1,000.00
Expenses incurred in relation to issue of debentures	-	-	-	-	(16.85)
Proceeds from issue of equity shares	-	-	-	-	2,000.06
Expenses incurred in relation to issue of shares	-	-	-	-	(56.18)
Interest and other borrowing costs paid	(48.45)	(84.65)	(155.22)	(264.00)	(316.95)
Net cash provided by financing activities (C)	**484.81**	**258.35**	**867.66**	**48.74**	**1,273.12**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(178.84)**	**(8.13)**	**89.27**	**(32.51)**	**(40.02)**
Cash and cash equivalents at the beginning of the year	313.64	134.80	126.67	215.94	187.00
Cash and cash equivalent acquired on slump sale basis	-	-	-	3.57	-
Cash and cash equivalents at the end of the year	**134.80**	**126.67**	**215.94**	**187.00**	**146.98**

AUDITOR'S OBSERVATIONS/RESERVATIONS AND ADVERSE REMARKS

The Statutory Auditor's Examination Report dated September 19, 2015 on our Restated Consolidated Summary Statements and Restated Consolidated Summary Statements, referred to an annexure, with certain matters specified in the Companies (Auditors Report) Order, 2003. These observations do not require any corrective material adjustments in our Restated Consolidated Summary Statements and Restated Standalone Summary Statements. These observations as well as our Company's corrective steps in connection with these remarks are as follows:

Observation by the Statutory Auditor	Company remarks
Company	
Company had not completed reconciliation of certain physically verified fixed assets with the fixed assets register during FY 2013.	Our Company has commenced physical verification of fixed assets in a phased manner covering each block of assets once in every three years.
NHSHPL	
There were slight delays in the remittance of income tax, professional tax, service tax and luxury tax for the year ended March 31, 2015.	In order to comply with the payment due dates under various statute, we have enabled online payment of TDS, service tax etc., and strengthened internal monitoring system.
NHSHPL did not conduct a physical verification of fixed assets during FY 2013.	NHSHPL has commenced physical verification of fixed assets in a phased manner covering each block of assets once in every three years.
During FY 2014, NHSHPL utilised funds amounting to ₹ 140.59 million raised on short term basis for long-term investments.	NHSHPL has aligned the fund management activity in the previous year and the observation has been resolved in Financial Year 2015.
NIARPL	
NIARPL did not have an internal audit system for FY 2011, FY 2012, FY 2013 and FY 2014.	The internal audit system becomes applicable to NIARPL because of meeting the requirement of the paid up capital and reserves, however, during these financial years there were no transactions other than legal and professional fees paid, hence the internal audit necessity did not arise.

THE OFFER

The following table summarises the Offer details:

Equity Shares offered	
Offer of Equity Shares(1)	Up to 20,436,081 Equity Shares, aggregating up to ₹ [●] million
of which	
A) QIB portion(2)(3)	102,18,039 Equity Shares
of which:	
Anchor Investor Portion	6,130,823 Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	4,087,216 Equity Shares
of which:	
Available for allocation to Mutual Funds only (5.00% of the QIB Portion (excluding the Anchor Investor Portion))	204,361 Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	3,882,855 Equity Shares
B) Non-Institutional Portion(3)	Not less than 3,065,413 Equity Shares
C) Retail Portion(3)(4)	Not less than 7,152,629 Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	200,000,000 Equity Shares(5)
Equity Shares outstanding after the Offer	204,360,804 Equity Shares(5)
Use of Net Proceeds	Our Company will not receive any proceeds from the Offer for Sale. See section "***Objects of the Offer***" beginning on page 91.

Allocation to all categories, except the Anchor Investor Portion, if any, and the Retail Portion, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see section "***Offer Procedure - Basis of Allotment***" beginning on page 336.

Notes

(1) The Offer for Sale has been authorised by each Selling Shareholder as follows: (i) JPM has authorised to participate in the offer by way of an Offer for Sale of 4.00% of the fully diluted total post-offer Equity Share Capital of our Company (translating to 8,174,432 Equity Shares) by way of a board resolution dated September 28, 2015; (ii) Ambadevi has authorised participate in the offer by way of an Offer for Sale of 0.9231% of the fully diluted total post-offer Equity Share Capital of our Company (translating to the offer of 1,886,455 Equity Shares) by way of a board resolution dated September 17, 2015; (iii) Ashoka Holdings has authorised to participate in the offer by way of an Offer for Sale of 3.0769% of the fully diluted total post-offer Equity Share Capital of our Company (translating to 6,287,978 Equity Shares) by way of a board resolution dated September 17, 2015; (iv) Dr. Devi Prasad Shetty has authorised the offer of 2,043,608 Equity Shares in the Offer by way of letter dated September 27, 2015 and (v) Shakuntala Shetty has authorised the offer of 2,043,608 Equity Shares in the Offer by way of a letter dated September 27, 2015. The Equity Shares offered by each of the Selling Shareholders, have been held by such Selling Shareholder for a period of more than one year or were issued under a bonus issue (out of the free reserves and/or share premium existing at the end of previous Financial Year and were not issued by utilization of revaluation reserves or unrealized profits of our Company) on Equity Shares held for more than one year prior to the date of the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer, in terms of Regulation 26(6) of the SEBI ICDR Regulations.

(2) Our Company and each Selling Shareholder may, in consultation with the BRLMs allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from

domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 204,361 Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see section "***Offer Procedure***" beginning on page 295. Allocation to all categories shall be made in accordance with SEBI ICDR Regulations.

(3) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of each Selling Shareholder in consultation with our Company, the BRLMs and the Designated Stock Exchange.

(4) Each Selling Shareholder may, in consultation with the BRLMs, may offer a discount of up to [•]% (equivalent to ₹ [•]) on the Offer Price to Retail Individual Bidders.

(5) Prior to the filing of the Red Herring Prospectus, our Company will convert the 10 million OCDs of ₹ 100 each held by CDC IOL, together with accrued coupon, into 4,360,804 Equity Shares. Our issued, subscribed and paid-up capital will accordingly be updated at the time of filing of the Red Herring Prospectus.

GENERAL INFORMATION

Our Company was incorporated as Narayana Hridayalaya Private Limited on July 19, 2000 at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956 and was subsequently renamed as Narayana Hrudayalaya Private Limited on January 11, 2008. Our Company was converted into a public limited company and the name of our Company was changed to Narayana Hrudayalaya Limited. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on August 29, 2015. For details of change in the name and Registered Office of our Company, see section "***History and Certain Corporate Matters***" beginning on page 139.

For details of the business of our Company, see section "***Our Business***" beginning on page 114.

Registered Office of our Company

Narayana Hrudayalaya Limited
No. 258/A, Bommasandra Industrial Area
Anekal Taluk
Bengaluru 562 158
Karnataka, India
Tel: +91 80 7122 2222
Email: investorrelations@nhhospitals.org
Website: www.narayanahealth.org

Corporate Identification Number: U85110KA2000PLC027497
Registration Number: 08/27497 of 2000

Corporate Office of our Company

Narayana Hrudayalaya Limited
2nd Floor, No. 261/A
Bommasandra Industrial Area, Hosur Road
Bengaluru 562 158
Karnataka, India
Tel: +91 80 7122 2222

Address of the RoC

Our Company is registered with the RoC, Karnataka located at Bengaluru at the following address:

Registrar of Companies
'E' Wing, 2nd Floor
Kendriya Sadana
Koramangala
Bengaluru 560 034
Karnataka, India

Board of Directors

The Board of our Company comprises the following:

Name	Designation	DIN	Address
Dr. Devi Prasad Shetty	Chairman and Executive Director	00252187	"Narayana", No. 393, 2nd Cross, 13th Main, 3rd Block, Koramangala, Bengaluru 560 034, Karnataka, India
Dr. Ashutosh Raghuvanshi	Managing Director	02775637	1,050/1, Survey Park, Udita Comp., UD-02-1202, Kolkata 700 075, West Bengal, India
Viren Shetty	Whole-time Director	02144586	"Narayana", No. 393, 2nd Cross, 13th Main, 3rd Block, Koramangala, Bengaluru 560 034, Karnataka, India
Kiran Mazumdar Shaw	Non-Executive Director	00347229	'Glenmore', Survey No. 58, Gollimangala

Name	Designation	DIN	Address
			Village, Sarjapura Hobli, Anekal Taluk, Bengaluru 562 106, Karnataka, India
Harjit Singh Bhatia	Non-Executive Director	02285424	18 Bishopsgate, Singapore, 24 99 81
Dinesh Krishna Swamy	Independent Director	00041553	No. 467, 19th Main, 36th Cross, 4th T Block, Jayanagar, Bengaluru 560 041, Karnataka, India
Muthuraman Balasubramanian	Independent Director	00004757	# 43, Arbor's By The Lake, Hulimangala Post Kyalasa, Nahalli Village, Jigani H, Bengaluru 560 105, Karnataka, India
Arun Seth	Independent Director	00204434	A-7, Geetanjali Enclave, New Delhi 110 070, New Delhi, India
B. N. Subramanya	Independent Director	00483654	Flat No. 101, RV 15 E Block, RV Enclave 52, 6th Main, Malleswaram, Bengaluru 560 003, Karnataka, India
Manohar D. Chatlani	Independent Director	00101591	No.-43/9, Promenade Road, 1st Cross, Frazer Town, Bengaluru 560005, Karnataka, India

For further details of our Directors, see section "***Our Management***" beginning on page 153.

Company Secretary and Compliance Officer

Ashish Kumar
2nd Floor, No. 261/A
Bommasandra Industrial Area, Hosur Road
Bengaluru 562 158
Karnataka, India
Tel: +91 80 7122 2802
Fax: +91 80 7122 2611
Email: investorrelations@nhhospitals.org

Chief Financial Officer

Kesavan Venugopalan
2nd Floor, No. 261/A
Bommasandra Industrial Area, Hosur Road
Bengaluru 562 158
Karnataka, India
Tel: +91 80 7122 2019
Fax: +91 80 7122 2482
Email: kesavan.venugopalan@nhhospitals.org

Investors can contact the Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non receipt of letters of Allotment, non credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders and non receipt of funds by electronic mode.

Book Running Lead Managers

Axis Capital Limited
1st floor, Axis House
C-2 Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
Fax: +91 22 4325 3000
Email: nh.ipo@axiscap.in
Investor Grievance Email: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Lohit Sharma
SEBI Registration No.: INM000012029

IDFC Securities Limited
Naman Chambers, C – 32, G Block
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 6622 2600
Fax: +91 22 6622 2501
Email: nhl.ipo@idfc.com
Investor Grievance Email: investorgrievance@idfc.com
Website: www.idfccapital.com
Contact Person: Gaurav Goyal
SEBI Registration No.: MB/INM000011336

Jefferies India Private Limited
42/43, 2 North Avenue,
Maker Maxity, Bandra-Kurla Complex,
Bandra (East),
Mumbai 400 051,
Maharashtra, India.
Tel: +91 22 4356 6000
Fax: +91 22 6765 5595
Email: narayana.ipo@jefferies.com
Investor Grievance Email: India.investor.grievance@jefferies.com
Website: www.jefferies.com
Contact Person: Rajan Prabhu
SEBI Registration No.: INM000011443

Syndicate Members

[•]

Indian Legal Counsel to the Company

AZB & Partners
AZB House
67/4, 4th Cross, Lavelle Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 4240 0500
Fax: +91 80 2221 3947

Indian Legal Counsel to the BRLMs

Axon Partners LLP
C-4/3 Safdarjung Development Area
New Delhi 110 016
New Delhi, India
Tel: +91 11 4332 0008
Fax: +91 11 4332 0015

Legal Counsel to JPM, Ashoka Holdings and Ambadevi as to Indian law

Khaitan & Co
One Indiabulls Centre
13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai 400 013
Maharashtra, India
Tel: +91 22 6636 5000
Fax: +91 22 6636 5050

Simal, 2nd Floor
7/1 Ulsoor Road
Bengaluru 560 042
Karnataka, India
Tel: +91 80 4339 7000
Fax: +91 80 2559 7452

Auditors to the Company

B S R & Co. LLP
Chartered Accountants
Maruthi Info-Tech Centre 11-12/ 1,
Inner Ring Road, Koramangala
Bengaluru 560 071
Karnataka, India
Email: sgaggar@bsraffiliates.com
Tel: +91 80 3980 6000

Fax: +91 80 3980 6999
Firm Registration No.: 101248W/W-100022
Peer Review No.: 006478

Bankers to the Offer and/ or Escrow Collection Banks

[●]

Refund Bankers

[●]

Bankers to our Company

Canara Bank
Address: Trinity Circle Branch
Shankara Narayana Building
No. 25, M.G Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 2558 4795
Fax: +91 80 2558 6033
Email: cb0792@canarabank.com
Website: www.canarabank.com
Contact Person: Manjunatha H. D.

HDFC Bank Limited
Address: No.8/24
4th Floor, Salco Centre
Richmond Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 6663 3042
Email: lokesh.chatram@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Lokesh Chatram

Kotak Mahindra Bank Limited
Address: 10/7, Umiya Land Mark
Lavelle Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 6612 3318
Fax: +91 80 6612 3425
Email: swati.gupta@kotak.com
Website: www.kotak.com
Contact Person: Swati Gupta

Yes Bank Limited
Address: Ground Floor, Prestige Obelisk Muncipal No. 3
Kasturba Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 3042 9000
Fax: +91 80 3042 9139
Email: rakshith.rangarajan@yesbank.in
Website: www.yesbank.in
Contact Person: Rakshith Rangarajan

The Hongkong and Shanghai Banking Corporation Limited
Address: No - 7, M.G.Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 4555 2493
Fax: +91 22 4914 6153
Email: pradiptosen@hsbc.co.in
Website: www.hsbc.co.in
Contact Person: Pradipto Sen

Export - Import Bank of India
Address: Ramanashree Arcade
4th floor
18, M.G. Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 2558 5755
Fax: +91 80 2558 9107
Email: eximbro@eximbankindia.in
Website: www.eximbankindia.in
Contact Person: Sandeep Kumar

Registrar to the Offer

Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 2300 1153
Email: einward.ris@karvy.com
Website: http:\\karisma.karvy.com
Investor Grievance Email: nhhospitals.ipo@karvy.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

All grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Syndicate Member or Registered Broker where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Brokers with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Brokers at the Broker Centres where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/ information mentioned hereinabove.

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For details of the Designated Branches which shall collect Bid cum Application Forms from the ASBA Bidders, refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form are provided on the aforementioned website of SEBI.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and email address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, B S R & Co. LLP, Chartered Accountants, to include its name as an expert under Section 26 and Section 2(38) of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the examination report dated September 19, 2015 on the Restated Consolidated Summary Statements and Restated Standalone Summary Statements of our Company and the Statement of Possible Special Tax Benefits available to the Company and its Shareholders dated September 23, 2015, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Monitoring Agency

The Offer being an offer for sale, our Company will not receive any proceeds from the Offer and is not required to appoint a monitoring agency for the Offer.

Appraising Entity

No appraising agency has been appointed in respect of any project of our Company.

Inter-se allocation of Responsibilities:

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Offer:

S. No.	Activities	Responsibility	Coordination
1.	Due diligence of our Company's operations/ management/ business plans/ legal. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The LMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing of the same and drafting and approval of all statutory advertisements	Axis, IDFC, Jefferies	Axis
2.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments.	Axis, IDFC, Jefferies	Axis
3.	Appointment of Advertising Agency, Printers and Bankers to the Issue	Axis, IDFC, Jefferies	Axis
4.	Appointment of Registrar	Axis, IDFC, Jefferies	IDFC
5.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (1) above including corporate advertisement, brochure	Axis, IDFC, Jefferies	Jefferies
6.	International institutional marketing including; allocation of investors for meetings and finalising road show schedules	Axis, IDFC, Jefferies	Jefferies
7.	Domestic institutional marketing including banks/ mutual funds and allocation of investors for meetings and finalising road show schedules	Axis, IDFC, Jefferies	Axis
8.	Non-Institutional & Retail Marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies; • Preparation of publicity budget, finalising Media and PR strategy. • Finalising centres for holding conferences for brokers; • Finalising collection centres; and • Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material.	Axis, IDFC, Jefferies	IDFC
9.	Preparation of the roadshow presentation and FAQ	Axis, IDFC, Jefferies	Jefferies
10.	Coordination with Stock Exchanges for book building process including software, bidding terminals.	Axis, IDFC, Jefferies	IDFC
11.	Pricing and managing the book	Axis, IDFC, Jefferies	Jefferies
12.	Post-issue activities, which shall involve essential follow-up steps including anchor coordination, follow-up with bankers to the issue and SCSBs to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, SCSBs including responsibility for underwriting arrangements, as applicable.	Axis, IDFC, Jefferies	IDFC
13.	Payment of the applicable Securities Transaction Tax on sale of unlisted equity shares by the Selling Shareholders under the offer for sale included in the Offer to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.	Axis, IDFC, Jefferies	IDFC

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

Trustees

As this is an offer of Equity Shares, the appointment of trustees is not required.

Book Building Process

The book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus within the Price Band, which will be decided by the Selling Shareholders, in consultation with the BRLMs, and advertised in [•] edition of [•], [•] edition of [•] and [•] edition of [•], which are widely circulated English, Hindi and Kannada newspapers (Kannada being the regional language of Karnataka where our Registered Office and Corporate Office is located) at least five Working Days prior to the Bid/ Offer Opening Date. The Offer Price shall be determined by the Selling Shareholders in consultation with the BRLMs after the Bid/ Offer Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholders;
- the BRLMs;
- the Syndicate Members;
- the SCSBs;
- the Registered Brokers;
- the Registrar to the Offer; and
- the Escrow Collection Bank(s).

In terms of Rules 19(2)(b)(iii) of the SCRR, this is an Offer for at least 10% of the post Offer capital of our Company. The Offer is being made under Regulation 26(1) of the SEBI ICDR Regulations and through a Book Building Process wherein 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of non Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the net QIB Portion.

5% of the net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event of under subscription in the Mutual Fund portion, the balance Equity Shares in the Mutual Fund portion will be allocated to QIBs on a proportionate basis, subject to valid bids being received at or above the Offer Price.

Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of the Selling Shareholders in consultation with the Company, the BRLMs and the Designated Stock Exchange. For further details, see sections "***Offer Procedure***" and "***Offer Structure***" beginning on pages 295 and 290 respectively.

QIBs (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Offer only through the ASBA process and Retail Individual Bidders have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Bidders Bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until finalisation of the Basis of Allotment. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Offer Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see section "***Offer Procedure***" beginning on page 295.

Our Company and the Selling Shareholders will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Offer. In this regard, our Company has appointed the BRLMs to manage the Offer and procure Bids for the Offer.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Steps to be taken by Bidders for Bidding:

1. Check eligibility for making a Bid (see section "***Offer Procedure – Who Can Bid*?**" on page 296);

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see section "***Offer Procedure***" on page 295);

4. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid cum Application Form;

5. Bids by QIBs (except Anchor Investors) and the Non-Institutional Bidders shall be submitted only through the ASBA process;

6. Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorised agents) at the Bidding centers or the Registered Brokers at the Broker Centers; and

7. Bids by ASBA Bidders will have to be submitted to the Designated Branches or to the Syndicate at the Specified Locations or the Registered Brokers at the Broker Centres in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission to the SCSB or the Syndicate or the Registered Broker to ensure that the Bid cum Application Form submitted by the ASBA Bidders is not rejected and ensure that the SCSB where the ASBA Account (as specified in the Bid cum Application Form) is maintained has named at least one branch at the Specified Location or the Broker Centre for the members of the Syndicate or the Registered Broker, respectively, to deposit Bid cum Application Forms (a list of such branches is available at the website of the SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time).

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Illustration of Book Building Process and Price Discovery Process

Investors should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors or under the ASBA process.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, offer size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at Bidding centres during the Bidding period. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid quantity	Bid Amount (₹)	Cumulative quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the offer price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this offer price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Allotment to Retail Individual Investors and Minimum Bid Lots

In the event, the Bids received from Retail Individual Investors exceeds 7,152,629 Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/ Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/ Allotment to Retail Individual Bidders by the minimum Bid Lot ("**Maximum RIB Allottees**"). The allocation/ Allotment to Retail Individual Bidders will then be made in the following manner:

In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) Retail Individual Bidders shall be allocated the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be allocated on an proportionate basis to the Retail Individual Bidders who have received allocation as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be allocated minimum Bid Lot shall be determined on draw of lots basis

For details, see section "***Offer Procedure***" beginning on page 295.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(*This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.*)

Name, address, telephone number, fax number and email address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ in millions)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors (based on certificates provided by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/ Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchases for or purchase of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

(*In ₹, except share data*)

S.No.		Aggregate value at face value	Aggregate value at Offer Price
A	**AUTHORISED SHARE CAPITAL**(1)		
	300,000,000 Equity Shares of face value of ₹ 10 each	3,000,000,000	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**(2)		
	200,000,000 Equity Shares of face value of ₹ 10 each(2)	2,000,000,000	
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer for Sale of up to 20,436,081 Equity Shares of face value of ₹ 10 each(3)	204,360,810	[•]
D	**SECURITIES PREMIUM ACCOUNT**(2)		
	Before the Offer	3,889,363,759	
	After the Offer	[•]	
E	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	204,360,804 Equity Shares	2,043,608,040	

(1) *For details in relation to the changes in the authorised share capital of our Company, see section "**History and Certain Corporate Matters**" beginning on page 139.*

(2) *Prior to the filing of the Red Herring Prospectus, our Company will convert the 10 million OCDs of ₹100 each held by CDC IOL, together with accrued coupon, into 4,360,804 Equity Shares. Our issued, subscribed and paid-up capital will accordingly be updated at the time of filing of the Red Herring Prospectus.*

(3) *JPM has, pursuant to a board resolution dated September 28, 2015, been authorised to participate in the offer by way of an Offer for Sale of 4.00% of the fully diluted total post-offer Equity Share Capital of our Company (translating to 8,174,432 Equity Shares in the Offer). Ambadevi has, pursuant to a board resolution dated September 17, 2015, been authorised to participate in the offer by way of an Offer for Sale of 0.9231% of the fully diluted total post-offer Equity Share Capital of our Company (translating to 1,886,455 Equity Shares in the Offer). Ashoka Holdings has, pursuant to a board resolution dated September 17, 2015, been authorised to participate in the offer by way of an Offer for Sale of 3.0769% of the fully diluted total post-offer Equity Share Capital of our Company (translating to 6,287,978 Equity Shares in the Offer). Dr. Devi Prasad Shetty, by way of a letter dated September 27, 2015, and Shakuntala Shetty, by way of a letter dated September 27, 2015, have offered to participate by way of an Offer for Sale of 2,043,608 Equity Shares each, aggregating to 4,087,216. The Equity Shares offered by each of the Selling Shareholders, have been held by such Selling Shareholder for a period of more than one year or were issued under a bonus issue (out of the free reserves and/or share premium existing at the end of previous Financial Year and were not issued by utilisation of revaluation reserves or unrealized profits of our Company) on Equity Shares held for more than one year prior to the date of the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer, in terms of Regulation 26(6) of the SEBI ICDR Regulations. For details in relation to allocation to various categories, see section "**The Offer**" beginning on page 61.*

Notes to the Capital Structure

1. Share Capital History of our Company*

   (a) The history of the Equity Share capital of our Company is provided in the following table:

Date of allotment	No. of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (in ₹)
July 19, 2000	20	10	10	Cash	Subscription to the Memorandum(1)	20	200
September 10, 2001	249,980	10	10	Cash	Preferential allotment(2)	250,000	2,500,000
February 06, 2008	75,414	10	53,040.55	Cash	Preferential allotment(3)	325,414	3,254,140
December 24, 2014	20,339	10	98,336.27	Cash	Preferential allotment(4)	345,753	3,457,530
March 25, 2015	199,654,247	10	–	Other than cash	Bonus issue in the ratio of 577.45 Equity Shares for every one Equity Share held in the Company(5)	200,000,000	2,000,000,000

(1) 10 Equity Shares were allotted to C. Narayana Shetty and 10 Equity shares were allotted to Dr. Devi Prasad Shetty.

(2) 127,490 Equity Shares were allotted to Dr. Devi Prasad Shetty, 22,490 Equity Shares were allotted to C. Narayana Shetty, 20,000 Equity Shares were allotted to Sumitra Shetty, 20,000 Equity Shares were allotted to Hema S. Ballal, 20,000 Equity Shares were allotted to Manohar Shetty, 20,000 Equity Shares were allotted to Shakuntala Shetty and 20,000 Equity Shares were allotted to Dr. N. Sitaram Shetty.

(3) 29,006 Equity Shares were allotted to Ashoka Holdings, 8,701 Equity Shares were allotted to Ambadevi and 37,707 Equity Shares were allotted to JPM.

(4) 20,339 Equity Shares were allotted to CDC Group.

(5) 66,628,794 Equity Shares were allotted to Dr. Devi Prasad Shetty, 64,015,843 Equity Shares were allotted to Shakuntala Shetty, 4,697,536 Equity Shares were allotted to Kiran Mazumdar Shaw, 9,019,732 Equity Shares were allotted to NHAPL, 16,749,446 Equity Shares were allotted to Ashoka Holdings, 5,024,372 Equity Shares were allotted to Ambadevi, 21,773,817 Equity Shares were allotted to JPM and 11,744,707 Equity Shares were allotted to CDC Group.

** Prior to the filing of the Red Herring Prospectus, our Company will convert the 10 million OCDs of ₹100 each held by CDC IOL, together with accrued coupon, into 4,360,804 Equity Shares in the event that our Company files the Red Herring Prospectus on or before January 31, 2016. Our issued, subscribed and paid-up capital will accordingly be updated at the time of filing of the Red Herring Prospectus.*

(b) We have issued certain OCDs, details of which are as follows:

Date of allotment	No. of OCDs	Face value per OCD (₹)	Issue price per OCD	Nature of consideration	Nature of transaction
December 24, 2014	10,000,000	100	100	Cash	Preferential allotment for fund raising

** In the event that our Company files the Red Herring Prospectus on or before January 31, 2016, the OCDs shall be converted, together with accrued coupon, into 4,360,804 Equity Shares prior to the filing of the Red Herring Prospectus.*

(c) The table below sets forth the details of Equity Shares issued by our Company (including allotments to the members of the Promoter Group) at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus:

S.No.	Date of allotment	No. of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason for allotment	Allottees
1.	December 24, 2014	20,339	10	98,336.27	Cash	Preferential allotment for fund raising	CDC Group(1)
2.	March 25, 2015	66,628,794	10	–	Capitalisation of reserves	Bonus issue	Dr. Devi Prasad Shetty(2)
3.	March 25, 2015	64,015,843	10	–	Capitalisation of reserves	Bonus issue	Shakuntala Shetty(2)
4.	March 25, 2015	9,019,732	10	–	Capitalisation of reserves	Bonus issue	NHAPL(2)
5.	March 25, 2015	16,749,446	10	–	Capitalisation of reserves	Bonus issue	Ashoka Holdings
6.	March 25, 2015	5,024,372	10	–	Capitalisation of reserves	Bonus issue	Ambadevi
7.	March 25, 2015	21,773,817	10	–	Capitalisation of reserves	Bonus issue	JPM
8.	March 25, 2015	11,744,707	10	–	Capitalisation of reserves	Bonus issue	CDC Group
9.	March 25, 2015	4,697,536	10	–	Capitalisation of reserves	Bonus issue	Kiran Mazumdar Shaw

(1) Pursuant to the special resolution of our members passed at the EGM of our Company held on December 19, 2014, and our Board resolution dated December 24, 2014, our Company has also issued and allotted 10 million OCDs of ₹100 each to CDC IOL. All OCDs, together with accrued coupon, will be converted by our Company into 4,360,804 Equity Shares, prior to filing of the Red Herring Prospectus in the event that our Company files the Red Herring Prospectus on or before January 31, 2016. The Offer Price may or may not be lower than the conversion price of the OCDs.

(2) Bonus allotment to members of the Promoter / Promoter Group.

2. Prior to the filing of the Red Herring Prospectus, JPMorgan Mauritius Holdings VIII Limited, a FVCI, proposes to acquire 624,840 Equity Shares from NHAPL, in terms of a Share Purchase Agreement dated September 25, 2015. The pre-Offer position of NHAPL will accordingly be amended to reflect the transfer prior to the filing of the Red Herring Prospectus.

3. Issue of Shares in the last two preceding years

   For details of issue of Equity Shares by our Company in the last two preceding years, see section "***Capital Structure – Share Capital History of our Company***" beginning on page 73.

4. Issue of Equity Shares for consideration other than cash

   Except as set out below, we have not issued Equity Shares for consideration other than cash:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company	Source out of which bonus shares issued
March 25, 2015	199,654,247	10	–	Bonus issue in the ratio of 577.45 Equity Shares for every one Equity Share held in the Company(1)	–	Capitalisation of reserves

(1) For the list of allottees, see note (5) of the history of Equity Share capital of our Company on page 74 above.

5. History of the Equity Share Capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters hold 130,870,882 Equity Shares, equivalent to 65.44% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) ***Build-up of our Promoters' shareholding in our Company***

Set forth below is the build-up of the shareholding of our Promoters since incorporation of our Company:

Name of the Promoter	Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post- Offer capital (%)
Dr. Devi Prasad Shetty	July 19, 2000	Initial subscriber to the Memorandum	10	Cash	10	10	0.00*	[●]
	September 10, 2001	Preferential allotment(1)	127,490	Cash	10	10	0.06	[●]
	January 10, 2008	Transfer(2)	(7,966)	Cash	10	10	0.00*	[●]
	March 19, 2009	Transfer(3)	(4,149)	Cash	10	10	0.00*	[●]
	March 25, 2015	Bonus Issue(4)	66,628,794	Other than cash	10	–	33.31	[●]
Sub total (**A**)			**66,744,179**				**33.37**	[●]
Shakuntala Shetty	September 10, 2001	Preferential allotment	20,000	Cash	10	10	0.01	[●]
	December 26, 2001	Transfer(5)	80,000	Cash	10	10	0.04	[●]
	May 3, 2002	Transmission(6)	22,500	Cash	10	10	0.01	[●]
	January 10, 2008	Transfer(7)	(7,654)	Cash	10	10	0.00*	[●]
	March 19, 2009	Transfer(8)	(3,986)	Cash	10	10	0.00*	[●]
	March 25, 2015	Bonus Issue	64,015,843	Consideration other than cash	10	–	32.01	[●]
Sub total (**B**)			**64,126,703**				**32.06**	**[●]**
Total (A+B)			**130,870,882**				**65.44**	**[●]**

(1) Funds for Equity Shares acquired on September 10, 2001 were borrowed from Shakuntala Shetty, amounting to ₹ 1,274,900.
(2) Transfer of 7,966 Equity Shares to NHAPL.
(3) Transfer of 4,149 Equity Shares to Kiran Mazumdar Shaw.
(4) Bonus issue in ratio of 577.45 Equity Shares for every one Equity Share held in the Company.
(5) Transfer of 20,000 Equity Shares from Manohar Shetty, transfer of 20,000 Equity Shares from Dr. N. Sitaram Shetty, transfer of 20,000 Equity Shares from Hema S Ballal and transfer of 20,000 Equity Shares from Sumitra Shetty.
(6) Transmission of 22,500 Equity Shares of Narayana Shetty to Shakuntala Shetty pursuant to the Board resolution dated May 05, 2002 of our Company.
(7) Transfer of 7,654 Equity Shares to NHAPL.
(8) Transfer of 3,986 Equity Shares to Kiran Mazumdar Shaw.

All the Equity Shares held by our Promoters are fully paid-up on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the BRLMs that, except for loans availed by Dr. Devi Prasad Shetty from Shakuntala Shetty for the purpose of investments in the Company, the Equity Shares held by our Promoters have been financed from their personal funds and internal accruals and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose. Further, our Promoters have not pledged any of the Equity Shares that they hold in our Company.

(b) ***Details of Promoters' contribution and lock-in:***

(i) Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be locked in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year.

(ii) As on the date of this Draft Red Herring Prospectus, our Promoters hold 130,870,882 Equity Shares out of which up to 4,087,216 Equity Shares have been offered for sale as part of this Offer; 40,872,161 Equity Shares will be locked-in for a period of three years as Promoters' contribution (*assuming conversion of all OCDs held by CDC IOL to 4,360,804 Equity Shares*) and balance 85,911,505 Equity Shares will be locked-in for a period of one year.

(iii) Details of the Equity Shares to be locked-in for three years are as follows:

Name	Date of transaction and when made fully paid-up	Nature of transaction	Face value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of post-Offer paid-up capital (%)	Date up to which the Equity shares are subject to lock-in
Dr. Devi Prasad Shetty	March 25, 2015	Bonus issue	10	-	20,436,080	10	[•]
Shakuntala Shetty	March 25, 2015	Bonus issue	10	-	20,436,081	10	[•]
TOTAL				-	40,872,161	20	

(iv) The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoters' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of SEBI ICDR Regulations.

(c) ***Other lock-in requirements***:

(i) In terms of the regulation 37 of the SEBI ICDR Regulations, in addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for three years as specified above, the entire pre-Offer equity share capital of our Company shall be locked-in, except:

I. The Equity Shares offered pursuant to the Offer for Sale. Additionally, any unsubscribed portion of the Offer for Sale being offered by the Selling Shareholders would also be locked-in for one year from the date of Allotment;

II. 10,490,474 Equity Shares of Ashoka Holdings and 3,146,618 Equity Shares of Ambadevi, which are FVCIs, shall be locked-in up to March 24, 2016;

III. 480,656 Equity Shares acquired by Ashoka Holdings on September 25, 2015, and 144,184 Equity Shares acquired by Ambadevi on September 25, 2015 will be locked-in until September 24, 2016; and

IV. Prior to the filing of the Red Herring Prospectus, JPMorgan Mauritius Holdings VIII Limited, a FVCI, proposes to acquire 624,840 Equity Shares from NHAPL, in terms of a Share Purchase Agreement dated September 25, 2015, for an aggregate consideration of ₹ 1. This transfer is further to certain arrangements contemplated between the investor Selling Shareholders, our Promoters and our Company as contained in the Restated Shareholders' Agreement dated December 22, 2014. For details, see "***History and Certain Corporate Matters***" on page 139. These Equity Shares will be locked-in for a period of one year from the date of their acquisition.

(ii) The Equity Shares held by our Promoters which are locked in may be transferred to and among the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

(iii) The Equity Shares held by persons other than our Promoters and locked-in either further to Note 5(c)(i) above, or locked-in for a period of one year from the date of Allotment in the Offer, may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

(iv) Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

6. Build-up of Selling Shareholders' shareholding in our Company:

(a) As on the date of this Draft Red Herring Prospectus, the Selling Shareholders hold 175,118,771 Equity Shares, constituting 87.56% of the issued, subscribed and paid-up Equity Share capital of our Company;

(b) The details of the build up of the Selling Shareholders' shareholding in our Company is as follows:

(i) Ashoka Investment Holdings Limited

Date of allotment/transfer of Equity Shares	Date of transaction and when made fully paid-up	Nature of transaction	No. of Equity Shares	Face value (₹)	Issue/ acquisition price per Equity Share (₹)
February 06, 2008	February 06, 2008	Preferential allotment	29,006	10	53,040.55
March 25, 2015	March 25, 2015	Capitalisation of reserves	16,749,446	10	-
September 25, 2015	September 25, 2015	Transfer of shares from NHAPL	480,656	10	0.00*
TOTAL			**17,259,108**		

* *These Equity Shares were acquired for an aggregate price of ₹1. This transfer is further to certain arrangements contemplated between the investor Selling Shareholders, our Promoters and our Company as contained in the Restated Shareholders' Agreement dated December 22, 2014. For details, see "**History and Certain Corporate Matters**" on page 139.*

(ii) Ambadevi Mauritius Holding Limited

Date of allotment / transfer of Equity Shares	Date of transaction and when made fully paid-up	Nature of transaction	No. of Equity Shares	Face value (₹)	Issue/ acquisition price per Equity Share (₹)

Date of allotment / transfer of Equity Shares	Date of transaction and when made fully paid-up	Nature of transaction	No. of Equity Shares	Face value (₹)	Issue/ acquisition price per Equity Share (₹)
February 06, 2008	February 06, 2008	Preferential allotment	8,701	10	53,040.55
March 25, 2015	March 25, 2015	Capitalisation of reserves	5,024,372	10	-
September 25, 2015	September 25, 2015	Transfer of shares from NHAPL	144,184	10	0.00*
TOTAL			**5,177,257**		

** These Equity Shares were acquired for an aggregate price of ₹1. This transfer is further to certain arrangements contemplated between the investor Selling Shareholders, our Promoters and our Company as contained in the Restated Shareholders' Agreement dated December 22, 2014. For details, see* ***"History and Certain Corporate Matters"*** *on page 139.*

(iii) JP Morgan Mauritius Holdings IV Limited

Date of allotment / transfer of Equity Shares	Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ acquisition price per Equity Share (₹)
February 06, 2008	February 06, 2008	Preferential allotment	37,707	10	53,040.55
March 25, 2015	March 25, 2015	Capitalisation of reserves	21,773,817	10	-
TOTAL			**21,811,524**		

(iv) Dr. Devi Prasad Shetty

For details of build up of the shareholding of Dr. Devi Prasad Shetty, see note 5(A) of this section, on page 76.

(v) Shakuntala Shetty

For details of build up of the shareholding of Shakuntala Shetty, see note 5(A) of this section, on page 76.

7. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category code	Category of Shareholder	Pre-Offer						Post-Offer				
		Number of Shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares pledged or otherwise encumbered	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares pledged or otherwise encumbered
					As a % of (A + B)	As a % of (A + B + C+ D)				As a % of (A + B)	As a % of (A + B + C + D)	
(A)	**Promoters and Promoter Group**											
(1)	**Indian**											
(a)	Individuals/ HUF	2	130,870,882	130,870,882	66.11	65.44	-	[●]	[●]	[●]	[●]	[●]
(b)	Central Government/ State Government(s)		-	-	-	-	-	[●]	[●]	[●]	[●]	[●]
(c)	Bodies Corporate	1	6,370,512	6,370,512	3.22	3.19	-	[●]	[●]	[●]	[●]	[●]
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]
(e)	Any Other (specify)	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]
	Sub-Total (A)(1)	3	137,241,394	137,241,394	69.33	68.62	-	[●]	[●]	[●]	[●]	[●]
(2)	**Foreign**							[●]	[●]	[●]	[●]	[●]
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]
(b)	Bodies Corporate	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]
(c)	Institutions	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]
(d)	Any Other (specify)	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]
	Sub-Total (A)(2)	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]
	Total Shareholding of Promoters and Promoter Group	3	137,241,394	137,241,394	69.33	68.62	-	[●]	[●]	[●]	[●]	[●]

Category code	Category of Shareholder	Pre-Offer						Post-Offer				
		Number of Shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares pledged or otherwise encumbered	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares pledged or otherwise encumbered
					As a % of (A + B)	As a % of (A + B + C+ D)				As a % of (A + B)	As a % of (A + B + C + D)	
	(A)= (A)(1)+(A)(2)											
(B)	Public shareholding							[•]	[•]	[•]	[•]	[•]
(1)	Institutions											
(a)	Mutual Funds/ UTI	-	-	-	-	-	-					
(b)	Financial Institutions/ Banks	-	-	-	-	-	-					
(c)	Central Government/ State Government(s)	-	-	-	-	-	-					
(d)	Venture Capital Funds	-	-	-	-	-	-					
(e)	Insurance Companies	-	-	-	-	-	-					
(f)	Foreign Portfolio Investors (including Foreign Institutional Investors)	-	-		-	-	-					
(g)	Foreign Venture Capital Investors	2	22,436,365	22,436,365	11.33	11.22	-					
(h)	Any Other (specify)	-	-	-	-	-	-					
	Sub-Total (B)(1)	2	22,436,365	22,436,365	11.33	11.22	-					
(2)	**Non-institutions**											
(a)	Bodies Corporate	2	33,576,570	33,576,570	16.96	16.78	-					
(b)	Individuals											
(i)	Individual Shareholders holding nominal share capital up to ₹ 1 lakh.	-	-	-	-	-	-					
(ii)	Individual Shareholders	1	4,705,671	4,705,671	2.38	2.35						

Category code	Category of Shareholder	Pre-Offer						Post-Offer				
		Number of Shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares pledged or otherwise encumbered	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares pledged or otherwise encumbered
					As a % of (A + B)	As a % of (A + B + C+ D)				As a % of (A + B)	As a % of (A + B + C + D)	
	holding nominal share capital in excess of ₹ 1 lakh.											
(c)	Any Other (specify)	-	-	-								
	Sub-Total (B)(2)	3	38,282,241	38,282,241	19.34	19.14						
	Total Public Shareholding (B)= (B)(1)+(B)(2)	5	60,718,606	60,718,606	30.67	30.36	-	[●]	[●]	[●]	[●]	[●]
	TOTAL (A)+(B)	8	197,960,000	197,960,000	100	98.98	-	[●]	[●]	[●]	[●]	[●]
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]
(1)	Promoters and Promoter Group	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]
(2)	Public	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]
(D)	**Non Promoter and Non Public (D)**	1	2,040,000	2,040,000	1.03	1.02	-	[●]	[●]	[●]	[●]	[●]
	TOTAL (A)+(B)+(C)+(D)	**9**	**200,000,000**	**200,000,000**	**100**	**100**	-	[●]	[●]	[●]	[●]	[●]

8. The details of the shareholding of our Promoters and the members of the Promoter Group as on the date of filing of this Draft Red Herring Prospectus:

S. No.	Name	No. of Equity Shares	Percentage (%)	
			Pre-Offer	Post-Offer
	Promoters			
1.	Dr. Devi Prasad Shetty	66,744,179	33.37	[●]
2.	Shakuntala Shetty	64,126,703	32.06	[●]
	Promoter Group			
3.	NHAPL	6,370,512	3.19	[●]
	TOTAL	**137,241,394**	**68.62**	[●]

9. The list of public Shareholders holding more than 1% of the pre-Offer paid up capital of our Company as on the date of filing of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the Shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	Percentage (%)	No. of Equity Shares	Percentage (%)
1.	Ashoka Holdings	17,259,108	8.63	[●]	[●]
2.	Ambadevi	5,177,257	2.59	[●]	[●]
3.	JPM	21,811,524	10.91	[●]	[●]
4.	CDC Group	11,765,046	5.88	[●]	[●]
5.	Kiran Mazumdar Shaw	4,705,671	2.35	[●]	[●]
	TOTAL	**60,718,606**	**30.36**	[●]	[●]

10. The list of top 10 Shareholders of our Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus, 10 days before the date of filing and two years prior the date of filing of this Draft Red Herring Prospectus are set forth below:

(a) The top 10 Shareholders as on the date of filing of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)	
			Pre-Offer	Post-Offer
1.	Dr. Devi Prasad Shetty	66,744,179	33.37	[●]
2.	Shakuntala Shetty	64,126,703	32.06	[●]
3.	JPM	21,811,524	10.91	[●]
4.	Ashoka Holdings	17,259,108	8.63	[●]
5.	CDC Group	11,765,046	5.88	[●]
6.	NHAPL	6,370,512	3.19	[●]
7.	Ambadevi	5,177,257	2.59	[●]
8.	Kiran Mazumdar Shaw	4,705,671	2.35	[●]
9.	Narayana Health Employees Benefit Trust*	2,040,000	1.02	[●]
	TOTAL	**200,000,000**	**100**	[●]

** Equity Shares held by Narayana Health Employees Benefit Trust are held in the name of one of its trustees, Murali Krishnan K. N.*

(b) The top 10 Shareholders 10 days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Dr. Devi Prasad Shetty	66,744,179	33.37
2.	Shakuntala Shetty	64,126,703	32.06
3.	JPM	21,811,524	10.91

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
4.	Ashoka Holdings	16,778,452	8.39
5.	CDC Group	11,765,046	5.88
6.	NHAPL	9,035,352	4.52
7.	Ambadevi	5,033,073	2.52
8.	Kiran Mazumdar Shaw	4,705,671	2.35
	TOTAL	**200,000,000**	**100**

(c) The top 10 Shareholders 2 years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Dr. Devi Prasad Shetty	115,385	35.46
2.	Shakuntala Shetty	110,860	34.07
3.	JPM	37,707	11.59
4.	Ashoka Holdings	29,006	8.91
5.	NHAPL	15,620	4.80
6.	Ambadevi	8,701	2.67
7.	Kiran Mazumdar Shaw	8,135	2.50
	TOTAL	**325,414**	**100**

11. Details of Equity Shares held by our Directors, Key Management Personnel and members of our Promoter Group

(a) Set out below are details of the Equity Shares held by our Directors, Promoters and Promoter Group in our Company as on the date of the Draft Red Herring Prospectus:

S. No.	Name	Designation	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	Dr. Devi Prasad Shetty	Promoter/Director	66,744,179	33.37	[●]
2.	Shakuntala Shetty	Promoter	64,126,703	32.06	[●]
3.	Kiran Mazumdar Shaw	Director	4,705,671	2.35	[●]
4.	NHAPL	Promoter Group	6,370,512	3.19	[●]
	TOTAL		**141,947,065**	**70.97**	**[●]**

(b) Set out below are details of the Equity Shares held by our Key Management Personnel in our Company:

S. No.	Name	Designation	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	Dr. Devi Prasad Shetty	Chairman and Executive Director	66,744,179	33.37	[●]

Except as stated above, none of our Directors, Key Management Personnel, Promoters or members of our Promoter Group holds any Equity Shares in our Company.

(c) Other than as set out below, none of the members of our Promoter Group, our Promoters or our Directors and their immediate relatives have purchased or sold any securities of our Company or any Subsidiaries during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI:

(i) NHAPL, our Promoter Group entity transferred the following Equity Shares*:

S. No.	Date of allotment/transfer	Number of Equity Shares	Face value (₹)	Issue / Transfer price per Equity Share (₹)	Nature of consideration	Reason for allotment / transfer	Allottees / transferees
1.	September 25, 2015	480,656	10	0.00**	Cash	Arrangement between Parties	Ashoka Holdings
2.	September 25, 2015	144,184	10	0.00**	Cash	Arrangement between Parties	Ambadevi
3.	September 25, 2015	2,040,000	10	10	Cash	Transfer of Equity Shares to set up NH ESOP, 2015	Narayana Health Employees Benefit Trust

** In addition NHAPL proposes to transfer, prior to the filing of the Red Herring Prospectus, 624,840 Equity Shares to JPMorgan Mauritius Holdings VIII Limited, in terms of a Share Purchase Agreement dated September 25, 2015.*
*** These Equity Shares were transferredfor an aggregate price of ₹1. This transfer is further to certain arrangements contemplated between the investor Selling Shareholders, our Promoters and our Company as contained in the Restated Shareholders' Agreement dated December 22, 2014. For details, see* ***"History and Certain Corporate Matters"*** *on page 139.*

12. Sale, purchase or subscription of our Company's securities by our Promoters, Promoter Group and our Directors within three years immediately preceding the date of this Draft Red Herring Prospectus, which in aggregate is equal to or greater than 1% of the pre-Offer capital of our Company is as follows:

S.No.	Date of allotment	Number ity Shares	Face value (₹)	Issue / Transfer price per Equity Share (₹)	Nature of consideration	Reason for allotment / transfer	Allottees / Transferee	Relationship of allotee	Transferor	Relationship of Transferor
1.	March 25, 2015	66,628,794	10	–	Capitalisation of reserves	Bonus issue	Dr. Devi Prasad Shetty	Director and Promoter	-	
2.	March 25, 2015	64,015,843	10	–	Capitalisation of reserves	Bonus issue	Shakuntala Shetty	Promoter	-	
3.	March 25, 2015	9,019,732	10	–	Capitalisation of reserves	Bonus issue	NHAPL	Promoter Group	-	
4.	March 25, 2015	4,697,536	10	–	Capitalisation of reserves	Bonus issue	Kiran Mazumdar Shaw	Director	-	
5.	September 25, 2015	2,040,000	10	10	Cash	Transfer for the purpose of setting up NH ESOP, 2015	Narayana Health Employees Benefit Trust	-	NHAPL	Promoter Group
6.	September 25, 2015	480,656	10	0.00(1)	Cash	Arrangement between Parties	Ashoka Holdings	-	NHAPL	Promoter Group
7.	September 25, 2015	144,184	10	0.00(1)	Cash	Arrangement between Parties	Ambadevi	-	NHAPL	Promoter Group

(1) The aggregate consideration paid for the transfer of the Equity Shares by the transferee was ₹1.

13. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates do not hold any Equity Shares in our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

14. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.

15. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

16. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoters to the persons who receive Allotments.

17. Our Company has not issued any Equity Shares out of revaluation reserves for consideration other than cash since our incorporation.

18. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is nine.

19. Neither our Company nor our Directors have entered into any buy-back and/ or standby arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back and/ or standby arrangements for purchase of Equity Shares from any person.

20. All Equity Shares issued pursuant to the Offer shall be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.

21. Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

22. Except for the Equity Shares Offered by our Promoters, our Promoters, Promoter Group and Group Companies will not participate in the Offer.

23. There have been no financing arrangements whereby our Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

24. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further Offer of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any options or similar securities and issue of Equity Shares through Narayana Hrudayalaya Employees Stock Option Plan, 2015 ("**NH ESOP, 2015**"), as disclosed in this Draft Red Herring Prospectus and as will be disclosed in the Red Herring Prospectus and the Prospectus, provided they have been approved by our Board.

25. In terms of Rule 19(2)(b)(iii) of the SCRR, this is an Offer for atleast 10% of the post-Offer capital of our Company. The Offer is being made under Regulation 26(1) of the SEBI ICDR Regulations and through a Book Building Process wherein 50% of the Offer shall be Allotted on a proportionate basis to QIBs. Our Company may, in consultation with the Selling Shareholders and BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third shall be available for allocation to domestic Mutual Funds only. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

26. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of the Selling Shareholders, in consultation with our Company, BRLMs and the Designated Stock Exchange. The unsubscribed portion if any, after such inter-se adjustments among the reserved categories shall be

added back to the offer to the public portion. In case of under-subscription in the offer to the public portion, spill-over to the extent of under-subscription shall be permitted from the reserved category to the public portion.

27. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

28. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of the Red Herring Prospectus with RoC and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.

29. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, the Directors, the Promoters, members of our Promoter Group and Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

30. Our Company has adopted the NH ESOP, 2015 on September 07, 2015, pursuant to the Board and Shareholders' resolutions of September 12, 2015. The purpose of the NH ESOP, 2015 was to, inter alia, enable our Company, its Subsidiaries, and associates to attract, retain and reward appropriate human talent. Our Company shall grant such number of options convertible into Equity Shares as may be determined by the Nomination and Remuneration Committee after the date of the Draft Red Herring Prospectus. The Red Herring Prospectus will be updated for any options that may be granted until the date of the Red Herring Prospectus. Our Company may grant options under NH ESOP, 2015 in one or more tranches, to the employees, with each such option conferring a right upon the employee to apply for one Equity Share of our Company, in accordance with the terms and conditions of such issue. The maximum aggregate number of Equity Shares in respect of which the options may be granted under the NH ESOP, 2015 is 2,040,000 Equity Shares, out of which 826,180 Equity Shares will form part of first grant and 1,213,820 Equity Shares will form part of the future grants.

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>Nil</td></tr>
<tr><td>Pricing formula</td><td>The Option will be granted at face value of ₹ 10 per equity share. The number of Options to be granted to each eligible employee will be determined by his length of service and current responsibility handled and future potential contribution.</td></tr>
<tr><td>Vesting period</td><td>ESOP vests over a period of four year as below:
<table>
<tr><th>Vesting Schedule</th><th>Percentage of Options Granted</th></tr>
<tr><td>1st anniversary from date of Grant</td><td>10%</td></tr>
<tr><td>2nd anniversary from date of Grant</td><td>20%</td></tr>
<tr><td>3rd anniversary from date of Grant</td><td>30%</td></tr>
<tr><td>4th anniversary from date of Grant</td><td>40%</td></tr>
</table>
All vested Options shall be respectively exercised in one or more tranches within a period of 4 (four) years from the date of first Vesting, failing which the Options shall lapse.</td></tr>
<tr><td>Options vested (excluding the options that have been exercised)</td><td>Nil</td></tr>
<tr><td>Options exercised</td><td>Nil</td></tr>
</table>

The total number of shares arising as a result of exercise of options (including options that have been exercised)	Not Applicable
Options forfeited/lapsed/cancelled	Not Applicable
Variation of terms of options	Not Applicable
Money realized by exercise of options	Not Applicable
Total number of options in force	Nil
Employee wise details of options granted to: (i) Directors/Senior management personnel	 Nil
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil
(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
Fully diluted EPS pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard 20 'Earnings Per Share'	Not Applicable
Lock-in	The Equity Shares arising out of the exercise of the vested Options would not be subject to any lock-in-period after such exercise.

Difference, if any, between employee compensation cost calculated according using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of the Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Not Applicable
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	Not Applicable
Description of the method and significant assumptions used to estimate the fair value of options granted during the year	Not Applicable
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Not Applicable
Intention to sell Equity Shares arising out of the NH ESOP 2015 within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the NH ESOP 2015, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Not Applicable

Impact on the profits and on the Earnings Per Share of the last three years if the issuer had followed the accounting policies specified in clause 13 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of options granted in the last three years.	Not Applicable

Except the 10 million OCDs of a face value of ₹ 100 each held by CDC IOL, there are no outstanding convertible securities or any other right which would entitle any person to any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus which shall be converted into Equity Shares before filing the Red Herring Prospectus.

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the sale of 20,436,081 Equity Shares by the Selling Shareholders. Further, our Company expects that the listing of the Equity Shares will enhance our visibility and brand image among our existing and potential clients and provide liquidity to the existing shareholders. Our Company will not receive any proceeds of the Offer and all the proceeds will go to the Selling Shareholders.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, as applicable. The estimated Offer expenses are as follows:

(₹in million)

Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to the BRLMs	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Registrar	[●]	[●]	[●]
Underwriting commission, fees payable to the Bankers to the Offer, brokerage and selling commission, as applicable**	[●]	[●]	[●]
Brokerage and selling commission payable to Registered Brokers**	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs**	[●]	[●]	[●]
Others (listing fees, legal fees, etc.)	[●]	[●]	[●]
Total estimated offer expenses	[●]	[●]	[●]

**Will be incorporated at the time of filing of the Prospectus.*
*** Disclosure of commission and processing fees will be incorporated at the time of filing the Red Herring Prospectus.*

The listing fees in relation to the Offer shall be borne by the Company and all other expenses shall be borne by each of the Selling Shareholders in proportion to the Equity Shares contributed to the Offer.

Monitoring of Utilization of Funds

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

BASIS FOR OFFER PRICE

The Offer Price will be determined by the Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections "***Our Business***", "***Risk Factors***" and "***Financial Statements***" beginning on pages 114, 17 and 191, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

A. Pan-India network with a strong presence in Karnataka and eastern India;

B. Pre-eminence in cardiac and renal sciences and strong capabilities in other specialties;

C. Highly recognised brand with a reputation for clinical excellence and affordable healthcare;

D. Effective model of capital deployment to achieve growth;

E. Ability to attract high quality doctors and medical support staff;

F. Experienced management team with a strong execution track record; and

G. Track record of operational and financial performance.

For further details, see section "***Our Business – Our Competitive Strengths***" beginning on page 116.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Consolidated Summary Statements and Restated Standalone Summary Statements prepared in accordance with Indian GAAP, the Companies Act, 1956 and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations.

For details, see section "***Financial Statements***" beginning on page 114.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings/loss Per Share ("EPS") on consolidated basis:

Financial Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in₹)	Weight
March 31, 2015	(0.57)	3	(0.57)	3
March 31, 2014	1.68	2	1.68	2
March 31, 2013	1.32	1	1.32	1
Weighted Average	**0.50**		**0.50**	

Notes:

1. EPS calculations are in accordance with Accounting Standard 20 – Earning per share, prescribed under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2. Basic earnings/(loss) per share (INR) = Net profit/(loss) as per Restated Consolidated Summary Statement of profit and loss/ Weighted average number of equity shares outstanding during the year considered for calculating basic earnings per share.

3. Dilutive earnings/(loss) per share (INR) = Net profit after tax attributable to equity shareholders(including dilutive potential equity shares) / Weighted average number of equity shares outstanding during the year considered for calculating dilutive earning per share.

4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

5. For the purposes of computation of basic, diluted earnings/(loss) per share the Equity Shares as at March 31, 2015 and for the all the years presented are adjusted for such bonus shares.

B. Basic and Diluted Earnings Per Share ("EPS") on standalone basis:

Financial Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2015	1.51	3	1.51	3
March 31, 2014	1.91	2	1.91	2
March 31, 2013	0.98	1	0.98	1
Weighted Average	**1.56**		**1.56**	

Notes:

1. EPS calculations are in accordance with Accounting Standard 20 – Earnings per share, prescribed under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2. Basic earnings/(loss) per share (INR) = Net profit/ as per Restated Standalone Summary Statement of profit and loss/ Weighted average number of Equity Shares outstanding during the year considered for calculating basic earnings per share.

3. Dilutive earnings/ per share (INR) = Net profit after tax attributable to equity shareholders (including dilutive potential equity shares) / Weighted average number of equity shares outstanding during the year considered for calculating dilutive earning per share.

4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

   For the purposes of computation of basic, diluted earnings/ per share the Equity Shares as at March 31, 2015 and for the all the years presented are adjusted for such bonus shares.

C. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on basic/ diluted EPS as per the Restated Standalone Summary Statements for the year ended March 31, 2015	[●]	[●]
Based on basic/ diluted EPS as per the Restated Consolidated Summary Statements for the year ended March 31, 2015	[●]	[●]

D. Industry P/E ratio

Industry P/E*	P/E at the lower end of the Price Band (no. of times)

Industry P/E*	P/E at the lower end of the Price Band (no. of times)
Highest	62.88
Lowest	–
Industry Composite	62.88

* *Source: For Industry P/E, P/E figures for the peers are computed based on closing market price as on September 24, 2015, of Apollo Hospitals Enterprise Limited and Fortis Healthcare Limited as 1,409.05 and ₹ .173.60 per equity share, respectively, at NSE, (available at www.nseindia.com) divided by Basic EPS (on consolidated basis) based on the annual reports of such companies for the Fiscal Year 2015.*

E. Return on Net Worth ("RoNW")

On consolidated basis –

Financial Year ended	RoNW (%)	Weight
March 31, 2015	(1.42)	3
March 31, 2014	5.46	2
March 31, 2013	4.53	1
Weighted Average	**1.87**	

RoNW (%) = Net profit/(loss) as per Restated Consolidated Summary Statements of profit and loss/ Restated net worth at the end of the year.

On standalone basis –

Financial Year ended	RoNW (%)	Weight
March 31, 2015	3.65	3
March 31, 2014	6.32	2
March 31, 2013	3.46	1
Weighted Average	**4.51**	

RoNW (%) = Net profit as per Restated Standalone Summary Statements of profit and loss/ Restated net worth at the end of the year.

F. Minimum Return on Total Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2015

There will be no change in the Net Worth post Offer as the Offer is by way of Offer for Sale by the Selling Shareholders.

G. Net Asset Value per Equity Share

Financial Year ended	(₹)
March 31, 2015 (on consolidated basis)	38.24
March 31, 2015 (on standalone basis)	39.56
Offer price	[•]

Net asset value per share (INR) = Restated net worth at the end of the year / Total number of Equity Shares outstanding at the end of the year. There will be no change in the net asset value per Equity Share post-Offer as the Offer is by way of Offer for Sale by the Selling Shareholders.

H. Comparison with Listed Industry Peers

Following is the comparison with our peer group that has been determined on the basis of listed public companies comparable in size to our Company or whose business portfolio is comparable with that our business:

Name of the company	Revenue from operations (₹ in million)	Face value per Equity Share (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)

Name of the company	Revenue from operations (₹ in million)	Face value per Equity Share (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
Company*	13,638.51	10	[•]	(0.57)	(1.42)	38.24
Peer Group						
Apollo Hospitals Enterprise Limited**	51,784.53	5	62.88	22.41	10.72%	227.87
Fortis Healthcare Limited**	39,658.62	10	- (1)	-(1)	-(1)	87.46

* *Based on Restated Consolidated Summary Statements as on and period ended March 31, 2015*
** *Based on consolidated financials; source: Annual Report, Fiscal 2015*
(1) *Not applicable as the said company has incurred loss for the period ending March 31, 2015.*

(a) Return on Net Worth is calculated as Net Profit for the year divided by Shareholders Fund (share capital plus reserves and surplus).
(b) Net Asset Value per share is calculated as Shareholders Fund divided by paid-up number of shares of the company.
* *Source: For Industry P/E, P/E figures for the peers are computed based on closing market price as on September 24, 2015, of Apollo Hospitals Enterprise Limited and Fortis Healthcare Limited as 1,409.05 and ₹ .173.60 per equity share, respectively, at NSE, (available at www.nseindia.com) divided by Basic EPS (on consolidated basis) based on the annual reports of such companies for the Fiscal Year 2015.*

I. The Offer price will be [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by each of the Selling Shareholders acting individually, in consultation with the BRLMs, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with sections "***Risk Factors***" and "***Financial Statements***" beginning on pages 17 and 191, respectively, to have a more informed view.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The Board of Directors
Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)
No. 258/A, Bommasandra Industrial Area
Anekal Taluk
Bengaluru – 560 099

Dear Sirs

Subject: Statement of possible special tax benefits ('the Statement') available to Narayana Hrudayalaya Limited *(formerly known as Narayana Hrudayalaya Private Limited)* (the 'Company') and its Shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')

We hereby report that the enclosed Annexure prepared by the Company, states the possible special tax benefits available to the Company and to its Shareholders under the Income Tax Act, 1961 and Income Tax Rules, 1962 (together "tax laws") presently in force in India. These benefits are dependent on the Company or its Shareholders, as applicable, fulfilling the conditions prescribed under the relevant provisions of the applicable tax laws. Hence, the ability of the Company or its Shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives, the Company or its Shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available and do not cover any general tax benefits available to the Company and to its Shareholders. Further, the preparation of the enclosed Statement and its contents is the responsibility of the Management of the Company. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares ("the Issue") by the Company.

We do not express any opinion or provide any assurance as to whether:

- The Company or its Shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been/ would be met with.

The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing tax laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

The enclosed annexure is intended solely for your information and for inclusion in the Draft Red Herring Prospectus in connection with the Issue in India and is not to be used, referred to or distributed for any other purpose without our prior written consent.

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Sunil Gaggar
Partner

Membership number: 104315

Place: Bengaluru
Date: 23 September 2015

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Income Tax Act, 1961 and Income Tax Rules, 1962 (together "tax laws") in force in India.

Special tax benefits available to the Company

1. The Company will be entitled to claim a deduction in respect of capital expenditure incurred for any purposes of specified business carried on by it as per Section 35AD of the Income-tax Act, 1961.

   Specified business for the purpose of Section 35AD includes building and operating of a new hospital with a minimum capacity of 100 beds on or after 1 April 2010.

2. The Company will be entitled to claim a deduction in respect of profits derived from the eligible business as specified in sub-section (7) of Section 80-IE of the Income-tax Act,1961.

   Eligible business for the purpose of sub-section (7) of Section 80-IE includes providing medical and health services in the nature of nursing home with a minimum capacity of 25 beds which is started during the period 01 April 2007 to 31 March 2017 and is set up in the North Eastern states of India.

Special tax benefits available to the Shareholders of the Company

There are no special tax benefits available to the Shareholders of the Company.

Note:

All the above benefits are as per the applicable tax laws subject to any change or amendment in the tax laws/regulation, which when implemented will impact the same.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information contained in this section is derived from several industry sources. Certain information contained in this section is derived from the report "Report on Healthcare Delivery Sector in India" by CRISIL Limited, dated June 2015 ("**CRISIL Report**"), certain official publications of the World Health Organization ("**WHO**"), statistics published by governmental agencies and other third party sources available in the public domain. Information in the CRISIL Report is based on information obtained by CRISIL from sources which CRISIL has considered reliable. References to CRISIL should not be considered as CRISIL's opinion as to the value of any security or the advisability of investing in us. The WHO relies on a number of external sources for its data, including Indian government-published statistics and information and academic literature. Neither we nor any other person connected with the Offer has independently verified information contained in this section. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Unless otherwise specified, references to years in this section are to calendar years. We have used these information for the purposes of this Draft Red Herring Prospectus. We have not commissioned any other report other than CRISL Report, certain official publications of WHO and statistics published by governmental agencies and other third party sources available in the public domain for the purposes of this Draft Red Herring Prospectus.*

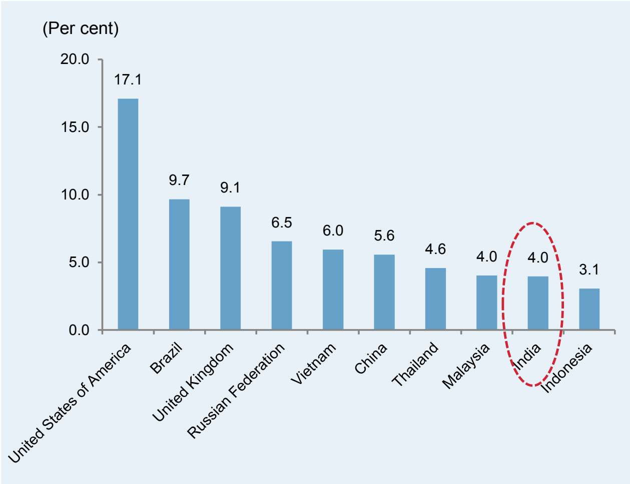
Overview of the healthcare delivery industry

India is the world's tenth largest economy in terms of nominal gross domestic product ("**GDP**") with a GDP of USD 1.9 trillion and accounts for approximately 20.00% of the world's population with 1.2 billion inhabitants *(Source: CRISIL Report)*. The population is expected to reach 1.4 billion by 2026, of which over 50% would be aged 30 years or older, compared to 40.00% currently. According to WHO estimates, approximately 9.8 million deaths occurred in 2012 in India, of which 60.00% were on account of non-communicable diseases ("**NCDs**") and nearly 17.00% were caused due to cardiovascular diseases. While progress has been made in the past decade in improving the quality of healthcare services in India, the overall standard of healthcare infrastructure falls below global benchmarks. CRISIL believes the role of a robust healthcare delivery system in driving inclusive growth in India will be critical, and the large unmet medical needs of its growing and ageing population presents a significant market opportunity for healthcare services providers that are able to provide high quality, affordable care to the broader population.

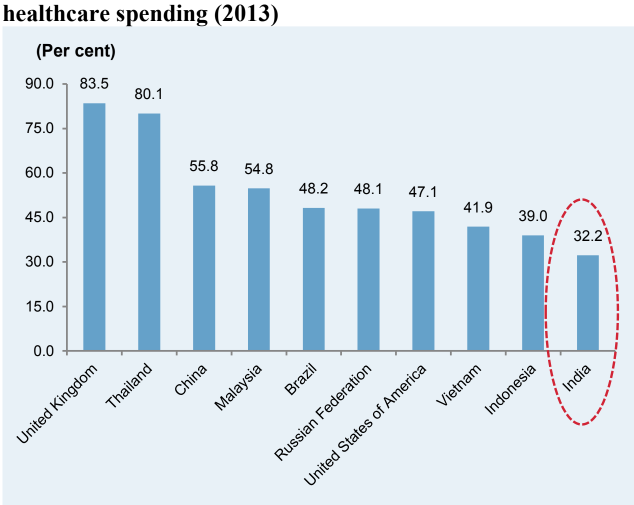
The healthcare delivery industry in India consists of a range of medical practitioners, beginning with grassroots level physicians practicing traditional or indigenous forms of medicine (such as Ayurveda), independent practitioners with clinics of varying sizes and capabilities, and hospitals that are multi-disciplinary or specialty-focussed. The availability of specialised healthcare services is largely demography driven. Large urban centres with higher population densities typically have multispecialty tertiary care hospitals, while smaller cities and towns tend to have hospitals with capabilities in basic diagnostics and routine medical procedures but refer tertiary care needs to hospitals in larger cities.

India's total expenditure on healthcare was 4.00% of its GDP in 2013 (*Source: WHO's Global Healthcare Expenditure Database*). Except with respect to select health programmes, the private sector dominates the provision of personal medical care in India with 80.00% of all out-patient care and 60.00% of all in-patient care being provided by the private sector (*Source: WHO Strategy Report*). As of 2013, government spending on healthcare in proportion to total spending on healthcare was only 32.20% (*Source: WHO's Global Healthcare Expenditure Database*).

Total healthcare expenditure as a % of GDP (2013)



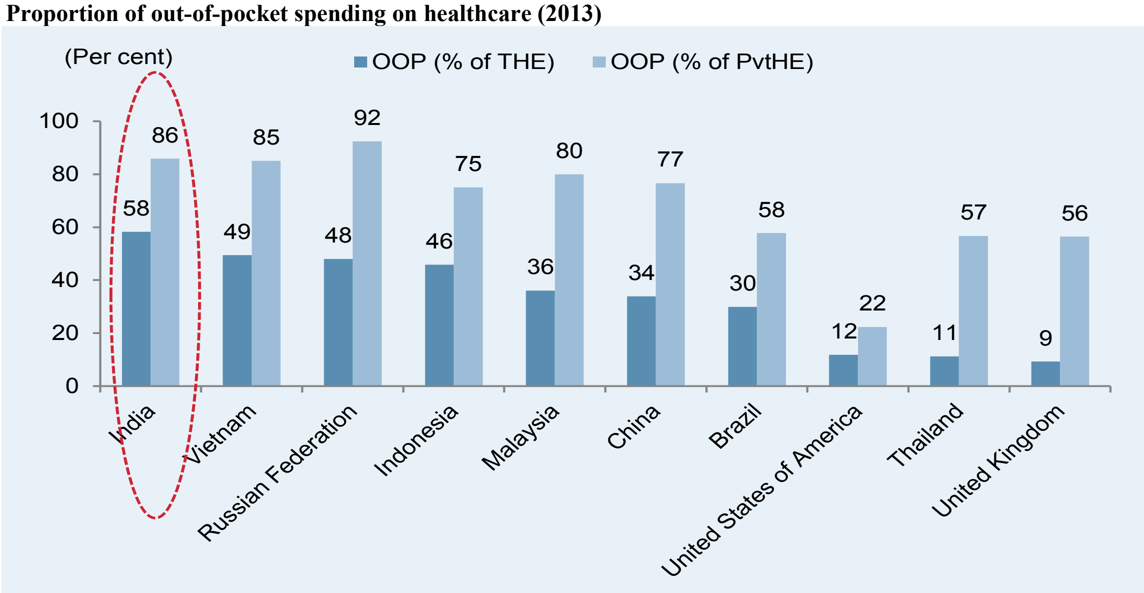
Government spending on healthcare as a % of total healthcare spending (2013)



Source: WHO Global Healthcare Expenditure Database

A key concern India faces is the affordability of healthcare by a vast majority of its population. According to the WHO, while 58.00% of the total healthcare expenditure in India is borne by consumers directly (without insurance coverage or reimbursements), this proportion rises to 86.00% in case of private healthcare services. This has however reduced over the last decade and out-of-pocket expenses have reduced from 70.00% in 2003 to 58.00% in 2013.

Proportion of out-of-pocket spending on healthcare (2013)



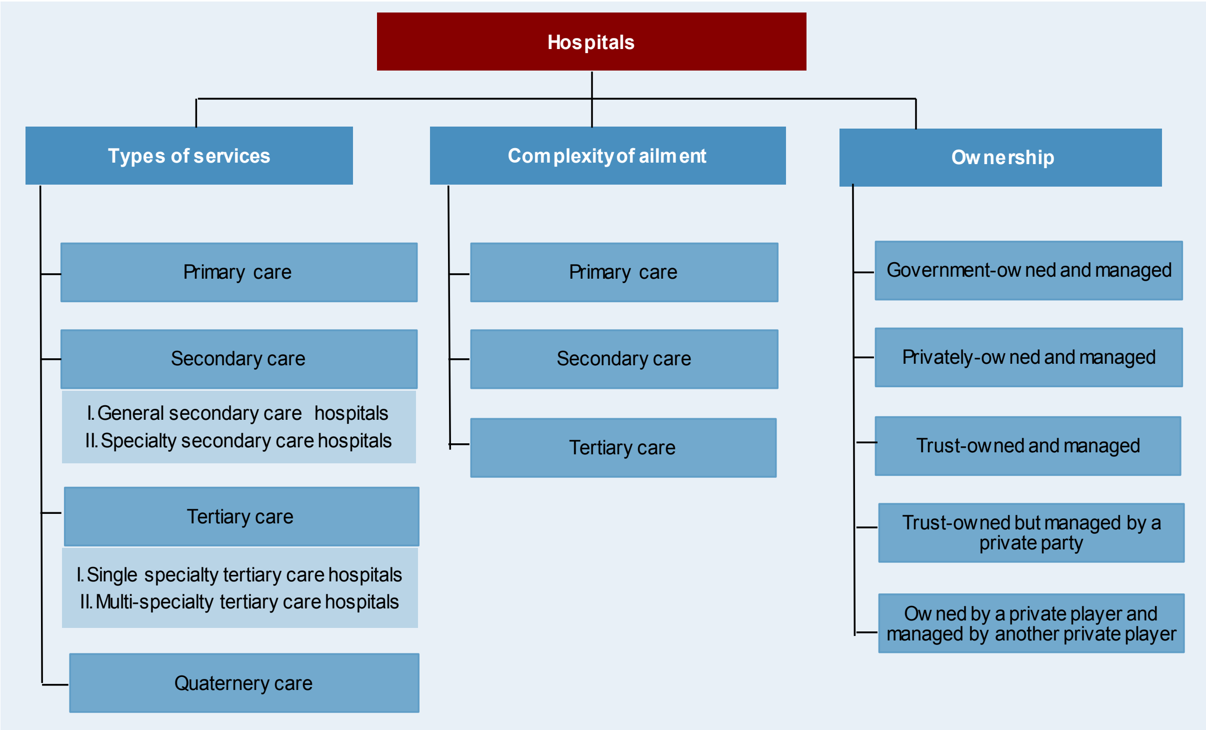
Note: OOP: Out of Pocket expenditure; THE: Total Healthcare Expenditure; PvtHE: Private Healthcare Expenditure
Source: WHO Global Healthcare Expenditure Database

Urban areas in India are materially better served than rural areas in terms of distribution of medical personnel per capita. The proportion in urban to rural areas is approximately 1.3 to 0.39 doctors, 4.2 to 1.18 total health workers, and 1.59 to 0.41 nurses and midwives, respectively (*Source: WHO Strategy Report*). India's overall bed density is seven per 10,000 persons (compared to a global median of 27), with a bed density of two in rural areas and 25 in urban areas (*Source: CRISIL Report*).

CRISIL estimates the size of the Indian healthcare delivery industry at 3,400 million treatments in volume terms and ₹ 3.8 trillion in value terms in the year 2014-15. The healthcare delivery industry in India is estimated to have grown at a CAGR of approximately 14-15% in value terms over the last five years (*Source: CRISIL Report*). CRISIL expects the healthcare delivery market to grow at a CAGR of 12.00% and reach ₹ 6.8 trillion by the year 2019-2020, driven by population growth, rising income levels, and increase in lifestyle-related diseases, amongst other factors.

Structure of the healthcare delivery industry

Hospitals can be broadly classified on the basis of the services offered, complexity of ailments treated, and the ownership model:



Source: *CRISIL Report*

Classification of hospitals based on services offered

Primary care/ dispensaries/ clinics

Primary care facilities are mainly out-patient units that offer basic, point of contact medical and preventive healthcare services. These units do not have ICUs or operation theatres, but act as the primary point of contact in the healthcare system, providing routine health screenings and vaccinations. Primary care centres also act as feeders for secondary care or tertiary hospitals, where patients are typically referred to for treating chronic ailments.

Secondary care

Secondary care facilities diagnose and treat ailments that cannot be treated in primary care facilities. These act as the second point of contact in the healthcare system. There are two types of secondary care hospitals – general and specialty care.

- *General secondary care hospitals:* A general secondary care hospital is the first hospital a patient approaches for common ailments. It typically attracts patients staying within a radius of 30 kilometres. The essential medical specialties in general secondary care hospitals include internal medicine, general surgery, obstetrics and gynaecology, paediatrics, ear-nose-throat, orthopaedics, and ophthalmology. Such hospitals typically have one central unit, a radiology unit, and an emergency care department. Generally, secondary care hospitals have 50-100 in-patient beds, a tenth of which are in the ICU. The remaining beds are equally distributed between the general ward, semi-private rooms, and single rooms.

- *Specialty secondary care hospitals:* These hospitals are typically located in district centres, treating patients living within a radius of 100-150 kilometres. These hospitals usually have 100-300 in-patient beds, 15.00% of which are reserved for critical care units. The balance is typically skewed towards private beds rather than general ward beds. Apart from the medical facilities offered by a general secondary care hospital, specialty secondary care hospitals treat basic ailments related to certain specific specialities such as cardiology, neurology etc. These hospitals may also offer some surgical specialties, but these are optional, albeit desirable, for such a hospital. Diagnostic facilities in a specialty secondary care hospital include a radiology department, a biochemistry laboratory, a haematology laboratory, a microbiology laboratory, and a blood bank. The hospital also has a separate physiotherapy department.

Tertiary care

- *Single-specialty tertiary care hospitals:* Tertiary care hospitals provide advanced diagnostic services and treatments. A single-specialty tertiary care hospital mainly caters a particular ailment, such as cardiac ailments and cancers.

- *Multispecialty tertiary care hospitals:* Multispecialty tertiary care hospitals offer all medical specialties under one roof and treat complex cases such as multi-organ failure, and high-risk and trauma cases. Most of these hospitals derive a majority of their revenue through referrals. Typically, such hospitals are located in state capitals or metropolitan cities and attract patients staying within a 500 kilometre radius and have over 200 in-patient beds. About one-fourth of the total beds are reserved for patients in need for critical care. The medical specialties offered include cardio-thoracic surgery, neurosurgery, nephrology, surgical oncology, neonatology, endocrinology, plastic and cosmetic surgery, and nuclear medicine. In addition, the hospitals have a histopathology laboratory and an immunology laboratory as a part of its diagnostic facilities.

Quaternary care

Quaternary care facilities are similar to tertiary care facilities and focus on superspecialty surgical procedures, such as cardiac, neurological and joint-replacements. These facilities may also offer experimental medicine as well some types of specialised diagnostic and surgical procedures.

The classifications of hospitals based on facilities and services typically offered are summarised below:

Classification* of hospitals by services rendered

Parameter	Primary care	Secondary care	Tertiary care
Services	Provides all services as required for the first point of contact	Provides all services as required	Provides all possible services as required, including provision for experimental therapeutic modalities and orgainsed research in chosen specialities
Multi-disciplinary	Yes	Yes	Single speciality or multi-speciality
Type of service	Only medical services and excludes surgical services	Overall medical and surgical services	Complex surgicals with sophisticated equipment
Type of patient	Only out-patient	In-patient and out-patient	Primarily in-patient
Casualty department	Typically no	Yes	Yes
Emergency department	Typically no	Yes	Yes
Resuscitative services	Basic	Comprehensive	Advanced
Diagnostic service	Basic	Advanced	Advanced with state-of-the-art technologies
Imaging department	X-ray	Specialised radiography, computerised radiological tomography and sonography with Doppler studies	Advanced with state-of-the-art technologies
Support to	All non-institutional healthcare providers	All non-institutional healthcare providers and all dependent primary care hospitals	All non-institutional healthcare providers and all dependent primary care/secondary hospitals
Dependent on	Secondary and Tertiary care hospitals for further diagnosis and support.	Tertiary care hospital for diagnostic and therapeutic support on referral and for patient transfer	Tertiary care/secondary hospital for referrals for its workload If direct interaction with patients (without referrals), it must provide a multi-speciality screening OPD and an appropriate defined secondary care unit with 90 minutes of ambulance travel time
Investment	Low	Medium	High

* The classification is based on facilities and services offered by the hospitals typically.
Source: CRISIL Report

Classification of hospitals based on complexity of ailment

The classifications of hospitals based on complexity of ailment typically being treated are set out below:

Classification of healthcare services based on complexity of ailment

Ailment	Primary	Secondary	Tertiary
Acute infections	Fever	Typhoid/Jaundice	Hepatitis B, C
Accidents/Injuries	Dressing	Fracture	Knee/Joint replacements/ Brain hemorrhage
Heart diseases	High cholesterol	Strokes	Cardiac arrest/Heart attacks Heart transplantations Heart defects like hole in the heart
Maternity	Diagnosis / Checkups	Normal delivery/ Caesarean	Normal delivery / Caesarean Complexities arising post delivery such as neonatal meningitis
Cancer	Lump Diagnosis / Checkups	Tumour	Medical, surgical and radiation therapy

Source: CRISIL Report

Revenue and cost structure of hospitals

Revenues

The primary revenue streams for hospitals are the IPD and OPD. IPD accounts for approximately 81.00% of the healthcare delivery industry, or ₹ 3.1 trillion, in 2014-15, while OPD accounts for the remaining 19.00%, or ₹ 0.7 trillion (*Source: CRISIL Report*).

While surgeries account for a large portion of revenues for most hospitals, the share of different verticals in total revenues differs across hospitals, depending on pricing strategies and the emphasis on different specialties. In certain hospitals, facilities like diagnostic centres and pharmacies are outsourced.

Occupancy level is one of the key operating metrics dictating a hospital's financial health. Given the high fixed costs (such as in equipment, beds and other infrastructure), occupancy levels need to be commensurate to expenditure incurred for a hospital to break-even. According to CRISIL's estimates, large hospitals typically operate at 65-70% occupancy levels. Directly linked to occupancy levels in hospitals is the ALOS. Hospitals generally aim to operate at a high occupancy level and short ALOS, which would enable them to record higher utilisation levels and ensure that more patients are treated at the same time. Indicative ailment-wise ALOS are set out below:

Ailment-wise length of stay

Ailment	ALOS	Remarks
Cardiac	5 days	In complex surgical cases ALOS is 7-8 days Angiography - day care and angioplasty - 2 days
Orthopaedics	3-4 days	-
Oncology	5-6 days	Hospitalization is for surgical cases only. For chemotherapy there are day care beds and for radiotherapy no stay is required
Neurosurgery	8-10 days	Would vary on a case-to-case basis, depending on the complexity of the case
Ophthalmology	1 day	Day-care

Source: CRISIL Report

According to CRISIL's estimates, cardiac care has the highest average realisation per patient. Indicative ailment-wise realisations for key procedures are set out below:

Ailment	Average realisation per patient (Rs)
Cardiac	200,000-300,000
Orthopaedics	100,000-200,000
Ophthalmology	15,000-17,000
Oncology	70,000-100,000
Neurosurgery	100,000-150,000

Source: CRISIL Report

Indicative costs for key procedures

Ailment	Procedure	Cost (Rs)
Cardiac	Angiography	12,000-14,000
	Angioplasty (without Stent)	65,000-75,000
	Coronary bypass and other cardiothoracic surgeries	3,00,000-4,00,000
Orthopaedics	Total Hip Replacement	1,50,000-2,00,000
	Total Knee Replacement	1,00,000-1,50,000
Ophthalmology	Cataract extraction	13,000-15,000
	Glaucoma surgery	16,000-18,000
Oncology	IMRT(Intensity Modulated radiotherapy)	1,25,000-1,50,000
	IGRT(Image guided radiotherapy)	1,75,000-2,00,000
Neurosurgery	Craniotomy and Evacuation of Haematoma	85,000-1,10,000
	Excision of Brain Tumours	1,85,000-2,10,000

Source: CRISIL Report. Treatment costs are indicative; weighted average for cost of treatments in government and private hospitals

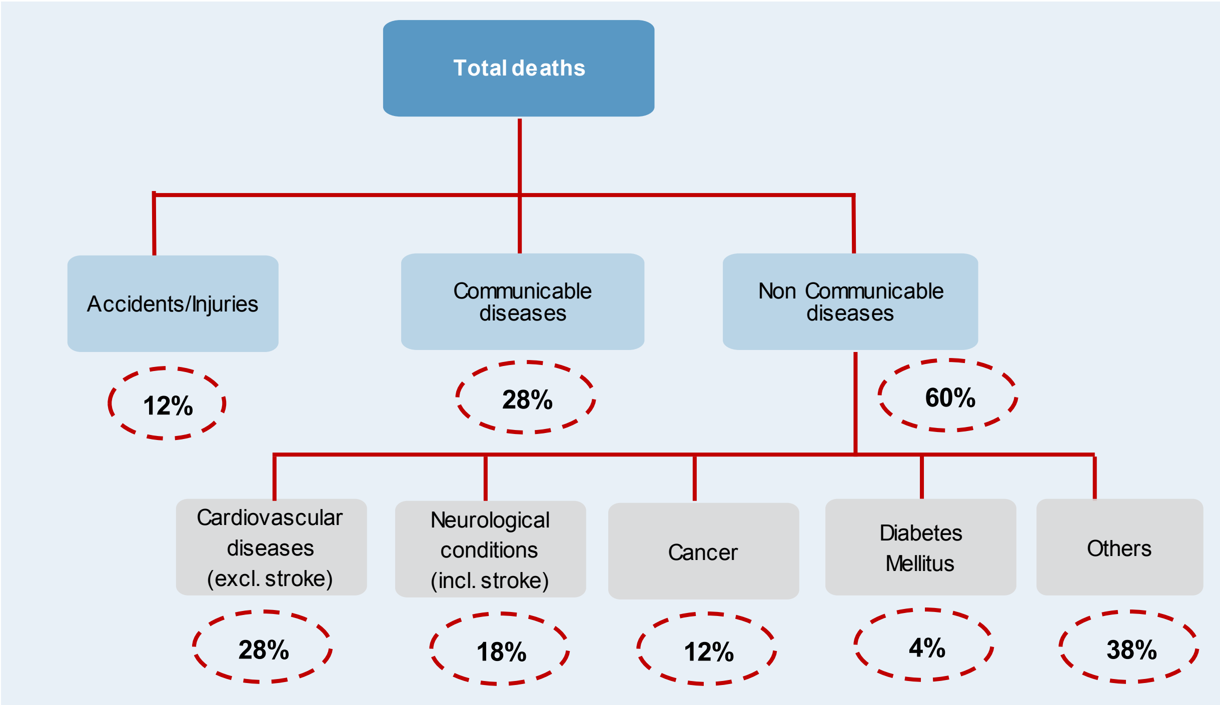
Costs

In addition to the operating expenditure that hospitals incur, a key cost factor in a hospital is the initial capital outlay required, particularly for land and building development and equipment. The capital cost to build a hospital is typically ₹ 7-8 million per bed (for a typical 200 bed multispecialty hospital, excluding land costs) (*Source: CRISIL Report*). While costs for secondary-care hospitals are lower, high technology and equipment costs keep total capital costs for superspecialty tertiary care hospitals at the higher end. The use of imported equipment can further drive up equipment costs.

Non-communicable disease and their potential to contribute to growth

According to the WHO, approximately 9.8 million deaths occurred in 2012 in India, of which 60.00% were on account of NCDs, compared to 48.00% in the year 2000. This increasing burden of NCDs can be largely attributed to lifestyle changes driven by rapid urbanisation, higher household income levels, and increasingly sedentary lifestyle, amongst other factors. The main causes of deaths in India in 2012 are set out below:

Causes of death in India (2012)



Source: WHO Department of Health Statistics and Information Systems

***Cardiovascular diseases*[20]**

Heart diseases typically occur primarily due to lifestyle-related factors (driven by urbanisation, increasing household income levels), as well as genetic causes (congenital heart defects) or other ailments like rheumatic fever (which when sustained during childhood increases the risk of developing heart valve diseases in adulthood). Cardiovascular diseases (excluding strokes) accounted for nearly one-third of all NCD related deaths. Responsible for killing nearly 1.7 million people of the overall 9.8 million deaths in India, cardiovascular diseases have the dubious distinction of being the largest killer in India.

According to WHO estimates, cardiovascular diseases accounted for nearly 17.00% of the overall 9.8 million deaths in India in 2012. In the age group of 60 years and above, cardiovascular diseases accounted for nearly one-quarter of all the deaths. CRISIL estimates that of the overall healthcare delivery market in India in 2014-15, cardiac care accounts for approximately 14-15% (translating to ₹ 550,000 million). According to the study published by National Commission on Macroeconomics and Health ("**NCMH**"), people suffering from coronary artery disease (a condition in which fatty deposits build up in the inner walls of coronary arteries supplying blood to the heart) account for approximately 90-95% of the total people afflicted with heart diseases in India.

***Diabetes*[21]**

Diabetes Mellitus ("**DM**"), commonly referred to as diabetes, is a group of disorders involving an absolute or relative deficiency of insulin, a hormone produced by the pancreas, an organ responsible for regulating the concentration of blood glucose.

According to the International Diabetes Federation ("**IDF**"), approximately 387 million people worldwide had DM as of 2014, translating to a prevalence rate of 8.33% among the population group of 20-79 years. With

[20] *Only heart diseases (diseases affecting the heart and its blood vessels) have been covered and cerebro-vascular ailments (such as stroke) and peripheral vascular ailments (such as peripheral arterial diseases) have been excluded.*

[21] *For the purpose of this section, only Type II Diabetes Mellitus has been covered due to its dominant prevalence (96.00% of the overall diabetes mellitus cases) and will be referred to as 'Diabetes' or 'DM' in this section unless otherwise stated. Another type of diabetes named 'Diabetes Insipidus' is not characterised by insulin deficiency and has been excluded from the scope of this report due to its extremely low prevalence.*

approximately 67 million diabetics in 2014, India ranked second highest after China in terms of the total number of diabetics (China had approximately 96 million diabetics in 2014) with a prevalence rate of 8.63% among the Indian population aged between 20-79, higher than the global average during the year.

According to IDF estimates, between 2009 and 2014, the prevalence of diabetes in India increased from 7.10% to 8.60%, translating to an increase in the diabetics' count at a CAGR of 6.00% from 51 million to 67 million during the period. Growth of diabetes in India can primarily be linked to increasingly sedentary lifestyles (attributable to rising income levels, as mentioned earlier) and higher intake of junk food especially in the urban areas. Urban areas in India account for nearly 35.00% of the overall population but approximately 50.00% of its diabetic population. As of 2014-2015, the diabetes care segment accounted for nearly 1.00% of the overall healthcare delivery market in India (translating to ₹ 20,000-25,000 million).

Dialysis

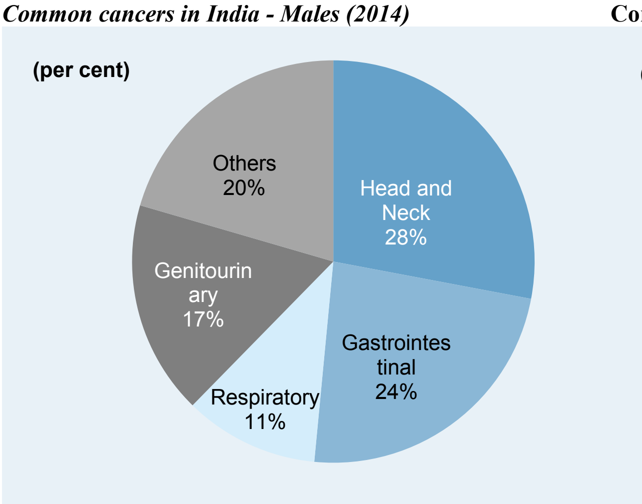
Chronic Kidney Disease ("**CKD**") is a condition where several nephrons in the kidney get damaged over time, thereby reducing the kidney's filtering capacity. Stage 5 CKD is the last stage of chronic kidney disease and is called End Stage Renal Disease ("**ESRD**"). Acute renal failure patients might require temporary dialysis until they regain their kidney function. Dialysis is not a cure for ESRD but merely a blood filtering process that prolongs life. According to CRISIL's estimates, there were approximately 7-8 million CKD cases in India in 2014. Of these, the number of patients with ESRD is estimated to be approximately 0.7-0.8 million. The incidence rate of ESRD (the number of new cases observed every year) is estimated to be 200 per one million population, totalling nearly 0.2-0.25 million new cases being added every year. According to CRISIL's estimates, dialysis care contributes less than 1.00% of the overall healthcare delivery market in India owing to the high treatment costs and limited accessibility (translating to ₹ 7,000-8,000 million).

Oncology

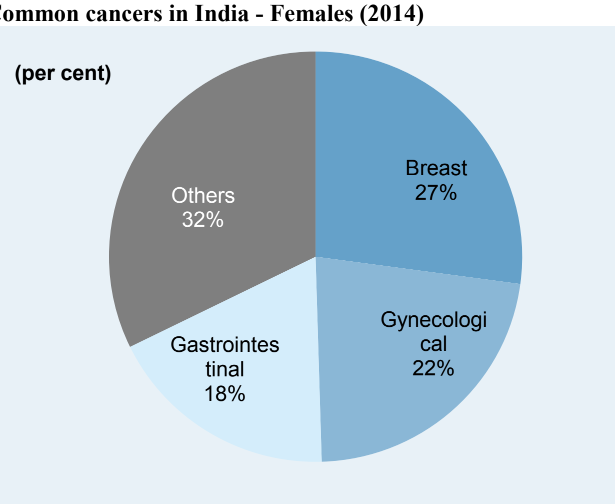
According to WHO estimates, cancer was responsible for 7.00% of the total number of deaths in India, and India accounted for 8.00% of the total cancer deaths globally in 2012. According to CRISIL's estimates, there were approximately 3 million prevalent cases of cancer in India, including over 1.2 million incident cases, in 2014. As of 2014-15, the cancer care segment accounted for 1-2% of the overall healthcare delivery market in India (translating to ₹ 50,000-60,000 million).

According to CRISIL's estimates, head and neck cancer accounts for approximately 28.00% of the total cancer cases amongst males in India. Gastrointestinal cancer is the second-most common cancer amongst men and constitutes approximately 24.00% of total male cancer cases. Respiratory cancers and genitourinary cancers are the other common cancers that afflict males in India. Breast cancer is the most common type of cancer amongst women in India, followed by gynaecological cancers, which together account for nearly 50.00% of the total cases.

Common cancers in India - Males (2014)



Common cancers in India - Females (2014)



Source: National Cancer Research Programme, CRISIL Research

Neurology

Neurological disorders are diseases of the central and peripheral nervous systems, including the brain, spinal cord, nerves, nerve roots, and muscles. Neurological disorders include epilepsy, dementias, cerebrovascular diseases including stroke, migraine and other headache disorders, multiple sclerosis, and Parkinson's disease, amongst others.

Based on a study published by the Neurological Society of India in January 2015 (*Gourie Devi M. Epidemiology of neurological disorders in India: Review of background, prevalence and incidence of epilepsy, stroke, Parkinson's disease and tremors. Neurol India 2014;62:58898)*, nearly 30 million people in India suffer from neurological disorders (excluding neuro-infections, traumatic injuries, neoplasms, and metabolic disorders), thereby pegging the average prevalence at 2,394 per 100,000 population. According to CRISIL's estimates, based on the current prevalence rate of neurological disorders in India, the neurology segment constitutes nearly 4-5% of the overall healthcare delivery market in India (translating to ₹ 200,000 million).

Outlook on healthcare delivery market in India

CRISIL believes that aside from a change in age demographics and rising incomes, improvement in health awareness, changes in the disease profile (towards lifestyle-related ailments), rising penetration of health insurance and increasing opportunities from medical tourism will propel demand for healthcare facilities in India. Expansion plans by major private players are expected to be skewed towards illnesses related to the IPD and hence, the share of IPD by value is expected to increase from 81.00% in 2014-15 to 83.00% in 2019-20. During the same period, the average cost for IPD treatments is expected to increase at nearly 8.00% CAGR. By 2019-20 the IPD market is estimated to reach ₹ 5.7 trillion while the OPD market size is estimated to reach ₹ 1.1 trillion.

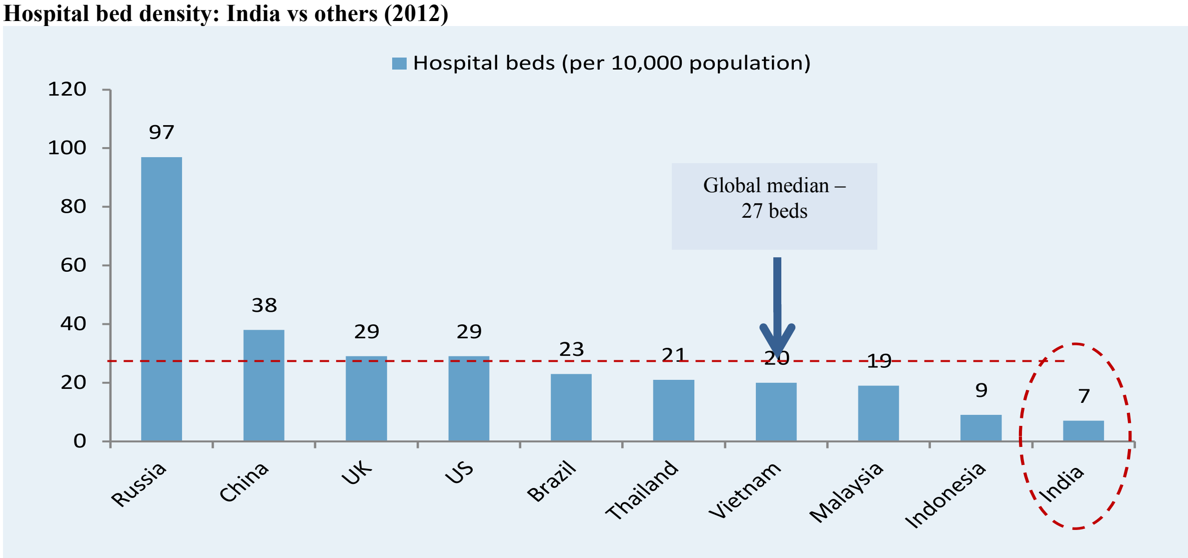
Key growth drivers

A combination of demographic and economic factors is expected to drive growth in the healthcare delivery market in India, as described below.

Potential to increase bed capacities

India's overall bed density is approximately 7 per 10,000 population (*Source: CRISIL Report*), below the global median of 27 beds as well as that of other developing nations such as Brazil, Malaysia, Vietnam, and Indonesia.

Hospital bed density: India vs others (2012)



Source: WHO-World Health Statistics, 2014

Within India, while key metropolitan areas of the National Capital Region, Mumbai, Bengaluru and Kolkata have a considerable number of hospitals with 100 beds or more, CRISIL believes there is a dearth of such large facilities in the next tiers of cities across India.

Hospitals with 100+ beds across 4 major cities in India as of October 2014

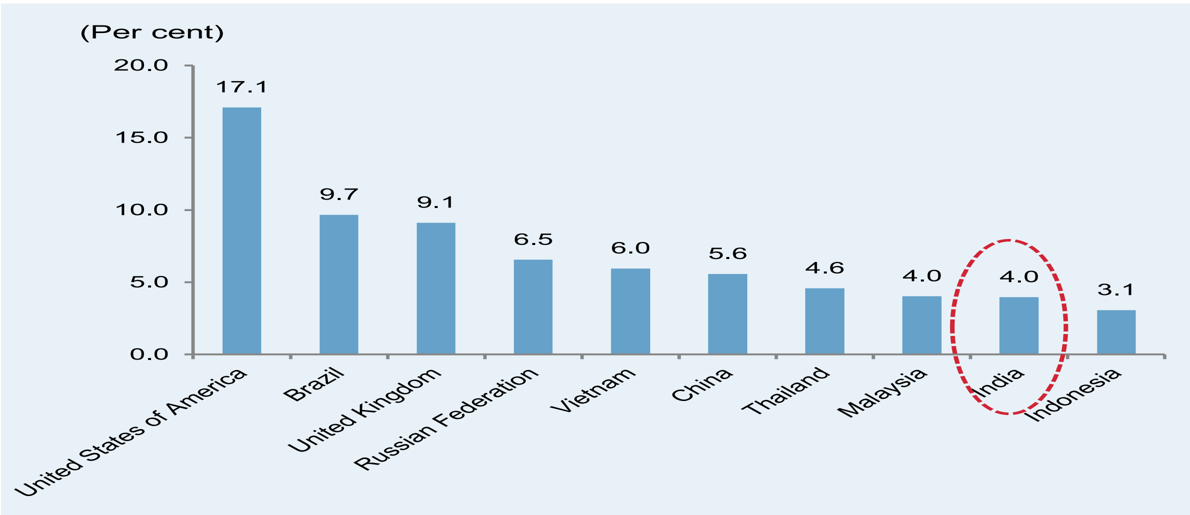
City	Hospitals with 100 beds or more
NCR	~170-180
Mumbai	~125-135
Bengaluru	~110-120
Kolkata	~90-100

Source: CRISIL Report

Government spending on healthcare continues to remain low, allowing private sector to increase presence

According to WHO's Global Healthcare Expenditure Database, India's total expenditure on healthcare was 4.00% of the GDP in 2013. The per capita government expenditure on healthcare (at international dollar rate adjusted for PPP) in 2013 was USD 69 in India compared to USD 4,307 in the US, USD 2,766 in the UK, USD 701 in Brazil, and USD 514 in Malaysia. Lower per capita spend on healthcare in India can also be partially attributed to the relatively low contribution from the government (given that only 32.20% of the total healthcare expenditure was from the government). When compared to other countries, these figures trail not only those for developed countries such as US and UK, but also developing countries such as Brazil and Malaysia. While the eleventh five-year plan (2007-2012) of the Government of India's Planning Commission increased healthcare expenditure by 2.5 times and that of State Governments increased by 2.1 times compared to the tenth plan, large infrastructure gaps remain (*Source: CRISIL Report*). CRISIL also believes that with the Central Government's plan to replace the Planning Commission with a newer policymaking body, the implementation of the twelfth plan (2012-2017) will be a key monitorable event in spite of the government's decision to continue with the plan till 2017.

Total healthcare expenditure as a % of GDP (2013)



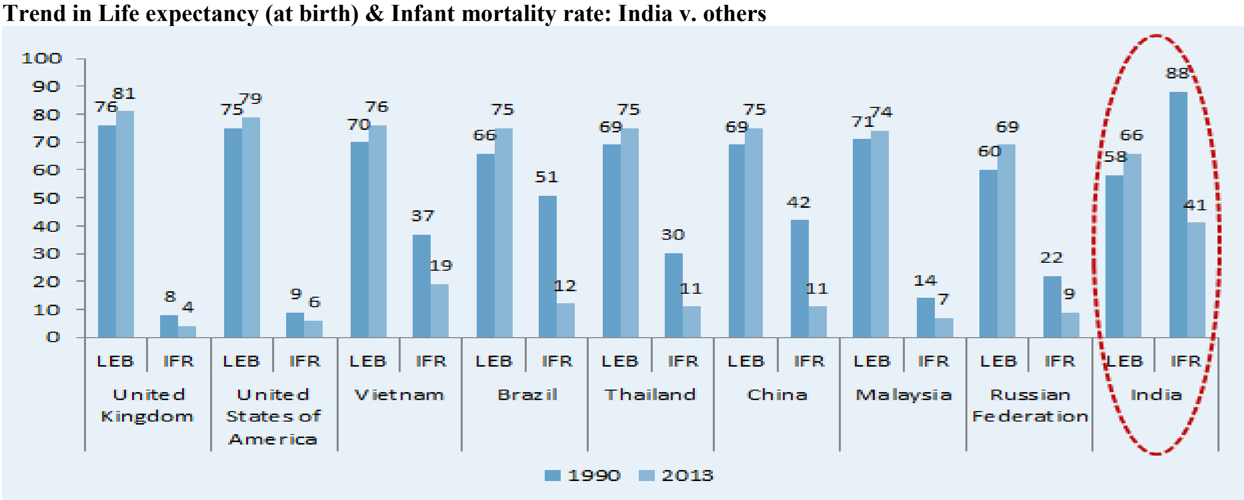
Source: WHO-Global Health Care Expenditure Database

Increasing population as well as life expectancy to require greater health coverage

India's population is expected to grow to over 1.42 billion by 2026, from approximately 1.21 billion in 2011. At 7 beds per 10,000 persons, the number of beds in India significantly lags the global median of 27 beds, indicating a shortfall of nearly 2.5 million beds compared to the current global median. The growth opportunity for the healthcare delivery market in India, therefore, is immense.

Demand for healthcare delivery services in India will also be augmented by factors such as increasing life expectancy and declining infant mortality in the country. As of 2011, nearly 8.00% of the Indian population were aged 60 years or more. This proportion is expected to climb to 12.50% by 2026.

Trend in Life expectancy (at birth) & Infant mortality rate: India v. others

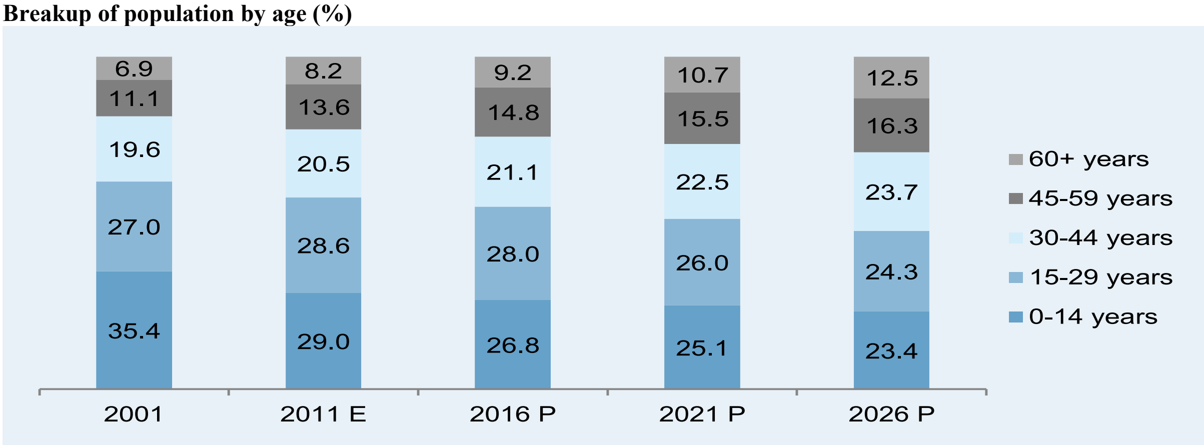


Note: LEB - Life expectancy at birth (years); IFR - Infant mortality rate (probability of dying by age 1 per 1000 live births)

Source: WHO World Health Statistics 2015

According to the *"Report on the Status of Elderly in Select States of India, 2011"* (covering Himachal Pradesh, Kerala, Maharashtra, Odisha, Punjab, West Bengal, and Tamil Nadu) published by the United Nations Population Fund ("**UNFPA**") in November 2012, chronic ailments like arthritis, hypertension, diabetes, asthma and heart diseases were commonplace among the elderly with nearly 66.00% of the respective population reporting at least one of these ailments. In terms of gender-based tendencies, while men are more likely to suffer from heart, renal and skin diseases, women showed higher tendencies for contracting arthritis, hypertension, and osteoporosis. CRISIL believes that as the population ages, the demand for healthcare infrastructure in India from this age group will increase over the foreseeable future.

Breakup of population by age (%)

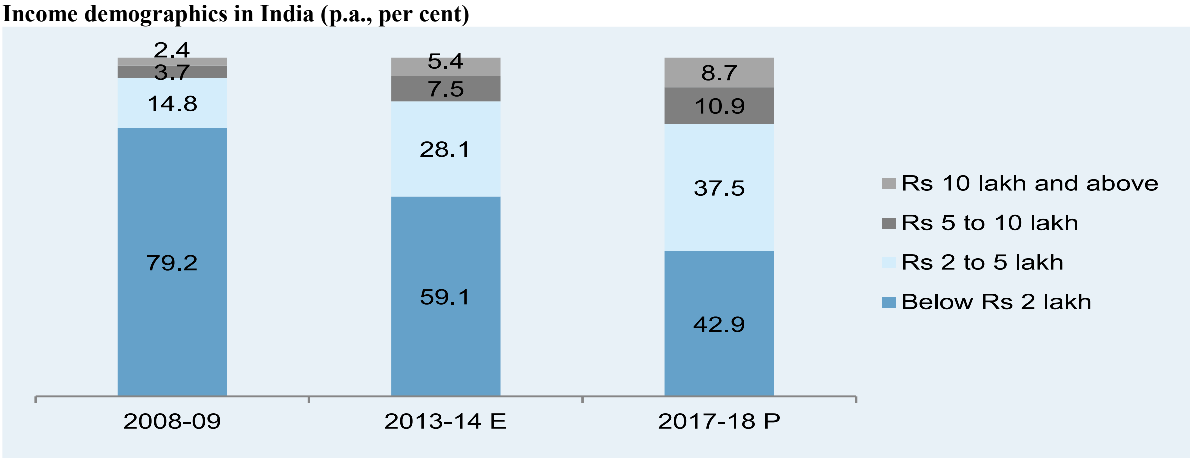


Source: National Commission on Population

Rising income levels to make quality healthcare services more affordable

Even though healthcare is considered as non-discretionary expense, affordability of quality healthcare facilities remains a major constraint with an estimated 59.00% of households in India having an annual income of less than ₹ 0.2 million in 2013-14. Growth in household income, and consequently, disposable incomes, is critical to the overall demand growth of the healthcare delivery industry in India. CRISIL believes that the immense opportunity in the industry can be gauged from the fact that the share of households falling in the income bracket of ₹ 0.2-0.5 million p.a. is expected to increase to 37.50% in 2017-18 from 28.00% in 2013-14.

Income demographics in India (p.a., per cent)

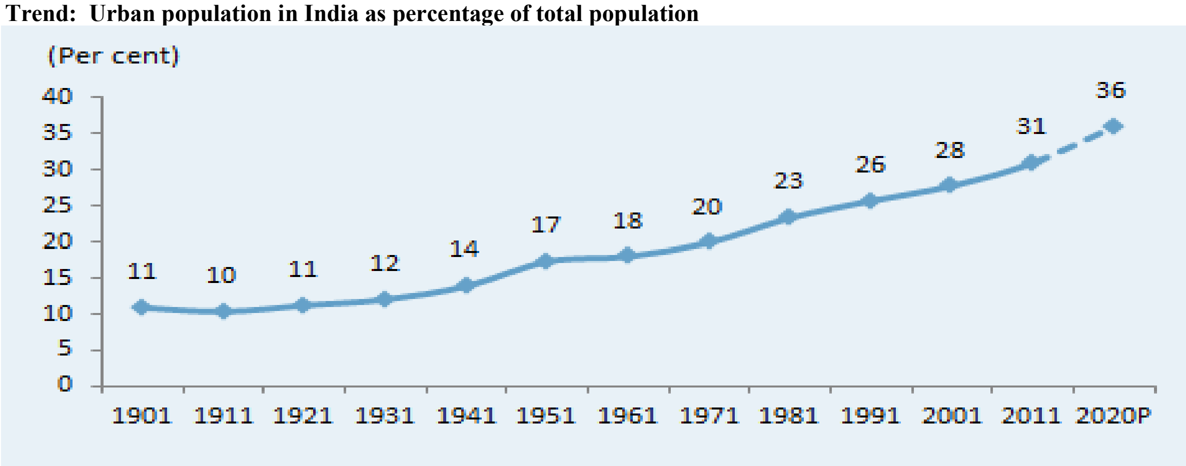


Source: NCAER

Increasing health awareness to boost hospitalisation rates

Factors such as increasing urbanisation (migration of population from rural to urban areas) and rising literacy levels are expected to enhance awareness on preventive and curative healthcare and in turn, likely to boost demand for healthcare delivery services. CRISIL estimates that the hospitalisation rate (percentage of people who visit a hospital when unwell) for in-patient treatment will reach nearly 87.00% in 2019-2020 from 84.00% in 2014-2015 and 81.00% in 2008-2009. The evolution of India's urban population as a percentage of its total population is set out below:

Trend: Urban population in India as percentage of total population

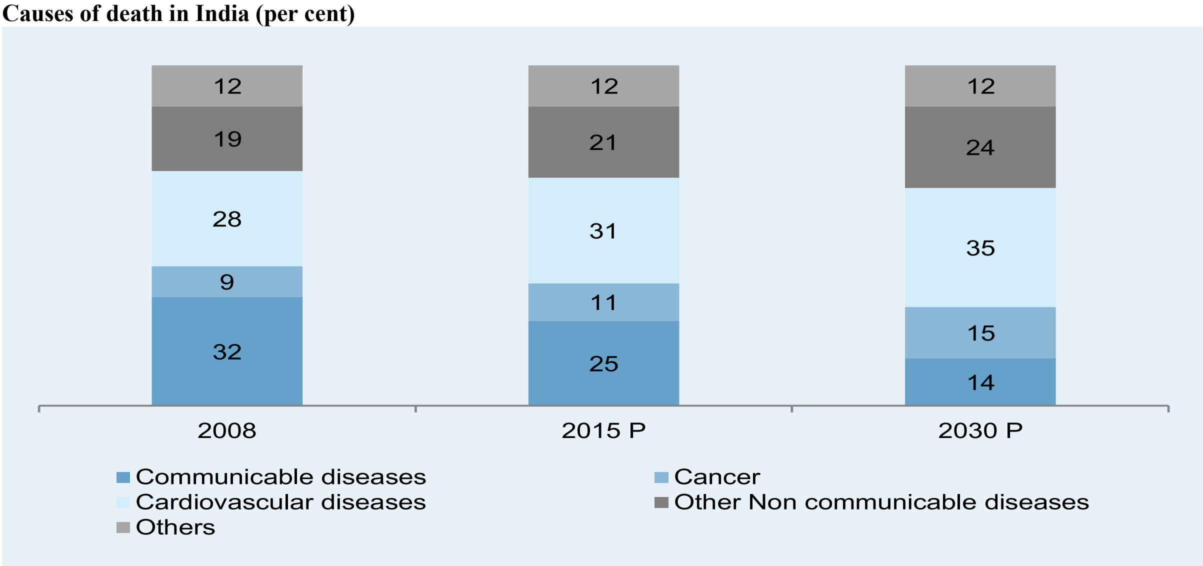


Source: UN World Urbanization Prospects : The 2011 Revision

Demand for NCD related healthcare services to increase over the next five years

Lifestyle-related, non-communicable illnesses exhibit a tendency to increase in tandem with rising income levels (*Source: CRISIL Report*). With households earnings expected to increase, the share of NCDs as a major cause of deaths in India is expected to rise. Consequently, demand for healthcare services associated with life related diseases, such cardiac ailments, oncology and diabetes, is also expected to increase.

Causes of death in India (per cent)



Source: WHO Global burden of diseases

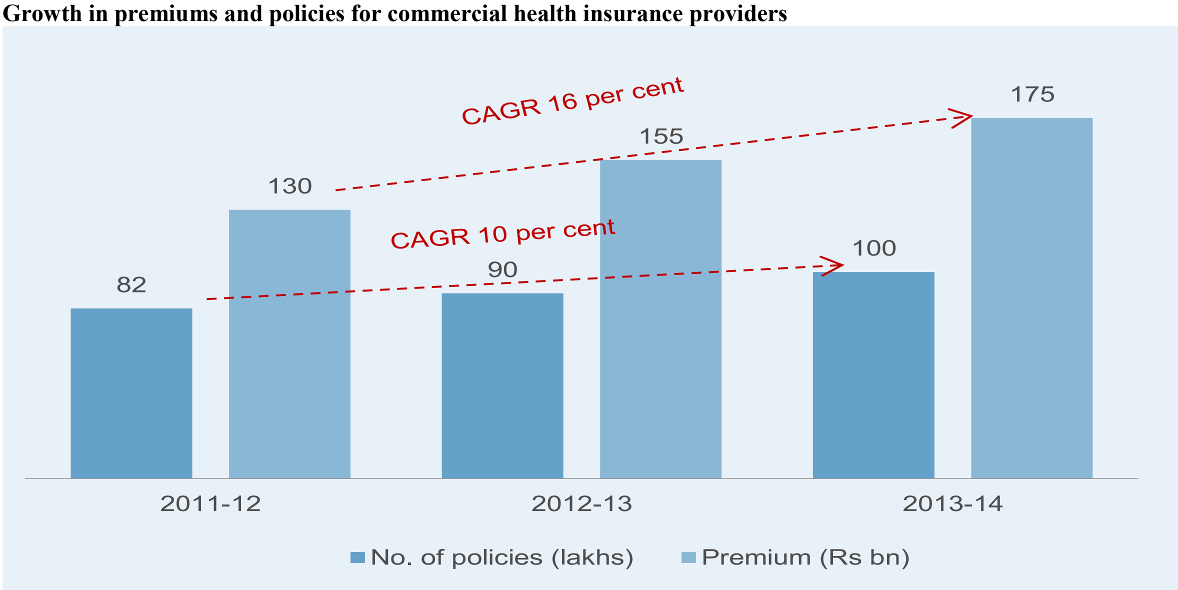
Increase in health insurance coverage to propel demand

Low health insurance penetration is one of the major impediments to the growth of the healthcare delivery industry in India as affordability of quality healthcare facilities by the lower income groups continues to remain a concern. According to the IRDA, nearly 216 million people have health insurance coverage in India (as of 2013-14), accounting for only 17.00% of the total population.

Government or government-sponsored schemes such as the CGHS, ESIS, RSBY and Rajiv Arogyasri account for approximately 80.00% of health insurance coverage provided. Only 20.00% is through commercial insurance providers, both government and private.

CRISIL believes that while low penetration is a key concern, it also presents significant opportunity for the growth of the healthcare delivery industry in India. This is evident from the fact that between 2011-12 and 2013-14, the total number of commercial health insurance policies in India increased at a CAGR of nearly 10.00% while the premiums increased at nearly 16.00%. Also, 37.2 million households (approximately 110 million beneficiaries) have been brought under RSBY (as of April 2014), while 19.5 million family units (approximately 75.80 million beneficiaries) have been brought under ESIS, as of March 2014. With the health insurance coverage in India set to increase, hospitalisation rates are expected to rise. In addition, health check-ups, which form a mandatory part of health insurance coverage, are also expected to increase, boosting the demand for a robust healthcare delivery platform.

Growth in premiums and policies for commercial health insurance providers



Source: IRDA annual reports

Growth in medical tourism to aid demand growth of healthcare delivery market

Healthcare costs in India are extremely competitive compared with those in the developed countries and other Asian countries. With healthcare costs soaring in developed economies, the relatively low cost of surgery and critical care in India makes it an attractive destination for medical tourism, especially for patients from South-East Asia and the Middle East. Hence, medical tourism is expected to be a growth driver for healthcare delivery in India.

Country-wise cost of treatments

Treatment	US US$	UK US$	Thailand US$	Singapore US$	India US$
Heart Surgery	100,000	40,000	14,000	15,000	5,000
Bone marrow transplant	250,000	290,000	62,000	150,000	30,000
Liver transplant	300,000	200,000	75,000	140,000	45,000
Knee replacement	48,000	50,000	8,000	25,000	6,000

Source: CRISIL Report

According to the Ministry of Tourism, of the total foreign tourist arrivals in India, the proportion of medical tourists has grown from 2.20% (0.11 million tourists) in 2009 to 3.40% (0.24 million tourists) in 2013.

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OUR BUSINESS

*In this section, unless otherwise stated, references to "we", "us" and "our" include our Subsidiaries and exclude our associate company, HCCI. Investors' attention is drawn to the qualifications, exclusions and assumptions with respect to certain operational data and financial metrics presented in this section ("**Qualifiers**"), which are stated by way of footnotes. Due regard should be had to the Qualifiers in understanding such information presented in this section.*

Overview

We are one of the leading private healthcare service providers in India, operating a chain of multispecialty, tertiary and primary healthcare facilities. As of the date of this Draft Red Herring Prospectus, we had a network of 23 hospitals (multispeciality and superspeciality healthcare facilities which provide tertiary care), 8 heart centres (superspeciality units which are set up in a third party hospital) and 25 primary care facilities (including clinics and information centres), across a total of 32 cities, towns and villages in India, with 5,600 operational beds[22] and the potential to reach a capacity of up to 6,600 beds.[23] In FY 2015, our facilities provided care to over 1.97 million patients.[24]

We were founded in 2000 by our Promoter, Dr. Devi Prasad Shetty, who has over 30 years of medical experience, including as a cardiac surgeon. We are headquartered in Bengaluru, India, and operate a national network of hospitals in India with a particularly strong presence in the southern state of Karnataka and eastern India, as well as an emerging presence in western and central India. Our first facility was established in Bengaluru with approximately 225 operational beds and we have since grown to 57 facilities[25] with 5,600 operational beds[26] as of the date of this Draft Red Herring Prospectus, through a combination of greenfield projects and acquisitions. We believe our "Narayana Health" brand is strongly associated with our mission to deliver high quality and affordable healthcare services to the broader population by leveraging our economies of scale, skilled doctors, and an efficient business model.

We have received numerous awards which we believe are a testimony to our strong brand value, including the "*Healthcare Excellence Award for Addressing Industry Issues*" in 2012 from the Federation of Indian Chambers of Commerce and Industry, Financial Times' "*Arcelor Mittal Boldness in Business Award*" in 2013 and the "*Outstanding Achievement Award Healthcare – Social Cause*" in 2015 from Stars of the Industry.

We operate our business through a combination of the following models:

- hospitals that we own and operate;
- hospitals and heart centres that we operate and pay a revenue share to the owner of the hospital premises;
- hospitals, standalone clinics and primary care facilities that we operate on a lease or licence basis; and
- hospital management services[27] that we provide to third parties for a management fee ("**Managed Hospitals**").

This calibrated approach has allowed us to achieve an effective capital cost per bed of ₹ 2.49 million[28] as of March 31, 2015. We also conduct clinical trials for pharmaceutical and medical equipment manufacturing companies and offer certain educational and training courses to doctors and paramedics.

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22 *Includes facilities and beds across hospitals that are owned, operated, leased and managed, and the 101 operational beds (104 capacity beds) facility in the Cayman Islands operated by our associate company, HCCI.*

23 *Includes facilities and beds across hospitals that are owned, operated, leased and managed, and the 101 operational beds (104 capacity beds) facility in the Cayman Islands operated by our associate company, HCCI.*

24 *Includes inpatients, outpatients and outpatients undergoing dialysis and excludes Managed Hospitals.*

25 *Includes 56 facilities in India and the 1 facility in the Cayman Islands operated by our associate company, HCCI.*

26 *Includes facilities and beds across hospitals that are owned, operated, leased and managed, and the 101 operational beds and 104 capacity beds facility in the Cayman Islands operated by our associate company, HCCI.*

27 *Within this model, the scope of our services and extent of involvement may differ from case to case.*

28 *Effective cost per bed is arrived at by the following formula: (Gross Block+ Capital Work in Progress (CWIP))/Number of operational beds. Data excludes HCCI and Managed Hospitals.*

In aggregate, our centres provide advanced levels of care in over 30 specialties, including cardiology and cardiac surgery, cancer care, neurology and neurosurgery, orthopaedics, nephrology and urology, and gastroenterology. In FY 2015, we generated 90.72% of our revenue from our 19 hospitals offering multispecialty and superspecialty services, 7.30% of our revenue from our heart centres and the remaining approximately 1.98% of our revenue from the management fee received from our 4 Managed Hospitals, ancillary businesses and other standalone clinics and primary care facilities.

As of July 31, 2015, we had 11,478 employees and students, including 818 doctors, 5,438 nurses, 2,009 paramedical staff, and engaged the services of an additional 1,660 doctors on a consultancy basis (including visiting consultants).[29] In FY 2015 and the 3 months ended June 30, 2015, we had a daily average of 534 in-patient admissions and 4,477 out-patients, and performed a daily average of 312 surgeries and procedures (of which 39 were cardiac surgeries, 142 catheterisation laboratory procedures, and 2 kidney transplants), and 513 dialyses.[30]

We endeavour to offer best-in-class clinical services to our patients. Our hospitals and facilities are fitted with modern medical equipment and our practices and protocols are designed to offer treatment on standards that are internationally and nationally recognised and accredited. 3 of our hospitals are accredited by the JCI, USA for meeting international healthcare quality standards for patient care and organisation management (including HCCI's facility in the Cayman Islands), and 4 of our hospitals are accredited by the National Accreditation Board for Hospitals and Healthcare Providers, India ("**NABH**"). In addition, we have submitted applications for accreditation to the NABH for 8 hospitals.

We operate our supply chain through focus on streamlining our administrative and clinical functions, continuous process innovation, and economies of scale. We have invested in technology both for clinical purposes as well integrating systems and processes through ERP. We have adopted technology with a view to ensure quick transmission of disease data, subsequent analysis, and prompt disease management.

Based on the Restated Consolidated Summary Statements, for the reporting date ended March 31, 2015, we generated revenue from operations of ₹ 13,638.51 million, EBITDA of ₹ 1,369.31 million, and restated profit after tax (before consolidated share of (loss)/profit from associate and minority interest) of ₹ 118.31 million. For the four fiscal years ended March 31, 2015, we achieved a CAGR of 30.00% in total revenue, 23.80% in EBITDA and our total investment in Fixed Assets amounted to ₹ 5,589.08 million.[31]

[29] *Data excludes Managed Hospitals.*

[30] *Data excludes Managed Hospitals.*

[31] *Difference between the total of (i) gross block; (ii) capital work in progress; and (iii) intangible assets under development, as on March 31, 2015 and March 31, 2011.*

Our existing and upcoming hospitals and heart centres as of the date of this Draft Red Herring Prospectus are set out in the map below:

Our Competitive Strengths

We believe we are well-positioned to capture market opportunities and to benefit from the expected growth in the healthcare services market in India through our competitive strengths, which principally include the following:

Pan-India network with a strong presence in Karnataka and eastern India

We believe we have a broader network of healthcare facilities across India than many of our competitors, with 23 hospitals, 8 heart centres and 25 primary care facilities across India. We have an established presence and strong brand recognition in two geographical clusters in the southern state of Karnataka and eastern India, as well as an emerging presence in western and central India. We believe that our brand image and operational experience in our core markets provide us the platform to further expand our presence and operations in selected locations across the country.

Our Karnataka cluster is centred on NH Health City, located in Bommasandra, Bengaluru, which comprises NICS, a superspecialty hospital for cardiology and cardiac surgery, and MSMC, a multispecialty hospital for cancer care, neurology and neurosurgery, nephrology and urology, and houses what we believe, is one of India's largest bone marrow transplant units. As of the date of this Draft Red Herring Prospectus, our Karnataka cluster comprised 4 hospitals in Bengaluru and a hospital each in Mysore, Bellary and Shimoga,[32] and 7 heart centres totalling 2,344 operational beds, with a capacity of 2,913 beds. In addition, our Hospital in Hyderabad, Telangana, has 305 current operational beds.

[32] *Including the Managed Hospital in Bellary.*

Our presence in eastern India is centred on RTIICS, a multispecialty hospital located in Kolkata with a strong presence in cardiology and cardiac surgery, as well as neurology and neurosurgery, and nephrology and urology. As of July 31, 2015, we operated 10 hospitals[33], including hospitals in the greater Kolkata area encompassing Howrah, Barasat and the Eastern Metropolitan Bypass, a multispecialty hospital in Jamshedpur, Jharkhand, a superspecialty hospital in Guwahati, Assam and a hospital each in Durgapur and Berhampore, West Bengal and a heart centre in Durgapur, West Bengal, totalling to 1,993 operational beds, with a capacity of 2,270 beds.

Our presence in western and central India comprises 5 hospitals, in Jaipur (Rajasthan), Raipur (Chhattisgarh), Palanpur (Gujarat), Ahmedabad (Gujarat) and Mahuva (Gujarat) totalling to 857 current operational beds with a capacity of 1,008 beds.[34] We are currently in the process of commissioning a dedicated paediatric hospital in Mumbai, Maharashtra and a multispecialty hospital in Lucknow, Uttar Pradesh.

Pre-eminence in cardiac and renal sciences and strong capabilities in other specialties

We believe our strong reputation and clinical capabilities in cardiac and renal sciences, as well as our continuing expansion across other high value clinical specialties, positions us to benefit from the increasing demand in India for quality healthcare services, particularly tertiary healthcare services. Our chain of multispecialty, tertiary and primary healthcare facilities provide advanced levels of care in over 30 specialties.

We have a strong legacy in cardiac and renal sciences, which formed the foundation of our services offering. In FY 2015, we performed 51,456 cardiology procedures, 14,036 cardiac surgeries, and 184,443 dialysis procedures. In FY 2015, cardiology and cardiac surgery accounted for 54.31% of our in-patient billed revenue.[35] Key volume statistics for our cardiac and renal specialties are set out below:

FY	Cardiac surgeries	Cardiology procedures	Dialysis procedures	Kidney transplants
2013	11,563	37,878	110,823	507
2014	13,206	47,743	152,825	655
2015	14,036	51,456	184,443	829

We believe that a combination of factors, including changing demographics, increasing affluence of the Indian population, greater health awareness, and an increase in lifestyle-related diseases will lead to an increase in demand for quality tertiary and other healthcare services. We have therefore expanded our core specialty areas to include four additional areas of focus: cancer care, neurology and neurosurgery, orthopaedics, and gastroenterology. In FY 2015, we performed a total of 112,008 surgeries and procedures.[36] The contribution to in-patient billed revenue from areas outside of cardiac and renal sciences increased from 32.27% in FY 2013 to 38.29% in FY 2015.[37]

Highly recognised brand with a reputation for clinical excellence and affordable healthcare

We believe that our "Narayana Health" brand is widely recognised in India and internationally for the provision of high quality, compassionate and affordable healthcare services. We have received numerous national and international awards and recognitions which we believe are a testimony to our strong brand value built over 15 years in the healthcare services industry. These include the "Public Health Champion Award" under the category of Innovation by the WHO India in 2015, Frost and Sullivan "India Healthcare Excellence Awards 2015" as comprehensive Cardiology Service Provider Company, "VC Circle Healthcare Award" as the best multispecialty tertiary care hospital chain in 2015, recognition of our operational excellence in the Boston Consulting Group Local Dynamos 2014, "India Health & Wellness Award" for Superspecialty Hospital in 2014, and Porter Prize for Industry Architectural Shift in 2013. We believe our strong brand equity and goodwill among patients and healthcare professionals has also positioned us as a partner-of-choice for governmental

[33] *Including the Managed Hospital in Durgapur, West Bengal.*
[34] *Including Managed Hospitals in Mahuva and Palanpur, Gujarat.*
[35] *Excluding revenue from MMRHL and Managed Hospitals.*
[36] *Excluding dialyses and data pertaining to Managed Hospitals.*
[37] *Excluding revenue from MMRHL and Managed Hospitals.*

bodies, not-for-profit trusts and charities, and private organisations seeking partners to operate and manage their healthcare facilities.

We believe clinical excellence is a critical consideration for many people when choosing their healthcare services provider. Our hospitals and facilities are fitted with modern medical equipment and follow well-defined quality and patient safety protocols and adhere to nationally and internationally accepted clinical standards in patient handling and care, as evidenced by our JCI and NABH accreditations.

We believe the following competitive advantages enable us to deliver affordable healthcare services to our patients:

- Economies of scale and competitive prices from our suppliers and service providers through centralised purchasing;

- Cost efficiencies through supply chain management, sharing of managerial and clinical resources, and standardising the types of medical and other consumables as well as optimising their use by establishing guidelines for medical and operating procedures across our network;

- Access to cloud based ERP system and network of telemedicine centres to increase hospital efficiencies and lower overall costs; and

- Packaged treatment offerings for patients, which are typically fixed-fee, all-inclusive packages covering a suite of consultancy, diagnosis, consumables, medical, operative and post-operative care requirements of patients. We believe our packaged offerings also provide patients with a high level of transparency on treatment costs and enhance patient trust in our brand.

Effective model of capital deployment to achieve growth

We believe our calibrated model for establishing and expanding our hospitals has allowed us to achieve a more efficient use of capital than many of our competitors. We have an effective capital cost per bed of ₹ 2.49 million[38] as of March 31, 2015. We operate our business through a combination of four models in order to expand our market presence while maximising the efficiency of our capital deployment: out of the 23 hospitals we operate in India, we own and operate 4 hospitals (including land and building), operate 7 hospitals on a revenue share basis (including 1 hospital in Guwahati on a public-private partnership model), operate 8 hospitals on a lease basis, and operate 4 hospitals on a management fee basis.

Our "asset right" model for expansion of our hospital network is based on engaging with partners that invest in and own the fixed assets, primarily land and building, while we invest in and own the medical equipment and operate and manage the hospital, typically on a revenue share basis, with or without a minimum revenue guarantee given to our partners. We continuously invest in medical technology and equipment and modernise our hospitals so as to offer high quality healthcare services to our patients and expand our range of healthcare services.

We believe our mission and our track record of providing high quality, affordable healthcare services to the broader population positions us as a partner-of-choice for a number of State Governments in India that are seeking to improve and expand their local healthcare infrastructure and accessibility to healthcare services. For example, our superspecialty hospital in Guwahati, commissioned in December 2013, is a partnership with the Government of Assam and the multispecialty hospital in Vaishno Devi, expected to be commissioned within the next 12 months, is a partnership with the Vaishno Devi Board.

We supplement our "asset right" model with the acquisition of existing healthcare facilities and other healthcare services companies. For example, in the state of West Bengal, we acquired a 136 capacity bed hospital in Barasat and a 66 capacity bed hospital in Berhampore in March 2014, and 2 multispecialty hospitals with a combined capacity of 388 beds in Howrah in November 2014. We believe these acquisitions have positioned us as one of the leading healthcare services providers in eastern India. We evaluate each acquisition on its own

[38] *Effective cost per bed is arrived at by the following formula: (Gross Block+ Capital Work in Progress (CWIP))/Number of Operational Beds. Data excludes HCCI and Managed Hospitals.*

merits, such as long-term strategic value, potential synergies, expected returns, valuation, and the cost of financing, amongst other factors.

Ability to attract high quality doctors and medical support staff

We believe our reputation for clinical excellence, competitive compensation packages and ethical practices enable us to attract not only patients but also quality doctors and medical support staff within India as well as Indian nationals returning home after having studied or worked overseas. We believe our doctors and consultants are some of the most experienced within their respective specialties in India which allows our hospitals to handle complex and high intensity clinical cases. As of July 31, 2015, our healthcare facilities had 818 employee and student doctors and 1,660 doctors associated with us on a consultancy basis (including visiting consultants).[39] We believe that our doctors and consultants have contributed significantly to building our "Narayana Health" brand.

We endeavour to access qualified and trained medical resources through our educational initiatives. We are accredited by the National Board of Examination to enrol students to a number of specialty-specific Diplomate of National Board courses, which serves as a training ground for a number of student doctors. In a market where demand for physicians and paramedics is high and supply scarce (*Source: CRISIL Report*), we expect that our continuing need for quality human resources will be met by the strong academic and learning environment we have created for prospective doctors, nurses and paramedics.

Experienced management team with a strong execution track record

We believe the experience and depth of our management team to be a distinctive competitive advantage in the complex and rapidly evolving healthcare industry in which we operate. Many of our senior management team members and hospital management personnel are also qualified doctors. Our dedicated and experienced team of senior managers have been with us for an average of about 7 years and have an average of about 12 years of experience in the healthcare services industry in India and abroad. We believe they have been key to driving our growth in revenue and earnings through the efficient roll-out of our greenfield projects and the execution and integration of our acquisitions. We believe the experience we have gained from building, integrating and operating a network of hospitals and healthcare facilities has enabled us to build and operationalise new centres efficiently and rapidly.

Our founder and Chairman, Dr. Devi Prasad Shetty, has over 30 years of medical experience in the United Kingdom and India. Dr. Shetty is a well-recognised cardiac surgeon and businessperson and has received a number of national and international awards, including the "*Padma Bhushan*" in 2012 (the third highest civilian award in India, received for his contribution to the field of affordable healthcare), The Economic Times' "*Entrepreneur of the Year*" award in 2012, and The Economist's "*Innovation Award for Business Process*" in 2011. Dr. Shetty also served as the personal physician to Nobel Peace Prize recipient Mother Teresa. Dr. Shetty, together with the Government of Karnataka, is credited with designing the Yeshasvini Scheme, an innovative micro-insurance scheme that covers approximately 3.45 million people in Karnataka (as of December 31, 2013). Dr. Devi Prasad Shetty has also served, in the past, as a member of the governing body of the Medical Council of India.

Our Vice Chairman, Managing Director and CEO, Dr. Ashutosh Raghuvanshi, has about 26 years of experience in the healthcare industry, including at Manipal Hospitals, Apollo Hospitals, and Bombay Hospital. Our CFO, Kesavan Venugopalan, has over 20 years of experience in finance, including as Senior Vice President and Corporate Controller at Wipro Limited, an India-based information technology company listed on the BSE and the NSE. Dr. Ashutosh Raghuvanshi and Kesavan Venugopalan have been key to our day-to-day operations and management across our large network and have been at the forefront of identifying and pursuing expansion opportunities.

Track record of operational and financial performance

We have a track record of sustained growth in revenue and profitability. Based on the Restated Consolidated Summary Statements, for the four fiscal years ended March 31, 2015, we achieved a CAGR of 30.00% in total revenue and 23.80% in EBITDA. We continue to diversify our revenue base across hospitals and medical

[39] *Data excludes Managed Hospitals.*

specialties. The contribution to our revenue from our top 5 hospitals by revenue (as of March 31, 2015) was 67.52% in FY 2015 compared to 80.45% in FY 2013. The contribution to our in-patient billed revenue from specialties outside of cardiac and renal sciences was 38.29% in FY 2015 compared to 32.27% in FY 2013.[40]

We adopt stringent methodologies and hurdle rates in the evaluation of new projects and investments and have extensive experience in identifying, implementing and developing new hospital projects. We believe this, coupled with our calibrated approach to capital deployment, has allowed us to achieve strong organic growth and attractive returns on our investments, while maintaining reasonable leverage ratios.

Our Business Strategy

Our mission is to deliver high quality, affordable healthcare services to the broader population in India. Our core values are represented by the acronym "iCare", which encompasses **I**nnovation and efficiency, **C**ompassionate care, **A**ccountability, **R**espect for all, and **E**xcellence as a culture. At the same time, we seek to generate a strong financial performance and deliver long-term value for our Shareholders through the execution of our business strategy.

We aim to achieve our mission and to grow our business by pursuing the following strategies:

Grow and strengthen our presence in Karnataka and eastern India

We intend to further enhance our economies of scale, cost efficiencies, and ultimately expand our revenue and profitability in our core strategic markets in Karnataka and eastern India, including the metropolitan cities of Bengaluru and Kolkata, by continuing to strengthen our presence and increase our share of available hospital beds.

According to CRISIL, Kolkata has the lowest number of hospitals with over 100 beds compared to the National Capital Region ("**NCR**"), Mumbai and Bengaluru. We believe we can leverage our strong brand recognition and operational experience in Kolkata to tap into this significant market opportunity, as well as add incremental capacity to our Bengaluru presence.

To strengthen our presence in eastern India, we expect to implement the following strategies:

- Drive patient flow from north east India, including from the state of Assam, into our 270 capacity bed superspecialty hospital in Guwahati, Assam which was commissioned in December 2013 to serve as a gateway to north east India;
- Further develop our 136 capacity bed hospital in Barasat, West Bengal, which was acquired in March 2014, from a secondary care trauma centre into a multispecialty tertiary care unit, utilising the available freehold land;
- Further develop our 219 capacity bed unit, Narayana Superspeciality Hospital in Howrah, West Bengal, into one of the leading oncology hospitals in eastern India, with a particular focus on the Kolkata and Howrah districts; and
- Commission a 220 bed multispecialty tertiary care facility in Bhubaneshwar, Odisha, over the medium-term.

Continue strengthening our tertiary care focused clusters in western and central India

We intend to continue strengthening our presence in western and central India, where we currently have an emerging presence, in order to further realise the benefits of scale that we enjoy in our core clusters in Karnataka and eastern India. Going forward, we expect tier II and III cities (those with under 1 million population) to drive our growth, particularly as metropolitan and tier I cities approach capacity saturation in terms of total available beds. We intend to continue focusing on the tertiary care segment, which we believe is

[40] *Excluding revenue pertaining to MMRHL and Managed Hospitals.*

underserved in these regions where non-institutional hospitals are focused primarily on the secondary care market.

According to the WHO, India had 7 hospital beds per 10,000 population compared to the global median of 27 beds per 10,000 population. In order for India to reach the global median, 2.5 million beds would need to be added to the overall bed capacity of 0.9 million *(Source: CRISIL Report*).

We believe we are well-positioned to leverage our brand name and operational experience to identify attractive opportunities for continued expansion within India. Our evaluation criteria include location, demographics, revenue potential, competitive landscape, cost of expanding or commissioning new facilities, and reputation, amongst other factors. We have identified Lucknow in central India and Mumbai in western India as key markets for our near-term expansion plans, which we expect will add 623 capacity beds to our beds under management within the next 24 months. We intend to implement the following growth initiatives in these regions:

- Commission a 326 capacity bed multispecialty tertiary care facility in Lucknow within the next 24 months. We believe the Lucknow market presents a significant opportunity for the entry of an institutional hospital chain such as ours, and is complemented by the available pool of medical talent from its medical colleges; and

- Commission a 297 capacity bed dedicated multispecialty paediatric hospital in south Mumbai in partnership with SRCC within the next 24 months.

We intend to adopt our "asset right" model in our expansion strategy wherein our partners would invest in and own the fixed assets while we invest in and own the medical equipment and operate and manage the hospital.

Focus on a portfolio of high value clinical specialties

We intend to continue strengthening our clinical capabilities in our six high value specialty areas of focus: cardiology and cardiac surgery, nephrology and urology, cancer care, neurology and neurosurgery, orthopaedics, and gastroenterology. We believe that a combination of factors, including changing demographics, increasing affluence of the Indian population, greater health awareness, an increase in lifestyle-related diseases, and increasing health insurance coverage will lead to an increase in demand for quality healthcare services, particularly tertiary healthcare services. According to the WHO, 9.8 million deaths occurred in 2012 in India, of which 60.00% were due to non-communicable diseases ("**NCDs**"), up from 48.00% in 2000. According to CRISIL, the share of NCDs as a major cause of death is forecast to increase with rising income levels as the share of households earning above ₹ 0.5 million per year rises to 20.00% in 2017-2018 compared to 13.00% in 2013-2014.

We continually focus on investing in the latest medical technology, attracting skilled physicians and surgeons and developing our expertise in high growth tertiary care areas to serve the increasing demand for sophisticated clinical care and procedures.

Continue implementing our "asset right" model of efficient capital deployment

We intend to continue implementing our "asset right" model in order to optimise the use of our capital while facilitating the growth of our portfolio and brand through partnerships and greenfield projects. We expect to supplement this growth with the acquisition of existing healthcare facilities and other healthcare companies. We evaluate each acquisition on its own merits, such as long-term strategic value, potential synergies, expected returns, valuation, and cost of financing, amongst other factors.

We intend to pursue our strategy of adapting hospital configurations to meet market needs and potential. In metropolitan and tier I cities (which typically have over one million population) within our clusters, we typically aim to configure our hospitals to have over 250 operational beds (the capacity being built incrementally over a period of time) and provide complex tertiary and quaternary medical care. In tier II and tier III cities (which typically have under one million population) within our clusters, we aim to configure our hospitals to up to 150-200 operational beds (the capacity being built incrementally over a period of time) and provide higher secondary and tertiary medical care.

We intend to further leverage our position as a partner-of-choice for government bodies and charitable trusts in order to expand our PPP arrangements. For example, we intend to commission a 241 capacity bed multispecialty tertiary care "Centre of Excellence" in Kakryal, Jammu and Kashmir, within the next 12 months. The hospital, in partnership with the Vaishno Devi Board, will be located approximately 15 kilometres from Katra, a town that serves as basecamp for pilgrims and tourists to visit the Holy Shrine of Shri Mata Vaishno Devi. We expect to focus on patients from the state of Jammu and Kashmir as well as the bordering areas of Punjab and Himachal Pradesh. We believe the region currently lacks good healthcare infrastructure. Furthermore, in terms of the arrangement we have entered into with the Vaishno Devi Board, the Vaishno Devi Board will provide all capital investments and cover cash losses incurred by the hospital for a period of five years.

Improve operating efficiencies

Our operational parameters for FY 2013, FY 2014 and FY 2015 were as follows:

Parameters [(1)]	**Total[(2)]**			**Karnataka cluster**			**Eastern cluster**			**Western and central cluster**			**Others[(4)]**		
	FY 2013	**FY 2014**	**FY 2015**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2013**	**FY 2014**	**FY 2015[(3)(5)]**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2013**	**FY 2014**	**FY 2015**
No. of operating beds	3,825	4,837	5,518	1,980	2,187	2,344	869	1,674	1,993	652	652	857	324	324	324
Inpatient volume	116,963	155,052	192,345	60,280	81,654	94,449	34,690	40,172	61,787	15,925	22,179	25,330	6,068	11,047	10,779
Outpatient volume	999,220	1,348,231	1,612,943	531,137	769,303	863,846	308,000	341,191	471,255	106,185	163,569	191,890	53,898	74,168	85,952
ARPOB (in ₹ million)*	4.77	5.21	5.80	4.66	5.11	5.89	5.35	6.39	6.38	4.60	4.90	5.46	-**	-**	-**
Bed occupancy rate (%)***	44.93	47.20	51.87	48.62	53.10	55.10	54.48	38.73	50.97	29.60	42.11	46.21	27.67[(6)]	49.98[(6)]	44.89[(6)]
ALOS (days)****	5.32	4.87	4.44	5.77	5.17	4.67	4.92	4.33	4.05	4.42	4.54	4.34	5.50[(6)]	5.33[(6)]	4.94[(6)]
In-patient revenue (in ₹ million)	6,701.55	8,686.52	10,592.12	3,645.06	4,703.22	5,513.77	2,068.30	2,479.33	3,373.78	744.41	1,110.70	1,346.02	243.77	393.27	358.55
Out-patient revenue (in ₹ million)	1,292.86	1,796.42	2,401.34	755.49	1,083.48	1,387.23	388.07	484.74	722.02	106.36	176.10	226.47	42.94	52.10	65.62
Total net revenue (in ₹ million)	8,544.46	11,175.08	13,715.87	4,493.38	6,027.58	7,127.10	2,537.11	3,075.91	4,283.18	890.04	1,350.55	1,648.15	623.93	721.03	657.44

(1) All parameters (except the item "No. of opearting beds") exclude data pertaining to the Managed Hospitals.

(2) The parameters "ARPOB", "ALOS" and "Bed occupancy rate" do not include data pertaining to Narayana Multispeciality Hospital, Howrah, West Bengal and Narayana Superspeciaity Hospital, Howrah, West Bengal, corporate receipts and Subsidiaries other than NHSHPL and AHDL.

(3) The parameters "ARPOB", "ALOS" and "Bed occupancy rate" do not include data pertaining to Narayana Multispeciality Hospital, Howrah, West Bengal, and Narayana Superspeciality Hospital, Howrah, West Bengal.

(4) Includes data pertaining to Malla Reddy Narayana Multispeciality Hospital, Hyderabad, Telangana, the heart centre we operated in Kuppam, Andhra Pradesh (and have since discontinued), corporate receipts and Subsidiaries, other than NHSHPL, AHDL and MMRHL.

(5) Numbers reflect performance of MMRHL post our acquisition on November 24, 2014, up to the year ended March 31, 2015.

(6) Bed occupancy rate and ALOS reflect only data pertaining to Malla Reddy Narayana Multispeciality Hospital, Hyderabad and the heart centre we operated in Kuppam, Andhra Pradesh (and have since discontinued)

** ARPOB = (Total Net Revenue, less Other Income) / (Number of operational beds * bed occupancy rate)*

*** Data includes corporate receipts and receipts from Subsidiaries, other than NHSHPL, AHDL and MMRHL. ARPOB has accordingly not been computed.*

**** Bed occupancy rate = Discharged patient bed days / (Number of operational beds * 365)*

***** ALOS = Discharged patient bed days / Number of discharged patients*

We intend to maximise operating efficiencies and profitability across our network by focussing on the following key areas:

- Improve ARPOB per day through an increase in our focus on high growth tertiary care areas that would improve our case mix, as well as through a reduction in ALOS to increase patient turnover rate thereby allowing us to capitalise on the first two to three days of a patient's stay, which typically accounts for a significant portion of in-patient revenue.

- Maximise efficiencies through greater integration and better supply chain management. Our hospitals are large consumers of drugs and medical consumables such as stents, sutures and other surgical materials. To minimise costs and leverage our economies of scale, we intend to focus on standardising the type of medical and other consumables used across our network, optimising procurement costs, consolidating our suppliers, and optimising the use of medical consumables by establishing guidelines for medical procedures across our network; and

- Improve occupancy rates and the utilisation of key equipment and operating theatres, particularly at our new hospitals, by placing greater emphasis on the delivery of tertiary care services, expanding our referral network, and increasing community outreach programmes.

Our new hospitals, due to the relatively long gestation period before a hospital matures (particularly with respect to occupancy rates), may operate at a loss for a period of time before achieving profitability. In addition to the costs relating to the development or acquisition of the facility, we typically take a number of steps, such as increasing our marketing efforts at the initial stages when we add a hospital to our network. These efforts often result in additional costs relating to the offered services, facilities and medical staff. Over time, we expect the financial metrics of new hospitals to converge with those of our more mature hospitals. Key performance statistics for our hospitals by maturity profile (for FY 2015 and as at March 31, 2015), as indicated by the number of years a facility has been in commercial operation, are set out below:

Parameters(1)	**Maturity over 5 years**	**Maturity of 3-5 years**	**Maturity of less than 3 years**	**Acquired facilities(2)(3)**
Number of hospitals	6	3	10	4
Number of operational beds	2,202	824	1,613	505
Number of capacity beds	2,456	897	2,087	590
In-patient volume	96,260	30,418	31,749	14,117
Out-patient volume	814,134	218,858	362,423	64,245
Total net revenue (in ₹ million)	8,516.91	1,753.82	1,664.69	507.06
EBITDA margin (%)(4)	23.50	4.81	-14.35	3.36
ARPOB (in ₹ million)	6.41	4.47	5.52	2.86
Bed occupancy rate (%)	60.12	47.46	36.86	50.49
ALOS (in ₹ million)	5.05	4.70	3.48	3.53

(1) Data pertaining to Managed Hospitals have been included only for the items "Number of hospitals", "Number of operational beds" and "Number of capacity beds".
(2) The parameters "ARPOB", "ALOS" and "Bed occupancy rate" do not include data pertaining to Narayana Multispeciality Hospital, Howrah, West Bengal, and Narayana Superspeciality Hospital, Howrah, West Bengal.
(3) Numbers reflect performance of MMRHL post our acquisition on November 24, 2014.
(4) EBITDA margins are computed prior to allocation of corporate expenses.

Cluster-wise maturity profiles (for FY 2015 as at March 31, 2015) are as follows:

Karnataka cluster(1)

	Less than 3 years	**3-5 years**	**5 years and above**
Number of hospitals*	5	0	2
Number of operational beds*	656	–	1,333
Number of capacity beds*	967	–	1,480
Number of cardiac surgeries and cath procedures	4,098	–	20,670
Number of other focus specialties surgeries	6,544	–	9,422
Bed occupancy rate (%)	43.73	–	61.89
Total net revenue (in ₹ million)	**1,119.81**	**–**	**5,102.59**

(1) Excludes Managed Hospitals for all parameters other than those qualified with "".*

***Eastern cluster*[1]**

	Less than 3 years	3-5 years	5 years and above
Number of hospitals*	6	–	4
Number of operational beds*	1,124	–	869
Number of capacity beds*	1,294	–	976
Number of cardiac surgeries and cath procedures	1,044	–	15,132
Number of other focus specialties surgeries	5,925	–	14,938
Bed occupancy rate (%)	33.87[2]	–	57.41
Total net revenue (in ₹ million)	**711.10**	**–**	**3,414.32**

(1) Includes acquired hospitals; excludes Managed Hospitals for all parameters other than those qualified with "".*
(2) Numbers reflect performance of MMRHL post our acquisition on November 24, 2014.

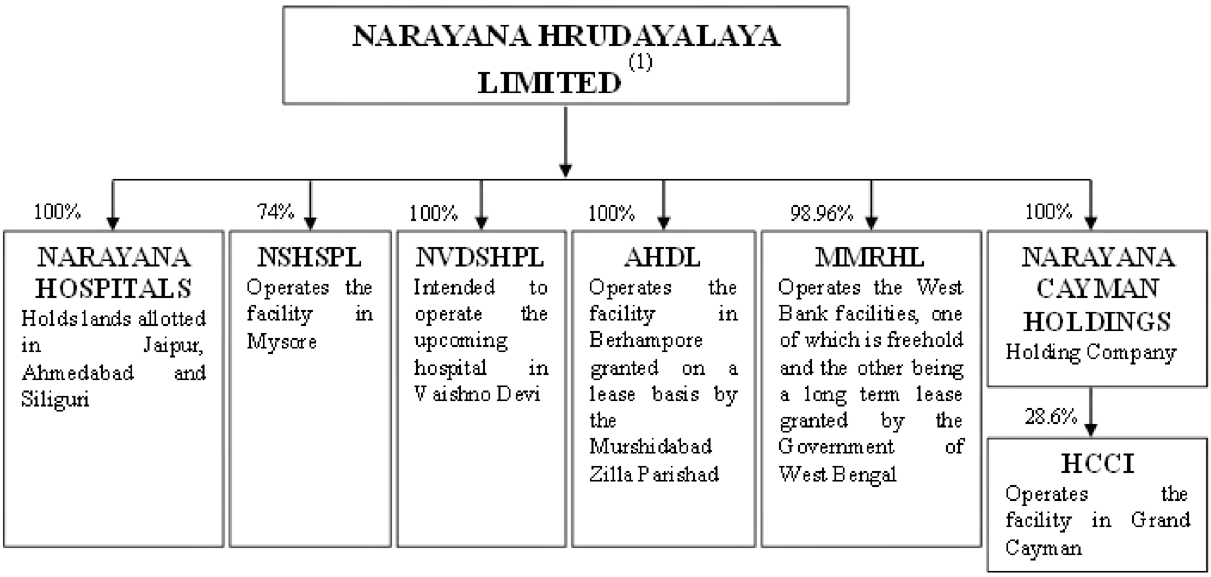
***Western and Central cluster*[1]**

	Less than 3 years	3-5 years	5 years and above
Number of hospitals*	3	2	–
Number of operational beds*	338	519	–
Number of capacity beds*	416	592	–
Number of cardiac surgeries and cath procedures	2,775	6,110	–
Number of other focus specialties surgeries	894	5,985	–
Bed occupancy rate (%)	38.47	48.19	–
Total net revenue (in ₹ million)	**340.84**	**1307.32**	**–**

(1) Excludes Managed Hospitals for all parameters other than those qualified with "".*

Corporate Structure

Our corporate structure and our Company's holding in our Subsidiaries and associates as of the date of this Draft Red Herring Prospectus is as follows:



(1) This chart does not include NIARPL, NHIPL and Narayana Malaysia, Subsidiaries, which currently do not have any operations, and the investment held in TriMedX

Key facility-wise highlights with operating metrics

Key highlights and operating metrics as of March 31, 2015, for certain of our superspecialty and multispecialty hospitals are as set out below:

Hospital[(1)]	Number of beds	Inpatient volumes	Outpatient volumes	Commercial Operations Year*	Bed occupancy rate (%)	ALOS	In-patient income (in ₹ million)	Out-patient income (in ₹ million)	ARPOB[(2)] (in ₹ million)	Revenue (in ₹ million)
NICS	706	21,832	94,944	July 2000	54.74	6.49	2,292.74	284.35	6.67	2,584.73
MSMC	627	32,452	375,959	July 2009	69.95	4.94	1,691.01	694.81	5.71	2,517.86
RTIICS	613	27,879	236,835	January 2008	67.52	5.46	2,326.42	450.17	6.87	2,850.39
Brahmananda Narayana Multispeciality Hospital, Jamshedpur, Jharkhand	149	6,946	37,465	July 2008	50.08	4.01	288.09	59.91	4.83	360.61
Narayana Multispeciality Hospital, Jaipur, Rajasthan	290	11,995	96,778	January 2011	47.71	4.22	684.73	121.27	6.14	851.45
Narayana Multispeciality Hospital, Ahmedabad, Gujarat	133	5,117	49,871	May 2012	38.47	3.65	280.51	49.82	6.68	340.84
MMI Narayana Multispeciality Hospital, Raipur, Chattisgarh	229	8,218	45,241	August 2011	48.80	4.94	380.77	55.38	4.07	455.86
Narayana Multispeciality Hospital, Mysore, Karnataka	145	6,607	61,668	December 2012	46.86	3.80	226.62	43.94	4.17	284.32
Sahyadri Narayana Multispeciality Hospital, Shimoga, Karnataka	207	10,159	113,684	December 2012	50.66	3.78	289.28	56.81	3.61	379.41
Narayana Multispeciality Hospital, Whitefield, Bengaluru, Karnataka	91	3,933	59,320	July 2013	30.90	2.65	176.70	85.45	9.98	282.34
Narayana Multispeciality Hospital, HSR Layout, Bengaluru, Karnataka	56	2,427	46,208	July 2013	30.83	2.61	93.06	70.01	10.05	173.74
Narayana Superspeciality Hospital, Guwahati, Assam	185	3,506	31,672	December 2013	17.16	3.33	136.74	38.21	6.39	204.04
Malla Reddy Narayana Multispeciality Hospital, Hyderabad, Telangana	305	10,205	76,839	July 2010	46.21	5.05	340.81	56.58	3.16	446.50

(1) Excludes RTSC and RNN, 4 managed hospitals and 4 acquired hospitals in Barasat, Behrampore and Howrah, West Bengal.

(2) Calculated on the basis of (Total revenue less other income) / (Bed occupancy rate x Number of operational beds).

Payee profile

Our revenue streams*, categorised by payee profile are as set out below:

Profile	FY 2013	FY 2014	FY 2015
Schemes**	23.30%	24.62%	21.45%
Insurance-covered patients, corporate patients (including public sector undertakings) and international patients	15.32%	16.63%	19.25%
Walk-In patients	61.38%	58.75%	59.30%
TOTAL	**100.00%**	**100.00%**	**100.00%**

* *% expressed as a sum of in-patient and out-patient billed revenues, and data does not include revenues from: (i) MMRHL; (ii) our heart centre in Durgapur and Lansdowne clinic, Kolkata, West Bengal, (iii) Managed Hospitals; and (iv) corporate receipts, ancillary businesses and subsidiaries (other than NHSHPL and AHDL)*
** *Schemes include CGHS, ESIS, other state government schemes*

Properties

Set out below is a facility-wise description covering the key superspecialty and multispecialty hospitals (excluding Managed Hospitals and RNN) we operate and the basis of our operations:

NICS:

NICS was commissioned in July 2000, in Bommasandra, Bengaluru, and forms part of NH Health City. This facility operates as a "centre for excellence for cardiac sciences" with 706 operational beds exclusively for cardiac surgeries and cardiology procedures of which 80 beds dedicated to pre-operative and post-operative paediatric and neonatal ICU. We own the freehold on the land and buildings (excluding certain land parcels which are held on a lease basis). The facility's primary catchment areas are Bengaluru city and peripheral districts in the states of Karnataka and Tamil Nadu, as well as regions farther afield such as the state of West Bengal, north east India, and Bangladesh.

MSMC:

MSMC was commissioned in July 2009, at Bommasandra, Bengaluru, and forms part of NH Health City. This is a multispecialty tertiary care hospital (except cardiac sciences), focussed mainly on oncology and renal sciences which together accounted for 35.68% of in-patient billed revenue in FY 2015, and also houses one of India's largest bone marrow transplant units. We own the freehold on the land and buildings (excluding certain land parcels which are held on a lease basis). The facility's primary catchment areas are Bengaluru city and peripheral districts in the states of Karnataka and Tamil Nadu.

RTIICS:

In January 2008, we entered into a ten year management agreement with AHF (extendable to up to 25 years, at our option) for the operation and management of RTIICS in Mukundapur on, Eastern Metropolitan Bypass, Kolkata, West Bengal. We believe RTIICS is one of the leading cardiac care hospitals in eastern India, operating as a multispecialty hospital with cardiac sciences, renal sciences (including kidney transplants), neurosciences, and gastroenterology accounting for 87.74% of in-patient billed revenue in FY 2015. The facility's primary catchment areas are Kolkata city and peripheral districts in the state of West Bengal.

Brahmananda Narayana Multispeciality Hospital, Jamshedpur, Jharkhand:

In July 2008, we entered in a 99 year lease agreement with the Brahmananda Sewa Sadan Trust for the operation and management of the facility in Tamolia, Saraikela Kharsawan, Jamshedpur, Jharkhand. The facility is a multispecialty tertiary care hospital with cardiac sciences, renal sciences and orthopaedics accounting for 75.45% of in-patient billed revenue in FY 2015. The facility's primary catchment areas are the state of Jharkhand and southern districts of the state of Bihar.

Narayana Multispeciality Hospital, Jaipur, Rajasthan:

The facility was commissioned in January 2011 in Sanganer with a 99 year land lease from the RHB. The facility is a multispecialty tertiary care hospital with cardiac sciences, neurosciences and orthopaedics accounting for 72.43% of in-patient billed revenue in FY 2015. This is the first hospital in Rajasthan to obtain JCI accreditation. The facility's primary catchment are the state of Rajasthan, adjoining districts of the state of Haryana, and Agra city in the state of Uttar Pradesh.

Narayana Multispeciality Hospital, Ahmedabad, Gujarat:

The facility was commissioned in May 2012 in Ahmedabad on a long-term land allotment from the Government of Gujarat (the lease in this regard is yet to be entered into). The facility is a multispecialty tertiary care hospital with cardiac sciences, orthopaedics and oncology accounting for 73.89% of in-patient billed revenue in FY 2015. The facility's primary catchment areas are Ahmedabad and surrounding districts of the state of Gujarat and southern Rajasthan.

MMI Narayana Multispeciality Hospital, Raipur, Chhattisgarh:

The facility was commissioned in August 2011 under a 15 year revenue-share agreement with Modern Medical Institute Society ("**MMIS**"). The facility is a multispecialty tertiary care hospital with cardiac sciences, renal sciences and neurosciences accounting for 63.31% of in-patient billed revenue in FY 2015. We believe the facility has one of the largest dialysis units in Chhattisgarh. The facility's primary catchment areas are the state of Chhattisgarh, western Odisha and the southern districts in the state of Madhya Pradesh.

Narayana Multispeciality Hospital, Mysore, Karnataka:

The facility was commissioned in December 2012 in Devanur with a 30 year land lease from the Mysore Urban Development Authority. In September 2015, we introduced oncology specialty in this facility. The facility's primary catchment area is southern Karnataka.

Sahyadri Narayana Multispeciality Hospital, Shimoga, Karnataka:

The facility was commissioned in February 2013 in Shimoga under a 30 year revenue-share agreement with Sahyadri Healthcare and Diagnostics Private Limited ("**SHDPL**"). The facility is a multispecialty tertiary care hospital with cardiac sciences, neurosciences and orthopaedics accounting for 58.90% of in-patient billed revenue in FY 2015. The facility's primary catchment area is central Karnataka.

Narayana Multispeciality Hospital, Whitefield, Bengaluru, Karnataka:

The facility was commissioned in July 2013 in Bengaluru under a 20 year revenue-share agreement with Nandhini Hotels Private Limited ("**Nandhini Hotels**") and Singapore Whitefield Investments (India) Private Limited. The facility is a premium, multispecialty tertiary care hospital with cardiac sciences, renal sciences, neurosciences and orthopaedics accounting for 39.90% of in-patient billed revenue in FY 2015. The facility's primary catchment area is the affluent neighbourhood in proximity to the International Tech Park, Bengaluru.

Narayana Multispeciality Hospital, HSR Layout, Bengaluru, Karnataka:

The facility was commissioned in July 2013 in Bengaluru under a 25 year revenue-share agreement with T.K. Patil (Benakatti) Charitable Trust ("**TKP Trust**") (with a minimum guaranteed revenue for our partner). The facility is a multispecialty tertiary care hospital with cardiac sciences, renal sciences, neurosciences and orthopaedics accounting for 42.99% of in-patient billed revenue in FY 2015. The facility's primary catchment area is the large residential community in proximity to HSR Layout, Bengaluru.

Narayana Superspeciality Hospital, Guwahati, Assam:

The facility was commissioned in December 2013 under a 30 year public-private partnership (structured as a lease, which is yet to be entered into) with the Government of Assam. The facility is a multispecialty tertiary care hospital with cardiac sciences, neurosciences and orthopaedics accounting for 75.46% of in-patient billed revenue in FY 2015. The facility's primary catchment area is Guwahati and the entire region of north east India.

Malla Reddy Narayana Multispeciality Hospital, Hyderabad, Telangana:

The facility was commissioned in July 2010 in Hyderabad with a 20 year lease with the Chandramma Educational Society. The facility is a multispecialty tertiary care hospital with cardiac sciences, neurosciences and orthopaedics accounting for 71.36% of in-patient billed revenue in FY 2015. The facility's primary catchment area is Hyderabad and neighbouring districts of Telangana, Maharashtra and Karnataka.

RTSC:

The facility was commissioned in July 2008 in Kolkata, West Bengal on a 10 year lease from EM bypass Medical Centre Private Limited, Dr. Suresh Bajoria and Latika Bajoria. It provides a host of specialties including gastroenterology, orthopaedics, neurosciences and renal sciences.

Hospitals acquired:

Narayana Multispeciality Hospital, Barasat, West Bengal (formerly Jubilant Kalpataru Hospital):

This is a 136 operational bed hospital, located in Barasat, West Bengal, and caters to the local population and neighbouring districts of West Bengal. The hospital is expected to evolve from a secondary care-focused trauma centre to a multispecialty tertiary unit. The property on which the property is situated is freehold and is positioned ideally to increase capacity and grow in the future. The hospital reported revenues of ₹ 223.45 million for FY 2015.

Rabindranath Thakur Diagnostic & Medical Care Centre, Berhampore, West Bengal:

This is a 50 operational bed hospital located at a distance of about 200 kilometres from Kolkata, West Bengal, and serves the local district population. The hospital provides secondary-care in general medicine and reported revenues of ₹ 46.46 million for FY 2015. AHDL holds the property on a leasehold basis.

Narayana Multispeciality Hospital, Howrah, West Bengal:

MMRHL had operated this facility for about 15 years prior to our acquisition of MMRHL. This facility has a capacity of 169 beds. The hospital caters to the neighbouring districts of Kolkata, West Bengal, such as Howrah and Medinipur. Service offerings include medicine, surgery, gynaecology and obstetrics. The property is held by MMRHL on a freehold basis.

Narayana Superspeciality Hospital, Howrah, West Bengal:

MMRHL commenced operations from this facility in the year 2013 on the basis of 30-year lease granted by the Government of West Bengal. The facility has a capacity of 219 beds with specific focus on oncology and cardiac sciences.

Revenues from the facilities of MMRHL (post our acquisition on November 24, 2014, up to the year ended March 31, 2015), stood at ₹ 237.16 million and for the full Fiscal Year 2015, stood at ₹ 609.07 million.

Certain land and building owned by us and leasehold interests over land have been encumbered in favour of our lenders for our financing facilities, see section "***Financial Indebtedness***" beginning on page 192, for details of properties encumbered in favour of our lenders and the financing facilities in respect of which they have been encumbered.

We have obtained approvals pertaining to lands we own on a freehold basis, except those set out in the section "***Government Approvals***", on page 259.

Overseas operations:

HCCI:

HCCI, which primarily targets the Cayman Islands and the surrounding Caribbean region, operates a JCI-accredited 104 capacity bed tertiary care facility focusing on cardiac sciences and orthopaedics segments. As on March 31, 2015 we hold a 28.60% stake in HCCI, with an option to increase our stake to 50.00% up to 2019, for further details, see section "***History and Certain Corporate Matters***" beginning on page 139. We believe there is potential for HCCI to attract patients from the United States of America, Canada and Latin America regions.

As of March 31, 2015, we invested USD 17.02 million in HCCI through our wholly owned Subsidiary, Narayana Cayman Holdings.

Expansion plans

We intend to continually invest in upgrading our existing hospital facilities and forge partnerships to operate out of new facilities wherever possible. Set out below is a table of key projects we intend to execute:

Location	Estimated time for commencement of operations	Type of hospital	No. of Capacity beds to be added
Vaishno Devi[(1)]	within the next 12 months	Multispecialty	241
Lucknow[(2)]	within the next 24 months	Multispecialty	326
Bhubaneshwar[(3)]	within the next 48 months	Multispecialty	220
Mumbai[(2)]	within the next 24 months	Multispecialty, paediatric	297
TOTAL			**1,084**

(1) To be executed on a public-private partnership model. Project land and building will be owned by the Vaishno Devi Board.

(2) To be executed on an operations and management basis.

(3) Land holding on long-term lease basis; we will construct and operate a hospital on the leasehold land.

The data set out above is based on management estimates and is subject to variations. Our ability to achieve our targets is subject to a number of micro and macro economic factors in the markets we propose to invest in, and our general financial condition. See section "***Risk Factors***" beginning on page 17 for a detailed discussion of risks that may impact our business.

Competition

We face varying levels of competition in each micro-market we operate from. Our competition consists of both institutionalised hospitals that have a pan-Indian presence and local physicians and clinics that operate only in particular towns and cities. Our position in cardiology in particular is being and will be challenged by competition, and we will need to continually innovate to keep costs low, and increase our expertise and bouquet of services we offer.

Employees

As of July 31, 2015, we had 11,478 employees and students[(1)] providing the following services to us. The break-up of our manpower is as follows:

Category of employees	Number of employees (as of July 31, 2015)
Doctors[(2)]	818
Nurses	5438
Paramedical personnel	2009
Administration	3213
TOTAL	**11478**

(1) Does not include contract labour and personnel not on our rolls and Managed Hospitals.

(2) This data does not include 1,660 doctors (including visiting consultants), as of July 31, 2015 who provide services to us on a consultancy basis. These doctors are not our employees.

Intellectual Property

As a healthcare service provider dependent on brand equity and patient loyalty, we are significantly invested in and dependent on the "Narayana Health" brand. We have filed 18 trade mark applications with the Registrar of Trade Marks, Chennai.

Refer to section "***Risk Factors***" beginning on page 17 for risks we are exposed to with respect to our intellectual property. Despite our efforts to prevent and detect unauthorised use of our intellectual property, we are at risk that third parties, especially those with whom we have co-branded facilities, may infringe our intellectual property, and trade marks in particular. See section "***Risk Factors***" beginning on page 17, in connection with the risks we are exposed to in this regard.

Technology and Innovation

We have invested in technology and have adopted HINAI, an ERP tool integrating our administrative and clinical operations across India. This software enables us to maintain consolidated patient records and provide real-time access to data. The Laboratory Information System ("**LIS**") is used in our laboratories to receive and process patient samples. It comprises of a reporting module with appropriate work flows as well as an interface with laboratory equipment that automatically communicate with the LIS for transferring results of tests that are processed on laboratory equipment. Radiology Information System ("**RIS**") and Picture Archival System ("**PACS**") are integrated modules that are used in the imaging departments of our facilities for reporting results of radiology procedures. Radiology equipment such as digital X-rays, CT scans and MRI directly send images to the PACS servers and users can access the images on the hospital local area network for diagnosis and reporting. Our tele-radiology module is a standalone extension that allows image to be streamed to a central tele-radiology hub from both within and outside our hospitals for specialised radiology reporting.

Marketing and Promotional activities

We have invested and expect to continually invest in marketing and promotional activities. Our primary marketing is through the digital media. We develop online marketing strategies and implement them in the fields of social media marketing, web analytics, e-mail marketing and search engine optimization. Our website http://www.narayanahealth.org is also constantly updated for content, including key developments with our hospitals. We are present on Facebook, Twitter, Google+, YouTube and LinkedIn to build brand awareness. We attempt to increase the number of visitors to our website by optimising the website page ranking on search results. Search engine advertising is undertaken to generate clicks to our website. Email marketing is another effective channel through which we reach our registered users and keep them informed of activities from time to time.

Licences and empanelment

Refer to the section "***Government Approvals***" beginning on page 259 for an overview of licences, permits and approvals required for us to undertake our business. Some of our hospitals are empanelled (depending on the facility in question), with government schemes such as CGHS, ESIS, the Aarogyasri Scheme, and the Yeshasvini Scheme.

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility ("**CSR**") policy in line with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by Central Government. Our CSR objectives are as follows:

- Promoting healthcare facilities for the upliftment of people at large and creating a positive impact by addressing issues of accessibility and affordability;
- Promoting educational facilities to help and assist in unfolding the talent of children and amateurs; and
- Strive for socio-economic development thereby reducing inequality between rich and poor.

We have undertaken the following projects:

(a) ***Railway clinics***: We have established free emergency medical centres within railway stations which provide basic health services and basic medicines primarily to the railway passengers. We operate 4 such clinics.

(b) ***Mobile mammography screening***: Supported by the Nandan Nilekani family and NH Foundations, we have commissioned a mobile mammography unit in a bus. These services are free of cost.

Our CSR activities are monitored by the CSR Committee of our Board. For details of the terms of reference of our CSR Committee, see section "***Our Management***" beginning on page 153. For FY 2015, we had spent an amount of ₹ 10.60 million in CSR activities, for further details see section "***Financial Information***" beginning on page 192.

Liability and Insurance

We are held to high standards of skill, care and caution in the treatment of our patients. We face liability for medical negligence, both regulatory and monetary. Our handling of bio-medical and hazardous wastes are regulated under environmental legislation that is applicable to us, and we face liability for damage if we were to be in non-compliance with environmental laws. See section "***Regulations and Policies***" beginning on page 133 for an account of the various regulations applicable to our business.

We routinely enter into contracts which require us to indemnify third parties for wrongful actions and breaches on our part. Our liability towards such obligations will wholly be contingent on the facts of each case, the extent of loss suffered by our counterparty and our ability to mitigate the losses. In a number of cases, our indemnity obligations may not be subjected to any limits.

We have obtained insurance which we believe is sufficient, having regard to our business, size of operations from particular locations and the hazards we expect to be exposed to. We typically cover multispecialty hospitals we operate for the following risks: medical negligence, public liability, burglary, building and fire related insurance and insurance against natural calamities. Our insurance coverage and choice of policies or the nature of risks covered are not subjected to any independent third party review. Our insurance cover may or may not be adequate to cover every risk that we may face in the course of our operations. Particular risks which may give rise to significant losses include medical negligence, our radiology operations which involves the use of radioactive substances.

REGULATIONS AND POLICIES

Our Company is engaged in the business of operating and managing hospitals and clinics. We are governed by a number of central and state legislations that regulate our business. Consequently, our functioning requires, at various stages, the sanction of the concerned authorities under the relevant legislations and local bye-laws. Additionally, under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licences or registrations and to seek statutory permissions to conduct our business and operations.

Given below is a summary of certain significant laws and regulations applicable to our Company. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below provides general information to the investors. This description is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Key regulations applicable to our Company

Clinical Establishments (Registration and Regulation) Act, 2010 and State level private medical establishment legislations

The Clinical Establishments (Registration and Regulation) Act, 2010 is a central legislation. This legislation is currently in force only in certain states, including Rajasthan, Arunachal Pradesh, Himachal Pradesh, Mizoram, Sikkim and all union territories. This legislation seeks to regulate private hospitals and medical establishments and also requires that they be registered under the legislation with a district registering authority.

Additionally, a number of State Governments have enacted legislations regulating private hospitals and medical establishments functioning within their states. For instance, Karnataka has enacted the Karnataka Private Medical Establishments Act, 2007. These legislations stipulate standards to be followed by hospitals and medical establishments and also require that hospitals and medical establishments be registered with an authority designated under the statutes.

Indian Medical Council Act, 1956

The Indian Medical Council Act, 1956, provides for recognition of medical degrees and licences doctors to practice the profession of medicine. Though a company running hospitals such as ours is not required to be registered with the Medical Council of India or any State Medical Council, all doctors practicing medicine with us are required to be registered in the Indian Medical Register maintained by the Medical Council of India. The State Medical Councils exercise disciplinary jurisdiction over our doctors.

Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 ("Ethics Regulations")

The Ethics Regulations impose a number of requirements on medical practitioners, including good practices, record maintenance requirements, duties to patients, advertising regulations and a framework for punishment and disciplinary action for misconduct and violation of the Ethics Regulations. Oversight and enforcement of the Ethics Regulations have been vested with the relevant Medical Councils. The Ethics Regulations are not an exhaustive code of conduct for medical practitioners and the Indian Medical Council and the State Medical Councils are not precluded by the Ethics Regulations from considering or dealing with any other form of professional misconduct not covered in the Ethics Regulations.

Pharmacy Act, 1948

Pharmacists are required to be registered with the Pharmacy Council of India. Our Company is required to employ registered pharmacists, who alone are permitted to vend medicines and drugs from pharmacies operated by our Company.

Drugs (Control) Act, 1950

The Drugs (Control) Act, 1950, provides for the control of sale, supply and distribution of drugs. Under this legislation, any drug may be declared by the Central Government to be a drug to be regulated by the Act. The authorities may prohibit the disposal or direct the sale of any specified drug.

Drugs and Cosmetics Act, 1940 ("Drugs Act") and the Drugs and Cosmetics Rules, 1945 ("Drugs Rules")

The Drugs Act regulates a range of activities, including manufacture and sale of drugs. Under the Drugs Act, licences will need to be obtained from the jurisdictional drug control office for stocking, sale and distribution of drugs on a wholesale or retail basis. The nature of licence determines the class of drugs (set out in the Schedules to the Drugs Act) that may be sold by a pharmacy or hospital. Record maintenance requirements have also been prescribed under the Drugs Act. The Drugs Act also provides for a framework of inspection of premises from which drugs are sold by the relevant authorities and provides for penalties for non-compliance with the provisions thereof.

Further under the Drugs Rules, human clinical trials for drugs are regulated. Key requirements include constitution and obtaining registration of the ethics committee with the licensing authority constituted under the Drugs Rules, and obtaining phase-wise approval for conduct of clinical trials. Every clinical trial will also have to be registered with the Clinical Trials Registry – India before enrolment of patients for any study. A detailed scheme for compensating victims of clinical trials has also been provided for under the Drugs Rules. Annual status reports on each clinical trial, including whether it is on going, completed or terminated, are required to be submitted to the licensing authority.

Ethical Guidelines for Biomedical Research on Human Participants, 2006 ("ICMR Code")

The Indian Council of Medical Research has issued the ICMR Code which envisages that medical and related research using human beings as research participants must, necessarily, *inter alia*, ensure that the research is conducted under conditions in a manner conducive to and consistent with their dignity, well-being and under conditions of professional fair treatment and transparency. Further such research is subjected to continued evaluation at all stages.

As required by the ICMR Code, it is mandatory that all proposals on biomedical research involving human participants should be cleared by an appropriately constituted institutional ethics committee to safeguard the welfare and the rights of the participants. The committee should have a maximum strength of eight to 12 persons with the chairman being preferably from outside the institution, so as to maintain independence of the committee. The other members should be a mix of medical, non-medical, scientific and non-scientific persons including lay public to reflect diverse viewpoints.

These ethics committees are entrusted not only with the initial review of the proposed research protocols prior to initiation of the projects but also have a continuing responsibility of regular monitoring of the approved programmes to oversee compliance during the period of the project. Such an on going review has to be in accordance with the international guidelines wherever applicable and the Standard Operating Procedures of the World Health Organization.

The ICMR Code also provides that the human participants may be paid for the inconvenience and time spent, and should be reimbursed for expenses incurred, in connection with their participation in the research. They may also receive free medical services. During the period of research, if any such participant requires treatment for complaints other than the one being studied necessary, free ancillary care or appropriate treatments may be provided. However, payments should not be so large or the medical services so extensive as to make a prospective participant's consent readily to enrol in research against their better judgment, which would then be treated as undue inducement.

Narcotic Drugs and Psychotropic Substances Act, 1985 ("NDPS Act")

The NDPS Act regulates the possession and use of drugs falling within the definition of "narcotic drug" and "psychotropic substances". A number of drugs used in the treatment of human beings are regulated by the NDPS Act. A licence will need to be obtained from the licensing authority under the NDPS Act, for a hospital to purchase and administer such drugs to patients. The licence will also provide for the quantity of drugs licenced thereunder and the conditions subject to which the hospital is permitted to possess and administer narcotic drugs. The NDPS Act also provides for penalties for contravention, which includes imprisonment and fine.

Atomic Energy Act, 1962 ("Atomic Energy Act") and Rules thereunder

The Atomic Energy Act regulates the use and disposal of materials containing prescribed substances which are radioactive in nature. A number of applications involving radioactive substances are available in the field of medicine. The use of such substances and equipment which generate wastes involving such substances require licences and registrations under the Atomic Energy Act and the various rules prescribed thereunder. An Atomic Energy Regulatory Board ("**AERB**") has been constituted by the Central Government to administer the provisions of the Atomic Energy Act.

Radiation Protection Rules, 2004("Radiation Rules")

The Radiation Rules require that no person shall, without a licence issued by the AERB, establish a radiation installation for siting, design, construction, commissioning or operation. The Radiation Rules also require a licence for a person to handle radioactive material or operate a radiation generating equipment. A registration will be required under the Radiation Rules, for sources and practices associated with medical diagnostic x-ray equipment including therapy, simulator and analytical x-ray equipment used for research.

Radiation Surveillance Procedures for Medical Application of Radiation, 1989 ("Surveillance Procedures")

The Surveillance Procedures provide for safety requirements and procedures to be complied with in connection with operating a radiation generating equipment. The Surveillance Procedures require that a radiology safety officer, whose appointment is approved by the AERB, be appointed with respect to the operation of radiation generating equipment.

Medical Termination of Pregnancy Act, 1971 ("MTP Act")

The MTP Act regulates the termination of pregnancies by registered medical practitioners and permits termination of pregnancy only on specific grounds and for matters connected therewith. It stipulates that abortion can be carried out only in certain stipulated circumstances by a registered medical practitioner who has the necessary qualification, training and experience in performing medical termination of pregnancy and only at a place which has facilities that meet the standards specified in the rules and regulations issued under the MTP Act. Under the MTP Act, private hospitals and clinics need government authorisation to undertake termination of pregnancy. Under the rules framed pursuant to the MTP Act, private clinics can receive their authorisation only if the government is satisfied that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments in place.

Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994 ("PNDT Act")

The PNDT Act regulates the use of pre-natal diagnostic techniques for various purposes. These include, for instance, detecting genetic or metabolic disorders, chromosomal abnormalities, certain congenital malformations or sex-linked disorders of a foetus. The PNDT Act also prevents the misuse of such techniques for the purposes of pre-natal sex determination leading to female foeticide and for matters connected therewith or incidental thereto. The PNDT Act makes it mandatory for all genetic counselling centres, genetic clinics, laboratories and all bodies utilising ultrasound machines to register with their respective appropriate authorities, failing which, penal actions could be taken against them.

Transplantation of Human Organs Act, 1994 ("Transplantation Act")

The Transplantation Act provides for the regulation of removal, storage and transplantation of human organs for therapeutic purposes and for the prevention of commercial dealings in human organs and for matters incidental thereto. The Transplantation Act prohibits the removal of any human organ except in situations provided therein. No hospital can provide services relating to the removal, storage or transplantation of any human organ for therapeutic purposes unless such hospital is duly registered under the Transplantation Act.

Registration of Births and Deaths Act, 1969

The medical officer of a hospital is required to notify births and deaths occurring in the hospital to the Registrar appointed under the Registration of Births and Deaths Act, 1969. Further, with respect to deaths where the relevant State Government has required that a certificate as to the cause of death shall be obtained, in the event of the death of any person who, during his last illness, was attended by medical practitioner, the medical practitioner shall, after the death of that person, forthwith issue without charging any fee, a certificate in the prescribed form stating to the best of his knowledge and belief the cause of death; and the certificate shall be received and delivered by such person to the registrar at the time of giving information concerning the death as required by this Act.

Environment Regulations

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, State Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspections to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be periodically renewed.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the PCB. The Water Act also provides that the consent of the PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the PCB prior to commencing any activity. The PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

Environment Protection Act, 1986 ("EPA")

The EPA has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per this Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

Bio-Medical Waste (Management and Handling) Rules, 1998 ("Bio-Waste Rules")

The Bio-Waste Rules apply to all persons who generate, transport, treat, dispose or handle bio-medical waste in any form. The Bio-Waste Rules mandate every occupier of an institution generating bio-medical waste to take steps to ensure that such waste is handled without any adverse effect to human health and environment and to set up bio-medical waste treatment facilities as prescribed under the Bio-Waste Rules. The Bio-Waste Rules further require such persons to apply to the prescribed authority for grant of authorisation and submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, storage, transportation, treatment, disposal, and/ or any form of handling of bio-medical waste in accordance with the Bio-Waste Rules.

Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008 ("Hazardous Waste Rules")

The Hazardous Waste Rules define the term "hazardous waste" and any person who has control over the affairs of a factory or premises or any person in possession of hazardous waste is classified as an "occupier". In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain licence/ authorisation from the PCB for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste.

Water (Prevention & Control of Pollution) Cess Act, 1977 ("Water Cess Act") and Water (Prevention & Control of Pollution) Cess Rules, 1978 ("Water Cess Rules")

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the central and state PCB for the prevention and control of water pollution constituted under the Water Act. The Water Cess Rules have been notified under Section 17 of the Water Cess Act and provide, *inter alia*, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

Laws relating to medical negligence

Consumer Protection Act, 1986

The Consumer Protection Act, 1986, provides remedies to consumers with respect to deficiency of services. Services provided by hospitals are covered under the Consumer Protection Act, 1986. In the event of medical negligence, patients are entitled to, depending on the quantum of the claims, file complaints against us before the District Consumer Disputes Redressal Forum, the State Consumer Disputes Redressal Commission or the National Consumer Disputes Redressal Commission. These forums have the power to award damages and costs against us for any medical negligence established against us. Appeals are available against orders of the District Consumer Disputes Redressal Forum before the State Consumer Disputes Redressal Commission, against orders of the State Consumer Disputes Redressal Commission to the National Consumer Disputes Redressal Commission and against orders of the National Consumer Disputes Redressal Commission to the Supreme Court of India.

Laws relating to taxation

The tax related laws that are pertinent include state level VAT legislation, the Income-Tax Act, 1961, the Customs Act, 1961, the Central Sales Tax Act, 1956 and various service tax notifications.

Government Schemes

Central Government Health Scheme ("CGHS")

This scheme covers identified categories of Central Government employees in cities covered by the CGHS. The CGHS is currently operative in 24 cities in India, including Bengaluru and Kolkata. Eligible employees and their dependants who have been duly enrolled to the CGHS can avail of cashless treatment for procedures covered by the CGHS. The Central Government has fixed package rates applicable from time to time for different procedures. Hospitals empanelled with the CGHS raise bills directly with the Central Government for treatment provided to patients covered by the scheme.

Yeshasvini Cooperative Farmers Health Care Scheme ("Yeshasvini Scheme")

The Yeshasvini Scheme is a contributory healthcare scheme of the Government of Karnataka covering rural farmers of Karnataka. Under the Yeshasvini Scheme, beneficiaries contribute on a yearly basis to avail cashless treatment from network hospitals. Certain procedures and heads of treatment are not covered by the Yeshasvini Scheme. To the extent a particular procedure is covered, the beneficiary is not required to pay for the procedure, and the procedure will be performed by the network hospital and charges reimbursed from the trust administering the scheme.

Laws relating to Employment

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Contract Labour (Regulation & Abolition) Act, 1970;
- Employees Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- The Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947;
- Inter State Migrant Workers Act, 1979;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Relevant State Shops and Commercial Establishments Act; and
- Trade Unions Act, 1926.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as Narayana Hridayalaya Private Limited on July 19, 2000 at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956. Pursuant to a special resolution passed by our Shareholders dated January 02, 2008, our Company was renamed as Narayana Hrudayalaya Private Limited on January 11, 2008, and a fresh certificate of incorporation was issued by the RoC. The change in the name of our Company from Narayana Hridayalaya Private Limited to Narayana Hrudayalaya Private Limited was undertaken to rectify the error in the spelling of the word 'Hrudayalaya'. Our Company was then converted into a public limited company and accordingly the name of our Company was changed to Narayana Hrudayalaya Limited pursuant to a special resolution passed by our Shareholders at the AGM held on August 08, 2015. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on August 29, 2015. The KIADB approved the conversion of our Company from a private company to a public company by its letter dated August 21, 2015.

Changes in Registered Office

The details of changes in the Registered Office of our Company are given below:

Date of change of Registered and Corporate Office	Details of the address of Registered Office	Reason for change
May 03, 2002	Pursuant to the Board resolution dated May 03, 2002, our Registered Office was shifted from No. 9, Rajaramohan Roy Road, Bengaluru 562 158, Karnataka to No. 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 562 158, Karnataka.	To ensure greater operational efficiency and to meet growing business requirements.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

"1. *To undertake, assist, promote, conceive, design, build and construct, establish, setup, develop, takeover, run, manage and operate establishments, organisations and institutions, facilities for providing, giving and dispensing medical treatment, medical facilities, para medical facilities, healthcare facilities and all health, medical and other related and ancillary services, and support and carrying out all medical and healthcare activities, including general, multispecialty and super specialty hospitals.*

2. *To assist, engage in and provide hospital management services including technical, managerial and commercial expertise required to enhance the functioning of new and existing hospitals and healthcare centres; to carry on the business of acting as technical and business consultants, project developers and technical management and commercial advisors on all facets of medicare, healthcare and hospital management including but not limited to conceiving, designing, surveying, evaluating, implementing, setting up and equipping of new hospitals, diagnostic centres, day care networks, health sanitaria, clinics, health resorts, health spas and hospices; hospitals poly-clinics, nursing homes, maternity homes, dispensaries, pharmacies, all kinds of laboratories and investigation centres including but not limited to diagnostic, transplant, trauma, anaesthesia, critical, rehabilitative, recuperative and mother and child care centres, veterinary hospitals, angiocath labs, blood banks, centres providing ambulance services, dedicated and specialised medical research centres equipped with 'state-of-the-art' equipment, centres providing facilities and support services to setup a network of such hospitals, clinics, other paramedical facilities and other such institutions, organisations, establishments.*

3. *To undertake, promote, establish or engage in all kinds of research & development work connected with all facilities of medicines or assisting in establishing research centers, engaged in the kind of research work connected with different school of medicine particularly with reference to cardiology & heart diseases.*

4. *To establish or assist in establishing colleges in all faculties of medicine for Graduation, Post Graduation, Specialization and super Specialization.*

5. *To establish & run schools, institutions to train nurses, midwives and Hospital Administrators and other para medical staff.*

6. *To organise or help in organizing seminars, conferences, and memorial lectures in connection with all sections of medicine with particular emphasis on Heart & Cardiology matters.*

7. *To establish or help in establishing advanced technical, diagnostic medical consultancy services."*

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company:

Date of Shareholders' resolution	Particulars
January 02, 2008	Clause V of the Memorandum of Association was amended to increase the authorised share capital from ₹ 2,500,000 divided into 250,000 Equity Shares of face value of ₹ 10 each to ₹ 20,000,000 divided into 2,000,000 Equity Shares of face value of ₹ 10 each.
September 29, 2014	Main objects (1) and (2) were replaced with the following: *"1. To undertake, assist, promote, conceive, design, build and construct, establish, setup, develop, takeover, run, manage and operate establishments, organisations and institutions, facilities for providing, giving and dispensing medical treatment, medical facilities, para medical facilities, healthcare facilities and all health, medical and other related and ancillary services, and support and carrying out all medical and healthcare activities, including general, multispecialty and super specialty hospitals.* *2. To assist, engage in and provide hospital management services including technical, managerial and commercial expertise required to enhance the functioning of new and existing hospitals and healthcare centres; to carry on the business of acting as technical and business consultants, project developers and technical management and commercial advisors on all facets of medicare, healthcare and hospital management including but not limited to conceiving, designing, surveying, evaluating, implementing, setting up and equipping of new hospitals, diagnostic centres, day care networks, health sanitaria, clinics, health resorts, health spas and hospices; hospitals poly-clinics, nursing homes, maternity homes, dispensaries, pharmacies, all kinds of laboratories and investigation centres including but not limited to diagnostic, transplant, trauma, anaesthesia, critical, rehabilitative, recuperative and mother and child care centres, veterinary hospitals, angiocath labs, blood banks, centres providing ambulance services, dedicated and specialised medical research centres equipped with 'state-of-the-art' equipment, centres providing facilities and support services to setup a network of such hospitals, clinics, other paramedical facilities and other such institutions, organisations, establishments."*
December 19, 2014	Clause V of the Memorandum of Association was amended to increase the authorised share capital of our Company from ₹ 20,000,000 comprising of 2,000,000 Equity Shares of ₹ 10 each to ₹ 3,000,000,000 comprising of 300,000,000 Equity Shares of ₹ 10

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar year	Particulars
2000	Commenced operations from NICS in Bengaluru
2008	Our Company entered into an investment agreement with the investor Selling Shareholders for the purpose of subscription by the investor Selling Shareholders to 75,414 Equity Shares of ₹ 10 each of our Company (in the aggregate) for a purchase price of ₹ 53,040.55 (approximately) per share, including share premium of ₹ 53,030.55 (approximately) per share
2014	Acquired AHDL
2014	Acquired the Jubilant Kalpataru Hospital, Barasat, West Bengal

Calendar year	Particulars
2014	Our Company entered into a securities subscription agreement with CDC Group and CDC IOL for subscription to our Equity Shares and OCDs aggregating to ₹ 3,000,061,460.20
2015	Obtained JCI accreditation for HCCI's multispecialty hospital in Cayman Islands

Awards and Accreditations

We have received the following awards and accreditations:

Calendar year	Award/ Accreditation
2010	India Healthcare award by CNBC & ICICI Lombard under the category – Specialty hospital – Cardiology
2011	NICS received accreditation from the JCI
2011	Outstanding contribution to the society through CSR programs award conferred by CSR Thought Leadership Conclave organised by Wockhardt Foundation
2012	Narayana Multispeciality Hospital, Jaipur received accreditation from the JCI
2012	Ranked 36th in the World's 50 Most Innovative Companies by Fast Company
2012	Healthcare Excellence award for Addressing Industry Issues conferred by the Federation of Indian Chambers of Commerce and Industry
2012	India Healthcare Excellence award conferred by Frost and Sullivan
2013	Financial Times Arcelor Mittal Boldness in Business awards under the category - CSR/Environment
2013	Porter Prize for Industry Architectural Shift
2013	Inc. India Innovation 100 award
2013	Philanthropy award by Forbes India – Good Company award
2013	"Narayana Hrudayalaya – Malla Reddy Hospital" received accreditation from the NABH
2014	RTIICS received accreditation from the NABH
2014	MSMC received accreditation from the NABH
2013 - 2014	State Export Excellence award under the category – Overall Service Sector
2014	Gold award conferred by Asian Hospital Management under the category – Customer Service
2014	ABP news Brand Excellence award under the category – Healthcare and Hospitals
2014	Super Specialty Hospital of the year award conferred by Hero Cycles' India Health and Wellness awards 2014
2014	Mentioned in the Boston Consulting Group Local Dynamo List for Operational Excellence
2015	Healthcare Leadership award under the categories - Social Cause, Healthcare and Social Care Support and CEO of the year
2015	HCCI obtained accreditation from the JCI for its facility in Grand Cayman, the Cayman Islands
2015	Public Health Champion award under the category – Innovation conferred by the WHO, India

Other details regarding our Company

For details regarding the description of our activities, including the growth of our Company, technology, management, major suppliers and customers, segment, market of each segment, capacity/ facility creation, location of plant, market capacity build-up, marketing and competition, see sections "***Our Business***" and "***Industry Overview***" beginning on page 114 and 99, respectively. There have been no lock-outs or strikes at any time in the Company. Our Company is not operating under any injunction or restraining order, other than (i) the interim order dated September 29, 2009 of the Sub-Divisional Officer, Jaipur directing maintenance of status quo by Narayana Hospitals with respect to certain parcels of land in Jaipur, Rajasthan, allegedly owned by Shubh Agro Farms and Properties Private Limited; and (ii) certain demands made by the Calcutta Shops and Commercial Establishment Workers Union with respect to RNN, which our Company has refused to accede to and is currently contesting (details of both proceedings are set out in "***Outstanding Litigation and Material Developments***" beginning on page 243).

For details regarding our management and its managerial competence, see section "***Our Management***" beginning on page 153.

For details regarding profits due to foreign operations, see section "***Financial Statements***" beginning on page 191.

Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, if any

Except as disclosed under sections "***Our Business***" beginning on page 114 and "***History and Certain Corporate Matters – Summary of Key Agreements***" on page 149, our Company has neither acquired any entity, business or undertaking nor has undertaken any merger, amalgamation or revaluation of assets.

Capital raising activities through equity and debt

Except as mentioned in the section "***Capital Structure***" beginning on page 73, our Company has not raised any capital through equity. For details on the debt facilities of our Company, see section "***Financial Indebtedness***" beginning on page 192.

Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions in respect of our current borrowings from lenders. Except the outstanding 10 million OCDs of ₹ 100 each issued to CDC IOL under the Securities Subscription Agreement dated December 22, 2014, all of which will be converted into Equity Shares (together with coupon), prior to the filing of the Red Herring Prospectus with the RoC, there will be no conversion of loans into Equity Shares on or prior to the filing of the Prospectus. For further details see note 1(b) in the section "***Capital Structure***" beginning on page 73. For circumstances under which we may be required to convert the OCDs to Equity Shares, see section "***History and Certain Corporate Matters***" beginning on page 139.

Time and cost overruns

We have in the past experienced time and cost overruns with respect to certain projects. By way of illustration, we have experienced delays and have exceeded budgets with respect to our projects in Ahmedabad, Gujarat Bhubaneswar, Odisha, Kolkata, West Bengal, Siliguri, West Bengal and Mysore, Karnataka. The project in Bhubaneswar, Odisha, is yet to commence, having experienced a delay of more than six years. The project in Siliguri, West Bengal is also yet to commence. In addition, MMRHL has experienced time and cost overruns with respect to the completion of the radiotherapy department in its hospital.

Changes in the activities of our Company during the last five years

Pursuant to a share purchase agreement dated May 21, 2013, our Company sold to Axiss Dental, the investment it held in its subsidiary, Narayana Dental, which was engaged in the business of operation of dental health centres. Our Company sold 95% of its shareholding to Axiss Dental, with the remaining 5% shareholding being sold by minority shareholders. By selling its investment, our Company exited this line of business. Further, our Company agreed not to compete with Axiss Dental for a period of seven years, beginning October 08, 2013 , either directly or indirectly, in the business of "*owning and operating stand alone and /or retail dental clinics and other allied businesses (such as dental clinics in diagnostic centres, poly clinics etc.)*".

Our Company has accordingly discontinued the business of engaging in owning or operating standalone or retail dental clinics (not forming part of a hospital owned or managed by our Company). Our Company believes that the revenues arising from this business are not material to the financial performance of our Company.

Further, in the year 2014, our Company's Memorandum of Association was amended to permit us to operate full-fledged hospitals, thus increasing the scope of our Company's business from providing treatment for cardiac and heart ailments. For further details, see above on page 140.

We have, in the past, ceased operations from a number of facilities. For instance, we ceased operations out of Kuppam, Andhra Pradesh, and Jodhpur, Rajasthan, in the year 2015. We have also ceased operations out of a number of standalone clinics in the past. Our Company intended to commence operations of our subsidiary, Narayana Malaysia, which did not materialise.

Other than the above, there has been no change in the activities of our Company during the last five years which may have had a material effect on the profit / loss account of our Company including discontinuance of line of business, loss of agencies or markets and similar factors.

Accumulated Profits or Losses

There are no accumulated profits or losses of our Subsidiaries that are not accounted for by our Company in the Restated Consolidated Summary Statements.

Partnership Firms

Our Company is not a partner in any partnership firm.

Our Shareholders

Our Company has nine Shareholders, as of the date of this Draft Red Herring Prospectus. For further details regarding our Shareholders, see section "***Capital Structure***" beginning on page 73.

Strategic or Financial Partners

As on the date of filing this Draft Red Herring Prospectus, we do not have any strategic or financial partners.

Holding Company

Our Company does not have any holding company.

Our Subsidiaries

Our Company has nine Subsidiaries. Unless stated otherwise, information in relation to our Subsidiaries is as on the date of this Draft Red Herring Prospectus.

Interests in Subsidiaries

Our Subsidiary, Narayana Hospitals, is interested in us, to the extent that our Company operates the facilities in Ahmedabad, Gujarat, Jaipur and Rajasthan, lands in respect of which facilities were allotted to Narayana Hospitals. Our Subsidiary, NHSHPL, is interested in us to the extent that our Company has permitted NHSHPL to operate the facility in Mysore, Karnataka, allotted to us. Other than as set out above and in the sections "***Financial Statements***" and "***Related Party Transactions***" beginning on page 191 and 189, none of our Subsidiaries have any interest in our Company's business.

1. ***Narayana Hospitals Private Limited ("Narayana Hospitals")***

Corporate Information

Narayana Hospitals was incorporated on May 10, 2004 under the Companies Act, 1956 as a private limited company. It has its registered office at No.258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 099, Karnataka, India.

Narayana Hospitals is authorised to engage in the business of operation of hospitals, clinics, health centres and nursing homes.

Capital Structure

The authorised share capital of Narayana Hospitals is ₹ 540,000,000 divided into 54,000,000 equity shares of ₹ 10 each and the issued and paid up share capital of Narayana Hospitals is ₹ 532,614,430 divided into 53,261,443 equity shares of ₹ 10 each.

Shareholding

Shareholder	Number of shares	Percentage (%)
Company	53,261,442	100.00
Dr. Devi Prasad Shetty (nominee of our Company)	1	0.00*
TOTAL	**53,261,443**	**100.00**

* *Less than 0.01%*

2. ***Narayana Institute for Advanced Research Private Limited ("NIARPL")***

Corporate Information

NIARPL was incorporated on November 20, 2006 under the Companies Act, 1956 as a private limited company. It has its registered office at No.258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 099, Karnataka, India.

NIARPL is authorised to engage in the business of research and development work connected with facilities of medicine and operation of hospitals, clinics, health centres and nursing homes. NIARPL currently does not engage in any business.

Capital Structure

The authorised share capital of NIARPL is ₹ 20,000,000 divided into 2,000,000 equity shares of ₹ 10 each and the issued and paid up share capital of NIARPL is ₹ 10,383,870 divided into 1,038,387 equity shares of ₹ 10 each.

Shareholding

Shareholder	Number of shares	Percentage (%)
Company	1,038,386	100.00
Dr. Devi Prasad Shetty (as nominee of our Company)	1	0.00*
TOTAL	**1,038,387**	**100.00**

** Less than 0.01%*

3. ***Narayana Health Institutions Private Limited ("NHIPL")***

Corporate Information

NHIPL was incorporated on July 01, 2008 under the Companies Act, 1956 as a private limited company. It has its registered office at No.258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 099, Karnataka, India.

NHIPL is authorised to engage in the business of running medical colleges and operation of hospitals, clinics, health centres and nursing homes. Since incorporation, NHIPL has not engaged in any business.

Capital Structure

The authorised share capital of NHIPL is ₹ 11,500,000 divided into 1,150,000 equity shares of ₹ 10 each and the issued and paid up share capital of NHIPL is ₹ 11,040,400 divided into 1,104,040 equity shares of ₹10 each.

Shareholding

Shareholder	Number of shares	Percentage (%)
Company	1,104,039	100.00
Dr. Devi Prasad Shetty (as nominee of our Company)	1	0.00*
TOTAL	**1,104,040**	**100.00**

** Less than 0.01%*

4. ***Narayana Hrudayalaya Surgical Hospital Private Limited ("NHSHPL")***

Corporate Information

NHSHPL was incorporated on October 11, 2010 under the Companies Act, 1956 as a private limited company. It has its registered office at No.258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 099, Karnataka, India.

NHSHPL is authorised to engage in the business of maintaining hospitals, clinics, health centres and nursing homes.

Capital Structure

The authorised share capital of NHSHPL is ₹ 50,000,000 divided into 5,000,000 equity shares of ₹ 10 each and the issued and paid up share capital of NHSHPL is ₹ 27,027,040 divided into 2,702,704 equity shares of ₹ 10 each.

Shareholding

Shareholder	Number of shares	Percentage (%)
Company	1,999,999	74.00
IDECK**	702,704	26.00
Dr. Devi Prasad Shetty (as nominee of our Company)	1	0.00*
TOTAL	**2,702,704**	**100.00**

* *Less than 0.01%*

*** 49.499% of shareholding in IDECK is held by IDFC Foundation, which is 100% held by its holding company, IDFC Limited. 100% of shareholding in IDFC Securities Limited (one of the BRLMs to the Offer) is held by IDFC Financial Holding Company Limited, which is 100% held by IDFC Limited.*

5. ***Asia Healthcare Development Limited ("AHDL")***

Corporate Information

AHDL was incorporated on June 02, 2004 as Asia Healthcare Development Private Limited under the Companies Act, 1956. AHDL was converted into a public limited company on October 03, 2008. On February 27, 2015, AHDL was issued a certificate from the RoC authorising the change of place of its registered office from the state of Uttar Pradesh to the state of Karnataka. It has its registered office at No.258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 099, Karnataka, India.

AHDL is authorised to engage in the business of operation of hospitals, nursing homes, diagnostic centres and maternity homes.

Capital Structure

The authorised share capital of AHDL is ₹ 20,000,000 divided into 2,000,000 equity shares of ₹ 10 each and the issued and paid up share capital of AHDL is ₹ 17,666,480 divided into 1,766,648 equity shares of ₹ 10 each.

Shareholding

Shareholder	Number of shares	Percentage (%)
Company	1,766,641	100.00
Dr. Devi Prasad Shetty (as nominee of our Company)	2	0.00*
Shakuntala Shetty (as nominee of our Company)	1	0.00*
Viren Shetty (as nominee of our Company)	1	0.00*
Dr. Varun Shetty (as nominee of our Company)	1	0.00*
Dr. Anesh Shetty (as nominee of our Company)	1	0.00*
Dr. Ashutosh Raghuvanshi (as nominee of our Company)	1	0.00*
TOTAL	**1,766,648**	**100.00**

* *Less than 0.01%*

6. ***Meridian Medical Research & Hospital Limited ("MMRHL")***

Corporate Information

MMRHL was incorporated on May 08, 1995, under the Companies Act, 1956 as a public company. MMRHL was issued a certificate of commencement of business on May 12, 1995. It has its registered office at "West Bank Hospital", Andul Road, Howrah – 711 109, West Bengal, India.

MMRHL is authorised to engage in the business of operation of hospitals, nursing homes, diagnostic centres and maternity homes.

Capital Structure

The authorised share capital of MMRHL is ₹ 250,000,000 divided into 25,000,000 equity shares of ₹ 10 each and the issued and paid up share capital of MMRHL is ₹ 245,714,030, divided into 24,571,403 equity shares of ₹ 10 each.

Shareholding

Shareholder	Number of shares	Percentage (%)
Company	24,317,050	98.96
Company and Dr. Devi Prasad Shetty	100	0.00*
Company and Shakuntala Shetty	100	0.00*
Company and Viren Shetty	100	0.00*
Company and Dr. Varun Shetty	100	0.00*
Company and Dr. Ashutosh Raghuvanshi	100	0.00*
Others (including individuals and doctors)	253,853	1.03
TOTAL	**24,571,403**	**100.00**

* *Less than 0.01%*

7. ***Narayana Vaishno Devi Speciality Hospitals Private Limited ("NVDSHPL")***

Corporate Information

NVDSHPL was incorporated on September 05, 2014 under the Companies Act, 2013 as a private limited company. It has its registered office at No.258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 099, Karnataka, India.

NVDSHPL is authorised to engage in the business of superspecialty hospitals, complexes consisting of hospitals of superior quality with the latest advanced technology, clinics, health centre, diagnostic centre.

Capital Structure

The authorised share capital of NVDSHPL is ₹ 10,000,000 divided into 1,000,000 equity shares of ₹ 10 each and the issued and paid up share capital of NVDSHPL is ₹ 500,000 divided into 50,000 equity shares of ₹ 10 each.

Shareholding

Shareholder	Number of shares	Percentage (%)
Company	49,990	99.98
Dr. Devi Prasad Shetty (as nominee of our Company)	10	0.02
TOTAL	**50,000**	**100.00**

8. ***Narayana Hrudayalaya Hospitals Malaysia Sdn Bhd ("Narayana Malaysia")***

Corporate Information

Narayana Malaysia was incorporated on September 27, 2011, by a certificate granted by the Companies Commission of Malaysia. It has its registered office at Level 7, Menara Millennium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

Narayana Malaysia is authorised to engage in the business of operation of hospitals, nursing homes, medical and other research centres and maternity homes.

Capital Structure

Narayana Malaysia has an authorised share capital of RM 5,000,000, divided into 5,000,000 ordinary shares of RM 1 each and has issued and paid up share capital of 2,585,136 equity shares of RM 1 each.

Shareholding

Shareholder	Number of shares	Percentage (%)
Company	2,585,136	100.00
TOTAL	**2,585,136**	**100.00**

9. ***Narayana Cayman Holdings Limited ("Narayana Cayman Holdings")***

Corporate Information

Narayana Cayman Holdings was incorporated on May 07, 2010 as an ordinary non-resident company with the Registrar of Companies of the Cayman Islands. It has its registered office at the offices of Elian Fiduciary Services (Cayman) Limited, 89 Nexus Way, Camana Bay Grand Cayman KY1-9007, Cayman Islands.

Narayana Cayman Holdings has the power and authority to carry out any object not prohibited by the Companies Law (Revised) of the Cayman Islands.

Capital Structure

Narayana Cayman Holdings has an authorised share capital of USD 50,000 divided into 5,000,000 shares of par value USD 0.01 each and has issued and paid up share capital of 16,014equity shares of USD 0.01 each.

Shareholding

Shareholder	Number of shares	Percentage (%)
Company	16,014	100.00
TOTAL	**16,014**	**100.00**

Our Associates

As on the date of this Draft Red Herring Prospectus, our Company has the following associates:

1. ***Health City Cayman Islands Limited ("HCCI")***

Corporate Information

HCCI was originally incorporated as Narayana Cayman Hospital Ltd. on May 07, 2010, as an ordinary resident company with the Registrar of Companies of the Cayman Islands. The name of HCCI was changed to Health City Cayman Islands Ltd. on August 16, 2012, and a certificate of incorporation on change of name was issued by the Registrar of Companies of the Cayman Islands. It has its registered office at the offices of Elian Fiduciary Services (Cayman) Limited, 89 Nexus Way, Camana Bay Grand Cayman KY1-9007, Cayman Islands.

HCCI has the power and authority to carry out any object not prohibited by the Companies Law

(Revised) of the Cayman Islands.

Capital Structure

HCCI has an authorised share capital of USD 50,000 divided into 5,000,000 shares of par value USD 0.01 each and has issue and outstanding shares of 17,732 Y shares of USD 0.01 each and 44,268 X shares of USD 0.01 each.

Shareholding

The registered holder of 17,732 Y shares is Narayana Cayman Holdings and the registered holder of 44,268 X shares Ascension Health Ventures, LLC.

2. ***TriMedx India Private Limited ("TriMedx")***

Corporate Information

TriMedx is a private company incorporated on May 25, 2012, under the Companies Act, 1956. It has its registered office at No.258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 099, Karnataka, India.

TriMedx is authorised to engage in the business of consulting services, analysis and clinical engineering services related to medical equipment, appliances, apparatus, instruments used in hospitals, clinics and physicians' offices.

Capital Structure

The authorised share capital of TriMedx is ₹ 35,000,000 divided into 350,000 equity shares of ₹ 100 each and the issued and paid up share capital of TriMedx is ₹ 30,005,000 divided into 300,050 equity shares of ₹ 100 each.

Shareholding

Shareholder	Number of shares	Percentage (%)
TriMedx India LLC	270,045	90.00
Company	30,005	10.00
TOTAL	**300,050**	**100.00**

Revenue or Profit or Asset Contribution

Except as disclosed below, there is no Subsidiary which has contributed more than 5% of the revenues or profits or assets of our Company on a consolidated basis in the preceding financial year or the last period of audited financials included in this Draft Red Herring Prospectus, i.e., for the year March 31, 2015:

Name of the Subsidiary	Equity share capital (in ₹)	Turnover (in ₹)	PAT(in ₹)	Shareholding of the Issuer company (%)	Listing status
Narayana Hospitals	532,614,430	9,000,000	(3,706,788)	100.00%	Unlisted
NHSHPL	27,027,040	283,366,987	(85,552,408)	74.00%	Unlisted
Narayana Cayman Holdings	8,112	-	(7,536,423)	100.00%	Unlisted
Narayana Malaysia	5,0483,750	-	(24,591,807)	100.00%	Unlisted
MMRHL	232,554,030	232,416,461	(51,947,248)	98.62%	Unlisted

Significant Sale/Purchase between Subsidiaries/Associates and our Company

Except as disclosed in the section "***Related Party Transactions***" beginning on page 189, none of the Subsidiaries/associates is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Summary of Key Agreements

Investment agreement dated January 28, 2008 executed between our Company, our Promoters, NHAPL and investor Selling Shareholders as amended by the first amendment agreement thereto dated February 01, 2008

Our Company has entered into an investment agreement dated January 28, 2008 with JPM, Ashoka Holdings and Ambadevi for the purpose of subscription to 75,414 Equity Shares of ₹ 10 each of our Company (in the aggregate) for a purchase price of ₹ 53,040.55 (approximately) per share, including share premium of ₹ 53,030.55 (approximately) per share.

Securities subscription agreement dated December 22, 2014, entered into between our Company, CDC Group and CDC IOL, as amended by the agreement dated September25, 2015

Our Company has entered into a securities subscription agreement dated December 22, 2014, with CDC Group and CDC IOL for the subscription by CDC Group of 20,339 Equity Shares of ₹ 10 each for a purchase price of ₹ 98,336.27 per share, including share premium of ₹ 98,326.27 per share aggregating to ₹ 2,000,061,460.20, and the subscription by CDC IOL of 10 million OCDs of a face value of ₹ 100 each, aggregating to ₹ 1,000,000,000.

In terms of the amendment agreement dated September 25, 2015 (which takes effect simultaneously with or immediately prior to the Red Herring Prospectus), CDC IOL and our Company have agreed to convert all OCDs, together with accrued coupon, as of the effective date, after providing for withhold taxes, into 4,360,804 Equity Shares. The amendment agreement dated September 25, 2015, automatically terminates if we fail to file a Red Herring Prospectus on or before January 31, 2016. In such an event, the provisions of the securities subscription agreement dated December 22, 2014, shall continue to govern the treatment of the OCDs. As originally envisaged, the securities subscription agreement contemplated redemption and/or conversion of the OCDs, subject to the initial public offer of our Company's shares occurring within certain timelines. The conversion / redemption was also subject to the investor Selling Shareholders offering at least 10% of the post-issue paid-up capital.

In the event that the Red Herring Prospectus is not filed on or before January 31, 2016 in terms of the securities subscription agreement dated December 22, 2014, our Company has the option to either redeem or convert into Equity Shares the OCDs at a pre-money valuation of the Company, which immediately prior to the initial public offering, will be the lower of (i) a 10% discount to the price at which we undertake the initial public offering (subject to certain adjustments post the offering), and (ii) a pre-money valuation of ₹ 50 billion. In the event we do not complete the IPO on or prior to December 31, 2016, CDC IOL has the right, exercisable in their discretion to either: (i) require the Company to redeem the OCDs, including payment of accrued coupon; or (ii) convert the OCDs into Equity Shares, together with accrued coupon, where the pre-money valuation of the Company as at the time of such conversion would be ₹ 50 billion.

First amended and Restated Shareholders' Agreement dated December 22, 2014, executed between our Company, our Promoters, NHAPL, certain Selling Shareholders, CDC Group and CDC IOL, as amended by the amendment agreement dated July 16, 2015

Our Company has entered into the first amended and Restated Shareholders' Agreement dated December 22, 2014, with our Promoters, NHAPL, certain Selling Shareholders, CDC Group and CDC IOL, as amended by the amendment agreement dated July 16, 2015 ("**Restated Shareholders' Agreement**"). This Agreement supersedes the Shareholders' agreement dated January 28, 2008 entered into between our Company, our Promoters, members of the Promoter Group and the Selling Shareholders.

The Restated Shareholders' Agreement provides for the management and governance of our Company, including restrictions on transfer of securities of our Company. In terms of the Restated Shareholders' Agreement, the composition of our Board will be a maximum of eleven directors, of whom at least two directors shall be independent directors. The investor Selling Shareholders collectively have the right to appoint two directors and CDC Group and CDC IOL collectively have the right to appoint one director on the Board of Directors of our Company.

The investor Selling Shareholders have a number of rights under the Restated Shareholders' Agreement and our Company and its Subsidiaries require the prior consent of Ashoka Holdings, Ambadevi and JPM to take certain actions in connection with the Company's business. Some of these rights are also available to CDC Group and CDC IOL.

The Restated Shareholders' Agreement also provides that during the entire term of the Restated Shareholders' Agreement, Dr. Devi Prasad Shetty shall have the right, but not the obligation, to require our Company to transfer to Dr. Devi Prasad Shetty or to any person connected with Dr. Devi Prasad Shetty or Shakuntala Shetty (as defined in the Restated Shareholders' Agreement) or an affiliate or a partnership firm in which Dr. Devi Prasad Shetty is the majority partner, and nominated by Dr. Devi Prasad Shetty in writing, the following lands of the Company: Plot No. 258-A, Bommasandra Industrial Area, Survey Nos. 238, 239 and 240, Bommasandra Village, Attibele Hobli, Anekal Taluk, Bengaluru, and Survey No.25, Kittaganahalli Village, Attibele Hobli, Anekal Taluk, Bengaluru (together, "**NH Land**"), provided that all costs and expenses (including without limitation all stamp duties and registration charges) whatsoever connected with any such transfer of the NH Land shall be borne entirely by Dr. Devi Prasad Shetty, and Dr. Devi Prasad Shetty shall indemnify our Company from all liability for or in respect of such transfer, and such transfer will not affect in any manner the use or occupation of any of the NH Land by our Company or any Group Company of our Company. In the event of such transfer, our Company is also entitled to an irrevocable lease of the NH Land from Dr. Devi Prasad Shetty or such other person to whom the land has been transferred on certain terms set out in the Restated Shareholders' Agreement.

Each of JPM, Ashoka Holdings and Ambadevi also have the right to exercise a put option with respect to their Equity Shares exercisable against Dr. Devi Prasad Shetty and Shakuntala Shetty in the event that the proposed IPO of the Equity Shares of our Company is not completed on or prior to December 31, 2015.

CDC Group and CDC IOL have certain exit rights, exercisable against the Company and the Promoters in the event our Company does not complete listing of its Equity Shares on or prior to December 31, 2021.

No later than one month prior to the completion of listing of the Equity Shares of our Company, our Company is required to ratify a policy setting out certain Environmental, Social and Governance ("**ESG**") requirements applicable to our Company and its Subsidiaries. Our Company is required to comply with these conditions following completion of listing of the Equity Shares of our Company. Further, notwithstanding the termination of the Restated Shareholders' Agreement, until such time that they remain shareholders, each of JPM, Ashoka Holdings, Ambadevi, CDC Group and to the extent the OCDs are not redeemed, CDC IOL, will be entitled to certain information rights, tag-along rights and right to ensure compliance with and ESG policy and the reporting requirements thereunder in accordance with the terms of the Restated Shareholders' Agreement.

The Restated Shareholders' Agreement requires that our Company set up a stock option plan for employees by February 28, 2015, failing which, our Promoters would cause NHAPL to transfer certain shares held by NHAPL to JPM, Ashoka Holdings and Ambadevi, or their respective nominees "at no additional cost". We did not implement the NH ESOP, 2015 by February 28, 2015. Accordingly, NHAPL has entered into a share purchase agreement with each of Ashoka Holdings, Ambadevi and JPMorgan Mauritius Holdings VIII Limited, on September 25, 2015, respectively, to transfer 480,656, 144,184 and 624,840 respectively, at a price of ₹ 1 per transferee.

Share subscription and Shareholders' agreement dated April 28, 2011, entered into between our Company, IDECK and NHSHPL

Our Company has entered into a share subscription and Shareholders' agreement dated April 28, 2011, with IDECK with respect to our Company's investment in NHSHPL. As on March 31, 2015, IDECK holds a 26.00% stake in NHSHPL.

Our Company is also required to hold at least 74.00% of the paid up equity share capital of NHSHPL during the term of the share subscription and Shareholders' agreement, including control over the management of NHSHPL and shall not effect a change in control of NHSHPL. IDECK has the right to appoint one observer on the board of directors of NHSHPL who would be invited to attend all the meetings including those of committees of the board of directors of NHSHPL. Our Company has agreed to undertake funding of any cost overruns with respect to NHSHPL's business, which cannot be funded through the raising of debt by NHSHPL.

Our Company has a call option with respect to the shares of NHSHPL held by IDECK. IDECK has a put option, exercisable against our Company, in terms of which IDECK is entitled to require our Company to purchase all of IDECK's shareholding in NHSHPL.

*Share Purchase Agreement dated March 03, 2014, entered into between us, Jubilant First Trust, Jubilant Life Sciences Limited and AHDL ("**AHDL SPA**")*

We entered into the AHDL SPA to acquire a 100.00% stake in AHDL. Jubilant First Trust sold 1,766,648 shares in AHDL and exited its investment in AHDL as a result of the transaction. We paid an aggregate consideration of ₹ 23.74 million for the acquisition of AHDL.

*Business Transfer Agreement dated March 03, 2014, entered into between us, Jubilant First Trust and Jubilant Life Sciences Limited ("**Barasat BTA**")*

We acquired the Jubilant Kalpataru Hospital, located in Barasat, West Bengal, from Jubilant First Trust, under the Barasat BTA. We paid an aggregate consideration of ₹ 419.83 million for the acquisition of this facility. By a deed of conveyance dated April 10, 2014, Jubilant First Trust, sold in our favour the land and building forming part of the Jubilant Kalpataru Hospital.

*Share and Asset Purchase Agreement dated November 07, 2014, entered into between us, MMRHL, Ramuk AB, Ramuk Scan Investments Private Limited, Ramuk Enterprises Private Limited and Carolina Food and Industries Private Limited ("**MMRHL SAPA**")*

We entered into the MMRHL SAPA and undertook acquisition of 15,141,135 equity shares of MMRHL constituting 89.22% of MMRHL's share capital. These shares were acquired from Ramuk Scan Investments Private Limited. We also acquired certain assets attendant to the business of MMRHL which were held by Ramuk Enterprises Private Limited and Carolina Food and Industries Private Limited. We paid an aggregate consideration of ₹ 586.72 million for the acquisition of the equity stake in MMRHL and the assets held by Ramuk Enterprises Private Limited and Carolina Food and Industries Private Limited. Ramuk AB was party to the agreement to the extent that certain external commercial borrowings of MMRHL from Ramuk AB were required to be prepaid by MMRHL as part of our acquisition.

An amount of ₹ 60,30,81,576 was identified as the purchase price to be paid to Ramuk Scan towards the purchase of shares of MMRHL, which purchase price was subject to certain adjustments. An amount representing 95% of the purchase price (aggregating to ₹ 57,29,27,497) was paid by our Company upfront as at the time of acquisition of the shares, while the remaining 5% was deferred to be paid post satisfaction of certain conditions.

*Joint venture agreement dated July 25, 2012 entered into between (i) our Company and Narayana Cayman Holdings Limited (together the "**NH Parties**"); and (ii) Ascension Health Alliance and Ascension Health Ventures, LLC (together "**Ascension Parties**") ("**Joint Venture Agreement**") as amended by the first amendment dated September 19, 2012, as supplemented by the agreements to extend the period for satisfaction of second closing conditions to Ascension Parties / Narayana Cayman Holdings joint venture agreement dated November 30, 2012, March 13, 2013 and March 28, 2013*

Our Company had entered into an agreement with the Government of Cayman Islands on April 7, 2010, as amended through amending agreement dated April 5, 2011 (the "**Cayman Agreement**") to set up an integrated hospital and medical university, in phases, in the Cayman Islands and in accordance with this agreement our Company had established Narayana Cayman Holdings Limited and secured land on Grand Cayman. The Cayman Agreement provides for such land to be held by Narayana Cayman Holdings Limited but it was proposed that the Cayman Agreement be modified to the extent that such land can be held by a joint venture company established through this JV Agreement. The NH Parties and the Ascension Parties have agreed to associate themselves through HCCI, which acts as a joint venture entity to carry out a certain phase of the integrated hospital and medical university in accordance with the Cayman Agreement and in a manner that complements the conduct of any additional phase. The Joint Venture Agreement also provides an option to the Ascension Parties to participate in each remaining phase of the integrated hospital and medical university.

On or before July 25, 2019, Narayana Cayman Holdings has the right to call upon Ascension Health Alliance and Ascension Ventures, LLC (collectively, "**Ascension Parties**") to transfer up to such number of shares in HCCI such that each of Narayana Cayman Holdings and the Ascension Parties own equal number of shares in

HCCI. The price at which the shares are to be acquired is as follows: (A) where the option is exercised at any time up to July 25, 2016, the price per share paid by the Ascension Parties (defined as "Initial Share Cost" in the Cayman JVA) in respect of such shares and the per annum adjusted LIBOR (as defined in the Cayman JVA) on the Initial Share Cost from the date of the Cayman JVA until the date of payment; and (B) where the option is exercised at any time after July 25, 2016, at the fair value of the shares.

Guarantees provided by Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding guarantees issued by the Promoters to third parties.

Other Material Contracts

Except as stated above, our Company has not entered into any material contract, not being a contract entered into in the ordinary course of business or a contract entered into more than two years before the date of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of ten Directors.

The following table sets forth details regarding our Board of Directors:

S.No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ memberships
1.	**Dr. Devi Prasad Shetty** ***Designation***: Chairman and Executive Director ***Address:*** "Narayana", No. 393, 2nd Cross, 13th Main, 3rd Block, Koramangala, Bengaluru 560 034, Karnataka, India ***Occupation:*** Business ***Nationality:*** Indian ***Term:*** Three years i.e. from August 29, 2015 to August 28, 2018 ***DIN:*** 00252187	62	***Other Directorships*** ***Indian Companies*** • Asia Healthcare Development Limited; • Bennett Coleman & Company. Limited; • Mazumdar Shaw Medical Foundation; • Narayana Health Academy Private Limited; • Narayana Health Institutions Private Limited; • Narayana Hospitals Private Limited; • Narayana Hrudayalaya Surgical Hospital Private Limited; • Narayana Institute for Advanced Research Private Limited; and • Narayana Vaishno Devi Speciality Hospitals Private Limited. ***Foreign Companies*** • Health City Cayman Islands Limited; and • Narayana Cayman Holdings Limited. ***Trusteeships*** • Asia Heart Foundation; • Daya Drishti Charitable Trust; • NH Charitable Trust; • Narayana Hrudayalaya Foundation; • Shri Amarnathji Shrine Board; and • Yeshasvini Cooperative Farmers' Health Care Trust; and • Thrombosis Research Institute, India. ***Other*** Member, Governing Body, HelpAge India
2.	**Dr. Ashutosh Raghuvanshi** ***Designation***: Managing Director and CEO ***Address:*** 1,050/1, Survey Park, Udita Comp., UD-02-1202, Kolkata 700 075, West Bengal, India ***Occupation:*** Employment	52	***Other Directorships*** ***Indian Companies*** • Asia Healthcare Development Limited; • Narayana Hrudayalaya Surgical Hospital Private Limited; • Narayana Vaishno Devi Speciality Hospitals Private Limited; and • TriMedx India Private Limited.

S.No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ memberships
	Nationality: Indian ***Term***: Three years i.e. from August 29, 2015 to August 28, 2018 ***DIN***: 02775637		***Foreign Companies*** • Health City Cayman Islands Limited; and • Narayana Hrudayalaya Hospitals Malaysia Sdn Bhd. ***Partnerships*** Nil ***Trusteeships*** • Daya Drishti Charitable Trust; and • Narayana Hrudayalaya Foundations.
3.	**Viren Shetty** ***Designation***: Whole-Time Director ***Address***: "Narayana", No. 393, 2nd Cross, 13th Main, 3rd Block, Koramangala, Bengaluru 560 034, Karnataka, India ***Occupation***: Business ***Nationality***: Indian ***Term***: Three years i.e. from August 29, 2015 to August 28, 2018 ***DIN***: 02144586	31	***Other Directorships*** ***Indian Companies*** • Amaryllis Healthcare Private Limited; • Asia Healthcare Development Limited; • Kateel Software Private Limited; and • Narayana Vaishno Devi Speciality Hospitals Private Limited. ***Foreign Companies*** • Health City Cayman Islands Limited; and • Hospital Engineering Services. ***Partnerships*** • Charmakki Infrastructures; and • Hrudayalaya Pharmacy. ***Trusteeships*** • Asia Heart Foundation; • Narayana Hrudayalaya Charitable Trust; and • Narayana Hrudayalaya Foundations. ***Others*** • TERI University
4.	**Kiran Mazumdar Shaw** ***Designation***: Non-Executive Director ***Address***: Glenmore, No. 58 Gollimangala Village Sarjapur, Hobli, Anekal Taluk Bengaluru 562 106, Karnataka, India ***Occupation***: Business ***Nationality***: Indian ***Term***: Liable to retire by rotation ***DIN***: 00347229	62	***Other Directorships*** ***Indian Companies*** • Biocon Academy; • Biocon Limited; • Biocon Pharma Limited; • Biocon Research Limited; • Glenloch Properties Private Limited; • Indian School of Business; • Infosys Limited; • Mazumdar Shaw Medical Foundation; • Narayana Institute for Advanced Research Private Limited; • Narayana Vaishno Devi Speciality Hospitals Private Limited; • Syngene International Limited; and • United Breweries Limited.

S.No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ memberships
			Foreign Companies • Biocon Sdn. Bhd.; • Biocon SA; and • NeoBiocon FZ LLC. • Biocon Pharma Inc. ***Partnerships*** • Nil ***Trusteeships*** • Bengaluru Political Action Committee; • Biocon Foundation; • Dev Mazumdar Education Trust;and • U.S. Pharmacopeia Convention. ***Others*** • Irish Consulate (Officer); and • Indian Institute of Management, Bengaluru (Chairperson).
5.	**Dinesh Krishna Swamy** ***Designation***: Independent Director ***Address:*** No. 467, 19th Main, 36th Cross, 4th T Block, Jayanagar, Bengaluru 560 041, Karnataka, India ***Occupation**:* Professional ***Nationality**:* Indian ***Term**:* Three years i.e. from August 08, 2015 to August 07, 2018 ***DIN**:* 00041553	61	***Other Directorships*** ***Indian Companies*** • Narayana Vaishno Devi Speciality Hospitals Private Limited. ***Foreign Companies*** Nil ***Partnerships*** Nil ***Trusteeships*** • Centre for Brain Research; • Ashraya Hastha Trust; and • Infosys Science foundation, Bengaluru.
6.	**Muthuraman Balasubramanian** ***Designation***: Independent Director ***Address:*** #43, Arbor's by the Lake Hulimangala post, Kylasanahalli, Jigani, Bengaluru 560 105, Karnataka, India ***Occupation**:* Retired Executive ***Nationality**:* Indian ***Term**:* Three Years i.e. from August 08, 2015 to August 07, 2018 ***DIN**:* 00004757	71	***Other Directorships*** ***Indian Companies*** • Sundaram Fasteners Limited ***Foreign Companies*** Nil ***Partnerships*** Nil ***Trusteeships*** • Institute of Dalit Studies ***Others***

S.No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ memberships
			• Xavier's University, Bhubaneswar • Shri Devasthala Manjunatha Institute of Management Development, Mysore
7.	**Arun Seth** ***Designation***: Independent Director ***Address:***A-7, Geetanjali Enclave, New Delhi 110 070, New Delhi, India ***Occupation****:* Business Executive ***Nationality****:* Indian ***Term****:* Three Years i.e. from August 08, 2015 to August 07, 2018 ***DIN****:* 00204434	63	***Other Directorships*** ***Indian Companies*** • Centum Workskills India Limited; • Centum Learning Limited; • Brendish Health Care Private Limited; • Jubilant Foodworks Limited; • Samtel Avionics Limited; • Usha Breco Limited; • Hungry Inc Hospitality Private Limited; • Hungry Inc Brands India Private Limited; • Comza Informage Private Limited; • Informage Enterprises Private Limited; • Informage Technologies Private Limited; and ***Foreign Companies*** Nil ***Partnerships*** • Informage Advisory LLP; and • Trinetra Business Advisors India LLP ***Trusteeships*** Nil
8.	**B. N. Subramanya** ***Designation***: Independent Director ***Address****:* Flat No 101 RV 15 E Block, RV Enclave 52, 6th Main Malleswaram, Bengaluru 560 003, Karnataka, India ***Occupation****:* Business ***Nationality****:* Indian ***Term****:* Three Years i.e. from August 08, 2015 to August 07, 2018 ***DIN****:* 00483654	58	***Other Directorships*** ***Indian Companies*** Red Couch Interactive India Private Limited ***Foreign Companies*** Nil ***Partnerships*** Nil ***Trusteeships*** Nil
9.	**Harjit Singh Bhatia** ***Designation***: Non-Executive Director ***Address****:* 18 Bishopsgate, Singapore, 24 99 81 ***Occupation****:* Professional ***Nationality****:* Indian ***Term****:* Liable to retire by rotation	66	***Other Directorships*** ***Indian Companies*** • Avasarala Technologies Limited; and • Asia Growth Capital Advisors (India) Private Limited. ***Foreign Companies*** Nil ***Partnerships***

S.No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ memberships
	***DIN**:* 02285424		Nil ***Trusteeships*** Nil
10.	**Manohar D. Chatlani** **Designation**: Independent Director ***Address**:* No. – 43/9, Promenade Road, 1st Cross, Frazer Town, Bengaluru 560 005, Karnataka, India ***Occupation**:* Business ***Nationality**:* Indian ***Term**:* Three Years i.e. from September 12, 2015 to September 11, 2018. ***DIN**:* 00101591	63	***Other Directorships*** ***Indian Companies*** • MD Retail India Private Limited; • Arya Foundation Private Limited; • Jai Shiv Shakthi Health & Education Foundation; • Queen City Developers Private Limited; • Soch Apparels Private Limited; • Shravanti Real Estate Private Limited; and • The Bangalore Commercial Association ***Foreign Companies*** Nil ***Partnerships*** • Sona's Favorite Shop; • Modern Garments; • Sona Fabricators; • Favorite Developers; • Silicon Valley Developers; • Sona's Developers; • Vishal Builders; and • Tejaswini Estates ***Trusteeships*** • Have a Heart Foundation ***Others*** • Men's Favorite Shop

Relationship between our Directors

Except for Viren Shetty who is the son of Dr. Devi Prasad Shetty, none of our Directors are related to each other.

Brief Biographies of Directors

Dr. Devi Prasad Shetty is the Chairman of our Company, and also an Executive Director. He is a cardiac surgeon with around 33 years of experience. After completing his MBBS from the University of Mysore in 1978, he registered with the Karnataka Medical Council in 1979. Thereafter, in 1982, he received a master's degree in surgery from the University of Mysore. In 2009, he was granted a fellowship from the Royal College of Surgeons of England. He founded our Company in the year 2000. He initiated the concept of "micro health insurance scheme" in Karnataka, which eventually led to the Karnataka government implementing the Yeshasvini scheme, a micro health insurance scheme for rural farmers. Dr. Shetty is a professor at Rajiv Gandhi University of Medical Sciences, Bengaluru, India and University of Minnesota Medical School, USA. He is the recipient of a number of awards and honours most noteworthy being 'Padma Shri' and 'Padma Bhushan' Award in 2003 and 2012 respectively, conferred by the Government of India and the 'Rajoytsava Award' in 2002 conferred by the Government of Karnataka. He was also conferred with the 'Dr. B C Roy National Award' by the Dr. B C Roy National Award Fund under the category of 'Eminent Medical Person' in 2003, 'Entrepreneur of the Year Award - Start-up 2003' by Ernst & Young, India, and 'Sir M. Visveswaraya Memorial Award' conferred by the Government of Karnataka in 2003. The Rotary Bangalore Midtown conferred him with the 'Citizen Extraordinaire' award in 2004. He also received the 'Outstanding Social Entrepreneurship Award' by the Confederation of Indian Industry in 2005, 'The President's Award' by the American College of Cardiology in 2011, and the 'Economic Times Entrepreneur of the Year' in 2012. Further, he received the 'Indian of the Year Award' in 2012 by CNN- IBN and the 'Lifetime Achievement Award' by the Federation of Indian Chambers of Commerce and Industry. In addition, he received 'Commendation for driving affordable quality healthcare for all 2010' at the Healthcare Awards Program presented by ICICI Lombard & CNBC TV18 in 2010 and was the winner of 'Business Process Award' at 'The Economist Innovation Award's 2011'. He was an Honorary Fellow at the College Physicians and Surgeons of Mumbai, Doctor of Laws in 2011 and has also been awarded the Doctor of Laws by the University of Minnesota in 2011. In 2014, he was awarded the Doctor of Science (Honoris Causa) by the Rajiv Gandhi University of Health Sciences, Bengaluru. He received the '19th Nikkei Asia Prize, Economic and Business Innovation' by Nikkei Inc. in 2014. He is an active member of the European Association for Cardio- Thoracic Surgery since 1996 and a life member of the Indian Medical Association. He was also a member of the Finance Committee of the 47th Annual Conference of the Indian Association of Cardiovascular and Thoracic Surgeons. He was a member of the governing body of the Medical Council of India between 2010 and 2011.

Dr. Ashutosh Raghuvanshi is the Managing Director and CEO of our Company. He is a cardiac surgeon with overall experience of 26 years and has been part of the growth story of our Company since its early days. He has served as the Vice Chairman and group CEO and Executive Director of Narayana Health group of hospitals. Dr. Raghuvanshi completed his post graduation in cardiac surgery from the University of Bombay after completing his M.B.B.S and M.S in general surgery. He has worked at several renowned hospitals in Mumbai including Balabhai Nanavati Hospital, Breach Candy Hospital and Research Centre, amongst others, Apollo Hospitals in Chennai and Manipal Heart Foundation in Bengaluru before joining our Company.

Viren Shetty is an Executive Director of our Company. He is a civil engineer who graduated from Visveswaraiah Technological University, Belgaum, Karnataka and he has completed his masters in business administration from Stanford University in 2012. He has been responsible for identifying new growth opportunities for our Company and our Group Companies and has eight years of experience. Viren Shetty has designed and built few hospitals for our Company including MSMC, multispecialty hospitals in Jaipur and Ahmedabad.

Kiran Mazumdar Shaw is a non-Executive Director of our Company. Kiran is the chairperson and managing Director of Biocon Limited. She is a first generation entrepreneur with more than 39 years experience in the field of biotechnology. She holds a bachelors degree in Science (Zoology Honours) from Bengaluru University and a masters degree in Malting and Brewing from Ballarat College, Melbourne University. She has been awarded with several honorary degrees, including Honorary Doctorate of Science from Ballarat University, National University of Ireland, Trinity College, Dublin and the University of Glasgow. She is the recipient of several national and global awards, the most noteworthy being the 'Padma Shri' and the 'Padma Bhushan' in 1989 and 2005, respectively, conferred by the Government of India. She was also conferred with the 'Ernst & Young Best Entrepreneur: Healthcare & Life Sciences Award (2002)', the 'Economic Times Business Woman of the Year Award (2004)', 'Nikkei Asia Prize for Regional Growth' by Japan's business daily, Nihon Keizai Shimbun, (2009) and most recently, the 'Othmer Gold Medal' by the U.S. based Chemical Heritage Foundation and '2014 Global Economy Prize' by Germany's Kiel Institute both in 2014. The prestigious Foreign Policy magazine has named her among the '100 Leading Global Thinkers of 2014'. She has also been named as one of the '100 Most Influential People in the World' by TIME magazine in 2010, '25 Most Influential People in Biopharma' by Fierce Biotech, Asia-Pacific's 'Heroes of Philanthropy (2013)' and '100 Most Powerful Women (2013)' by Forbes magazine. She is also an independent director of the board of Infosys Limited, and is the chairperson of the Indian Institute of Management, Bengaluru. She is a part of the U.S. Pharmacopeial Convention (USP) Board of Trustees. She is a member of Karnataka's Vision Group on Biotechnology and currently chairs this forum. She has setup the Association of Biotech Led Enterprises (ABLE) in 2003 and was its first president. She serves on the National Advisory Council of the Government's Department of Biotechnology. She is member of the governing body of the Indian Pharmacopoeia Commission, Ministry of Health and Family Welfare, Government of India.

Dinesh Krishna Swamy is an Independent Director of our Company. He is a professional with around 34 years of experience. He received a bachelor's degree from the Government Science College, Bengaluru in 1971. Thereafter he was granted a master's degree in mathematics from Bengaluru University, followed by his doctorate in literature from the Karnataka State Open University in 2007. In 1981, K. Dinesh became a founding member of Infosys Limited. Since its founding, K. Dinesh has held various positions such as, a board member, head of quality, information systems, head of the communication design group.

Muthuraman Balasubramanian is an Independent Director of our Company. He is a professional with over around 43 years of experience. He holds a bachelor's degree in metallurgical engineering from Indian Institute of Technology, Madras and a master's degree in business administration from the Xavier Labour Relations Institute, Jamshedpur. Muthuraman joined Tata Steel Limited in 1966 and has held various positions at Tata Steel Limited including Vice-President (Marketing and Sales) and Vice President (Cold Rolling Mill Projects). He served on the board of Bosch India Limited for six years. He was also on the board of directors of Tata Industries Limited. He was the chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur, National Institute of Technology, Jamshedpur and Xavier's Labour Relations Institute, Jamshedpur. Currently, he is also on the board of directors of Sundaram Fasteners Limited. Muthuraman has been conferred with the prestigious 'Padma Bhushan' award in 2012, from the Government of India. He received the Tata Gold Medal in 2002 from the Indian Institute of Metals, Calcutta for his significant contribution to the metallurgical industries particularly to iron and steel industry.

Arun Seth is an Independent Director of our Company. He holds a bachelor's degree in engineering from the Indian Institute of Technology, Kanpur and a master's in business administration from the Indian Institute of Management, Kolkata. Arun was associated with Alcatel-Lucent India as a non-executive chairman from May, 2011 until May 2014. He has worked for the BT Group in India in a variety of positions for over 17 years, retiring in July 2012. Currently, Arun is on the board of Jubilant Foodworks Limited, Cadista Holdings Inc., Centum Learning Limited, Usha Breco Limited and Samtel Avionics Limited. He is an active member on the boards of various non-governmental organisations such as HelpAge India where he chairs the resource committee, 'Katha', 'SPIC-MACAY' and 'India Sponsor Foundation' . He is also a trustee of the Nasscom Foundation, which drives corporate social responsibility initiatives for the IT industry.

B. N. Subramanya is an Independent Director of our Company. Subramanya holds a bachelor's degree in commerce from Bengaluru University. He became an associate member of the Indian Institute of Chartered Accountants of India in the year 1982. He has around 30 years of experience. He began his career with Varsons Chemicals Private Limited wherein he worked as the general manager, finance for a period of four years. He is a fellow member at ICAI since April 13, 1994. He has been a member of the board at M.S.Ramaiah University of Applied Sciences, M.S.Ramaiah – HCG Cancer Centre and Governing Council of International Medical School, Bengaluru.

Harjit Singh Bhatia is a non-Executive nominee Director of our Company with around 42 years of experience. He received his master's degree in commerce from the University of Allahabad in 1971. In 1984, he completed his master of business administration degree from the Delhi University. He is working as an Executive Chairman at Asia Growth Capital Advisors (Singapore) Pte Ltd since December 01, 2014. He is also a certified associate of the India Institute of Bankers as well as the holder of a 'green belt' certification under GE's Six Sigma Quality Program. He has worked with Credit Suisse Private Equity Asia (Hong Kong), Richie Capital Management (Hong Kong), General Electric Company, Deutsche Bank Ag and SBI.

Manohar D. Chatlani is an Independent Director of our Company. He is a business man with over 40 years of experience in the retail sector, business development and leadership roles. He received a bachelor of commerce degree from Bangalore University in April 1972. He is the proprietor of the Men's Favorite Shop, which is part of MD Retail India Private Limited and has been working with the group since 1972. Currently, Manohar is a director of Arya Foundation Private Limited, Jai Shiv Shakthi Health & Education Foundation, Queen City Developers Private Limited, Soch Apparels Private Limited, Sharavati Real Estate Private Limited and the Bangalore Commercial Association.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

No proceedings/ investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Dr. Devi Prasad Shetty

Dr. Devi Prasad Shetty is currently the Chairman of our Company. He was originally appointed as our Managing Director with effect from July 19, 2000 and as our Chairman, with effect from May 03, 2002. The details of remuneration as per board resolution dated September 07, 2015, governing his appointment as set out in the compensation revision letter are set forth below:

Particulars	Remuneration
Basic Salary	₹ 23.23 million p.a
Other allowance and benefits	–
Flexible allowance	₹ 16.77 million p.a.
TOTAL	**₹ 40 million p.a.**

Dr. Ashutosh Raghuvanshi

Dr. Ashutosh Raghuvanshi was appointed as our Managing Director and CEO, pursuant to a Board resolution dated November 03, 2011 and November 19, 2010 respectively, with effect from April 01, 2011. The details of remuneration as per board resolution dated September 07, 2015, governing his appointment as set out in the Employment Agreement dated April 01, 2011 are as set forth below:

Particulars	Remuneration
Basic Salary	₹ 14.18 million p.a.
Flexible allowance	₹ 12.80 million p.a.
Perquisites – company lease accommodation	₹ 1.60 million p.a.
National pension scheme	₹ 1.42 million p.a.
TOTAL	**₹ 30 million p.a.**

Viren Shetty

Viren Shetty was appointed as a whole-time Director, pursuant to a Board resolution dated August 02, 2012 with effect from August 02, 2012. The details of remuneration as per board resolution dated September 07, 2015, governing his appointment as set out in the appointment letter dated August 02, 2012 are as set forth below:

Particulars	Remuneration
Basic Salary	₹ 3.10 million p.a.
House rent allowance	₹ 1.24 million p.a.
Conveyance	₹ 0.02 million p.a.
Flexible allowance	₹ 3.64 million p.a.
Performance based incentive	₹ 2.00 million p.a.
TOTAL	**₹ 10 million p.a.**

Remuneration to Executive Directors

Our Company has paid the following remuneration to Executive Directors in Financial Year 2015:

Name of Director	Remuneration (₹ in millions)
Dr. Devi Prasad Shetty	26.4
Dr. Ashutosh Raghuvanshi	17.12
Viren Shetty	6.35

Remuneration to Non-Executive Directors

Each of the non-Executive and Independent Directors of our Company is entitled to a sitting fee of ₹ 0.05 million per board meeting attended and ₹ 0.025 million per committee meeting and reimbursement of expenses incurred for attending the meetings, being the maximum allowed as per the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Our Independent Directors were appointed after the end of Fiscal Year 2015, and our Company has accordingly not paid any remuneration to the Independent Directors in Fiscal Year 2015.

The non-Executive Directors of our Company are together entitled to 1% of the net profits of our Company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Harjit Singh Bhatia has been nominated to the Board by our Shareholders, namely, Ashoka Holdings and Ambadevi, pursuant to the investment agreement dated January 28, 2008 and the resolution passed by our Shareholders on September 30, 2013. For further details see section "***History and Certain Corporate Matters***" beginning on page 139.

Except as disclosed above, there is no arrangement or understanding with the major shareholders, clients, suppliers or others, pursuant to which any of our Directors were appointed on our Board.

Details of Service Contracts

There are no service contracts entered into by our Company with any Director for the provision of benefits or payments of any amount upon termination of employment or retirement.

Shareholding of Directors in our Company

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Percentage shareholding (%)
Dr. Devi Prasad Shetty	66,744,179	33.37
Kiran Mazumdar Shaw	4,705,671	2.35

Shareholding of Directors in Subsidiaries, associates and joint ventures

As of the date of this Draft Red Herring Prospectus, Dr. Devi Prasad Shetty, Viren Shetty and Dr. Ashutosh Raghuvanshi each jointly hold 100 equity shares of MMRHL with our Company. Dr. Devi Prasad Shetty holds 1 equity share in Narayana Hospitals, NIARPL, NHIPL and NHSHPL, 2 equity shares of AHDL, and 10 equity shares of NVDSHPL, as our Company's nominee. Viren Shetty and Dr. Ashutosh Raghuvanshi each hold 1 equity share in AHDL as our Company's nominees.

Appointment of relatives of our Directors to any office or place of profit

Dr. Varun Shetty, Dr. Devi Prasad Shetty's son and brother of Viren Shetty, is a consultant to our Company, and receives remuneration from our Company.

Interest of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Dr. Devi Prasad Shetty is a Director and Shareholder of our Promoter Group company, NHAPL. Some of our Directors may hold positions as directors on boards of our Subsidiaries and Group Companies and as heads of certain business verticals. In consideration for their services, they are paid managerial remuneration in accordance with the provisions of the Companies Act.

Dr. Devi Prasad Shetty and Viren Shetty are interested in Dr. Varun Shetty's appointment as a consultant of our Company. Dr. Varun Shetty is the son of Dr. Devi Prasad Shetty and brother of Viren Shetty.

Except as stated in "***Related Party Transactions***" on page 189, and to the extent of their shareholding in our Company, if any, our Directors do not have any other interest in our business.

Dr. Devi Prasad Shetty and Shakuntala Shetty have certain rights with respect to the NH Land, as detailed in the section "***History and Certain Corporate Matters***", beginning on page 139. Other than as aforesaid, our Directors have no interest in any property acquired by our Company two years prior to the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Except as stated in "***Our Promoters and Promoter Group***", beginning on page 174, none of our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

No amount or benefit has been paid or given within the 2 preceding years or is intended to be paid or given to any of our Directors, except the normal remuneration for services rendered as Directors.

Except as disclosed in this Draft Red Herring Prospectus, no loans have been availed by our Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company, except to the extent stated in "***Related Party Transactions***", beginning on page 189.

None of the Directors is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to each of the Directors.

Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in the Board in the last three years

Name	Date of appointment/ change/ cessation	Reason
Ashish Kumar Agarwal	September 28, 2015	Resigned as alternate Director to Harjit Singh Bhatia
David Michael Easton	September 15, 2015	Resigned as part of the reconstitution of our Board in accordance with Clause 49 of the Listing Agreement to be entered into by our Company with stock exchanges
Manohar D. Chatlani	September 12, 2015	Appointed as Independent Director of our Company
B. N. Subramanya	June 30, 2015	Appointed as Independent Director of our Company
Christopher John Nicholas	June 30, 2015	Resigned as part of the reconstitution of our Board in accordance with Clause 49 of the Listing Agreement to be entered into by our Company with stock exchanges
Anjali Mahendra Patel	June 08, 2015	Resigned as part of the reconstitution of our Board in accordance with Clause 49 of the Listing Agreement to be entered into by our Company with stock exchanges
Shakuntala Shetty	May 06, 2015	Resigned as part of the reconstitution of our Board in accordance with Clause 49 of the Listing Agreement to be entered into by our Company with stock exchanges

Name	Date of appointment/ change/ cessation	Reason
Dr. Varun Shetty	May 06, 2015	Resigned as part of the reconstitution of our Board in accordance with Clause 49 of the Listing Agreement to be entered into by our Company with stock exchanges
Muthuraman Balasubramanian	May 06, 2015	Appointed as Independent Director of our Company
Arun Seth	May 06, 2015	Appointed as Independent Director of our Company
David Michael Easton	May 06, 2015	Appointed as nominee Director of CDC Group
Shakuntala Shetty	September 03, 2014	Designation was changed to whole-time director
Dr. Varun Shetty	September 03, 2014	Designation was changed to whole-time director
Ashish Kumar	December 17, 2012	Resigned as alternate Director to Ada KH Tse on account of resignation of Ada KH Tse
Ashish Kumar	December 17, 2012	Appointed as alternate Director to Harjit Singh Bhatia
Harjit Singh Bhatia	December 17, 2012	Appointment as nominee director of Ashoka Holdings and Ambadevi
Ada K.H. Tse	December 17, 2012	Resignation due to change in nomination by shareholder
Ashish Kumar	November 01, 2012	Appointed as alternate Director to Ada K.H. Tse

Borrowing Powers of Board

In accordance with the Articles of Association and the provisions of the Companies Act, the authorisation of our Shareholders is required to borrow such sum or sums of money or monies, where the money to be borrowed together with the money already borrowed by our Company will exceed the aggregate of our paid up share capital and free reserves. Pursuant to a special resolution passed at our EGM dated March 25, 2015, our Shareholders authorised our Board to borrow from time to time as they may think fit, any sum or sums of money not exceeding ₹ 4,800 million (i.e., total amount borrowed and to be borrowed) over and above the equity paid up capital and free reserves of our Company at any point of time.

Corporate Governance

The Corporate Governance provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. We undertake to comply with the corporate governance requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the time of filing the Red Herring Prospectus.

We are in compliance with the requirements of the applicable regulations, including the Equity Listing Agreement with the Stock Exchanges, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and the Equity Listing Agreement with the Stock Exchanges and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas.

The executive management provides the Board of Directors detailed reports on its performance periodically.

Currently, our Board has ten Directors. In compliance with the requirements of clause 49 of the Equity Listing Agreement with the Stock Exchanges, we have three Executive Directors and seven non-Executive Directors including five Independent Directors on our Board.

Committees of the Board

Audit, Risk and Compliance Committee

The members of the Audit, Risk and Compliance Committee are:

1. B. N. Subramanya (Independent Director), *Chairman*;
2. K. Dinesh (Independent Director); and

3. B. Muthuraman (Independent Director).

The Audit Committee was first constituted on March 19, 2009 and re-constituted by a meeting of the Board of Directors held on July 16, 2015. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and clause 49 of the Equity Listing Agreement and its terms of reference include the following:

a) monitor, the annual financial statements and auditors' report thereon before submission to the Board for approval;

b) review with the management, the quarterly, half yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval;

c) review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendation to the Board to take up steps in this matter;

d) review the management discussion and analysis of financial condition and results of operations;

e) review the statement of significant related party transactions (as defined by audit committee), submitted by management ;

f) review the management letter/ letters of internal control weakness issued by the Statutory Auditors;

g) review the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors;

h) review the internal audit reports relating to internal control weaknesses;

i) review the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to audit committee;

j) scrutinise and keep under review the effectiveness of the Company's financial controls and other internal controls and risk management systems and processes (to include those relating to compliance with all applicable law and regulation) to ensure that they are robust and have been appropriately developed, implemented and maintained so that financial, compliance and other risks are identified, assessed, mitigated and controlled;

k) formally each year consider the effectiveness of the Company's financial controls, compliance controls, other internal controls and risk management systems;

l) review and approve the statements to be included in the annual report concerning financial controls, other internal controls, compliance and risk management;

m) take all necessary and appropriate steps to reflect that the Company's Internal Audit function is allowed unrestricted access to any member of the Committee;

n) monitor and review the effectiveness of the Company's Internal Audit function in the context of the Company's overall risk management system and maximising efficiencies through co-operation with the External Auditors;

o) review the adequacy of internal audit function, if any, including the structure of the internal audit department , staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

p) mandatorily review the appointment, removal and terms of remuneration of the Chief/ Head of Internal Audit;

q) review and monitor with management the independence and performance of internal auditors, effectiveness of audit process and adequacy of internal control systems;

r) review and assess the annual Internal Audit plan, ensuring, inter alia that it is sufficiently comprehensive to (i) safeguard the Company's assets and information, and (ii) financial risks are identified, assessed, mitigated and control the Company's financial and other risks;

s) review promptly all reports on the Company from the internal auditors;

t) review and monitor management's responsiveness to findings and recommendations of the internal auditor;

u) review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control system of a material nature and reporting the matter to the Board;

v) mandatorily review internal audit reports relating to internal control weaknesses;

w) discuss with internal auditors of any significant findings and follow up thereon;

x) consider and make recommendations to the Board, in relation to the appointment, re-appointment, engagement terms and removal of the Company's external auditor/auditors. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;

y) oversee the relationship with the external auditor/ auditors including review the effectiveness of the audit/audits;

z) review any representation letter(s) requested by the external auditor//auditors before they are signed by management;

aa) review the management letter and management's response to the auditor's findings and recommendations;

bb) develop and implement a policy on the supply of non-audit services by the external auditors, taking into account any relevant ethical guidance on the matter;

cc) review the company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;

dd) review the company's procedures for detecting fraud;

ee) Determine the nature and scope of audit and ascertain any area of concern post audit, in discussion with the auditors;

ff) The committee will review along with the management the Compliance with the listing and other legal requirements relating to financial statements;

The Committee shall review and challenge where necessary:

a) the consistency of, and any changes to, accounting policies on a year on year basis, to include accounting policies within all Subsidiaries and reasons for the changes;

b) the methods used to account for significant or unusual transactions where different approaches are possible;

c) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;

d) the clarity of disclosure in the Company's financial reports and the context in which statements are made;

e) all material information presented with the financial statements, such as the operating and financial review;

f) disclosure of any related party transactions.

g) approval or any subsequent modification of transactions of the company with related parties;

h) scrutiny of inter-corporate loans and investments;

i) valuation of undertakings or assets of the company, wherever it is necessary;

The Audit Committee is required to meet at least four times in a year under Clause 49 of the Equity Listing Agreement.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Arun Seth (Independent Director), *Chairman*;
2. Kiran Mazumdar Shaw (Non Executive Director); and
3. K. Dinesh (Independent Director).

The Nomination and Remuneration Committee was constituted on January 30, 2013 and was re-constituted by a meeting of the Board of Directors held on July 16, 2015. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee include:

a) determine and agree with the Board the framework or broad policy for the remuneration of the Company's managing director /chief executive, chairman, the executive/ whole time directors, and such other members of the executive management as it is designated to consider. No director or manager shall be involved in any decisions as to their own remuneration;

b) take into account, while drafting the policy, all factors which it deems necessary and review and approve for the Managing Director and other Executive Directors on the Board of Directors, (i) Annual base salary; (ii) Annual incentive bonus, including specific goals and amount; (iii) Equity compensation; (iv) Employment agreements and other service agreements; and (v) Any other benefits / compensation payable to Managing Director, Executive Directors or Key Management Personnel; (vi) to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company; (vii) Review the performance of the Managing Director and Executive Director on the Board of Directors at such intervals as the committee may deem fit;

c) review the on going appropriateness and relevance of the remuneration policy;

d) approve the design of, and determine targets for, any performance related pay schemes scheme operated by the Company and approve the total annual payments made under such schemes;

e) review the design of all share incentive plans/ stock options for approval by the Board and Shareholders. For any such plans, determine each year whether options would be granted and if so, the overall amount of such awards, and reasonable adjustments to the number of options and the exercise price in case of corporate actions such as right issues, bonus issues, merger , sale of division and others;

f) determine the policy for, and scope of, pension arrangements for each Executive Director and other senior executives;

g) ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;

h) within the terms of the agreed policy and in consultation with the chairman and/or CEO as appropriate, determine the total individual remuneration package of each executive and non-Executive Director , Key Managerial Personnel and such other employees as may be prescribed by the Act, including bonuses, incentive payments and share options or other share awards, if any;

i) in determining such packages and arrangements, give due regard to any relevant legal requirements, the provisions and recommendations as per applicable law;
j) review and note annually the remuneration trends across the Company or group;

k) oversee any major changes in employee benefits structures throughout the Company or group;

l) ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;

m) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and

n) obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.

Stakeholders Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. B. Muthuraman (Independent Director), *Chairman*;
2. Dr. Ashutosh Raghuvanshi (Managing Director);
3. B. N. Subramanya (Independent Director); and
4. Viren Shetty (Whole time Director)

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on July 16, 2015. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013. The terms of reference of the Stakeholders' Relationship Committee of our Company include effectively resolving the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual reports, non-receipt of declared dividends, resolving investors' complaints pertaining to share transfers, issue of duplicate share certificates, transmission of shares and other Shareholder related queries, complaints etc.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. K. Dinesh (Independent Director), *Chairman*;
2. Dr. Ashutosh Raghuvanshi (Managing Director); and
3. B. N. Subramanya (Independent Director).

The Corporate Social Responsibility Committee was constituted on June 05, 2014 and was re-constituted by our Board of Directors at their meeting held on July 16, 2015. The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

a) To formulate and update the vision, strategy and execution of Corporate Social Responsibility (CSR) programs for the Company;

b) To oversee, coordinate and integrate the management of the Company's CSR programs for promoting healthcare facilities for the upliftment of people at large and creating a positive impact by addressing issues of accessibility and affordability; promoting educational facilities to help and assist in unfolding the creative potentials and talents of the children and amateurs; and strive for socio-economic development thereby reducing inequality between rich and poor;

c) To oversee the Company's integrated CSR program;

d) To conduct an annual review of the integrated CSR programs to ensure that these comply with applicable laws and are consistent with Company policies, guidelines and objectives on CSR;

e) To ensure that the CSR program is integrated and applied consistently throughout the organization;

f) To identify and recommend program enhancements that will increase effectiveness and overall improvement in company performance and image;

g) To apprise the Board of the accomplishments and issues/concerns related to the integrated CSR program;

h) To redefine, in consultation with the Board, the roles, duties and responsibilities of the Committee in order to integrate the dynamic requirements of business and the future plans of the Company;

i) To undertake special projects or activities which the Board or the Committee considers necessary, and perform other tasks or duties as may be requested or delegated by the Board;

j) To formulate and recommend the CSR Policy in compliance with Section 135 of the Companies Act 2013 and the rules framed thereunder, Listing Agreement and other applicable law, for approval of the Board;

k) To Recommend CSR programmes and its budget allocation as per the provisions of applicable law;

l) To Institute a transparent monitoring mechanism for implementation of the CSR policy activities and expenditure of funds as per applicable law;

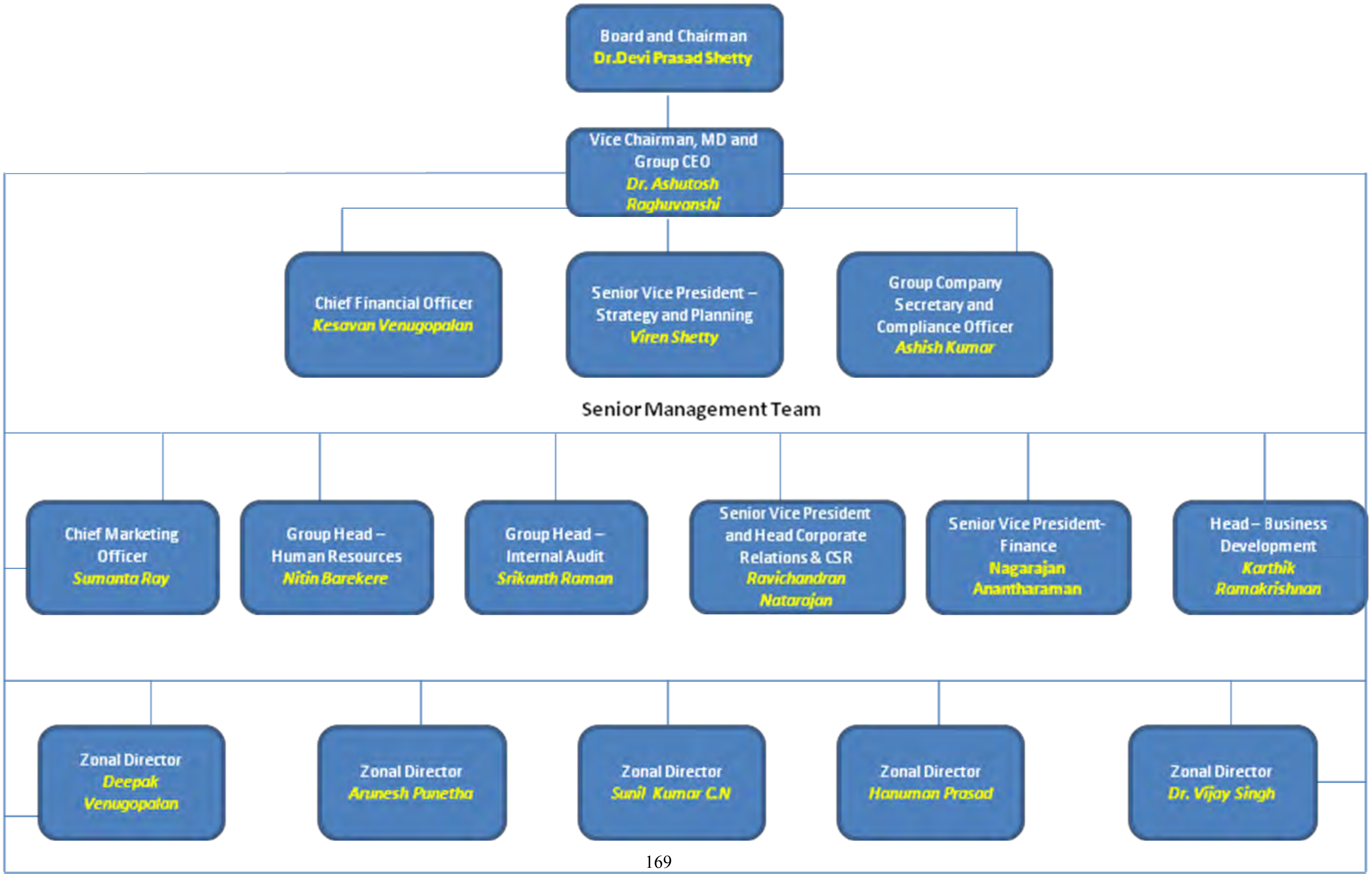
m) To prepare CSR annual report The CSR annual report shall include the requirements as stated in annexure XII and annexure XIII of the Listing Agreement; and

n) To carry out aforesaid activities the Committee is authorised to take professional support from individuals or organisations having expertise in related fields.

In addition, our Board has also constituted an IPO Committee on September 29, 2014 and July 16, 2015, which is authorised to approve and decide upon all activities in connection with this Offer, including, but not limited to approving this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of this Offer, including the Price Band and the Offer Price, to appoint various intermediaries, negotiating and executing the Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

We undertake to constitute a Risk Management Committee of our Board in line with applicable listing requirements with effect from November 01, 2015. Our Risk Management Committee will be constituted prior to the filing of the Red Herring Prospectus.

Management Organisation Chart



Key Management Personnel

The details of the Key Management Personnel of our Company and our Subsidiaries, other than Dr. Devi Prasad Shetty, Dr. Ashutosh Raghuvanshi and Viren Shetty are as follows:

Kesavan Venugopalan is the group CFO of our Company since February 18, 2013. He holds a bachelors degree in Mathematics from the University of Madras. He is a certified chartered accountant and holds associate membership of Institute of Cost Accountants of India and Chartered Institute of Management Accountants, United Kingdom. Prior to joining our Company, he worked with Wipro Limited and has around 25 years of experience. During Financial Year 2015, he was paid a gross compensation of ₹ 14,376,964. His term of employment continues till 2026.

Ashish Kumar is the group Company Secretary and Compliance Officer of our Company. He joined our Company on May 11, 2015. He is a commerce graduate from the University of Delhi, a qualified member of Institute of Company Secretaries of India and has completed an executive program in business management from the Indian Institute of Management, Calcutta. Ashish has around 13 years of experience. He has led the secretarial, regulatory and corporate governance compliances as company secretary of TECOM Investments LLC in Dubai. He has been associated with Damas International Limited, DAMAC, DLF Limited and the Delhi Stock Exchange. Since he joined our Company in Financial Year 2016, he was not paid any remuneration during the Financial Year 2015. His term of employment continues till 2040.

Sumanta Ray is the chief marketing officer of our Company. He joined our Company on May 28, 2012. He holds a post graduate diploma in management from the Goa Institute of Management. He graduated from Banaras Hindu University with a bachelor’s degree in Science. He also holds a diploma in Systems Management from the National Institute of Information Technology. He has around 18 years of experience across industries such as healthcare, telecom, financial services and retail in India and in international markets. Prior to joining our Company, he worked with Apollo Hospitals, Reliance Insurance and Bharati Airtel, amongst others. During the Financial Year 2015, he was paid a gross compensation of ₹ 8,210,909. His term of employment continues till 2031.

Nitin Barekere is the group head of human resources of our Company. He joined our Company on October 15, 2013. He completed his Executive General Management Program from the Indian Institute of Management, Bangalore. He holds a bachelor’s degree in engineering from the Bangalore University. He has around 13 years of experience across industries such as healthcare, retail and airlines. Prior to joining our Company, he worked with Vaatsalya Healthcare, Landmark group, Bharati Walmart, Max Hypermarket, Air Deccan, Scope International (Standard Chartered), Skyes Enterprises on leadership hiring, change management, process improvement, technology deployment, talent management and organisational learning. During the Financial Year 2015, he was paid a gross compensation of ₹ 6,416,561. His term of employment continues till 2035.

Srikanth Raman heads the internal audit division of our Company. He joined our Company on March ,06 2008 as the finance controller. He holds a bachelor of commerce degree from the University of Bombay. He is a certified Chartered Accountant, India and a Chartered Management Accountant from UK. He has worked as a finance manager for two medium sized services companies that were part of a diversified conglomerate in Muscat. He has around 23 years of experience. In the past, he has worked with the OMZEST Group. During the Financial Year 2015, he was paid a gross compensation of ₹ 4,745,635. His term of employment continues till 2026.

Ravichandran Natarajan is the senior vice-president and head of corporate relations and CSR of our Company. He joined our Company on June 19, 2013. He holds a bachelor of arts degree and a masters degree in business administration in finance and marketing from Madurai Kamaraj University. Ravichandran has around 26 years of experience in profit centre management, product development, training, market development strategies, customer acquisition, project and program management and relationship management. In the past, he has worked with Cholamandalam AMC Limited., AFL Limited, Integrated Finance Company Limited, ONIDA, and ICICI Prudential, amongst others. During the Financial Year 2015, he was paid a gross compensation of ₹ 6,577,037. His term of employment continues till 2026.

Nagarajan Anantharaman is the senior vice-president of finance of our Company. He joined our Company on April 15, 2013. He is a commerce graduate from American College, Madurai. He is also an associate member of the Institute of Cost Accountants of India. Nagarajan has around 31 years of experience across industries such as banking, chemical, aluminium and steel. In the past, he has worked with Bakelite Hylam, Pennar Aluminium and Wipro, amongst others. During the Financial Year 2015, he was paid a gross compensation of ₹ 7,109,810. His term of employment continues till 2021.

Karthik Ramakrishnan is the head of business development of our Company. He joined our Company on May 03, 2010 as vice-president (general management). He holds a post graduate diploma in management from the Indian Institute of Management, Bangalore. He has a bachelor's degree in chemical engineering from Anna University. In the past, he has worked with Thermax Limited as a senior executive. He has around nine years experience. During the Financial Year 2015, he was paid a gross compensation of ₹ 2,589,346. His term of employment continues till 2043.

Deepak Venugopalan is a zonal director of our Company. He joined our Company on September 10, 2012. He is a healthcare professional and holds a post graduate diploma in hospital and health management from the Indian Institute of Health Management Research, Jaipur. He also holds a post graduate diploma in marketing and sales management from Bharatiya Vidya Bhavan. He has around 14 years of experience in handling P&L management of healthcare facilities, commissioning new hospitals, and developing strategic leadership roles in hospitals. In the past, he has worked with Manipal Academy of Higher Education and Wockhardt Hospitals Limited, amongst others. During Financial Year 2015, he was paid a gross compensation of ₹ 7,876,092. His term of employment continues till 2034.

Arunesh Punetha is a zonal director of our Company. He joined our Company on January 30, 2012 as the chief administrative officer. He is a healthcare professional and holds a master of business administration degree from the Sri Satya Sai Institute of Higher Learning. He has around 22 years of experience in general management, marketing and operations in healthcare with specific domain expertise in healthcare and medical device organisations. In the past, he has worked with Apollo Hospitals Enterprises Limited, Baxter India Private Limited, Boston Scientific India, and Medtronic, amongst others. During the Financial Year 2015, he was paid a gross compensation of ₹ 6,173,441. His term of employment continues till 2031.

Sunil Kumar C. N. is a zonal director of our Company. He joined our Company on April 25, 2001 as a consultant in the perfusion department. He holds a master's degree in philosophy in hospitals and health systems management from the Birla Institute of Technology and Science Further, he received a post graduate diploma in hospital and health management systems from the Indira Gandhi Open University. He was also granted a diploma in perfusion technology by the Indian Association of Cardiovascular-Thoracic surgeons. Sunil has around 26 years of experience. In the past, he has worked with Manipal Heart Foundation, Trichur Heart Hospital Limited, B.M. Birla Heart Research Centre, amongst other. During the Financial Year 2015, he was paid a gross compensation of ₹ 4,579,472. His term of employment continues till 2026.

Hanuman Prasad is a zonal director of our Company. He joined our Company in April 01, 2003. He is a healthcare professional and holds a master's degree in hospital management from Osmania University and a bachelor's degree in science from Kakatiga University. He joined our Company after completing his post graduation. During the Financial Year 2015, he was paid a gross compensation of ₹ 4,266,300. His term of employment continues till 2040.

Dr. Vijay Singh is a zonal director of our Company. He joined our Company in 2006. He holds a bachelor's degree in medicine and surgery from Bangalore University. He has around 14 years of experience across industries. In the past, he has worked with FinPoint, Bengaluru Medical Services Trust and Research Institute, Chandrakala Hospital and Institute of Medical Research, among others. During Financial Year 2015, he was paid a gross compensation of ₹ 2,801,000. His term of employment continues till 2037.

Except for Dr. Devi Prasad Shetty and Viren Shetty, none of the Key Management Personnel are related to each other.

All the Key Management Personnel are permanent employees of our Company.

Service Contracts

No service contracts have been entered into with any Key Management Personnel for provision of benefits or payments of any amount upon termination of employment.

Shareholding of Key Management Personnel

Except our Directors, none of the Key Management Personnel in our Company hold any Equity Shares in our Company.

Bonus or profit sharing plan of the Key Management Personnel

None of the Key Management Personnel is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to them.

Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business, and in the case of Dr.Devi Prasad Shetty, Dr. Ashutosh Raghuvanshi and Viren Shetty, other than their capacity as Executive Directors. The Key Management Personnel may also be deemed to be interested to the extent of any stock options they hold, and any dividend payable to them and other distributions in respect of Equity Shares, if any, issued further to the exercise of stock options.

None of the Key Management Personnel have been paid any consideration of any nature from our Company or Subsidiary on whose rolls they are employed, other than their remuneration.

Except the Restated Shareholders' Agreement (further details of which are set out in section "***History and Certain Corporate Matters***", on page 139), there is no arrangement or understanding with the major Shareholders pursuant to which any Key Management Personnel was selected as member of senior management.

Further, there is no arrangement or understanding with the customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years, other than changes in Directors are as follows:

S. No.	Name	Designation	Date of change	Reason for change
1.	Ashish Kumar	Company secretary	May 11, 2015	Appointment
2.	Hanuman Prasad	Zonal Director	November 06,2014	Re-designation
3.	Vijay Singh	Zonal Director	October 15, 2014	Re-designation
4.	Arunesh Punetha	Zonal Director	October 15, 2014	Re-designation
5.	Sunil Kumar C N	Zonal Director	October 13, 2014	Re-designation
6.	Dr. Lloyd Nazareth	Chief Operating Officer	October 05, 2014	Resignation
7.	Nitin Barekare	Group Head – HR	October 15, 2013	Appointment
8.	Ravichandran Natarajan	Senior Vice President – CSR	June 19, 2013	Appointment
9.	Nagarajan Anantharaman	Senior Vice President-Finance	April 15, 2013	Appointment
10.	Kesavan Venugopalan	CFO	February 18, 2013	Appointment
11.	Sreenath P Reddy	CFO	November 02, 2012	Resignation

Payment or Benefit to officers of our Company

Other than benefits and performance incentives which are part of the terms of employment, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors within the two preceding years.

Employee stock option plan

Our Company has one employee stock option plan, the Narayana Health Employees Stock Option Plan, 2015. For further details, see section "***Capital Structure***" beginning on page 73.

OUR PROMOTERS

Dr. Devi Prasad Shetty and Shakuntala Shetty are the Promoters of our Company. As of the date of this Draft Red Herring Prospectus, our Promoters hold 130,870,882 Equity Shares, equivalent to 65.44% of the pre-Offer, issued, subscribed and paid-up Equity Share capital of our Company.

Dr. Devi Prasad Shetty

For a complete profile of Dr. Devi Prasad Shetty, i.e. his age, personal address, educational qualifications, experience, positions / posts held in the past and other directorships, awards and special achievements, see section "***Our Management***" beginning on page 153. The voter ID number of Dr. Devi Prasad Shetty is XUL2609998 and his driving licence number is KA03 20030014632.

Shakuntala Shetty

Personal Information

Shakuntala Shetty, Dr. Devi Shetty's wife, has been involved with the hospital industry for the last 14 years. She is a former Director of our Company, having held office as one of our first Directors. Shakuntala Shetty also served as a whole-time Director of our Company for the period between September 03, 2014 and May 06, 2015. Shakuntala Shetty was born on August 17, 1962, and is 53 years of age as of the filing of this Draft Red Herring Prospectus. Her permanent residential address is "Narayana", No. 393, 2nd Cross, 13th Main, 3rd Block, Koramangala, Bengaluru 550 034, Karnataka, India. Her voter ID number is XUL2610004.

Other directorships and ventures

Shakuntala Shetty is currently a director in Narayana Hospitals, NHAPL, NIARPL, NHIPL, NHSHPL and Kateel Software Private Limited.

Interest of Promoters in promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their current shareholding, the dividend payable, if any and other distributions in respect of the Equity Shares held by them in our Company. For details regarding the shareholding of our Promoters in our Company, see section "***Capital Structure***" beginning on page 73. Dr. Devi Prasad Shetty is also interested personally in his executive role and as chairman of our Company and he receives remuneration and benefits as consideration.

Interest of Promoters in the property of our Company

For our Promoters' interest in our Company's property, see section "***History and Certain Corporate Matters***" beginning on page 139 and "***Related Party Transactions***" on page 189.

Except as stated in those sections, our Promoters have no interest in any property acquired or proposed to be acquired by our Company within two years from the date of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business Interests

In addition to the disclosure stated in this section, our Promoters are interested in our Company and our Group Companies with which our Company transacts during the course of its operations to the extent of its shareholding. For details, see section "***History and Certain Corporate Matters***" and "***Our Group Companies***" beginning on pages 139 and 181, respectively.

Our Promoters, directly and indirectly undertake activities in certain fields allied to healthcare, such as dealing and distribution of pharmaceuticals, establishing heart hospitals and providing medical education, establishing, running clinics, healing centres, nursing homes. For details see section "***Our Group Companies***" beginning on page 181. Our Promoters' interest may therefore conflict with the interest of our Company.

Our Promoters are not interested as members of a firm or company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company, except as disclosed in this Draft Red Herring Prospectus.

Related Party Transactions

Our Company undertakes a number of related party transactions in which our Promoters are interested. For details of related party transactions entered into by our Company, ,members of the Promoter Group and Group Companies during the last Financial Year, the nature of transactions and the cumulative value of transactions, see section "***Related Party Transactions***" beginning on page 189. There may thus be a conflict of interest between our Promoters' interest and that of our Company.

Interest of Promoters in Sales and Purchases

Other than as disclosed in "***Related Party Transactions***" on page 189, there are no sales/purchases between our Company and our Promoter Group and Group Companies when such sales or purchases exceed in value of the aggregate of 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoter Group and Group Companies as on the date of the last financial statements.

Payment of benefits to our Promoters or our Promoter Group

Except as stated in the sections "***Related Party Transactions***", "***Our Management***" and "***Our Promoters***" beginning on pages 189, 153 and 174 respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group. Our Company and its Subsidiaries will continue to deal with related parties in which our Promoters and Promoter Group are interested.

Except as stated in the sections "***Related Party Transactions***" and "***Our Promoters and Promoter Group***" beginning on pages 189 and 174 respectively, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus nor proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into. Our Promoters have certain rights over lands held by our Company, further details of which are provided in the section "***History and Certain Corporate Matters***" beginning on page 139.

Litigation involving our Promoter

For details of legal and regulatory proceedings involving our Promoters, see section "***Outstanding Litigation and Material Developments***" beginning on page 243.

Confirmations

Our Company confirms that the PAN, bank account number and passport number of our Promoters shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Except as stated below, our Promoters or Promoter Group members have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by our Promoters and Promoter Group in the past and no proceedings for violation of securities laws are pending against them.

Based on a search of suit-filed accounts (willful defaulters) of ₹ 2.50 million and above as on September 26, 2015, conducted on the website of the Credit Investment Bureau (India) Limited at https://suit.cibil.com/suitFiledAccountSearchAction, the name of Manohar Shetty (a Promoter Group member), appears as a director of SSJV Projects Limited, for the periods mentioned below:

Category of bank/FI	Name of bank/ FI	Branch	State	S.No.	Name of party	Registered address	Suit	Name of other banks/ FIS	Director	DIN
Nationalised bank	Canara Bank	Prime Corporate branch, Bengal	Karnataka	706	SSJV Projects P Ltd	25/2,S.N. Towers, 12th floor, M.G. Road, Bangalore	5400 suit	Alla BK, ICICI, Axis, IDBI, SBI, Vijaya Bank	Manohar Shetty	-

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Offer against our Promoters, except as disclosed under "***Outstanding Litigation and Material Developments***" beginning on page 243.

Our Promoters are not and have never been promoters or persons in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not interested in any other entity that holds any intellectual property rights that are used by our Company, except with respect to applications for grant of patent for "*System and method of facilitating delivery of patient-care*" filed by Dr. Devi Prasad Shetty and Samir Mitra as co-inventors before the United States Patent and Trade Mark Office and under the Patent Cooperation Treaty. Our Company does not pay any consideration towards the use of the intellectual property.

Our Promoters are not related to any of the sundry debtors of our Company, except as a result of related party transactions.

Sick Company

No insolvency proceedings have been initiated against our Promoters.

Except as stated in this Draft Red Herring Prospectus, our Promoter Group companies have not become defunct in the five years preceding the date of this Draft Red Herring Prospectus.

Companies with which our Promoters have disassociated in the last three years

Except as stated below, our Promoters have not disassociated themselves from any company or firm during the three years preceding this Draft Red Herring Prospectus:

Name of Promoter	Name of entity from which disassociated	Reasons for disassociation	Year of disassociation
Dr. Devi Prasad Shetty	Narayana Dental	Sale of shareholding in Narayana Dental to Axiss Dental	2013
Shakuntala Shetty	Sharavathi Pharmacy and Medicines Private Limited	Struck-off the register of companies for being defunct	2013

Change in the management and control of our Company

There has not been any change in the management or control of our Company within five years immediately preceding the date of filing of this Draft Red Herring Prospectus.

For other confirmations in relation to our Promoters, see section "***Other Regulatory and Statutory Disclosures***" beginning on page 269.

Promoter Group

S.No.	Promoter	Relationship	Body corporate	Entity in which a company holds 10% or more
1.	Dr. Devi Prasad Shetty		***Companies:*** (i) NHAPL ***Partnerships:*** Nil	-
		(a) Shakuntala Shetty (spouse)	***Companies*:** (i) Kateel Software Private Limited; (ii) Shankaranarayana Industries and Plantation Private Limited; and (iii) NHAPL ***Partnerships*:** (i) Hrudayalaya Pharmacy	-
		(b) Viren Shetty (son)	***Companies*:** (i) Amaryllis; and (ii) Kateel Software Private Limited. ***Partnerships*:** (i) Hospital Engineering Services; (ii) Charmakki Infrastructure; (iii) M/s Amaryllis; and (iv) Hrudayalaya Pharmacy.	-

S.No.	Promoter	Relationship	Body corporate	Entity in which a company holds 10% or more
		(c) Dr. Varun Shetty (son)	***Companies:*** (i) Kateel Software Private Limited ***Partnerships*:** (i) Hospital Engineering Services; and (ii) Charmakki Infrastructure.	-
		(d) Dr. Anesh Shetty (son)	***Companies*:** (i) Kateel Software Private Limited ***Partnerships*:** (i) Charmakki Infrastructure	-
		(e) Ameya Shetty (daughter)	***Companies*:** (i) Kateel Software Private Limited ***Partnerships*:** Nil	-
		(f) Dayananda Shetty (brother)	-	-
		(g) Ganesh Shetty (brother)	-	-
		(h) Gopal Shetty (brother)	-	-
		(i) Sharada Shetty (sister)	-	-
		(j) Prabhavathi Shetty (sister)	-	-
		(k) Jayashree Shetty (sister)	-	-
2.	Shakuntala Shetty		***Companies:*** (i) Kateel Software Private Limited; (ii) Shankaranarayana Industries & Plantation Private Limited; and (iii) NHAPL ***Partnerships:*** (i) Hrudayalaya Pharmacy	-
		(i) Dr. Devi Prasad Shetty (spouse)	***Companies:*** (i) NHAPL ***Partnerships:*** Nil	-

S.No.	Promoter	Relationship	Body corporate	Entity in which a company holds 10% or more
		(ii) Viren Shetty (son)	***Companies:*** (i) Amaryllis; and (ii) Kateel Software Private Limited ***Partnerships:*** (i) Hospital Engineering Services; (ii) Charmakki Infrastructure; (iii) M/s Amaryllis;and (iv) Hrudayalaya Pharmacy.	-
		(iii) Dr. Varun Shetty (son)	***Companies:*** (i) Kateel Software Private Limited ***Partnerships:*** (i) Hospital Engineering Services; and (ii) Charmakki Infrastructure.	-
		(iv) Dr. Anesh Shetty (son)	***Companies:*** (i) Kateel Software Private Limited ***Partnerships:*** (i) Charmakki Infrastructure	-
		(v) Ameya Shetty (daughter)	-	-
		(vi) Akkaiah Shetty (mother)	-	-
		(vii) Sitaram Shetty (brother)	***Companies:*** (i) Bumiputra Hotels Private Limited; and (ii) Shankarnarayana Constructions Private Limited* ***Partnerships:*** (i) Stay & Work @ Infantary; and (ii) SBT Offices & Services.	-
		(iii) Manohar Shetty (brother)	***Companies:*** (i) SSJV Projects Private Limited ***Partnerships:*** (i) Garuda Air Taxi Services; and (ii) Sri Shankaranarayana Construction Co. ***Others:*** Sai Ashirwad Estate	-

S.No.	Promoter	Relationship	Body corporate	Entity in which a company holds 10% or more
		(iv) Hema Ballal (sister)	***Companies:*** (i) Shankaranarayana Power Enterprise Private Limited Partnerships: Nil	-
		(v) Sumitra Shetty (sister)	***Companies:*** (i) Emerge Waste Management Solutions Private Limited; and (ii) Anyuta TPA in Healthcare Private Limited. ***Partnerships:*** (i) Woodaegooda Estate; and (ii) Lakshmi Holdings.	

** By an order of the High Court of Karnataka dated June 26, 2015, SNC Power Corporation Private Limited and Shankaranarayana Construction Private Limited have been amalgamated.*

OUR GROUP COMPANIES

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

The definition of 'group companies' was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. Pursuant to the resolution of our Board passed at the meeting held on September 19, 2015, our Board formulated a policy with respect to companies which it considered material to be identified as Group Companies, pursuant to which the following entities, excluding Subsidiaries, are identified as Group Companies of our Company:

1. Akkayya Hospitality Services;
2. Amaryllis Healthcare Private Limited;
3. Annapoorna Health Foods;
4. Asia Heart Foundation;
5. Charmakki Infrastructures;
6. Daya Drishti Charitable Trust;
7. Health City Cayman Islands Limited;
8. Hrudayalaya Pharmacy;
9. Kateel Software Private Limited;
10. Mazumdar Shaw Medical Foundation;
11. Narayana Health Academy Private Limited;
12. Narayana Hrudayalaya Charitable Trust;
13. Narayana Hrudayalaya Foundations; and
14. TriMedx India Private Limited.

The details of our Group Companies are provided below:

A. Details of Group Companies with negative net worth

Except Daya Drishti Charitable Trust and Narayana Health Academy Private Limited none of our Group Companies had a negative net worth as per the last disclosed financial statement.

B. Details of Top 5 Group Companies by Turnover

1. ***Akkayya Hospitality Services ("Akkayya")***

Constitutional Information

Akkayya is a partnership firm constituted originally by a deed of partnership dated November 2, 2000 under the name of 21st Century Developers. On December 4, 2003 the name of the partnership firm was changed to Akkayya Consultancy Services. On July 23, 2013 the name of the partnership firm was changed to Akkayya Hospitality Services. On September 19, 2013 the partnership firm was reconstituted. The current partners of the firm are Manohar Shetty, Harini M Shetty, Ashwini Shetty and Arpitha Shetty. The principal place of business of Akkayya is Ground floor, No. 21/6, Craigpark Crescent, Craig Park Layout, M G Road, Bengaluru 560 001, Karnataka, India. Akkayya is engaged in development of property, buildings, hotels, acting as contractors and sub-contractors for designing, executing, controlling and erection of all kinds of superstructures and erections like buildings for residential and other purposes, such as hotels restaurants, hospitals and water tanks.

Interest of our Promoters

Nil

Financial Information

(in ₹ million)

Particulars	For the Financial Year		
	2014	2013	2012
Partners' Capital	264.43	226.99	129.74
Revenue from operations and other income	521.00	544.30	485.60

Particulars	For the Financial Year 2014	2013	2012
Profit/(Loss) after tax	35.23	128.28	10.46
Reserves (excluding revaluation reserves) and Surplus	Nil	Nil	Nil
Earnings per share	NA	NA	NA
Diluted earnings per share	NA	NA	NA
Net Asset Value per share	NA	NA	NA

Significant notes of the auditors for the three Financial Years 2012, 2013 and 2014

Nil

2. ***Hrudayalaya Pharmacy***

Constitutional Information

Hrudayalaya Pharmacy is a partnership firm constituted originally by a deed of partnership dated January 25, 2003 with Shakuntala Shetty and Viren Shetty as partners. The firm was last reconstituted by a deed of reconstitution of partnership dated December 11, 2008. The current partners of Hrudayalaya Pharmacy are Shakuntala Shetty, Viren Shetty, Dr. Varun Shetty and Anesh Shetty. The principal place of business of Hrudayalaya Pharmacy is No. 258/A, Bommasandra Industrial Area, Anekal Talk, Bengaluru 560 099, Karnataka, India. Hrudayalaya Pharmacy is engaged in the business of trading and dealing in pharmaceutical, surgical equipment and medical equipment and other allied businesses.

Interest of our Promoters

Shakuntala Shetty holds 75% interest in Hrudayalaya Pharmacy.

Financial Information

The operating results of Hrudayalaya Pharmacy for the three Financial Years 2012, 2013 and 2014 are as follows:

(in ₹ million)

Particulars	For the Financial Year 2014	2013	2012
Partners' Capital	7.20	4.19	0.35
Revenue from operations and other income	141.09	129.78	119.76
Profit/(Loss) after tax	22.04	20.51	16.51
Reserves (excluding revaluation reserves) and Surplus	Nil	Nil	Nil
Earnings per share	NA	NA	NA
Diluted earnings per share	NA	NA	NA
Net Asset Value per share	NA	NA	NA

Significant notes of the auditors for the three Financial Years 2012, 2013 and 2014

Nil

3. ***Asia Heart Foundation ("AHF")***

Constitutional Information

AHF is a trust created under a trust deed dated September 09, 1999. The settlor of AHF is K.P. Anand Shetty. The current trustees of AHF are Dr. Devi Prasad Shetty, Shakuntala Shetty, Viren Shetty, Dr. Varun Shetty and M.D. Dixit. The registered office of AHF is 124 Mukundapur, E M Bypass, Kolkata 700 099, West Bengal, India. AHF is engaged in establishing heart hospitals and providing professional education such as medical, dental and para medical courses like nursing.

Interest of our Promoter

Dr. Devi Prasad Shetty is the founding trustee of AHF.

Financial Information

The operating results of AHF for the three Financial Years 2012, 2013 and 2014 are as follows:

(in ₹ million)

Particulars	For the Financial Year		
	2014	2013	2012
Trust Funds	120.31	142.24	165.47
Income from operations and other income	133.34	283.18	51.00
Income/(Expenditure) after tax	(21.93)	(23.23)	(16.54)
Reserves (excluding revaluation reserves) and Surplus	Nil	Nil	Nil
Earnings per share	NA	NA	NA
Diluted earnings per share	NA	NA	NA
Net Asset Value per share	NA	NA	NA

Significant notes of the auditors for the three Financial Years 2012, 2013 and 2014

For the Financial Year 2012

- The bank balances and the party ledger are unreconciled/ unconfirmed.

For the Financial Year 2013 and 2014

- Various balances of branch, divisions, sundry debtors, sundry creditors, loans and advances, bank balances remains unconfirmed/ unreconciled.

4. ***TriMedx India Private Limited ("TriMedx")***

Constitutional Information

TriMedx was incorporated on May 25, 2012 under the Companies Act, 1956. The registered office of TriMedx is No. 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 099, Karnataka, India. TriMedx is engaged in the business of providing consulting services, analysis and clinical engineering services related to medical equipment, appliances, apparatus, instruments used in hospitals, clinics and physicians' offices.

Interest of our Promoters

Nil

Financial Information

The operating results of TriMedx for the Financial Years 2013 and 2014 are as follows:

(in ₹ million)

Particulars	For the Financial Year[(1) (2)]	
	2014	2013
Equity Capital	30.01	2.59
Revenue from operations and other income	176.95	40.42
Profit/(Loss) after tax	18.14	(4.57)
Reserves (excluding revaluation reserve) and Surplus	13.57	(4.57)
Earnings per share (in ₹)	60.47	(176.83)
Diluted earning per share (in ₹)	NA	NA
Net Asset Value per share (in ₹)	145.23	(76.83)

(1) *Since TriMedx was incorporated on May 25, 2012 there is no financial information for the Financial Year 2012.*

(2) *The financial year of TriMedx is the 12 month period ending June 30 of that particular year.*

Significant notes of the auditors for the two Financial Years 2013 and 2014

NIL

5. ***Amaryllis Healthcare Private Limited ("Amaryllis")***

Constitutional Information

Amaryllis was incorporated on July 15, 2010 under the Companies Act, 1956. The registered office of Amaryllis is No. 273/A, Bommasandra Industrial Area, Hosur Road, Bengaluru 560 099, Karnataka, India. Amaryllis is engaged in the business of manufacturing, exporting, importing, distributing, trading, merchant dealing, selling, buying, re-packing and stocking various types of surgical instruments, medical equipment, medicines, medical kits, disposable like gowns, disposable drapes, disposable and non-disposable syringes, all chemicals used in hospitals or any other products/ items, implant appliances, instruments and setting up a surgical manufacturing unit.

Interest of Promoters

Nil

Financial Information

The operating results of Amaryllis for the three Financial Years 2012, 2013 and 2014 are as follows:

(in ₹ million)

Particulars	For the Financial Year		
	2014	2013	2012
Equity Capital	5.00	5.00	3.69
Revenue from operations and other income	110.69	77.25	54.13
Profit/Loss after tax	5.88	7.47	3.11
Reserves (excluding revaluation reserve) and Surplus	17.37	11.48	4.02
Earnings per share (in ₹)	11.77	14.93	8.44
Diluted earning per share (in ₹)	NA	NA	NA
Net Asset Value (in ₹)	44.73	32.96	20.89

Significant notes of the auditors for the three Financial Years 2012, 2013 and 2014

Nil

C. Other Group Companies

6. ***Narayana Hrudayalaya Foundations ("NH Foundations")***

Constitutional Information

NH Foundations is a trust created under a trust deed dated June 16, 2001. The settlor of NH Foundations is N. Manohar Shetty. The trustees of NH Foundations are Dr. Devi Prasad Shetty, A. Shankar, Shakuntala Shetty, Dr. Ashustosh Raghuvanshi, Viren Shetty and Dr. Varun Shetty. The registered office of NH Foundations is 12th floor, S.N. Towers, 25/2, M.G. Road, Bengaluru 560 001, Karnataka, India. It is engaged in establishing clinics, healing centres and educational institutions and providing professional education such as engineering, medical, dental and para medical courses like nursing.

Interest of our Promoter

Dr. Devi Prasad Shetty is the founding trustee of NH Foundations.

7. ***Annapoorna Health Foods***

Corporate Information

Annapoorna Health Foods is a partnership firm originally constituted by a deed of partnership dated October 15, 2005 with Dr. Varun Shetty and M. Srinivas Rao. M. Srinivas Rao died on June 15, 2014; however, in terms of the deed of partnership the partnership firm has not dissolved. The principal place of business is No. 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 099, Karnataka, India. Annapoorna Health Foods is engaged in the business of catering and providing hospitality services.

Interest of Promoters

Nil

8. ***Charmakki Infrastructures***

Corporate Information

Charmakki Infrastructures is a partnership firm originally constituted by a deed of partnership dated December 11, 2008 with Shakuntala Shetty, Viren Shetty, Dr. Varun Shetty and Anesh Shetty as partners. The principal place of the firm is No. 70, Lavelle Road, Bengaluru 560 001, Karnataka, India. Charmakki Infrastructures is engaged in the business of promoting, developing and building of properties, and owning properties as capital assets for rental income and for capital appreciation.

Interest of Promoters

Shakuntala Shetty holds 9% interest in Charmakki Infrastructures.

9. ***Daya Drishti Charitable Trust ("DDCT")***

Corporate Information

DDCT is trust created under a trust deed dated March 14, 2007. The settlor of the DDCT is Satya Brata Chakraborty. The trustees of DDCT are Dr. Devi Prasad Shetty and Dr. Ashutosh Raghuvanshi. The registered office of DDCT is 124, Mukundapur, E.M. Bypass, Kolkata 700 099, West Bengal, India. DDCT is engaged in establishing pharmacy outlets and optical shops, services and manufacture/ development/ designing spectacles and grinding of lenses in India. It is also engaged in training the youth in manufacturing, designing of spectacles and grinding of lenses. It is also engaged in purchasing, storing and selling medical implants, medicines, consumables and any parts thereof for all medical specialities.

Interest of Promoters

Dr. Devi Prasad Shetty is a trustee and the chairman of the board of trustees.

10. ***Health City Cayman Islands Limited ("HCCI")***

Corporate Information

HCCI was incorporated on May 7, 2010 with the Registrar of Companies of the Cayman Islands. The registered office of HCCI is at the offices of Elian Fiduciary Services (Cayman) Limited, 89 Nexus Way, Camana Bay Grand Cayman KY1-9009, Cayman Islands. HCCI is engaged in the business of operating the 104 capacity bed facility in the Cayman Islands.

Interest of Promoters

Dr. Devi Prasad Shetty is a director of HCCI.

11. ***Kateel Software Private Limited ("Kateel")***

Corporate Information

Kateel was incorporated on July 25, 2014 under Companies Act, 2013. The registered office of Kateel is 273/A, Bommasandra Industrial Area, Anekal Taluk, Hosur Road, Bengaluru 560 099, Karnataka, India. Kateel is engaged in the business of carrying out software development, data processing and procurement of software. It is also engaged in operating, contracting and providing voice and data processing facilities.

Interest of our Promoters

Shakuntala Shetty holds 35,000 equity shares of face value ₹ 10 each.

12. ***Mazumdar Shaw Medical Foundation ("MSMF")***

Corporate Information

MSMF was incorporated on May 10, 2013 under the Companies Act, 1956. The registered office of MSMF is No. 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 099, Karnataka, India. MSMF is engaged in the business of undertaking, aiding, fostering and engaging in research, development, contribution and other activities that promote life sciences, healthcare, behavioural sciences, veterinary sciences, wellness, nutrition, biotechnology and other medical and biological sciences generally by providing contributions, establishing centres, clinics, hospitals and institutions for research, learning and treatment, creating programs, fellowships and scholarships, facilitating technology transfers and knowledge sharing, patient education and awareness programs and through such other means as may be necessary or desirable.

Interest of Promoters

Dr. Devi Prasad Shetty is a director of MSMF.

13. ***Narayana Health Academy Private Limited ("NHAPL")***

Corporate Information

NHAPL was incorporated on October 27, 2006 under the Companies Act, 1956. The registered office of NHAPL is No. 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 099, Karnataka, India. NHAPL is engaged in the business of establishing colleges in all faculties of medicine for graduation, post graduation, specialisation and super specialisation, and also to establish and run schools/ institution to train nurses, midwives and hospital administrators and other para medical staff. It is also engaged in assisting in the treatment of heart ailments and other para medical services.

Interest of Promoters

Dr. Devi Prasad Shetty holds 10,000 equity shares of face value ₹ 10 each and Shakuntala Shetty holds 10,000 equity shares of face value ₹ 10 each. Dr. Devi Prasad Shetty and Shakuntala Shetty are also directors of NHAPL.

14. ***Narayana Hrudayalaya Charitable Trust ("NH Charitable Trust")***

Constitutional Information

NH Charitable Trust is a trust created under a trust deed dated March 05, 2004. The settlor of NH Charitable Trust is N. Manohar Shetty. The trustees of NH Charitable Trust are Dr. Devi Prasad Shetty, A. Shankar, Shakuntala Shetty, Viren Shetty and Dr. Varun Shetty. The registered office of NH Charitable Trust is No. 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 099, Karnataka, India. NH Charitable Trust was created with the objective of establishing, maintaining and running clinics, healing centres, nursing homes, homes for the aged, without discriminating on the basis of caste, creed, religion and language.

Interest of our Promoter

Dr. Devi Prasad Shetty is the founding trustee of NH Charitable Trust.

D. Nature and Extent of Interest of Group Companies

1. ***In the promotion of our Company***

None of our Group Companies have any interest in the promotion or any business interest or other interests in our Company, except to the extent identified in "***Related Party Transactions***" beginning on page 189.

2. ***In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI***

None of our Group Companies is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus.

3. ***In transactions for acquisition of land, construction of building and supply of machinery***

Refer to section "***Related Party Transactions***" beginning on page 189 for transactions involving us and our Group Companies.

Dr. Devi Prasad Shetty is entitled to require that our Company transfer certain lands belonging to our Company to any person connected with Dr. Devi Prasad Shetty or Shakuntala Shetty (as defined in the Restated Shareholders' Agreement) or an affiliate or a partnership firm in which Dr. Devi Prasad Shetty is the majority partner, and nominated by Dr. Devi Prasad Shetty in writing. Such entity could be a Group Company. For Group Companies interested in transactions involving supply of machinery, refer to "***Related Party Transactions***" beginning on page 189.

We have constructed and purport own floors 03 to 08 of RTIICS. The land and the building in which the floors are located are owned by AHF. We have not entered into any registered documents with AHF which confer ownership on these floors.

NH Charitable Trust and NH Foundations have supplied medical equipment installed at certain facilities of our Company. NH Foundations has also supplied to our Company to use a mobile mammogram screening equipment. The ownership of the equipment remains with NH Charitable Trust and NH Foundations, as the case may be. In certain cases, we have not entered into any agreements with NH Charitable Trust and NH Foundations with respect to these arrangements. NH Charitable Trust and NH Foundations do not receive any consideration from us towards these arrangements.

E. Common Pursuits among the Group Companies with our Company

The deed of trust of AHF, the deed of trust of NH Foundations the deed of trust of NH Charitable Trust, memorandum of association of Amaryllis, memorandum of association of MSMF and the memorandum of association of NHAPL allow the respective group company to undertake businesses similar to our Company. Except AHF, NH Foundations, NH Charitable Trust, Amaryllis and MSMF, none of our Group Companies are currently in a similar line of business as our Company.

F. Related Business Transactions within the Group Companies and significance on the financial performance of our Company

For more information, see section "***Related Party Transactions***" beginning on page 189.

G. Significant Sale/Purchase between Group Companies and our Company

Except as stated in "***Related Party Transactions***" beginning on page 189, none of our Group Companies is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

H. Business Interest of Group Companies

Other than as stated above, none of our Group Companies have any business interest in our Company.

I. Defunct Group Companies

None of our Group Companies remain defunct and no application has been made to any registrar of companies for striking off the name of any of our Group Companies during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI. Further, none of our Group Companies fall under the definition of sick companies under SICA and none of them is under winding up.

J. Loss making Group Companies

Except for AHF, Annapoorna Health Foods, DDCT, HCCI MSMF and NHAPL, none of our Group Companies have made losses in the financial year ending March 31, 2014.

K. Other Confirmations

None of the securities of our Group Companies are listed on any stock exchange and none of our Group Companies have made any public or rights issue of securities in the preceding three years.

None of our Group Companies have been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

None of our Group Companies have been identified as wilful defaulters by the RBI or other authorities.

L. Litigation involving our Group Companies

For details of legal and regulatory proceedings involving our Group Companies, see section "***Outstanding Litigation and Material Developments***" beginning on page 243.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Accounting Standard 18 '*Related Party Disclosures'* issued by the Institute of Chartered Accountants in India and as reported in the Restated Summary Statements, see section "***Financial Statements***" beginning on page 191.

DIVIDEND POLICY

Our Company does not have any dividend policy as on the date of filing this Draft Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

AUDITORS REPORT

EXAMINATION REPORT ON RESTATED CONSOLIDATED SUMMARY STATEMENTS

The Board of Directors
Narayana Hrudayalaya Limited
(*formerly known as Narayana Hrudayalaya Private Limited*)
No. 258/A, Bommasandra Industrial Area
Anekal Taluk
Bengaluru – 560 099

Dear Sirs

1. We have examined the attached Restated Consolidated Summary Statement of assets and liabilities of Narayana Hrudayalaya Limited (formerly known as Narayana Hrudayalaya Private Limited) ("the Company") along with its subsidiaries and an associate (collectively referred to as the "Group") as set out in clause 1.1 of the accompanying Annexure IV, as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, the Restated Consolidated Summary Statement of profit and loss for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 and the Restated Consolidated Summary Statement of cash flow for each of the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, together with the annexures thereto (hereinafter collectively referred to as "the Restated Consolidated Summary Statements"), as approved by the Board of Directors of the Company, prepared in terms of the requirements of Section 26 of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended from time to time (" the SEBI Regulations"), the Guidance note on "Reports in Company's Prospectuses (Revised)" issued by the Institute of Chartered Accountants of India ("ICAI"), to the extent applicable ("Guidance Note") and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 9 June 2015 in connection with the proposed initial public offering of equity shares of the Company.

2. The above Restated Consolidated Summary Statements have been extracted by the Management from the Company's audited consolidated financial statements, as at and for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015. The audit of the Company's consolidated financial statements for the years ended 31 March 2011 and 31 March 2012 was conducted by B S R and Co. The audit of the Company's consolidated financial statements for the years ended 31 March 2013 and 31 March 2014 was conducted by B S R R & Co. The audit of the Company's consolidated financial statements for the year ended 31 March 2015 was conducted by us, B S R & Co. LLP.

   B S R and Co, B S R R & Co and B S R & Co. LLP are member firms of B S R & Affiliates, a network of firms, registered with ICAI.

3. The financial statements of the Company as at and for the years ended 31 March 2011, 31 March 2012, 31 March 2013 and 31 March 2014 and its Indian subsidiaries as at and for the period/years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 included in the Company's audited consolidated financial statements as at and for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 were audited by other auditors as set out in Appendix I to this examination report on Restated Consolidated Summary Statements ("consolidated report") whose reports have been furnished to us by the Management of the Company. Our opinion thereto, in so far as it relates to the amounts included in the Restated Consolidated Summary Statements is based on the aforesaid audit reports of these other auditors.

Examination Report On Restated Consolidated Summary Statements (continued)

The financial statements of a foreign subsidiary as at and for the period/years ended 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 included in the Company's audited consolidated financial statements as at and for the years ended 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, as set out in Appendix II to this consolidated report, were drawn up in accordance with the generally accepted accounting principles of that country ('local GAAP') and were audited by other auditor duly qualified to act as auditor in that country. For the purposes of preparation of the consolidated financial statements, the aforesaid local GAAP financial statements were restated by the Management of the Company so that they conform to the generally accepted accounting principles in India. Our opinion thereto, in so far as it relates to the amounts included in the Restated Consolidated Summary Statements is based on the restated local GAAP financial statements provided to us by the Management of the Company.

The financial statements of a foreign subsidiary and a foreign associate as at and for the years ended 31 March 2013, 31 March 2014 and 31 March 2015 included in the Company's audited consolidated financial statements as at and for the years ended 31 March 2013, 31 March 2014 and 31 March 2015, as set out in Appendix III to this consolidated report, were drawn up in accordance with the generally accepted accounting principles in India and were audited by other auditor whose reports have been furnished to us by the Management of the Company. Our opinion thereto, in so far as it relates to the amounts included in the Restated Consolidated Summary Statements is based on the aforesaid audit reports of the other auditor.

4. In accordance with the requirements of Section 26 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable, the SEBI Regulations, the Guidance Note and the terms of our engagement agreed with you, we further report that:

   (a) The Restated Consolidated Summary Statement of assets and liabilities of the Group as at and for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 examined by us, as set out in Annexure I to this consolidated report read with the Significant accounting policies in Annexure IV and notes to Restated Consolidated Summary Statements in Annexure VI, are after making adjustments and regroupings, as in our opinion, were appropriate and more fully described in Statement of restatement adjustments to audited consolidated financial statements in Annexure V; and

   (b) The Restated Consolidated Summary Statement of profit and loss of the Group, and the Restated Consolidated Summary Statement of cash flow of the Group for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 examined by us, as set out in Annexures II and III respectively to this consolidated report read with the Significant accounting policies in Annexure IV and notes to Restated Consolidated Summary Statements in Annexure VI, are after making adjustments and regroupings, as in our opinion, were appropriate and more fully described in Statement of restatement adjustments to audited consolidated financial statements in Annexure V.

Examination Report On Restated Consolidated Summary Statements (continued)

5. Based on the above, we are of the opinion that the Restated Consolidated Summary Statements:

   (a) have been made after incorporating adjustments for the changes in accounting estimates retrospectively in respective years to reflect the same accounting treatment as per the changed accounting estimates for all the reporting years based on the estimates adopted by the Group as on 31 March 2015;

   (b) have been made after incorporating adjustments for the prior period and other material amounts in the respective years to which they relate; and

   (c) do not contain any extra-ordinary items that need to be disclosed separately in the accounts and do not contain any qualifications requiring adjustments.

   Other remarks/comments in the Annexure to the Auditor's report on the financial statements of the Group for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 which do not require any corrective adjustment in the Restated Consolidated Summary Statements are mentioned in Clause 4: Non-adjusting items under Annexure V. For this purpose, we have placed reliance on the audited standalone financial statements of the Company and its subsidiaries and an associate and the audit reports thereon by the respective auditors as listed in paragraph 3.

6. We have also examined the following annexures in the Restated Consolidated Summary Statements of the Group. These annexures have been prepared by the Management and approved by the Board of Directors of the Company as at and for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015:

   (a) Restated Consolidated Summary Statement of accounting ratios as Annexure VII
   (b) Restated Consolidated Summary Statement of dividend as Annexure VIII
   (c) Restated Consolidated Summary Statement of capitalization as Annexure IX

7. In our opinion, the above financial information contained in Annexures I to IX accompanying this consolidated report read along with the Significant accounting policies in Annexure IV, notes to Restated Consolidated Summary Statements in Annexure VI and Statement of restatement adjustments to audited consolidated financial statements in Annexure IV are prepared after making such adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable, the SEBI Regulations, the Guidance Note and the terms of our engagement as agreed with you.

8. This consolidated report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other auditors, nor should this consolidated report be construed as an opinion on any of the audited consolidated financial statements referred to herein.

9. We have no responsibility to update our consolidated report for events and circumstances occurring after the date of the consolidated report.

Examination Report On Restated Consolidated Summary Statements (continued)

10. Our consolidated report is intended solely for use of the Management for inclusion in the offer document in connection with the proposed initial public offering of equity shares of the Company. Our consolidated report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Sunil Gaggar
Partner
Membership number: 104315

Place: Bengaluru
Date: 19 September 2015

Appendix I: The Restated Consolidated Summary Statements, have been prepared by the Company's Management from the audited financial statements of the Company as at and for the years ended 31 March 2011, 31 March 2012, 31 March 2013 and 31 March 2014 and its Indian subsidiaries as at and for the period/years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 which were audited by other auditors as set out below:

Name of the Entity	Year ended (YE) /period ended (PE)	Total gross assets as reflected in the financial statements of the entities (INR in millions)	Net movement in cash and cash equivalents reflected in the financial statements of the entities (INR in millions)	Total income as reflected in the financial statements of the entities (INR in millions)	Name of the auditors
Company					
Narayana Hrudayalaya Limited (formerly known as Narayana Hrudayalaya Private Limited)	YE 31 March 2011	7,056.08	(294.88)	4,755.42	B S R and Co*
	YE 31 March 2012	7,843.89	(34.88)	6,494.34	B S R and Co*
	YE 31 March 2013	9,396.62	22.92	8,273.49	B S R R & Co*
	YE 31 March 2014	11,463.12	62.10	10,913.16	B S R R & Co*
Subsidiaries					
Narayana Hospitals Private Limited	YE 31 March 2011	908.11	(0.86)	0.71	BSR and Associates*
	YE 31 March 2012	832.96	(0.04)	9.47	BSR and Associates*
	YE 31 March 2013	830.41	-	9.00	BSR and Associates*
	YE 31 March 2014	837.71	-	9.00	BSR and Associates*
Narayana Institute for Advanced Research Private Limited	YE 31 March 2011	57.91	-	-	BSR and Associates*
	YE 31 March 2012	57.82	-	-	BSR and Associates*
	YE 31 March 2013	57.82	-	-	BSR and Associates*
	YE 31 March 2014	57.55	-	-	BSR and Associates*
Narayana Health Institutions Private Limited	YE 31 March 2011	10.17	-	-	BSR and Associates*
	YE 31 March 2012	10.17	-	-	BSR and Associates*
	YE 31 March 2013	10.17	-	-	BSR and Associates*
	YE 31 March 2014	0.10	-	-	BSR and Associates*
Narayana Hrudayalaya Dental Clinics Private Limited	PE 31 March 2011	78.05	5.57	48.32	BSR and Associates*
	YE 31 March 2012	92.66	0.11	110.99	BSR and Associates*
	YE 31 March 2013	97.40	1.98	142.47	BSR and Associates*
Narayana Hrudayalaya Surgical Hospital Private Limited	PE 31 March 2011	-	-	-	BSR and Associates*
	YE 31 March 2012	141.49	37.83	1.85	BSR and Associates*
	YE 31 March 2013	361.83	(21.22)	5.90	BSR and Associates*
	YE 31 March 2014	386.56	(14.32)	165.1	BSR and Associates*
	YE 31 March 2015	517.18	4.70	284.32	BSR and Associates*
Asia Healthcare Development Limited	YE 31 March 2014	25.1	10.56	3.65	K.N. Gutgutia & Co.
	YE 31 March 2015	24.98	(6.59)	46.46	K.N. Gutgutia & Co.
Meridian Medical Research & Hospital Limited	YE 31 March 2015	963.87	7.48	(237.16)	S.N. Guha & Co

* B S R and Co, B S R R & Co, B S R & Co. LLP and B S R and Associates are member entities of B S R & Affiliates, a network, registered with the Institute of Chartered Accountants of India.

Note 1: The amounts considered above are before intercompany eliminations.

Appendix II: The Restated Consolidated Summary Statements, have been prepared by the Company's Management from the financial statements of a foreign subsidiary as at and for the period/years ended 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, which were audited by other auditor duly qualified to act as auditor in that country, in accordance with the generally accepted accounting principles of that country ('local GAAP') and restated by the Management so that they conform to the generally accepted accounting principles in India, as set out below:

Name of the Entity	Year ended (YE) /period ended (PE)	Total gross assets as reflected in the financial statements of the entities (INR in millions)	Net movement in cash and cash equivalents reflected in the financial statements of the entities (INR in millions)	Total income as reflected in the financial statements of the entities (INR in millions)	Name of the auditors
Narayana Hrudayalaya Hospitals Malaysia Sdn. Bhd	PE 31 March 2012	0.00	-	-	KPMG, Malaysia
	PE 31 March 2013	0.20	-	-	KPMG, Malaysia
	YE 31 March 2014	117.34	42.32	-	KPMG, Malaysia
	YE 31 March 2015	71.34	(4.18)	-	KPMG, Malaysia

Note 1: The amounts considered above are before intercompany eliminations.

Note 2: In respect of entity whose functional currency is different from the reporting currency of the Group, the financial statements of that entity considered is after conversion into reporting currency of the Group.

Appendix III: The Restated Consolidated Summary Statements, have been prepared by the Company's Management from the financial statements of a foreign subsidiary and a foreign associate as at and for the years ended 31 March 2013, 31 March 2014, and 31 March 2015, which were audited by other auditor, in accordance with the generally accepted accounting principles in India, as set out below:

Name of the Entity	Year ended (YE) /period ended (PE)	Total gross assets as reflected in the financial statements of the entities (INR in millions)	Net movement in cash and cash equivalents reflected in the financial statements of the entities (INR in millions)	Total income as reflected in the financial statements of the entities (INR in millions)	Name of the auditors
Subsidiary					
Narayana Cayman Holdings Limited	YE 31 March 2013	362.96	(9.54)	128.54	R J M J & Associates
	YE 31 March 2014	656.06	1.52	-	R J M J & Associates
	YE 31 March 2015	1065.17	(1.65)	-	R J M J & Associates
Associate					
Health City Cayman Islands Ltd	YE 31 March 2013	1,225.04	21.42	-	R J M J & Associates
	YE 31 March 2014	4,169.57	91.09	-	R J M J & Associates
	YE 31 March 2015	4,681.64	38.10	479.52	R J M J & Associates

Note 1: The amounts considered above are before intercompany eliminations.

Note 2: In respect of entity whose functional currency is different from the reporting currency of the Group, the financial statements of that entity considered is after conversion into reporting currency of the Group.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure - I

Restated Consolidated Summary Statement of assets and liabilities

INR in millions

Particulars	Annexure reference	As at 31 March				
		2011	2012	2013	2014	2015
EQUITY AND LIABILITIES						
A. Shareholders' funds						
Share capital	Note 1 of Annexure VI	3.25	3.25	3.25	3.25	2,000.00
Reserves and surplus	Note 2 of Annexure VI	4,806.17	5,150.18	5,466.99	5,800.71	5,647.68
		4,809.42	**5,153.43**	**5,470.24**	**5,803.96**	**7,647.68**
B. Minority interest		**-**	**17.79**	**50.06**	**27.82**	**6.81**
C. Non-current liabilities						
Long-term borrowings	Note 3 of Annexure VI	900.09	1,157.39	1,873.38	2,272.26	2,065.78
Deferred tax liabilities (net)	Note 4 of Annexure VI	152.78	175.01	190.36	252.05	339.42
Other long-term liabilities	Note 5 of Annexure VI	0.07	11.97	19.22	20.86	47.55
Long-term provisions	Note 5 of Annexure VI	26.07	48.23	55.06	62.34	106.28
		1,079.01	**1,392.60**	**2,138.02**	**2,607.51**	**2,559.03**
D. Current liabilities						
Short-term borrowings	Note 3 of Annexure VI	0.00	5.02	313.06	522.17	985.27
Trade payables	Note 5 of Annexure VI	526.86	700.53	771.33	1,529.14	1,370.42
Other current liabilities	Note 5 of Annexure VI	579.86	523.61	862.99	1,025.96	1,001.67
Short-term provisions	Note 5 of Annexure VI	25.70	36.53	26.35	40.33	78.13
		1,132.42	**1,265.69**	**1,973.73**	**3,117.60**	**3,435.49**
TOTAL (E=A+B+C+D)		**7,020.85**	**7,829.51**	**9,632.05**	**11,556.89**	**13,649.01**
ASSETS						
F. Non-current assets						
Goodwill		-	-	-	8.73	642.17
Fixed assets						
Tangible assets	Note 6 of Annexure VI	4,832.35	4,907.98	6,151.89	7,304.35	8,403.19
Intangible assets	Note 6 of Annexure VI	4.15	4.15	50.78	70.57	31.07
Capital work-in-progress		433.99	800.62	421.88	197.16	204.52
Intangible assets under development		30.66	68.75	22.69	-	-
		5,301.15	5,781.50	6,647.24	7,580.81	9,280.95
Non-current investments	Note 7 of Annexure VI	-	-	67.91	514.21	521.81
Long-term loans and advances	Note 8 of Annexure VI	633.14	761.03	1,142.16	1,059.87	1,225.54
Other non-current assets	Note 9 of Annexure VI	-	-	13.40	13.97	10.85
		5,934.29	**6,542.53**	**7,870.71**	**9,168.86**	**11,039.15**
G. Current assets						
Inventories	Note 10 of Annexure VI	259.69	279.82	383.74	492.57	512.24
Current investments	Note 7 of Annexure VI	-	-	-	-	0.38
Trade receivables	Note 11 of Annexure VI	463.10	672.44	914.76	1,341.84	1,429.27
Cash and bank balances	Note 12 of Annexure VI	223.57	191.95	254.31	280.59	295.20
Short-term loans and advances	Note 8 of Annexure VI	107.86	98.05	133.71	141.21	260.27
Other current assets	Note 9 of Annexure VI	32.34	44.72	74.82	131.82	112.50
		1,086.56	**1,286.98**	**1,761.34**	**2,388.03**	**2,609.86**
Total (H=F+G)		**7,020.85**	**7,829.51**	**9,632.05**	**11,556.89**	**13,649.01**

Notes:
1) The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure - II

Restated Consolidated Summary Statement of profit and loss

INR in millions

Particulars	Annexure reference	For the year ended 31 March				
		2011	2012	2013	2014	2015
INCOME						
Revenue from operations	Note 13 of Annexure VI	4,775.81	6,577.84	8,392.88	10,951.17	13,638.51
Other income	Note 14 of Annexure VI	26.33	29.03	151.58	223.91	77.36
Total revenue		**4,802.14**	**6,606.87**	**8,544.46**	**11,175.08**	**13,715.87**
EXPENSES						
Purchase of medical consumables, drugs and surgical equipment		1,630.28	1,977.77	2,431.66	2,931.94	3,426.57
Changes in inventories of medical consumables, drugs and surgical equipment	Note 15 of Annexure VI	(103.24)	(20.13)	(103.92)	(119.12)	(19.67)
Employee benefits	Note 16 of Annexure VI	779.29	1,125.85	1,565.37	1,984.93	2,769.33
Other expenses	Note 17 of Annexure VI	1,912.87	2,672.13	3,687.17	4,952.53	6,170.33
Total expenses		**4,219.20**	**5,755.62**	**7,580.28**	**9,750.28**	**12,346.56**
Profit before interest, tax, depreciation and amortization		**582.94**	**851.25**	**964.18**	**1,424.80**	**1,369.31**
Finance costs	Note 18 of Annexure VI	53.34	92.39	166.11	283.55	408.90
Depreciation and amortization	Note 6 of Annexure VI	321.35	372.32	460.07	574.43	666.90
Profit before tax, as restated		**208.25**	**386.54**	**338.00**	**566.82**	**293.51**
Tax expense						
Current tax		68.00	107.07	84.32	152.33	137.05
Deferred tax charge/ (credit)		32.80	22.25	15.33	61.15	38.15
Minimum Alternate Tax credit entitlement		(28.96)	-	-	-	-
Total tax expenses		**71.84**	**129.32**	**99.65**	**213.48**	**175.20**
Restated profit after tax before consolidated share of (loss)/profit from associate and minority interest		**136.41**	**257.22**	**238.35**	**353.34**	**118.31**
Share in (loss)/profit of associate		-	-	2.31	(58.51)	(251.31)
Share in loss attributable to minority interest		-	0.32	7.30	22.25	24.39
Profit/(loss) for the year, as restated		**136.41**	**257.54**	**247.96**	**317.08**	**(108.61)**

Notes:

1) The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure III

Restated Consolidated Summary Statement of cash flow

INR in millions

Particulars	**For the year ended 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Cash flow from operating activities					
Profit before tax, as restated	208.25	386.54	338.00	566.82	293.51
Adjustments:					
Depreciation and amortisation	321.35	372.32	460.07	574.43	666.90
Interest income on bank deposits and others	(7.70)	(6.46)	(4.20)	(5.22)	(8.04)
Interest expense and other borrowing costs	53.34	92.39	166.11	283.55	408.90
Profit on sale of non-current investment	-	-	-	(166.74)	-
(Profit)/loss on sale of fixed assets and capital work in progress, net	(1.78)	1.19	(128.54)	1.01	20.68
Foreign exchange unrealised gain, net	0.06	2.22	8.04	(19.83)	2.25
Operating cash flow before working capital changes	**573.52**	**848.20**	**839.48**	**1,234.02**	**1,384.20**
Changes in trade receivables	(245.59)	(209.34)	(242.32)	(420.99)	(73.28)
Changes in inventories	(103.24)	(20.13)	(103.92)	(113.15)	(12.22)
Changes in loans and advances	(128.87)	(94.82)	(88.03)	(57.70)	21.89
Changes in other assets	27.86	(12.52)	(28.79)	(50.93)	(38.59)
Changes in liabilities and provisions	274.41	149.47	242.88	709.08	(291.72)
Cash generated from operations	**398.09**	**660.86**	**619.30**	**1,300.33**	**990.28**
Income taxes paid, net	(101.12)	(132.23)	(173.12)	(200.44)	(223.04)
Net cash generated by operating activities (A)	**296.97**	**528.63**	**446.18**	**1,099.89**	**767.24**
Cash flow from investing activities					
Purchase of fixed assets	(1,065.69)	(947.12)	(1,301.14)	(1,290.96)	(981.50)
Proceeds from sale of fixed assets and capital work in progress	3.79	0.08	159.51	3.16	66.46
Payment for acquisition of long-term investment	-	-	-	(23.74)	(883.95)
Interest received on bank deposits and others	7.70	5.31	2.89	4.83	8.18
Movement in bank deposits (due to mature after 12 months from the reporting date)	116.05	26.74	(13.40)	(1.00)	1.21
Movement in bank deposits (having original maturity of more than 3 months)	-	-	(1.85)	(32.34)	(41.12)
Purchase of assets on slump sale	-	-	-	(419.83)	-
Government grant received	-	-	50.00	170.00	-
Share application money paid	-	-	(362.78)	(260.50)	(384.57)
Proceeds on sale of non-current investment	-	-	-	168.75	-
Investment in mutual fund	-	-	-	-	(0.38)
Net cash (used) in investing activities (B)	**(938.15)**	**(914.99)**	**(1,466.77)**	**(1,681.63)**	**(2,215.67)**
Cash flow from financing activities					
Proceeds from long-term borrowings	645.57	492.37	1,049.90	1,225.00	1,277.95
Proceeds from short-term borrowing	0.19	5.21	239.81	-	300.00
Repayment of long-term borrowings	(81.00)	(128.59)	(210.34)	(604.10)	(2,854.14)
Repayment of short-term borrowings	-	-	-	(224.84)	(50.00)
Change in bank overdrafts	-	-	68.22	453.95	191.46
Proceeds from issue of equity shares	-	-	-	-	2,000.06
Proceeds from issue of debentures	-	-	-	-	1,000.00
Interest and other borrowing costs paid	(53.34)	(90.00)	(164.54)	(280.96)	(389.59)
Proceeds from issue of shares to minority	-	102.49	98.04	-	-
Expenses incurred in relation to issue of debentures	-	-	-	-	(16.85)
Expenses incurred in relation to issue of shares	-	-	-	-	(56.18)
Net cash provided by financing activities (C)	**511.42**	**381.48**	**1,081.09**	**569.05**	**1,402.71**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(129.76)**	**(4.88)**	**60.50**	**(12.69)**	**(45.72)**
Cash and cash equivalents at the beginning of the year	315.15	185.39	180.51	241.01	234.96
Cash and cash equivalents acquired on acquisition of subsidiary	-	-	-	10.74	19.21
Cash and cash equivalent acquired on slump sale basis	-	-	-	3.57	-
Cash and cash equivalent on disposal of subsidiary	-	-	-	(7.67)	-
Cash and cash equivalents at the end of the year (refer note 12 of Annexure VI)	**185.39**	**180.51**	**241.01**	**234.96**	**208.45**

Notes:
1) The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure IV

Company overview

Narayana Hrudayalaya Limited (‘the Company’ or ‘the parent company’) together with its subsidiaries and an associate (collectively referred to as ‘Narayana Hrudayalaya Group’ or ‘the Group’) is primarily engaged in business of rendering medical and healthcare services. Narayana Hrudayalaya Limited, the flagship company of the Group, was incorporated on 19 July 2000 under the Companies Act, 1956 with its registered office in Bengaluru. The Group was rebranded as ‘Narayana Health’ in 2013. It has network of multispecialty and super specialty hospitals spread across multiple locations. The Group owns and operates certain hospitals and also enters into management agreements with hospitals under which the Company acquires the operating control of the hospitals.

The Restated Consolidated Summary Statements relates to the Group and have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Consolidated Summary Statements consist of the Restated Consolidated Summary Statement of assets and liabilities of the Group as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, the Restated Consolidated Summary Statement of profit and loss for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 and the Restated Consolidated Summary Statement of cash flow for each of the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 and the annexures thereto (hereinafter collectively referred to as “the Restated Consolidated Summary Statements”).

The Restated Consolidated Summary Statements have been prepared to comply in all material respects with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013 ('the 2013 Act'); and the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 notified by SEBI on August 26, 2009, as amended from time to time (“the SEBI Regulations”). The 2013 Act and the SEBI Regulations require the information in respect of the assets and liabilities and profits and losses of the Group for each of the five years immediately preceding the issue of the Prospectus.

These Restated Consolidated Summary Statements were approved by the Board of Directors of the Company in their meeting held on 19 September 2015.

1. Significant accounting policies

1.1 Basis of preparation of Restated Consolidated Summary Statements

The Restated Consolidated Summary Statements of the Group are prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act 2013 [which has superseded section 211(3C) of the Companies Act 1956 w.e.f. 12 September 2013], other pronouncements of the Institute of Chartered Accountants of India, and the provisions of the 2013 Act to the extent notified and applicable.

The Restated Consolidated Summary Statements are prepared by applying uniform accounting policies for similar transactions and other events in similar circumstances across the Group. The accounting policies have been consistently applied by the Group. The Restated Consolidated Summary Statements are presented in Indian rupees, rounded off to the nearest millions with two decimal except for earnings/(losses) per share details and where not mentioned otherwise.

The Restated Consolidated Summary Statements have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

(a) Adjustments, if any, for audit qualification requiring corrective adjustment in the financial statements;

(b) Adjustments for the material amounts in respective years / periods to which they relate;

(c) Adjustments for previous years identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred;

(d) Adjustments, if any, to the profits or losses of the earlier years and of the year in which the change in the accounting estimates has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting estimate was followed in each of these years;

(e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited consolidated financial statements of the Group as at and for the year ended 31 March 2015 and the requirements of the SEBI Regulations;

(f) The resultant impact of deferred tax due to the aforesaid adjustments.

Basis of consolidation

The Restated Consolidated Summary Statements have been prepared based on the consolidated financial statements which have been prepared based on the following basis:

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealized gain/loss. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase/decrease in the relevant reserves of subsidiaries.

The consolidated financial statements include the share of profit / loss of the associate which has been accounted using equity method as per AS 23 ‘Accounting for Investments in Associates in consolidated financial statements’. Accordingly, the share of profit/ loss of the associate (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

The Company accounts for its share in the change in the net assets of the associate, post-acquisition, after eliminating unrealized profits and losses resulting from transaction between the Company and its associate to the extent of its share, through its Statement of profit and loss to the extent such change is attributable to associates' Statement of profit and loss and through its reserves for the balance, based on available information.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure IV

1. Significant accounting policies (continued)

1.1 Basis of preparation of Restated Consolidated Summary Statements (continued)

Basis of consolidation (continued)

The excess of cost to the Company of its investment in subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investment in subsidiaries was made is recognized in the consolidated financial statements as goodwill. When the cost to the Company of its investment in subsidiaries is less than its portion of equity of the subsidiaries, at the date on which investment in the subsidiaries was made, the difference is treated as a capital reserve in the consolidated financial statements. The Company's portion of equity in the subsidiaries is determined on the basis of the net assets as per the financial statements of the subsidiaries as on the date of investment.

Minority interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company.

List of subsidiaries with percentage holdings:

The subsidiaries and an associate consolidated under the Group comprise the entities listed below :

Name of the subsidiaries	Country of incorporation	Proportion of ownership interest as at 31 March 2011	Proportion of ownership interest as at 31 March 2012	Proportion of ownership interest as at 31 March 2013	Proportion of ownership interest as at 31 March 2014	Proportion of ownership interest as at 31 March 2015
Narayana Hospitals Private Limited ('NHL')	India	100%	100%	100%	100%	100%
Narayana Institute for Advanced Research Private Limited ('NIARPL')	India	100%	100%	100%	100%	100%
Narayana Health Institutions Private Limited ('NHIPL')	India	100%	100%	100%	100%	100%
Narayana Hrudayalaya Dental Clinics Private Limited ('NHDCPL') (i)	India	100%	95%	95%	-	-
Narayana Hrudayalaya Surgical Hospital Private Limited ('NSHPL')	India	100%	85%	74%	74%	74%
Narayana Cayman Holdings Ltd ('NCHL')	Cayman Islands	100%	100%	100%	100%	100%
Narayana Hrudayalaya Hospitals Malaysia SDN.BHD (ii)	Malaysia	-	100%	100%	100%	100%
Asia Healthcare Development Limited ('AHDL') (iii)	India	-	-	-	100%	100%
Meridian Medical Research & Hospital Private Limited ('MMRHPL') (iv)	India	-	-	-	-	99%
Narayana Vaishno Devi Specialty Hospitals Private Limited ('NVDSHPL') (v)	India	-	-	-	-	100%

List of associate with percentage of holding:

Name of Joint venture	Country of incorporation	Proportion of ownership interest as at 31 March 2011	Proportion of ownership interest as at 31 March 2012	Proportion of ownership interest as at 31 March 2013	Proportion of ownership interest as at 31 March 2014	Proportion of ownership interest as at 31 March 2015
Health City Cayman Islands Ltd	Cayman Islands	-	-	28.60%	28.60%	28.60%

(i) During the year ended 31 March 2014, the Group has sold its investment in NHDCPL to Axiss Dental Private Limited vide Share purchase agreement dated 21 May 2013.

(ii) The Company had incorporated wholly owned subsidiary with effect from 27 September 2011.

(iii) During the year ended 31 March 2014, the Company has invested INR 23.74 million for purchase of 100% equity shares of AHDL vide share purchase agreement dated 3 March 2014.

(iv) During the year ended 31 March 2015, the Company has invested as sum of INR 883.95 millions for purchase of 98.62% equity shares of MMRHPL. MMRHPL has become subsidiary with effect from 24 November 2014.

(v) The Company had incorporated wholly owned subsidiary with effect from 05 September 2014.

1.2 Use of estimates

The Restated Consolidated Summary Statements is in conformity with generally accepted accounting principles in India which requires the management to make judgment estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future years.

1. Significant accounting policies (continued)

1.3 Current and non-current classification
All assets and liabilities are classified into current and non – current.

Assets
An asset is classified as current when it satisfies any of the following criteria:
(a) It is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
(b) It is held primarily for the purpose of being traded;
(c) It is expected to be realized within 12 months after the reporting date; or
(d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
Current assets include the current portion of non – current financial assets.
All other assets are classified as non – current.

Liabilities
A liability is classified as current when it satisfies any of the following criteria:
a) It is expected to be settled in the Group's normal operating cycle;
b) It is held primarily for the purpose of being traded;
c) It is expected to be settled within 12 months after the reporting date; or
d) The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
Current liabilities include the current portion of non – current financial liabilities.
All other liabilities are classified as non – current.

Operating cycle
Operating cycle is the time between the acquisition of assets for processing and their realizations in cash or cash equivalents.

1.4 Inventories
The inventories of medical consumables, drugs and surgical equipment's are valued at lower of cost or net realizable value. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the net realizable value is the selling price. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for value added tax wherever applicable, applying the first in first out method.

1.5 Cash and cash equivalents
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.6 Cash flow statement
Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

1.7 Fixed assets, depreciation and amortization
Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation.

The cost of fixed assets not ready for their intended use before such date, are disclosed as capital work in progress. Advances paid towards acquisition of fixed assets outstanding as of the balance sheet date are disclosed under long-term loans and advances.

a) Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/ or accumulated impairment, if any. The cost of an item of tangible fixed assets comprises its purchase price, including import duties and other non-refundable taxes or levies, freight and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

b) Intangible fixed assets
Intangible assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.
Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.
Goodwill arising on consolidation represents the excess of cost to the Group of its investment in a subsidiary company over the Group's portion of net worth of the subsidiary.

c) Depreciation and amortization
Leasehold improvements are being amortized over the term of the lease, or estimated useful life of the assets, whichever is lower. Consideration paid for acquiring leasehold land is amortized over the lease term. Freehold land is not depreciated. Depreciation on additions and disposals during the year is provided on proportionate basis.

Depreciation is provided on the straight line method over the estimated useful lives of fixed assets.

1. Significant accounting policies (continued)

1.7 Fixed assets, depreciation and amortization (continued)

Change in accounting estimate

Pursuant to the notification of Schedule II to the Companies Act 2013 effective from April 01, 2014, the Group based on the internal technical evaluation revised the estimated useful life of office equipment and electrical installation.

Pursuant to this policy, the Group estimates the useful life of the fixed assets as follows:

Category of assets	Method of Depreciation	Erstwhile Life				Revised Life
		31 March 2011	31 March 2012	31 March 2013	31 March 2014	Useful Lives
Building		60 years	60 years	60 years	60 years	60 years
Electrical installation		15 years	15 years	15 years	15 years	10 years
Medical equipment		13 years	13 years	13 years	13 years	13 years
Office equipment		10 years	10 years	10 years	10 years	5 years
Other equipment and air conditioners	Straight-line method	15 years	15 years	15 years	15 years	15 years
Furniture and fixtures		10 years	10 years	10 years	10 years	10 years
Computers		3 years	3 years	3 years	3 years	3 years
Computer software		3 years	3 years	3 years	3 years	3 years
Vehicles		5 years	5 years	5 years	5 years	5 years

1.8 Revenue recognition

Revenue from operations

Revenue from medical and healthcare services to patients is recognized as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognized in relation to the services rendered to the patients who are undergoing treatment/observation on the balance sheet date to the extent of services rendered.

Revenue is recognized net of discounts given to the patients.

Revenue from sale of medical consumables and drugs within the hospital premises is recognized when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

The Group has entered into management agreements with certain trusts, under which, the Group has a right over the management, operation and utilization of hospital facilities owned by the trusts. As a consideration towards the aforesaid arrangement, the Group is obligated to offer discounts to patients nominated by the trusts at free of cost/concession as per the terms of the agreement. The discounts thus offered have been recognized as revenue with a corresponding charge to rent expense.

'Unbilled revenue' represents value of medical and healthcare services rendered in excess of amounts billed to the patients as at the consolidated balance sheet date. 'Unearned revenue' comprises billings in excess of earnings.

Interest

Interest on the deployment of funds is recognized using the time-proportion method, based on underlying interest rates.

Dividend

Dividend income is recognized when the Company's right to receive dividend is established.

Learning and development income

Revenue is recognized on pro-rata basis on the completion of such services over the duration of the program.

1.9 Government grants

Government grants available to the Group are recognized:
(i) where there is reasonable assurance that the Group will comply with the conditions attached to them; and
(ii) where such benefits have been earned by the Group and it is reasonably certain that the ultimate collection will be made.
Government grants related to the acquisition or construction of fixed assets are shown as a deduction from the gross value of respective fixed assets.

1.10 Borrowing cost

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily takes a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are accounted as an expense in the period in which they are incurred.

1.11 Investments

Long term investments are carried at cost. Provision is made, wherever necessary, for any diminution, other than temporary, in value of investments. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is determined separately for each individual investment.

1. Significant accounting policies (continued)

1.12 Income tax

The Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Minimum Alternative Tax (“MAT”) paid in accordance with the tax laws which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal tax in subsequent years. MAT credit entitlement can be carried forward and utilized for a period of ten years from the year in which the same is availed. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Group and the asset can be measured reliably.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

Assets and liabilities representing current tax and deferred tax are disclosed on a net basis where there is a legally enforceable right to set off and where the management intends to settle the asset and liability on a net basis.

1.13 Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving services are classified as short-term employee benefits. These benefits include salary and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by the employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Group makes specified obligations towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group contribution is recognized as an expense in the Restated Consolidated Summary Statements during the period in which the employee renders the related service.

Defined benefit plans

The Group’s gratuity benefit scheme is a defined benefit plan. The Group net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned and returned for services in the current and prior periods; that benefit is discounted to determine its present value. The calculation of Group’s obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The Group recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Restated Consolidated Summary Statements. All expenses related to defined benefit plans are recognized in employee benefit expense in the Restated Consolidated Summary Statements. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in the Restated Consolidated Summary Statement on a straight-line basis over the average period until the benefits become vested. The Group recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

1.14 Earnings per share

The basic earnings/(losses) per share is computed by dividing the restated consolidated net profit/ loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings/(losses) per share is computed by dividing the restated net profit/ (loss) attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share or increase the net loss per share from continuing ordinary operations.

1. Significant accounting policies (continued)

1.15 Foreign exchange transactions and translations

Foreign exchange transactions are recorded at the rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the restated consolidated summary statement of profit and loss for the year except for exchange difference arising on settlement of long-term foreign currency monetary items (i.e. an asset or liability which is expressed in a foreign currency and has a term of 12 months or more at the date of the origination of the asset or liability) relating to acquisition of depreciable capital asset at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are added or deducted from the cost of the asset and shall be depreciated over the remaining life of the asset

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date; the resultant exchange differences are recognized in the restated consolidated summary statement of profit and loss except for exchange difference arising on reporting of long-term foreign currency monetary items (i.e. an asset or liability which is expressed in a foreign currency and has a term of 12 months or more at the date of the origination of the asset or liability) relating to acquisition of depreciable capital asset at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are added or deducted from the cost of the asset and shall be depreciated over the remaining life of the asset.

Integral and non integral foreign operations

The financial statements of the non integral foreign subsidiaries and associate are translated into Indian rupees as follows:

• All assets and liabilities, both monetary and non-monetary (excluding share capital and reserves and surplus) are translated using the year end exchange rates.
• Share capital and opening reserves and surplus are carried at historical cost.
• Items in the statement of profit and loss are translated at the respective yearly average exchange rates.
• The resulting net exchange difference is credited or debited to the foreign currency translation reserve.
• Contingent liabilities are translated at the closing exchange rate.

Exchange differences which have been deferred in the foreign currency translation reserve are not recognized as income or expenses until the disposal of that entity.

1.16 Leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

Lease payments under operating lease are recognized as an expense in the restated consolidated summary statement of profit and loss on a straight line basis over the lease term. Lease term is the non-cancellable period for which the Group has agreed to lease the asset together with any further periods for which the Group has the option to continue the lease and at the inception of the lease it is reasonably certain that the Group will exercise such an option.

The Group has entered into management agreements with certain trusts, under which, the Group has a right over the management, operation and utilization of hospital facilities owned by the trusts. As a consideration towards the aforesaid arrangement, the Group is obligated to offer discounts to patients nominated by the trusts at free of cost/concession as per the terms of the agreement. The discounts thus offered have been recognized as revenue with a corresponding charge to rent expense.

1.17 Provisions and contingencies

Provision is recognized when, as a result of obligating events, there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

No provision or disclosure is made when, as a result of obligating events, there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote.
Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

1.18 Impairment of assets

The Group assesses at each consolidated balance sheet date using external and internal sources, whether there is any indication that an asset or a group of assets including goodwill comprising a cash-generating unit may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the restated consolidated summary statement of profit and loss. If at the consolidated balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognized.

1.19 Share issue expenses

Share issue expenses are adjusted against the securities premium account as permissible under Section 52 of the 2013 Act, to the extent any balance is available for utilization in the securities premium account. The balance of share issue expenses in excess of the balance in the securities premium account is expensed in the consolidated statement of profit and loss.

1.20 Measurement of Profit/Earnings before Interest, Tax, Depreciation and Amortization

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (which is considered to be applicable even in the context of schedule III to the Companies Act, 2013) the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the restated consolidated summary statement of profit and loss. In its measurement of EBITDA, the Group includes other income but does not include depreciation and amortization expense, finance costs and tax expense.

Narayana Hrudayalaya Limited
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Annexure V

Statement of restatement adjustments to audited consolidated financial statements

1. Impact of material adjustments INR in millions

Particulars	Note	For the year ended 31 March				
		2011	2012	2013	2014	2015
Net Profit after tax as per audited statement of profit and loss		189.92	278.20	276.21	271.42	(167.64)
Adjustments on account of:						
a) Prior period items	B (i)	(45.98)	-	-	-	-
b) Provision for doubtful debts and bad debts written off	B (ii)	(6.51)	(20.72)	(97.63)	59.21	71.44
c) Depreciation	B (iii)	(27.67)	(13.95)	(17.08)	(21.58)	16.67
d) Provision for doubtful advances	B (iv)	-	2.80	-	10.08	-
e) Effect of deconsolidation of jointly controlled entity	B (v)	-	-	47.47	10.74	-
Total impact of the adjustments		**(80.16)**	**(31.87)**	**(67.24)**	**58.45**	**88.11**
f) Tax impact on adjustments	B (vi)	26.63	11.22	39.03	(12.79)	(29.08)
Total adjustments		**(53.53)**	**(20.65)**	**(28.21)**	**45.66**	**59.03**
Profit/(loss) after tax, as restated		**136.39**	**257.55**	**248.00**	**317.08**	**(108.61)**

2. Restatement adjustments made in the audited opening balance of Surplus in the Statement of profit and loss as at 1 April 2010

INR in millions

Particulars	Note	Amount
Surplus in the Statement of profit and loss as at 1 April 2010		**694.72**
Restatement adjustments:		
Material items relating to previous years		
a) Prior period items	B (i)	45.98
b) Provision for doubtful debts and bad debts written off	B (ii)	(5.78)
c) Depreciation	B (iii)	(1.53)
d) Provision for doubtful advances	B (iv)	(10.08)
Total impact of the adjustments		**28.59**
Deferred tax impact of the above adjustments	B (vi)	(12.81)
Total impact of adjustments		**15.78**
Surplus in the Statement of profit and loss as at 1 April 2010, as restated		**710.50**

Notes:
1. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to restated Consolidated Summary Statements appearing in Annexure VI.

3. Explanatory notes:

A. Presentation and disclosure of financial statements
For the year ended 31 March 2012, the Revised Schedule VI notified under the Companies Act,1956 ("Act") was to be applied for preparation and presentation of the financial statements. Further, Schedule III of the 2013 Act was notified by Ministry of Corporate Affairs effective 01 April 2014. Accordingly, the Group has prepared the consolidated financial statements in accordance with Revised Schedule VI / Schedule III (as applicable). The adoption of Revised Schedule VI / Schedule III (as applicable) does not impact recognition and measurement principles followed for preparation of the financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

B. Other adjustments
i) Prior period item
In the audited consolidated financial statements for the year ended 31 March 2011, the Group had classified depreciation charge as prior period item. Accordingly, for the purpose of the Restated Consolidated Summary Statements, the effect of the prior period item has been appropriately adjusted to 'Surplus in the Statement of profit and loss' as at 1 April 2010.

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Annexure V

Statement of restatement adjustments to audited consolidated financial statements

B. Other adjustments (continued)

ii) Provision for doubtful debts and bad debts written off
Provision for doubtful debts and bad debts written off were made in the audited consolidated financial statements for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 where the uncertainty as to the ultimate collection of outstanding amount arose. For the purpose of the Restated Consolidated Summary Statements, provision for doubtful debts and bad debts written off are considered in the respective years in which the amount of revenue was recognized irrespective of the triggering event including adjustment to 'Surplus in the Statement of profit and loss' as at 1 April 2010 for the revenue recognized in the years prior to 1 April 2010.

iii) Depreciation
Pursuant to the Schedule II of the 2013 Act, during the year ended 31 March 2015 (effective 1 April 2014), the Group based on the internal technical evaluation revised the estimated useful life of certain tangible fixed assets (office equipment and electrical installation).

Due to such revised lower useful life, depreciation charge in the audited consolidated financials for the year ended 31 March 2015 is higher by INR 54.08 millions of which INR 6.69 millions (net of deferred tax) was adjusted through Surplus (profit and loss balance).

Though the change in accounting estimate affects period beginning 1 April 2014, for the purposes of Restated Consolidated Summary Statements, the revised useful life for office equipment and electrical installation has been considered from the year beginning 1 April 2010 (i.e. for the year ended 31 March 2011) and the 'Surplus in the Statement of profit and loss' as at 1 April 2010 has been restated for depreciation pertaining to the periods before the year ended 31 March 2011. The impact of this revision is additional depreciation charge in the Restated Consolidated Summary Statements, for the year ended 31 March 2011, 31 March 2012, 31 March 2013 and 31 March 2014. For the year ended 31 March 2015, there is a reversal of depreciation i.e. credit in the Restated Consolidated Summary Statements considering that the charge in the audited consolidated financial statements is higher. On account of this adjustment, Surplus (profit and loss balance) in the Restated Consolidated Summary Statement as compared to the Surplus (profit and loss balance) in the audited consolidated financials as at 31 March 2015 is lower by INR 33.64 millions.

iv) Provision for doubtful advances
Provision for doubtful advances were made in the audited consolidated financial statements for the year ended 31 March 2014 in which uncertainty as to the ultimate collectability/recoverability of outstanding amount arose. For the purpose of restatement, provision for doubtful advances are considered in the respective years in which amounts are advanced irrespective of the triggering event including adjustment to surplus in the Statement of profit and loss as at 1 April 2010 for years prior to 1 April 2010.

v) Effect of deconsolidation of jointly controlled entity
The Company has entered into an agreement with Ascension Health Ventures, LLC (AHVL) through its 100% subsidiary Narayana Cayman Holding Limited (NCHL) to set up integrated hospital in Cayman Islands. NCHL holds 28.6% of the total share capital of Health City Cayman Island Ltd (HCCI) and balance 71.4% is held by AHVL.The Company has accounted for its investment in HCCI as per AS 27 "Financial Reporting of Interests in Joint Ventures" (AS 27).
During the year ended 31 March 2015, the Company re-assessed the terms of agreement between NCHL and AHVL considering that the hospital is operational effective April 2014.The Company has concluded that investment in HCCI will not be a jointly controlled operation in accordance with the provision of AS 27 "Financial Reporting of Interests in Joint Ventures" (AS 27). NCHL holds more than 20% of the voting power and it has the right to participate in policy making processes and vote as a shareholder, hence the Company has concluded HCCI as an 'Associate' of NCHL. Accordingly, investment in an associate is accounted since financial year 2012 for under the equity method in accordance with AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued under the Companies (Accounting Standards) Rules 2014.

vi) Deferred Tax
Deferred tax effects of the above restatement adjustments have been adjusted in the respective years.

C. Material regroupings
Appropriate adjustments have been made in the Restated Consolidated Summary Statement of assets and liabilities, Restated Consolidated Summary Statement of profit and loss and Restated Consolidated Statement of cash flow, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financial statements of the Group for the year ended 31 March 2015, prepared in accordance with Schedule III of the Companies Act 2013, and the requirements of the SEBI Regulations.

Annexure V

4. Non-adjusting items
In addition to the audit opinion on the consolidated financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India under sub section (4A) of Section 227 of Companies Act 1956 / Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the 2013 Act. Certain statements/comments included in audit opinion on the financial statements and CARO, which do not require any adjustments in the Restated Consolidated Summary Statements are reproduced below in respect of the financial statements presented.

Narayana Hrudayalaya Limited
(Refer note 4 in Annexure V of the Restated Standalone Summary Statements)

Narayana Institute for Advance Research Private Limited

Financial year ended 31 March 2011

Clause (vii) of CARO
The Company does not have an internal audit system.

Financial year ended 31 March 2012

Clause (vii) of CARO
The Company does not have an internal audit system.

Clause (x) of CARO
The Company does not have any accumulated losses at the end of the financial year. However, it has incurred cash losses in the financial year. (Cash losses were incurred in the immediately preceding financial year also).

Financial year ended 31 March 2013

Clause (vii) of CARO
The Company does not have an internal audit system.

Clause (x) of CARO
The Company does not have any accumulated losses at the end of the financial year. However, it has incurred cash losses in the financial year (Cash losses were incurred in the immediately preceding financial year also).

Financial year ended 31 March 2014

Clause (vii) of CARO
The Company does not have an internal audit system.

Clause (x) of CARO
The Company does not have any accumulated losses at the end of the financial year. However, it has incurred cash losses in the financial year. (Cash losses were incurred in the immediately preceding financial year also).

Financial year ended 31 March 2015

Clause (viii) of the Order
The Company does not have any accumulated losses at the end of the financial year. However, it has incurred cash losses in the financial year and also in the immediately preceding financial year.

4. Non-adjusting items (continued)

Narayana Hrudayalaya Dental Clinics Private Limited

Financial year ended 31 March 2011

Clause (v) (b) of CARO
In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in clause (v) (a) and exceeding the value of Rupees Five lakhs with each party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for purchase of fixed assets and procurement of certain services in relation to rendering of services by the Company and which are for the Company's specialized requirements and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.

Financial year ended 31 March 2012

Clause (i) (b) of CARO
The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The Company is in the process of reconciling certain physically verified fixed assets with the fixed assets register and the Management is of the opinion that discrepancies, if any, will not be material.

Clause (v) (b) of CARO
In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in clause (v) (a) and exceeding the value of Rupees Five lakhs with each party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for purchase of fixed assets and procurement of certain services in relation to rendering of services by the Company and which are for the Company's specialized requirements and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.

Clause (ix) (a) of CARO
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax and any other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities *except* for Provident Fund, Professional tax and Employees' State Insurance dues which has not been regularly deposited with the appropriate authorities though the delays in deposit have not been serious. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund, Excise duty, Wealth-tax, Customs and Service Tax.

Clause (xvii) of CARO
According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis amounting to INR 10.35 millions have been used for long-term investments. The Company has used share application money pending allotment which needs to be refunded in the next year, to purchase fixed assets.

Financial year ended 31 March 2013

Clause (i) (b) of CARO
The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The Company is in the process of reconciling certain physically verified fixed assets with the fixed assets register and the Management is of the opinion that discrepancies, if any, will not be material.

Clause (v) (b) of CARO
In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in clause (v) (a) and exceeding the value of Rupees Five lakhs with each party during the year, are for the Company's specialized requirements and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.

Clause (xvii) of CARO
According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis amounting to INR 28.32 millions have been used for long-term investments. The Company has used share application money pending allotment which needs to be refunded in the next year, to purchase fixed assets.

4. Non-adjusting items (continued)

Narayana Hrudayalaya Surgical Hospital Private Limited

Financial year ended 31 March 2012

Clause (v) (b) of CARO
In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in clause (v) (a) and exceeding the value of Rupees five lakhs is towards operating lease arrangement for the Company's specialized requirements for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.

Financial year ended 31 March 2013

Clause (i) (b) of CARO
The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with the plan, the Company was required to verify certain fixed assets during the year, which has not been conducted. Hence, we are unable to comment on discrepancies, if any, in such assets.

Clause (iv) of CARO
In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain medicines and surgical equipment are for the Company's specialized requirements and suitable comparable quotations are not available, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

Clause (vii) of CARO
The Company does not have an internal audit system.

Financial year ended 31 March 2014

Clause (iv) of CARO
In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain medicines and surgical equipment are for the Company's specialized requirements and suitable comparable quotations are not available, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

Clause (v) (b) of CARO
In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in clause (v) (a) and exceeding the value of Rupees Five lakhs with each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for purchase of certain medicines and surgical equipment which are for the Company's specialized requirements and for which suitable comparable quotations are not available. However, on the basis of information and explanations provided, the same appear reasonable.

Clause (xvii) of the CARO
According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds amounting to INR 140.59 millions raised on short term basis have been used for long-term investments.

Financial year ended 31 March 2015

Clause (iv) of the Order
In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain medicines and surgical equipment are for the Company's specialized requirements and suitable comparable quotations are not available, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

Clause (vii) (a) of the Order
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Sales Tax, Duty of Customs, Value Added Tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities except for Income Tax, Professional Tax, Service Tax and Luxury Tax which have been deposited during the year by the Company with the appropriate authorities with slight delays. As explained to us, the Company did not have any dues on account of Duty of Excise and Wealth Tax.
According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident fund, Income Tax, Employee's State Insurance, Sales Tax, Service Tax, Duty of Customs, Value Added Tax and other material statutory dues that were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

4. Non-adjusting items (continued)

Narayana Hospitals Private Limited

Financial year ended 31 March 2015

Clause (iv) of the Order
In our opinion and according to the information and explanations given to us, and having regard to the explanation that rendering of hospital management services are for the Company's specialized requirements and suitable comparable quotation is not available, there is an adequate internal control system commensurate with the size of the Company and nature of its business, for the services rendered and for purchase of fixed asset. The activities of the Company do not involve purchase of inventories and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.

Narayana Health Institutions Private Limited

Financial year ended 31 March 2015

Clause (viii) of the Order
The Company's accumulated losses at the end of the financial year is more than fifty percent of its net worth and has incurred cash losses in the financial year and in the immediately preceding financial year.

Asia Healthcare Development Limited

Financial year ended 31 March 2014

Clause (x) of CARO
The Company has accumulated losses, amounting to INR 2.4 millions, which is not more than 50% of its net worth as at 31 March 2014. The Company has not incurred cash losses during the financial year covered by our audit and in the preceding financial year.

Financial year ended 31 March 2015

Clause (viii) of the Order
The Company has accumulated losses, amounting to INR 7.01 millions which is not more than 50% of its net worth as at 31 March 2015. The Company has incurred cash losses during the financial year covered by our audit but not in the immediate preceding financial year.

Meridian Medical Research and Hospital Limited

Financial year ended 31 March 2015

Clause (iv) of the Order
In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

Clause (viii) of the Order
The Company has accumulated losses at the end of the financial year and it has incurred cash losses in the current year under audit. In the immediately preceding financial year the company has incurred cash losses.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI
Notes to Restated Consolidated Summary Statements

1. Share capital

INR in millions, except share details

Particulars	As at 31 March									
	2011		2012		2013		2014		2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorized										
Equity shares of INR 10 each	2,000,000	20.00	2,000,000	20.00	2,000,000	20.00	2,000,000	20.00	300,000,000	3,000.00
	2,000,000	**20.00**	**2,000,000**	**20.00**	**2,000,000**	**20.00**	**2,000,000**	**20.00**	**300,000,000**	**3,000.00**
Issued, subscribed and paid up										
Equity shares of INR 10 each, fully paid-up	325,414	3.25	325,414	3.25	325,414	3.25	325,414	3.25	200,000,000	2,000.00
	325,414	**3.25**	**325,414**	**3.25**	**325,414**	**3.25**	**325,414**	**3.25**	**200,000,000**	**2,000.00**

Particulars	As at 31 March									
	2011		2012		2013		2014		2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	325,414	3.25	325,414	3.25	325,414	3.25	325,414	3.25	325,414	3.25
Add: Shares issued during the year										
- For cash	-	-	-	-	-	-	-	-	20,339	0.20
- Other than cash (Bonus issued)	-	-	-	-	-	-	-	-	199,654,247	1,996.55
Shares outstanding at the end of the year	**325,414**	**3.25**	**325,414**	**3.25**	**325,414**	**3.25**	**325,414**	**3.25**	**200,000,000**	**2,000.00**

Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares referred to as equity shares having a par value of INR 10 each. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

Details of Shareholders holding more than 5% shares:

Name of Shareholders	As at 31 March									
	2011		2012		2013		2014		2015	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Dr Devi Prasad Shetty	115,385	35.46%	115,385	35.46%	115,385	35.46%	115,385	35.46%	66,744,179	33.37%
Shakuntala Shetty	110,860	34.07%	110,860	34.07%	110,860	34.07%	110,860	34.07%	64,126,703	32.06%
J P Morgan Mauritius Holdings IV Limited	37,707	11.59%	37,707	11.59%	37,707	11.59%	37,707	11.59%	21,811,524	10.91%
Ashoka Investment Holdings Limited	29,006	8.91%	29,006	8.91%	29,006	8.91%	29,006	8.91%	16,778,452	8.39%
CDC Group Plc	-	-	-	-	-	-	-	-	11,765,046	5.88%

The Company has not bought back any shares during the period of five years immediately preceding the last balance sheet date. Further, the Company has not issued any bonus shares or shares issued for consideration other than cash during the period of five years immediately preceding the last balance sheet date. During the year ended 31 March 2015, the Company has issued 199,654,247 bonus shares on 25 March 2015.

Notes:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI
Notes to Restated Consolidated Summary Statements

2. Reserves and surplus INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Capital reserve (A)					
At the commencement of the year	0.12	0.12	84.37	142.84	144.38
Add: Additions during the year	-	84.25	58.47	1.54	-
At the end of the year	**0.12**	**84.37**	**142.84**	**144.38**	**144.38**
Securities premium account (B)					
At the commencement of the year	3,959.08	3,959.08	3,959.08	3,959.08	3,959.08
Add: Securities premium on issue of equity shares during the year	-	-	-	-	1,999.86
Less: Share issue and debenture issue expenses	-	-	-	-	(73.03)
Issuing bonus shares	-	-	-	-	(1,996.54)
At the end of the year	**3,959.08**	**3,959.08**	**3,959.08**	**3,959.08**	**3,889.37**
Foreign currency translation reserve (C)					
At the commencement of the year	-	0.06	2.28	12.66	27.76
Add: Additions during the year	0.06	2.22	10.38	15.10	25.29
At the end of the year	**0.06**	**2.28**	**12.66**	**27.76**	**53.05**
Debenture redemption reserve (D)					
At the commencement of the year	-	-	-	-	-
Add: Amount transferred from surplus (balance in restated consolidated summary statements of profit and loss) during the year	-	-	-	-	250.00
At the end of the year	**-**	**-**	**-**	**-**	**250.00**
Surplus (balance in restated consolidated summary statements of profit and loss) (E)					
At the commencement of the year	710.50	846.91	1,104.45	1,352.41	1,669.49
Less: Transfer to debenture redemption reserve	-	-	-	-	250.00
Add: Profit/(Loss) after tax transferred from restated statement of profit and loss	136.41	257.54	247.96	317.08	(108.61)
At the end of the year	**846.91**	**1,104.45**	**1,352.41**	**1,669.49**	**1,310.88**
Total (A+B+C+D+E)	**4,806.17**	**5,150.18**	**5,466.99**	**5,800.71**	**5,647.68**

Notes:
1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
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Annexure VI
Notes to Restated Consolidated Summary Statements

3. Long-term borrowings and short-term borrowings INR in millions

Particulars	As at 31 March				
	2011	**2012**	**2013**	**2014**	**2015**
Non-current portion of long-term borrowings (A)					
Secured					
Term loans					
From banks	507.34	812.46	1,343.11	1,797.00	1,048.31
From others	392.75	344.93	530.27	475.26	17.47
Unsecured					
Debentures					
10,000,000, 10.5% optionally convertible debentures of INR 100 each fully paid up	-	-	-	-	1,000.00
	900.09	**1,157.39**	**1,873.38**	**2,272.26**	**2,065.78**
Short-term borrowings (B)					
Secured					
Loans repayable on demand					
Bank overdraft	-	-	68.22	522.17	735.27
Short term loan from bank	-	5.02	244.84	-	-
Working capital loan	-	-	-	-	250.00
	-	**5.02**	**313.06**	**522.17**	**985.27**
Current maturities of long term borrowings (C)					
Secured					
Term loans					
From banks	44.17	156.10	238.65	340.19	528.33
From others	98.12	92.85	133.87	195.52	40.89
	142.29	**248.95**	**372.52**	**535.71**	**569.22**
Total (A+B+C)	**1,042.38**	**1,411.36**	**2,558.96**	**3,330.14**	**3,620.27**

Notes:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

3. Refer note 3(a) and 3(b) of annexure VI for terms and conditions of secured and unsecured borrowings stated above.

4. There are no unsecured loans taken by the issuer from promoters/group companies/related parties.

5. The list of persons / entities classified as 'Promoters/group companies/related parties' has been determined by the Management and relied upon by the Auditors.The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI
Notes to Restated Consolidated Summary Statements

3(a). Details of long-term and short-term borrowings outstanding as at 31 March 2015

INR in millions

SI. No.	Name of the lender	Nature of borrowing	Sanctioned Currency	Amount sanctioned	Amount outstanding	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
1	CDC India Opportunities Limited (refer to note 3(b) below for terms of Optionally Convertible Debentures)	Debentures	INR	1,000.00	1,000.00	10.50%	22-Dec-14	24 months	Not applicable	Not applicable	Unsecured debentures
2	Canara Bank	Term Loan	INR	750.00	154.59	Interest Rate is linked to Base Rate	25-Nov-10	It is repayable in 15 monthly installments from the reporting date.	2% p.a on outstanding amount.	2% p.a on outstanding amount.	Prime Security: Exclusive first charge on proposed machineries/ equipments to be purchased out of the term loan of INR 750 million for value INR 100 million Collateral Security (1): Charge on land and building located over Sy No: 1/1, 1/2, 2/2 and 2/3, Kittiganahalli, Attibele Hobli, Anekal Taluk, Bangalore valued at INR 316.30 million. Collateral Security (2): Charge on Commercial Land measuring 1 acre and 6 Gunta for situated in Sy No. 25, Kittiganahalli, Attebele Hobli, Anekal Bangalore valued at INR 100 million.
3	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	150.00	105.00	10.25%	17-Sep-12	It is repayable in 14 quarterly installments from the reporting date.	Penalties at the bank's discretion	Without prejudice to bank's discretion to revoke the facilities , bank retains the right to charge penal interest at 2% on the outstanding amount.	Secured via mortgage of title deeds on the immovable property of Narayana Hospitals Private Limited. First pari-pasu charge on the Immovable and movable fixed assets of the Company, except for those exclusively charged for specific loans.
4	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	87.50	61.25	10.25%	17-Sep-12	It is repayable in 14 quarterly installments from the reporting date.			
5	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	42.50	29.75	10.25%	17-Sep-12	It is repayable in 14 quarterly installments from the reporting date.			
6	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	50.00	35.00	10.25%	17-Sep-12	It is repayable in 14 quarterly installments from the reporting date.			
7	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	50.00	37.50	10.25%	17-Sep-12	It is repayable in 15 quarterly installments from the reporting date.			
8	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	100.00	75.00	10.25%	17-Sep-12	It is repayable in 15 quarterly installments from the reporting date.			
9	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	100.00	75.00	10.25%	17-Sep-12	It is repayable in 15 quarterly installments from the reporting date.			
10	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	95.00	76.00	10.25%	17-Sep-12	It is repayable in 16 quarterly installments from the reporting date.			
11	Export - Import Bank of India	Term Loan	USD	281.66 (USD 4.50 million)	253.49	Interest Rate is linked to Libor + 340 points.	20-Nov-13	It is repayable in 18 quarterly installments from the reporting date.	Not applicable	1.2% on outstanding amount in case of default in payment of principal or interest 2.Failure to furnish annual report, progress report or non compliance of undertaking of the promoters for non disposal of their shareholding liabile to penal interest at the rate of 0.5% on outstanding principal amount.	Exclusive charge on land and building located over Sy No: 135/1 and 135/2, Kittiganahalli, Attebele Hobli, Anekal Bangalore valued at INR 462.10 million.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI
Notes to Restated Consolidated Summary Statements

Details of long-term and short-term borrowings outstanding as at 31 March 2015 (continued)

INR in millions

SI. No.	Name of the lender	Nature of borrowing	Sanctioned Currency	Amount sanctioned	Amount outstanding	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
12	Philips Electronics India Limited	Equipment Loan	INR	18.02	6.10	7.26%	30-May-11	It is repayable in 6 quarterly installments from the reporting date.	Not applicable	Philips Electronics India Limited at its absolute discretion call upon the borrower to pay outstanding amount along with the interest.	Secured via charge on specific equipment purchased from the sanctioned loan.
13	Srei Equipment Finance Limited	Equipment Loan	INR	27.40	5.80	7.25%	24-Jun-10	It is repayable in 2 quarterly installments from the reporting date.	2% on outstanding amount	0.1% on of the overdue amount.	Secured via charge on specific equipment purchased from the sanctioned loan.
14	Wipro Ge HealthCare Private Limited	Equipment Loan	INR	84.00	27.58	7.25%	08-Oct-10	It is repayable in 4 quarterly installments from the reporting date.	Not applicable	Interest will be paid at 12% on outstanding amount.	Secured via charge on specific equipment purchased from the sanctioned loan.
15	Kotak Bank	Working Capital Loan	INR	300.00	250.00	10.40%	07-Jul-14	It is repayable in 10 monthly installments from the reporting date.	Pre-payment if prior to completion of tenor of the facility without 15 days notice, attract penal charge to be to be mutually decided between bank and borrower.	1.For default in payment, 2% on outstanding amount 2.For non creation of security, 1% p.m for the first month of delay, 2% p.m thereafter 3.For failure to furnish annual report, provisional unaudited financials and failure to provide insurance cover, INR 5,000 p.m of delay 4.For failure to provide monthly stock and debt statements and quaterly results, INR 2,000 p.m of delay.	Subservient charge over current assets both present and future.
16	The Hongkong and Shanghai Banking Corporation Limited	Overdraft	INR	150.00	99.85	Base Rate + 0.75 % p.a	17-Sep-12	It is repayable on demand.	Not applicable	For failure to submit to financial statements, insurance policy, stock statements, 2% p.a penal interest on outstanding amount.	First pari-pasu charge on the stocks and debtors of the Company.
17	Canara Bank	Overdraft	INR	250.00	235.47	Base Rate + 0.30 % p.a	25-Nov-10	It is repayable on demand.	Not applicable	1. For failure to submit audited financial statement before 31st October of every year, 2% p.a on outstanding amount. 2.For failure to submit QOS1, 1% penal interest.	Collateral Security (1): Charge on land and building located over Sy No: 1/1, 1/2, 2/2 and 2/3, Kittiganahalli, Attibele Hobli, Anekal Taluk, Bangalore valued at INR 316.30 million. Collateral Security (2): Charge on Commercial Land measuring 1 acre and 6 Gunta for situated in Sy No. 25, Kittiganahalli, Attebele Hobli, Anekal Bangalore valued at INR 100 million.
18	Yes Bank Limited	Overdraft	INR	400.00	198.66	Base Rate + 0.25 % p.a	03-Feb-14	12 months with revolving nature.	Not applicable	2% on outstanding amount.	First pari-pasu charge on the movable fixed assets both (Present and furture) of the company, except for those exclusively charged for specific loans. And subservient charge on current assets of the Company (present and future).
19	HDFC Limited	Overdraft	INR	300.00	159.48	Base Rate + 0.40 % p.a	14-Feb-13	One year	Not applicable	3% on outstanding amount.	Charge on stock less than 180 days and book debts less than 90 days.
20	Canara Bank Limited	Term Loan	INR	468.60	176.43	Base Rate + 1.75 % p.a	28-Dec-12	It is repayable in 1 monthly installments from the reporting date.	2% on outstanding amount	2% on outstanding amount.	Lease hold rights on 9.50 acres of land at property No. CAH I, III Stage, Devanur, Mysore. Urban Development Authority in favour of the Company (lease period 30 years). Secured via charge on specific equipment purchased from the sanctioned loan and corporate guarantee provided by the Company.

Details of long-term and short-term borrowings outstanding as at 31 March 2015 (continued)

INR in millions

SI. No.	Name of the lender	Nature of borrowing	Sanctioned Currency	Amount sanctioned	Amount outstanding	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
21	Yes Bank Limited	Term Loan	INR	350.00	180.00	Base Rate + 0.20 % p.a	19-Mar-15	120 months (inculding a moratorium of 36 months) from the date of first disbursement.	Nil	2% on outstanding amount	Exclusive charge on movable fixed assets (present and future) and current assets of the Borrower (present and future). This would exclude assets exclusively charged to any vendors/lenders including those exclusively charged to YBL under LC facilities and corporate guarantee provided by the Company.
22	GE Capital Services India	Equipment Loan	INR	22.64	18.89	10.34%	28-Dec-12	It is repayable in 15 quarterly installments from the reporting date.	2% p.a on outstanding amount.	3% per month on outstanding amount.	Secured via charge on specific equipment purchased from the sanctioned loan and corporate guarantee provided by the Company.
23	Yes Bank Limited	Overdraft	INR	50.00	35.91	Base Rate + 0.25 % p.a	12-Jun-14	12 Months with revolving nature.	Not applicable	2% on outstanding amount	First pari-pasu charge on the current assets both (present and future). Subservient charge on movable fixed assets except for those exclusively charged for specific loans and corporate guarantee provided by the Company.
24	State Bank of India	Term Loan	INR	265.40	251.34	Base Rate + 3.5% p.a	21-Nov-14	It is repayable in 22 quarterly installments from the reporting date.	Not applicable	1. Non submission/delayed submissin of stock statements or select operational data beyond due date - 1% p.m on the outstanding balance 2. Non submission of renewal data beyond 3 months from the date the renewal has fallen due - 1% p.m on the outstanding balance 3. Irregularity in fund based limits - 1% on irregular drawings upto 60 days and on entire outsatndings from 61 day, if irregularity persists.	Primary- By equitable mortgage of land and building i.e 3.0832 acres of company leasehold land (valid till 2036) at Andul road and the lessor is "the Governor of the state of West Bengal". Hypothecation of the medical equipments, furniture and fixtures and other miscellaneous fixed assets. Term loan further secured by land and building along with hypothecation of medical requipments, furniture and fixture and other miscellaneous fixed assets of existing Westbank Hospital at Podrah, Howrah. Further corporate guarantee provided by the Company.
25	State Bank of India	Term Loan	INR	71.00	66.27	Base Rate + 3.5% p.a	21-Nov-14	It is repayable in 22 quarterly installments from the reporting date.	Not applicable	1. Non submission/delayed submissin of stock statements or SOD Beyond Due date - 1% p.m on the outstanding balance 2. Non submission of renewal data beyond 3 months from the date the renewal has fallen due - 1% p.m on the outstanding balance 3. Irregularity in fund based limits - 1% on irregular drawings upto 60 days and on entire outsatndings from 61 day, if irregularity persists.	Primary- By equitable mortgage of land and building i.e 3.0832 acres of company leasehold land (valid till 2036) at Andul road and the lessor is "the Governor of the state of West Bengal". Hypothecation of the medical equipments, furniture and fixtures and other miscellaneous fixed assets. Term loan further secured by land and building along with hypothecation of medical requipments, furniture and fixture and other miscellaneous fixed assets of existing Westbank Hospital at Podrah, Howrah. Further corporate guarantee provided by the Company.
26	State Bank of India	Cash Credit	INR	15.00	5.91	Base Rate + 3.25% p.a	10-Jun-14	Repayable on demand	Not applicable	1. Penal interest 1% p.a. subject to max. of 2% p.a as per RBI. 2. INR 1,000 per month if audited balance sheet is not submitted within six month from the year end.	Primary- By way of hypothecation of entire stocks of inventory, receivables, bills and other chargable current assets, both present and future. Collateral Security- Equitable mortgage of 0.986 acre of Land and a 5 storied building at JL No-38, Mouza Podra Ranihati, Howrah on and hypothecation of medical equipments, furniture and fixtures and other miscellaneous fixed assets of the existing hospital. Further corporate guarantee provided by the Company.
	Total				**3,620.27**						

Annexure VI
Notes to Restated Consolidated Summary Statements

Details of long-term and short-term borrowings outstanding as at 31 March 2015 (continued)

3(b). Terms of Optionally Convertible Debentures:

During the year, the Company has issued 20,339 equity shares of INR 10 each at a premium of INR 98,326.27 per share to CDC Group PLC on 24 December 2014 (face value of INR 10 per share) aggregating INR 2,000.06 million. The Company has also issued 10,000,000, 10.50% optionally convertible debentures (OCD) aggregating INR 1,000 million to CDC India Opportunities Limited (CDC India):

10.50% OCD were allotted on 24th December 2014 (effective date). These debentures are redeemable/convertible as per terms of the agreement given below:

- If the existing investors sell their shares in Offer For Sale (OFS) by way of Initial Public Offering (IPO), then the OCD shall be compulsorily converted into equity shares. Conversion price is lower of 10% discount to the IPO price or valuation as per the agreement.

In the above case, if the IPO is before 22 March 2016 (15 months) then only OCD value will be converted into equity shares. If the IPO is between 22 March 2016 and 31 December 2016, then OCD value along with the interest @ 10.5% together will be converted into equity shares.

- If the existing investors do not sell their shares in OFS, then the conversion will be at the option of the Company, else, OCD will be redeemed
- If there is no IPO on or before 31 December 2016, then CDC India has the option to convert OCD along with interest into equity shares at valuation as per the agreement
- If there is no IPO till 31 December 2021 and if CDC India is not able to sell its equity shares then the Company is required to buyback the equity shares at fair value from CDC India

Notes:
1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI
Notes to Restated Consolidated Summary Statements

4. Deferred tax liabilities, net

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Deferred tax asset					
Provision for doubtful receivables	8.71	17.70	54.52	65.36	74.72
Provision for gratuity	9.23	16.94	19.82	21.90	34.49
Provision for compensated absences	7.92	10.40	7.27	12.17	21.52
Other current liabilities	2.31	2.50	24.04	8.47	9.70
Deferred tax liability					
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	180.95	222.55	296.01	359.95	479.85
Deferred tax liabilities (net)	**152.78**	**175.01**	**190.36**	**252.05**	**339.42**

Notes:
1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
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Annexure VI
Notes to Restated Consolidated Summary Statements

5. Other long-term liabilities, trade payables, other current liabilities and long-term and short-term provision

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Non-current liabilities					
Other long-term liabilities					
Rent equalization	0.07	3.32	4.06	-	-
Interest accrued but not due on borrowings	-	-	-	-	25.37
Unearned revenue	-	8.65	15.16	20.86	20.85
Others	-	-	-	-	1.33
Total (A)	**0.07**	**11.97**	**19.22**	**20.86**	**47.55**
Long-term provisions					
Provision for employee benefits					
Gratuity	26.07	48.23	55.06	62.34	106.28
Total (B)	**26.07**	**48.23**	**55.06**	**62.34**	**106.28**
Current liabilities					
Trade payables					
Trade payables	525.57	697.49	758.71	1,501.66	1,312.51
Payables to related parties	1.29	3.04	12.62	27.48	57.91
Total (C)	**526.86**	**700.53**	**771.33**	**1,529.14**	**1,370.42**
Other current liabilities					
To parties other than related parties					
Current maturities of long term borrowings	142.29	248.95	372.52	535.71	569.22
Interest accrued but not due on borrowings	3.80	6.20	7.76	10.35	4.28
Other payables					
Creditor for capital goods	217.91	69.27	65.32	171.96	83.49
Book overdraft	54.48	49.36	90.64	13.46	1.02
Share application money pending allotment	-	-	-	0.08	-
Unearned revenue	-	0.46	50.83	1.18	1.24
Advance from patients	62.88	51.03	61.17	91.80	83.83
Accrued salaries and benefits	42.47	46.63	76.38	113.45	135.33
Rent equalization	4.26	0.89	5.93	5.44	5.64
Statutory liabilities (Value added tax, tax deducted at source, etc)	35.65	43.04	55.02	74.85	76.62
Other liabilities	16.12	7.74	77.34	7.60	36.61
To related parties					
Accrued salaries and benefits	-	-	-	-	4.39
Share application money pending allotment	-	0.04	0.08	0.08	-
Total (D)	**579.86**	**523.61**	**862.99**	**1,025.96**	**1,001.67**
Short-term provisions					
Provision for employee benefits:					
Gratuity	1.84	4.27	3.97	2.60	3.06
Compensated absences	23.86	32.26	22.38	36.38	65.56
Provision for tax (net)	-	-	-	1.35	9.30
Provision for others	-	-	-	-	0.21
Total (E)	**25.70**	**36.53**	**26.35**	**40.33**	**78.13**
TOTAL (A+B+C+D+E)	**1,158.56**	**1,320.87**	**1,734.95**	**2,678.63**	**2,604.05**

Notes:
1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
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Annexure VI
Notes to Restated Consolidated Summary Statements

5. Other long-term liabilities, trade payables, other current liabilities and long-term and short-term provision (continued)

3. Following are the amounts due to Promoters/promoter group/group companies/directors and their relatives/related parties:

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Trade payables					
Amaryllis Healthcare Private Limited	0.27	1.53	1.39	6.91	5.28
Hrudayalaya Pharmacy	0.74	1.08	-	-	
Akkayya Hospitality Services	0.28	0.02	0.11	-	
(formerly known as Akkayya Consultancy Services)					
Annapoorna Health Foods	-	0.01	-	-	
Trimedx India Private Limited	-	-	10.56	17.44	26.88
Narayana Hrudayalaya Foundation	-	-	0.51	0.03	
Health City Cayman Islands Ltd	-	-	-	3.10	0.28
Charmakki Infrastructures	-	-	-	-	0.47
Mazumdar Shaw Medical Foundation	-	-	-	-	25.00
Daya Drishti Charitable Trust	-	0.40	-	-	
Asia Heart Foundation	-	-	0.05	1.43	
Accrued salaries and benefits					
Mr. Viren Shetty	-	-	-	-	1.27
Dr. Ashutosh Raghuvanshi	-	-	-	-	3.12

4. The list of persons / entities classified as 'Promoters/promoter group/group companies/directors and their relatives/related parties' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Narayana Hrudayalaya Limited
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Annexure VI
Notes to Restated Consolidated Summary Statements

6. Fixed assets

For the year ended 31 March 2011 INR in millions

Fixed assets	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2010	Additions	Deletions	As at 31 March 2011	As at 1 April 2010	Depreciation	Deletions	As at 31 March 2011	31 March 2011	31 March 2010
Tangible assets (owned)										
Freehold land (i)	43.10	0.46	-	43.56	-	-	-	-	43.56	43.10
Land (ii)	17.33	-	-	17.33	1.46	0.69	-	2.15	15.18	15.87
Building (ii)	326.21	30.18	-	356.39	26.11	30.08	-	56.19	300.20	300.10
Building	477.11	81.70	-	558.81	7.53	10.20	-	17.73	541.08	469.58
Building (iii)	185.91	442.39	-	628.30	4.72	10.82	-	15.54	612.76	181.19
Leasehold improvements	22.76	60.12	-	82.88	7.98	7.77	-	15.75	67.13	14.78
Electrical installation	282.09	105.35	-	387.44	45.08	45.21	-	90.29	297.15	237.01
Medical equipment	1,370.84	766.54	-	2,137.38	290.27	131.94	-	422.21	1,715.17	1,080.57
Office equipment	27.38	6.10	-	33.48	11.94	5.04	-	16.98	16.50	15.44
Other equipment including air conditioners	390.82	167.51	-	558.33	75.27	32.41	-	107.68	450.65	315.55
Furniture and fixtures	170.90	101.67	-	272.57	51.86	24.82	-	76.68	195.89	119.04
Computers	40.97	30.26	-	71.23	19.01	17.88	-	36.89	34.34	21.96
Vehicles	13.46	9.99	8.30	15.15	8.31	2.48	6.28	4.51	10.64	5.15
Total (A)	**3,368.88**	**1,802.27**	**8.30**	**5,162.85**	**549.54**	**319.34**	**6.28**	**862.60**	**4,300.25**	**2,819.34**
Tangible assets (leased)										
Leasehold land (iv)	21.84	46.14	-	67.98	0.36	1.14	-	1.50	66.48	21.48
Leasehold land (v)	467.34	-	-	467.34	1.15	0.57	-	1.72	465.62	466.19
Total (B)	**489.18**	**46.14**	**-**	**535.32**	**1.51**	**1.71**	**-**	**3.22**	**532.10**	**487.67**
Intangible assets										
Computer software	11.45	0.38	-	11.83	7.38	0.30	-	7.68	4.15	4.07
Total (C)	**11.45**	**0.38**	**-**	**11.83**	**7.38**	**0.30**	**-**	**7.68**	**4.15**	**4.07**
Grand total (A+B+C)	**3,869.51**	**1,848.79**	**8.30**	**5,710.00**	**558.43**	**321.35**	**6.28**	**873.50**	**4,836.50**	**3,311.08**

Notes

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

(i) includes land in possession and occupation of the Company to the extent of 3 acre 15 guntas out of total 11 acres 33 guntas in Bangalore allotted by Karnataka Industrial Areas Development Board ('KIADB') to the Company on lease cum sale basis for which the Company is yet to execute the sale deed as at 31 March 2011.

(ii) pursuant to clause 7.7 of the Investment Agreement and Clause 3.1(d) of the Shareholders’ Agreement signed in January 2008 between the Company, Promoters and Investors who have acquired a significant equity stake in the Company, a Promoter of the Company has the right but not the obligation to require the Company to transfer the Land and Building at no consideration. This right has not been exercised till the date of these financial statements. On exercise of the right, the promoter is obligated to lease the asset to the Company for an initial term of 15 years with an extension of 10 years in accordance with the terms of the aforesaid agreements at no consideration. The said Land and Building has been amortised over a period of 25 years based on the Management's estimate of the lease term for the above arrangement.

(iii) includes land provided by Mysore Urban Development Authority (MUDA) on lease effective 1 September 2010 for an initial period of 30 years. The said leasehold land is being amortised over a period of 30 years.

(iv) represents the cost of construction of building at the leasehold premises at Kolkata and Jamshedpur. The cost also includes the cost of building at Jaipur (addition).The land and building at Jaipur has been leased to Company for 99 years effective 1 July 2010 by a subsidiary, Narayana Hospitals Private Limited. This amount has been depreciated over the estimated useful life of the asset, or lease term, whichever is lower.

(v) represents land allotted by various government authorities/ agencies in the states of Gujarat, Rajasthan and West Bengal. There are certain conditions including setting up of hospitals with certain capacity and within certain timelines as specified in the terms of the allotment.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI
Notes to Restated Consolidated Summary Statements

6. Fixed assets (continued)

For the year ended 31 March 2012 INR in millions

Fixed assets	Gross block				Accumulated depreciation				Net block
	As at 1 April 2011	Additions	Deletions	As at 31 March 2012	As at 1 April 2011	Depreciation	Deletions	As at 31 March 2012	31 March 2012
Tangible assets (owned)									
Freehold land (i)	43.56	0.30	-	43.86	-	-	-	-	43.86
Land (ii)	17.33	-	-	17.33	2.15	0.67	-	2.82	14.51
Building (ii)	356.39	12.20	-	368.59	56.19	14.13	-	70.32	298.27
Building	558.81	3.23	-	562.04	17.73	9.52	-	27.25	534.79
Building (iii)	628.30	139.39	-	767.69	15.54	24.32	-	39.86	727.83
Leasehold improvements	82.88	8.29	1.50	89.67	15.75	9.16	0.23	24.68	64.99
Electrical installation	387.44	22.38	-	409.82	90.29	38.65	-	128.94	280.88
Medical equipment	2,137.38	133.01	-	2,270.39	422.21	169.55	-	591.76	1,678.63
Office equipment	33.48	6.79	-	40.27	16.98	5.64	-	22.62	17.65
Other equipment including air conditioners	558.33	53.38	-	611.71	107.68	41.25	-	148.93	462.78
Furniture and fixtures	272.57	43.15	-	315.72	76.68	30.49	-	107.17	208.55
Computers	71.23	20.60	0.01	91.82	36.89	20.92	-	57.81	34.01
Vehicles	15.15	3.56	-	18.71	4.51	2.72	-	7.23	11.48
Total (A)	**5,162.85**	**446.28**	**1.51**	**5,607.62**	**862.60**	**367.02**	**0.23**	**1,229.39**	**4,378.23**
Tangible assets (leased)									
Leasehold land (iv)	67.98	-	-	67.98	1.50	1.78	-	3.28	64.70
Leasehold land (v)	467.34	-	-	467.34	1.72	0.57	-	2.29	465.05
Total (B)	**535.32**	**-**	**-**	**535.32**	**3.22**	**2.35**	**-**	**5.57**	**529.75**
Intangible assets									
Computer software	11.83	2.95	-	14.78	7.68	2.95	-	10.63	4.15
Total (C)	**11.83**	**2.95**	**-**	**14.78**	**7.68**	**2.95**	**-**	**10.63**	**4.15**
Grand total (A+B+C)	**5,710.00**	**449.23**	**1.51**	**6,157.72**	**873.50**	**372.32**	**0.23**	**1,245.59**	**4,912.13**

Notes

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

(i) includes land in possession and occupation of the Company to the extent of 3 acre 15 guntas out of total 11 acres 33 guntas in Bangalore allotted by Karnataka Industrial Areas Development Board ('KIADB') to the Company on lease cum sale basis for which the Company is yet to execute the sale deed as at 31 March 2012.

(ii) pursuant to clause 7.7 of the Investment Agreement and Clause 3.1(d) of the Shareholders' Agreement signed in January 2008 between the Company, Promoters and Investors who have acquired a significant equity stake in the Company, a Promoter of the Company has the right but not the obligation to require the Company to transfer the Land and Building at no consideration. This right has not been exercised till the date of these financial statements. On exercise of the right, the promoter is obligated to lease the asset to the Company for an initial term of 15 years with an extension of 10 years in accordance with the terms of the aforesaid agreements at no consideration. The said Land and Building has been amortised over a period of 25 years based on the Management's estimate of the lease term for the above arrangement.

(iii) represents the cost of construction of building at the leasehold premises at Kolkata and Jamshedpur. The cost also includes the cost of building at Jaipur (addition).The land and building at Jaipur has been leased to Company for 99 years effective 1 July 2010 by a subsidiary, Narayana Hospitals Private Limited. This amount has been depreciated over the estimated useful life of the asset, or lease term, whichever is lower.

(iv) includes land provided by Mysore Urban Development Authority (MUDA) on lease effective 1 September 2010 for an initial period of 30 years. The said leasehold land is being amortised over a period of 30 years.

(v) represents land allotted by various government authorities/ agencies in the states of Gujarat, Rajasthan and West Bengal. There are certain conditions including setting up of hospitals with certain capacity and within certain timelines as specified in the terms of the allotment.

Narayana Hrudayalaya Limited
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Annexure VI
Notes to Restated Consolidated Summary Statements

6. Fixed assets (continued)

For the year ended 31 March 2013 INR in millions

Fixed assets	Gross block				Accumulated depreciation				Net block
	As at 1 April 2012	**Additions**	**Deletions**	**As at 31 March 2013**	**As at 1 April 2012**	**Depreciation**	**Deletions**	**As at 31 March 2013**	**31 March 2013**
Tangible assets (owned)									
Freehold land (i)	43.86	-	-	43.86	-	-	-	-	43.86
Land (ii)	17.33	-	-	17.33	2.82	0.70	-	3.52	13.81
Building (ii)	368.59	10.08	-	378.67	70.32	14.76	-	85.08	293.59
Building	562.04	132.83	-	694.87	27.25	10.66	-	37.91	656.96
Building (iii)	767.69	426.60	-	1,194.29	39.86	32.33	-	72.19	1,122.10
Building (iv)	-	216.28	-	216.28	-	0.52	-	0.52	215.76
Leasehold improvements	89.67	15.20	0.75	104.12	24.68	10.09	0.45	34.32	69.80
Electrical installation	409.82	117.08	-	526.90	128.94	47.83	-	176.77	350.13
Medical equipment	2,270.39	485.52	-	2,755.91	591.76	194.97	-	786.73	1,969.18
Office equipment	40.27	21.51	-	61.78	22.62	7.62	-	30.24	31.54
Other equipment including air conditioners	611.71	129.77	-	741.48	148.93	48.50	-	197.43	544.05
Furniture and fixtures	315.72	93.60	-	409.32	107.17	37.08	-	144.25	265.07
Computers	91.82	28.23	-	120.05	57.81	22.64	-	80.45	39.60
Vehicles	18.71	1.30	-	20.01	7.23	3.77	-	11.00	9.01
Total (A)	**5,607.62**	**1,678.00**	**0.75**	**7,284.87**	**1,229.39**	**431.47**	**0.45**	**1,660.41**	**5,624.46**
Tangible assets (leased)									
Leasehold land (v)	67.98	0.04	-	68.02	3.28	1.79	-	5.07	62.95
Leasehold land (vi)	467.34	-	-	467.34	2.29	0.57	-	2.86	464.48
Total (B)	**535.32**	**0.04**	**-**	**535.36**	**5.57**	**2.36**	**-**	**7.93**	**527.43**
Intangible assets									
Computer software	14.78	72.87	-	87.65	10.63	26.24	-	36.87	50.78
Total (C)	**14.78**	**72.87**	**-**	**87.65**	**10.63**	**26.24**	**-**	**36.87**	**50.78**
Grand total (A+B+C)	**6,157.72**	**1,750.91**	**0.75**	**7,907.88**	**1,245.59**	**460.07**	**0.45**	**1,705.21**	**6,202.67**

Notes

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

(i) includes land in possession and occupation of the Company to the extent of 3 acre 15 guntas out of total 11 acres 33 guntas in Bangalore allotted by Karnataka Industrial Areas Development Board ('KIADB') to the Company on lease cum sale basis for which the Company is yet to execute the sale deed as at 31 March 2013.

(ii) pursuant to clause 7.7 of the Investment Agreement and Clause 3.1(d) of the Shareholders' Agreement signed in January 2008 between the Company, Promoters and Investors who have acquired a significant equity stake in the Company, a Promoter of the Company has the right but not the obligation to require the Company to transfer the Land and Building at no consideration. This right has not been exercised till the date of these financial statements. On exercise of the right, the promoter is obligated to lease the asset to the Company for an initial term of 15 years with an extension of 10 years in accordance with the terms of the aforesaid agreements at no consideration. The said Land and Building has been amortised over a period of 25 years based on the Management's estimate of the lease term for the above arrangement.

(iii) represents the cost of construction of building at the leasehold premises at Kolkata, Ahmedabad, Jaipur and Jamshedpur. The land and building at Jaipur has been leased to Company for 99 years effective 1 July 2010 by a subsidiary, Narayana Hospitals Private Limited. This amount has been depreciated over the estimated useful life of the asset, or lease term, whichever is lower.

(iv) represents the cost of construction of building on the leasehold land at Mysore. The said land at Mysore has been leased to NHSPL for 30 years w.e.f 1April 2011 by the holding company, Narayana Hrudayalaya Limited (formerly known as Narayana Hrudayalaya Private Limited).

(v) includes land provided by Mysore Urban Development Authority (MUDA) on lease effective 1 September 2010 for an initial period of 30 years. The said leasehold land is being amortised over a period of 30 years.

6. Fixed assets (continued)

For the year ended 31 March 2014 INR in millions

Fixed assets	Gross block							Accumulated depreciation						Net block
	As at 1 April 2013	**Assets acquisition during the year@**	**Assets acquisition on slump sale basis^**	**Additions**	**Deletion on sale of subsidiary during the year $**	**Deletions**	**As at 31 March 2014**	**As at 1 April 2013**	**Acquisition during the year@**	**Depreciation**	**Deletion on sale of subsidiary during the year $**	**Deletions**	**As at 31 March 2014**	**31 March 2014**
Tangible assets (owned)														
Freehold land (i)	43.86	-	273.50	26.74	-	-	344.10	-	-	-	-	-	-	344.10
Land (ii)	17.33	-	-	-	-	-	17.33	3.52	-	0.69	-	-	4.21	13.12
Building (ii)	378.67	-	-	12.86	-	-	391.53	85.08	-	15.37	-	-	100.45	291.08
Building	694.87	3.05	86.46	31.65	-	-	816.03	37.91	0.43	12.30	-	-	50.64	765.39
Building (iii)	1,194.29	-	-	47.78	-	-	1,242.07	72.19	-	37.33	-	-	109.52	1,132.55
Building (iv)	216.28	-	-	2.92	-	-	219.20	0.52	-	7.79	-	-	8.31	210.89
Leasehold improvements	104.12	-	-	37.81	36.38	-	105.55	34.32	-	8.79	16.36	0.95	25.80	79.75
Electrical installation	526.90	-	-	68.02	-	0.07	594.85	176.77	-	54.53	-	0.92	230.38	364.47
Medical equipment	2,755.91	7.65	39.64	758.24	45.16	3.07	3,513.21	786.73	2.44	255.72	8.57	0.52	1,035.80	2,477.41
Office equipment	61.78	0.38	3.92	41.71	1.42	0.21	106.16	30.24	0.33	14.42	0.48	0.02	44.49	61.67
Other equipment including air conditioners	741.48	-	14.06	98.96	7.94	1.51	845.05	197.43	-	53.49	1.95	0.27	248.70	596.35
Furniture and fixtures	409.32	0.81	8.49	177.88	6.06	0.37	590.07	144.25	0.21	47.98	1.26	0.37	190.81	399.26
Computers	120.05	-	-	20.89	3.38	-	137.56	80.45	-	24.42	2.41	-	102.46	35.10
Vehicles	20.01	0.52	0.37	2.89	0.74	0.72	22.33	11.00	0.50	3.57	0.18	0.69	14.20	8.13
Total (A)	**7,284.87**	**12.41**	**426.44**	**1,328.35**	**101.08**	**5.95**	**8,945.04**	**1,660.41**	**3.91**	**536.40**	**31.21**	**3.74**	**2,165.77**	**6,779.27**
Tangible assets (leased)														
Leasehold land (v)	68.02	-	-	-	-	-	68.02	5.07	-	1.78	-	-	6.85	61.17
Leasehold land (vi)	467.34	-	-	-	-	-	467.34	2.86	-	0.57	-	-	3.43	463.91
Total (B)	**535.36**	**-**	**-**	**-**	**-**	**-**	**535.36**	**7.93**	**-**	**2.35**	**-**	**-**	**10.28**	**525.08**
Intangible assets														
Computer software	87.65	-	-	55.71	0.77	-	142.59	36.87	-	35.68	0.52	0.01	72.02	70.57
Total (C)	**87.65**	**-**	**-**	**55.71**	**0.77**	**-**	**142.59**	**36.87**	**-**	**35.68**	**0.52**	**0.01**	**72.02**	**70.57**
Grand total (A+B+C)	**7,907.88**	**12.41**	**426.44**	**1,384.06**	**101.85**	**5.95**	**9,622.99**	**1,705.21**	**3.91**	**574.43**	**31.73**	**3.75**	**2,248.07**	**7,374.92**

Notes

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.
2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

(i) includes land in possession and occupation of the Company to the extent of 3 acre 15 guntas out of total 11 acres 33 guntas in Bangalore allotted by Karnataka Industrial Areas Development Board ('KIADB') to the Company on lease cum sale basis for which the Company is yet to execute the sale deed as at 31 March 2014.

(ii) pursuant to clause 7.7 of the Investment Agreement and Clause 3.1(d) of the Shareholders' Agreement signed in January 2008 between the Company, Promoters and Investors who have acquired a significant equity stake in the Company, a Promoter of the Company has the right but not the obligation to require the Company to transfer the Land and Building at no consideration. This right has not been exercised till the date of these financial statements. On exercise of the right, the promoter is obligated to lease the asset to the Company for an initial term of 15 years with an extension of 10 years in accordance with the terms of the aforesaid agreements at no consideration. The said Land and Building has been amortised over a period of 25 years based on the Management's estimate of the lease term for the above arrangement.

(iii) represents the cost of construction of building at the leasehold premises at Kolkata, Ahmedabad, Jaipur and Jamshedpur. The land and building at Jaipur has been leased to Company for 99 years effective 1 July 2010 by a subsidiary, Narayana Hospitals Private Limited. This amount has been depreciated over the estimated useful life of the asset, or lease term, whichever is lower.

(iv) represents the cost of construction of building on the leasehold land at Mysore. The said land at Mysore has been leased to NHSPL for 30 years w.e.f 1April 2011 by the holding company, Narayana Hrudayalaya Limited (formerly known as Narayana Hrudayalaya Private Limited).

(v) includes land provided by Mysore Urban Development Authority (MUDA) on lease effective 1 September 2010 for an initial period of 30 years. The said leasehold land is being amortised over a period of 30 years.

(vi) represents land allotted by various government authorities/ agencies in the states of Gujarat, Rajasthan and West Bengal. There are certain conditions including setting up of hospitals with certain capacity and within certain timelines as specified in the terms of the allotment.

^ includes assets acquired on a slump sale basis
@ represents assets acquired during the year from AHDL.
$ represents assets sold on sale of subsidiary

Narayana Hrudayalaya Limited
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Annexure VI
Notes to Restated Consolidated Summary Statements

6. Fixed assets (continued)

For the year ended 31 March 2015 INR in millions

Fixed assets	Gross block					Accumulated depreciation					Net block
	As at 1 April 2014	Assets acquisition during the year @	Additions	Deletions	As at 31 March 2015	As at 1 April 2014	Acquisition during the year@	Depreciation	Deletions	As at 31 March 2015	31 March 2015
Tangible assets (owned)											
Freehold land (i)	344.10	7.42	-	-	351.52	-	-	-	-	-	351.52
Land (ii)	17.33	-	-	-	17.33	4.21	-	1.01	-	5.22	12.11
Building (ii)	391.53	-	0.37	-	391.90	100.45	-	15.70	-	116.15	275.75
Building	816.03	617.05	104.80	-	1,537.88	50.64	69.09	27.93	-	147.66	1,390.22
Building (iii)	1,242.07	-	60.08	-	1,302.15	109.52	-	32.30	-	141.82	1,160.33
Building (iv)	219.20	-	4.29	-	223.49	8.31	-	8.84	-	17.15	206.34
Leasehold improvements	105.55	-	59.04	1.64	162.95	25.80	-	18.05	0.84	43.01	119.94
Electrical installation	594.85	26.78	34.92	0.16	656.39	230.38	9.89	61.20	0.01	301.46	354.93
Medical equipment	3,513.21	289.54	384.04	42.88	4,143.91	1,035.80	118.26	283.65	31.47	1,406.24	2,737.67
Office equipment	106.16	0.23	23.42	0.10	129.71	44.49	0.04	20.07	0.02	64.58	65.13
Other equipment including air conditioners	845.05	120.07	91.20	0.09	1,056.23	248.70	22.09	65.75	0.01	336.53	719.70
Furniture and fixtures	590.07	26.51	53.67	0.04	670.21	190.81	10.55	51.02	0.02	252.36	417.85
Computers	137.56	8.95	22.00	0.07	168.44	102.46	7.30	27.41	0.05	137.12	31.32
Vehicles	22.33	4.39	2.06	1.81	26.97	14.20	2.48	3.87	1.69	18.86	8.11
Total (A)	**8,945.04**	**1,100.94**	**839.89**	**46.79**	**10,839.08**	**2,165.77**	**239.70**	**616.80**	**34.11**	**2,988.16**	**7,850.92**
Tangible assets (leased)											
Leasehold land (v)	68.02	32.51	-	-	100.53	6.85	3.78	2.14	-	12.77	87.76
Leasehold land (vi)	467.34	-	1.17	-	468.51	3.43	-	0.57	-	4.00	464.51
Total (B)	**535.36**	**32.51**	**1.17**	**-**	**569.04**	**10.28**	**3.78**	**2.71**	**-**	**16.77**	**552.27**
Intangible assets											
Computer software	142.59	0.69	7.81	-	151.09	72.02	0.61	47.39	-	120.02	31.07
Total (C)	**142.59**	**0.69**	**7.81**	**-**	**151.09**	**72.02**	**0.61**	**47.39**	**-**	**120.02**	**31.07**
Grand total (A+B+C)	**9,622.99**	**1,134.14**	**848.87**	**46.79**	**11,559.21**	**2,248.07**	**244.09**	**666.90**	**34.11**	**3,124.95**	**8,434.26**

Notes

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

@ included assets acquired during the year from MMRHPL.

(i) includes land in possession and occupation of the Company to the extent of 3 acre 15 guntas out of total 11 acres 33 guntas in Bangalore allotted by Karnataka Industrial Areas Development Board ('KIADB') to the Company on lease cum sale basis for which the Company is yet to execute the sale deed as at 31 March 2015.

(ii) pursuant to clause 7.7 of the Investment Agreement and Clause 3.1(d) of the Shareholders' Agreement signed in January 2008 between the Company, Promoters and Investors who have acquired a significant equity stake in the Company, a Promoter of the Company has the right but not the obligation to require the Company to transfer the Land and Building at no consideration. This right has not been exercised till the date of these financial statements. On exercise of the right, the promoter is obligated to lease the asset to the Company for an initial term of 15 years with an extension of 10 years in accordance with the terms of the aforesaid agreements at no consideration. The said Land and Building has been amortised over a period of 25 years based on the Management's estimate of the lease term for the above arrangement.

(iii) represents the cost of construction of building at the leasehold premises at Kolkata, Ahmedabad, Jaipur and Jamshedpur.The land and building at Jaipur has been leased to Company for 99 years effective 1 July 2010 by a subsidiary, Narayana Hospitals Private Limited. This amount has been depreciated over the estimated useful life of the asset, or lease term, whichever is lower.

(iv) represents the cost of construction of building on the leasehold land at Mysore. The said land at Mysore has been leased to NHSPL for 30 years w.e.f 1April 2011 by the holding company, Narayana Hrudayalaya Limited (formerly known as Narayana Hrudayalaya Private Limited).

(v) includes land provided by Mysore Urban Development Authority (MUDA) on lease effective 1 September 2010 for an initial period of 30 years. The said leasehold land is being amortised over a period of 30 years.

(vi) represents land allotted by various government authorities/ agencies in the states of Gujarat, Rajasthan and West Bengal. There are certain conditions including setting up of hospitals with certain capacity and within certain timelines as specified in the terms of the allotment.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI
Notes to Restated Consolidated Summary Statements

7. Non-current investments and current investments

INR in millions

Particulars	As at 31 March				
	2011	**2012**	**2013**	**2014**	**2015**
Non-current investments					
(Unquoted, valued at cost unless stated otherwise)					
Others (non-trade investment)					
Trimedx India Private Limited	-	-	0.26	3.00	3.00
(Number of equity shares of INR 100 each fully paid up)	-	-	(2,585)	(30,005)	(30,005)
Health City Cayman Islands Ltd, Cayman Islands [refer Annexure (a) below]	-	-	67.65	511.21	518.81
Total	**-**	**-**	**67.91**	**514.21**	**521.81**
Current investments					
Non-trade, quoted (valued at cost or fair value which ever is lower)					
Investment in mutual fund at cost					
125 unit of mutual fund of SBI Magnus Instant Cashback	-	-	-	-	0.38
Total	**-**	**-**	**-**	**-**	**0.38**
Quoted current investment					
Aggregate book value	-	-	-	-	0.38
Aggregate market value	-	-	-	-	0.38

Annexure (a) - Investment in Health City Cayman Islands Ltd.

INR in millions

Particulars	As at 31 March				
	2011	**2012**	**2013**	**2014**	**2015**
Number of equity shares of USD 0.01 each fully paid up, invested at a premium of USD 999.99 per share	-	-	1,200	9,430	13,323
Investment in Health City Cayman Islands Ltd	-	-	50.47	550.39	816.85
Add: Goodwill on consolidation	-	-	14.80	16.35	17.03
Less: Share of opening accumulated profits/(losses)	-	-	-	2.31	(56.20)
Less: Share of current year profit/(loss)	-	-	2.31	(58.51)	(251.31)
Less: Impact on account of translation	-	-	0.07	0.67	(7.56)
Total	**-**	**-**	**67.65**	**511.21**	**518.81**

Notes:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
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Annexure VI
Notes to Restated Consolidated Summary Statements

8. Long-term and short-term loans and advances

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Long-term loans and advances					
To parties other than related parties					
(Unsecured and considered good)					
Capital advances	147.12	144.31	86.04	126.76	106.74
Security deposits	51.31	70.91	135.24	188.49	168.80
Prepaid expense	185.81	261.60	248.12	236.29	221.73
Advance income taxes and taxes deducted at source, net	31.16	69.37	146.08	214.56	341.64
Income-tax paid under protest	-	-	-	10.00	10.00
Minimum Alternate Tax (MAT) credit entitlement	50.75	50.75	63.56	33.20	0.05
Other loans and advances	26.99	24.09	25.61	21.21	3.55
To parties other than related parties					
(Unsecured and considered doubtful)					
Capital advances	10.08	10.08	10.08	10.08	10.08
Less: Provision for doubtful advances	(10.08)	(10.08)	(10.08)	(10.08)	(10.08)
To related parties (refer note 32 of Annexure VI)					
(Unsecured and considered good)					
Security deposit	140.00	140.00	140.00	140.00	140.00
Share application money pending allotment	-	-	297.51	89.36	233.03
Total (A)	**633.14**	**761.03**	**1,142.16**	**1,059.87**	**1,225.54**
Short-term loans and advances					
(Unsecured and considered good)					
To parties other than related parties					
Security deposits	15.21	18.99	20.68	25.14	31.45
Prepaid expense	22.66	29.72	27.21	38.97	39.62
Minimum Alternate Tax credit entitlement	13.05	-	-	-	-
Balance with government authorities					
Value added tax (VAT) receivable	-	-	-	4.44	4.44
Employee State Insurance (ESI) receivable	-	-	-	4.24	-
Others loans and advances	20.18	9.07	68.91	48.02	162.55
To related parties (refer note 32 of Annexure VI)					
(Unsecured and considered good)					
Other loans and advances	36.76	40.27	16.91	20.40	22.21
Total (B)	**107.86**	**98.05**	**133.71**	**141.21**	**260.27**
Total (A+B)	**741.00**	**859.08**	**1,275.87**	**1,201.08**	**1,485.81**

Notes:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

3. Following are the amounts due from Promoters/promoter group/group companies/directors and their relatives/related parties:

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Long term loans and advances - Security deposit					
Charmakki Infrastructures	140.00	140.00	140.00	140.00	140.00
Long term loans and advances - Share application money pending allotment					
Trimedx India Pvt Ltd	-	-	-	0.87	1.81
Health City Cayman Islands Ltd	-	-	297.51	87.62	231.23
Short term loans and advances- Due for reimbursement of expenses					
Narayana Health Academy Private Limited	0.42	0.46	0.57	0.57	-
Asia Heart Foundation	36.17	39.81	15.91	-	1.10
Daya Drishti Charitable Trust	0.17	-	0.43	0.43	0.06
Health City Cayman Islands Ltd	-	-	-	16.95	18.98
Hrudayalaya Pharmacy	-	-	-	0.85	0.93
Narayana Hrudayalaya Foundation	-	-	-	0.63	0.96
Akkayya Hospitality Services *(formerly known as Akkayya Consultancy Services)*	-	-	-	0.04	0.18
Trimedx India Private Limited	-	-	-	0.93	-

4. The list of persons / entities classified as 'Promoters/promoter group/group companies/directors and their relatives/related parties' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Annexure VI
Notes to Restated Consolidated Summary Statements

9. Other non-current and current assets

INR in millions

Particulars	**As at 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Other non-current assets					
(Unsecured, considered good)					
Bank deposits (due to mature after 12 months from the reporting date)	-	-	12.57	11.81	10.60
Interest accrued on fixed deposits but not due	-	-	0.83	2.16	0.25
Total (A)	**-**	**-**	**13.40**	**13.97**	**10.85**
Other current assets					
(Unsecured, considered good)					
Interest accrued on fixed deposits but not due	0.17	1.32	2.63	3.02	4.79
Unbilled revenue	32.17	43.40	72.19	128.60	106.51
Interest accrued on security deposit	-	-	-	-	1.01
Other current assets	-	-	-	0.20	0.19
Total (B)	**32.34**	**44.72**	**74.82**	**131.82**	**112.50**
Total (A+B)	**32.34**	**44.72**	**88.22**	**145.79**	**123.35**

Notes:
1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI
Notes to Restated Consolidated Summary Statements

10. Inventories INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Inventories (valued at lower of cost and net realizable value)					
Medical consumables, drugs and surgical equipment	259.69	279.82	383.74	499.57	522.36
Less: Provision for slow and non-moving	-	-	-	(7.00)	(10.12)
Total	**259.69**	**279.82**	**383.74**	**492.57**	**512.24**

Notes:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

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11. Trade receivables INR in millions

Particulars	**As at 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
From parties other than related parties					
Receivables outstanding for a period exceeding six months from the date they become due for payment					
Unsecured, considered good	78.44	100.81	72.45	231.79	301.06
Considered doubtful	27.49	55.54	161.42	193.30	191.38
Less: Provision for doubtful receivables	(27.49)	(55.54)	(161.42)	(193.30)	(191.38)
Total (A)	**78.44**	**100.81**	**72.45**	**231.79**	**301.06**
Other receivables					
Unsecured, considered good	373.23	564.00	833.96	1,063.25	1,096.83
Total (B)	**373.23**	**564.00**	**833.96**	**1,063.25**	**1,096.83**
From related parties (C)	11.43	7.63	8.35	46.80	31.38
TOTAL (A+B+C)	**463.10**	**672.44**	**914.76**	**1,341.84**	**1,429.27**

Notes:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

3. Following are the amounts due from Promoters/promoter group/group companies/directors and their relatives/related parties:

INR in millions

Particulars	**As at 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Asia Heart Foundation	1.37	1.25	-	2.31	0.31
Narayana Hrudayalaya Charitable Trust	10.06	6.38	7.87	0.31	1.71
Health City Cayman Islands Ltd	-	-	-	42.82	28.85
Hurdayalaya Pharmacy	-	-	-	0.85	-
Narayana Hrudayalaya Foundation	-	-	0.48	0.51	0.51

4. The list of persons / entities classified as 'Promoters/promoter group/group companies/directors and their relatives/related parties' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

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12.Cash and bank balances

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Cash and cash equivalents					
Cash on hand	12.56	20.38	35.27	36.35	23.20
Cheques on hand	-	-	0.18	-	3.10
Balance with banks					
-On current accounts	172.46	106.01	197.60	197.79	181.56
-On deposits accounts (with original maturity of 3 months or less)	0.37	54.12	7.96	0.82	0.59
	185.39	**180.51**	**241.01**	**234.96**	**208.45**
Other bank balances					
On deposits accounts (due to mature within 12 months of reporting date)*	38.18	11.44	13.30	45.63	86.75
	223.57	**191.95**	**254.31**	**280.59**	**295.20**

*The above deposits includes deposit given against bank guarantee

Details of bank deposits:

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	0.37	54.12	7.96	0.82	0.59
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	38.18	11.44	13.30	45.63	86.75
Bank deposits due to mature within 12 months of the reporting date included under 'Other non-current assets'	-	-	12.57	11.81	10.60
	38.55	**65.56**	**33.83**	**58.26**	**97.94**

Notes:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

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13.Revenue from operations

INR in millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
Revenue from operations					
Income from medical and healthcare services	4,653.23	6,404.39	8,172.42	10,601.62	13,060.41
Sale of medical consumables, drugs and surgical equipment	119.51	164.74	211.74	318.17	528.92
Other operating revenue:					
Learning and development income	2.06	5.17	2.03	23.46	29.96
Teleradiology income	-	-	0.00	3.63	9.92
Revenue share income	1.01	3.54	6.69	4.29	9.30
	4,775.81	**6,577.84**	**8,392.88**	**10,951.17**	**13,638.51**

Notes:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of profit and loss of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

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14. Other income

INR in millions

Particulars	Nature (Recurring/Non-recurring)	For the year ended 31 March				
		2011	2012	2013	2014	2015
Interest income on						
Bank deposits	Recurring	6.83	6.24	4.08	5.22	8.04
Others	Recurring	0.87	0.22	0.12	-	-
Donations received	Recurring	2.54	4.74	5.60	2.51	1.81
Foreign exchange gain, net	Recurring	0.64	3.29	0.83	17.37	10.06
Profit on sale of non-current investment	Non-recurring	-	-	-	166.74	-
Profit on sale of fixed asset	Non-recurring	1.78	-	128.54	-	-
Guarantee commission	Non-recurring	-	-	-	-	13.15
Miscellaneous income	Recurring/non-recurring	13.67	14.54	12.41	32.07	44.30
		26.33	**29.03**	**151.58**	**223.91**	**77.36**

Notes:

1. The classification of other income as recurring / non-recurring activity is based on the current operations and activity of the Group as determined by the Management.

2. The figures disclosed above are based on the Restated Consolidated Summary Statement of profit and loss of the Group.

3. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

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15. Changes in inventories of medical consumables, drugs and surgical equipment

INR in millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
Changes in inventories					
Inventory at the beginning of the year (A)	156.45	259.69	279.82	383.74	492.57
Inventory included in slump sale (B)	-	-	-	10.29	-
Inventory at the end of the year (C)	259.69	279.82	383.74	492.57	512.24
Total (A-B-C)	**(103.24)**	**(20.13)**	**(103.92)**	**(119.12)**	**(19.67)**

Notes:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

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16. Employee benefits

INR in millions

Particulars	For the year ended 31 March				
	2011	**2012**	**2013**	**2014**	**2015**
Salaries, wages and bonus	731.59	1,040.98	1,447.89	1,850.08	2,580.28
Contribution to provident and other funds	43.22	77.65	100.27	116.34	157.81
Staff welfare expenses	4.48	7.22	17.21	18.51	31.24
	779.29	**1,125.85**	**1,565.37**	**1,984.93**	**2,769.33**

Notes:

1. The amounts disclosed above are based on the Restated Consolidated Summary Statement of profit and loss of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

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17. Other expenses

INR in millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
Hospital operating expenses					
Professional fees to doctors	920.37	1,278.31	1,648.58	2,182.37	2,629.50
Power and fuel	177.78	221.90	284.51	349.41	418.61
Hospital general expenses	99.43	128.73	175.90	196.88	216.21
House keeping expenses	80.83	138.25	187.10	237.61	303.75
Patient welfare expenses	60.23	102.82	150.09	149.13	236.31
Rent (operating)	75.34	97.37	103.59	146.72	180.35
Hospital management fees	38.04	70.32	106.96	156.45	211.98
Medical gas charges	18.25	24.65	30.85	42.76	50.14
Biomedical wastage expenses	4.22	5.88	8.72	8.80	10.10
Repairs and maintenance					
Hospital equipment	75.95	118.46	135.45	182.13	268.46
Building	15.91	24.12	47.34	42.08	58.82
Others	29.06	41.53	110.71	163.62	225.12
Administrative expenses					
Bank charges	11.08	13.05	20.83	25.80	36.20
Traveling and conveyance	35.14	49.83	68.61	103.28	135.19
Security charges	27.56	44.49	73.32	90.47	122.13
Printing and stationery	33.59	58.30	67.21	68.51	83.91
Rent (administration)	32.37	38.62	59.66	66.46	76.99
Advertisement and publicity	32.40	34.44	65.02	214.47	291.03
Legal and professional fees	25.94	37.17	61.97	168.69	146.91
Business promotion	21.78	54.15	63.52	88.03	116.21
Telephone and communication	14.38	18.68	27.37	37.40	41.12
Insurance	8.25	11.22	20.12	23.97	32.48
Corporate social responsibility	12.71	10.78	12.47	9.11	10.60
Rates and taxes	31.33	8.95	17.52	20.46	68.21
Provision for doubtful debts	16.50	28.30	121.77	24.32	(21.17)
Bad debts written off	3.07	0.12	-	137.08	183.73
Loss on sale of fixed assets and capital work-in-progress	-	1.19	-	1.01	20.68
Books and periodicals	-	1.43	2.63	2.51	7.54
Miscellaneous expenses	11.36	9.07	15.35	13.00	9.22
	1,912.87	**2,672.13**	**3,687.17**	**4,952.53**	**6,170.33**

Notes:

1. The amounts disclosed above are based on the Restated Consolidated Summary Statement of profit and loss of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

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18. Finance costs

INR in millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
Interest expense on					
term loans from bank	27.09	65.27	132.49	174.43	180.00
bank overdraft	-	-	4.60	32.20	82.42
debentures	-	-	-	0.00	28.19
others	26.25	27.12	29.02	72.29	71.25
Other borrowing costs	-	-	-	4.63	11.74
Net loss on foreign currency transactions and translation to the extent regarded as borrowing costs	-	-	-	-	35.30
	53.34	**92.39**	**166.11**	**283.55**	**408.90**

Notes:

1. The amounts disclosed above are based on the Restated Consolidated Summary Statement of profit and loss of the Group.

2. The above statement should be read with the Company overview and Significant accounting policies appearing in Annexure IV, explanatory notes to Statement of restatement adjustments to audited consolidated financial statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

19. Leases

The Group has taken hospitals, office and residential premises under cancellable operating lease agreements. The Group intends to renew such leases in the normal course of business.

The Group is obligated under non-cancellable operating leases for hospital / office premises. The total rental expenses under cancellable and non-cancellable operating leases are as follows:

INR in millions

Particulars	**For the year ended 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Cancellable operating lease	75.12	92.79	88.73	176.40	204.62
Non-cancellable operating lease	32.59	52.19	55.87	37.25	52.72
Total	**107.71**	**144.98**	**144.60**	**213.65**	**257.34**

Future minimum lease payments under non-cancellable operating leases are as follows:

INR in millions

Particulars	**As at 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Not later than 1 year	205.78	51.97	53.99	36.40	57.59
Later than 1 year and not later than 5 years	825.20	202.23	199.94	145.94	236.69
Later than 5 years	3,221.60	523.39	479.90	427.48	682.90
Total	**4,252.58**	**777.59**	**733.83**	**609.82**	**977.18**

20. Employee benefits

Defined contribution plan

The amount recognized as an expense towards Provident Fund and Employee State Insurance are as follows:

INR in millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
Contribution towards Provident Fund and Employee State Insurance	43.22	77.65	100.27	116.34	157.81
Total	**43.22**	**77.65**	**100.27**	**116.34**	**157.81**

Defined benefit plan

The Group operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. This scheme is non-funded. The Group accrued gratuity under the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date and accordingly the maximum payment is restricted to INR 1 million.

The following table sets set out the status of the gratuity plan as required under Accounting standard (AS) 15 “Employee Benefits” prescribed by Companies Act 2013 :

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Reconciliation of present value of the obligation and the fair value of the plan assets:					
Fair value of the plan assets	0.40	0.06	-	-	-
Present value of obligation	28.31	52.56	59.03	64.94	109.34
Liability recognized in the balance sheet	**27.91**	**52.50**	**59.03**	**64.94**	**109.34**
Current	1.84	4.27	3.97	2.60	3.06
Non-current	26.07	48.23	55.06	62.34	106.28

Movement in present values of defined benefit obligations

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Defined benefit obligation at 1 April	23.13	28.30	52.56	59.03	64.94
Obligation acquired/(disposed) during the year	-	-	-	(0.36)	4.37
Current service cost	4.73	23.23	16.81	17.68	27.59
Interest cost	1.81	2.39	3.97	4.92	4.55
Benefits settled	(1.06)	(0.39)	(5.90)	(8.02)	(5.74)
Actuarial (gain) / loss	(0.30)	(0.97)	(8.41)	(8.31)	13.63
Defined benefit obligations at year end	**28.31**	**52.56**	**59.03**	**64.94**	**109.34**

Changes in plan assets

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Plan assets at the beginning of the year, at fair value	1.54	0.40	0.06	-	-
Expected return on plan assets (estimated)	0.07	-	-	-	-
Actuarial gain / (loss)	(0.15)	-	-	-	-
Contributions	-	0.05	-	-	-
Benefits settled	(1.06)	(0.39)	(0.06)	-	-
Plan assets at year end, at fair value	**0.40**	**0.06**	**-**	**-**	**-**

Expense recognized in Statement of Profit and Loss

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Current service cost	4.73	23.23	16.81	17.68	27.59
Interest on obligation	1.81	2.39	3.97	4.92	4.55
Expected return on plan assets	(0.07)	-	-	-	-
Net Actuarial (gain) / loss recognized in the year	(0.30)	(0.97)	(8.41)	(8.31)	13.63
Total included in employee benefits	**6.17**	**24.65**	**12.37**	**14.29**	**45.77**

Principal actuarial assumptions

The following are the principal actuarial assumptions at the reporting date(expressed as weighted averages)

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Discount rate as at 31 March	8.00%	8.50%	8.00%	9.00%	8.00%
Expected rate of return on plan assets as at 1 April	8.00%	8.00%	0.00%	0.00%	0.00%
Future salary increases	5.00%	5.00%	6.00%	6.00%	5%-6%
Attrition rate	30.00%	30.00%	37.00%	47.00%	16%-54%
Retirement age (In years)	60	60	60	60	58-60

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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21. Segment reporting
The Group's sole business segment is 'Healthcare Services' and principal geographical segment is 'India'. The Group considers business segment as the primary segment and geographical segment based on location of customers as a secondary segment. Since the Company has a single business segment and a single geographical segment, disclosures pertaining to the primary and secondary segments as per Accounting Standard 17- 'Segment Reporting' have not been presented.

22. Management agreement
The Group has management agreement for the management, operation and utilization of their hospital facilities. As a consideration towards the aforesaid arrangement, the Group is obligated to offer discounts to patients nominated by the trusts at free of cost / concession as per the terms of the agreement. The discounts thus offered has been recognized as revenue amounting to INR 18 million with a corresponding charge to rent expense.

23. Hospital management fees
Hospital management fees represents management fees paid under agreements entered into with certain trusts and companies, under which, the Group has a right over the management, operation and utilization of hospital facilities and equipment owned by them.

24. Prepaid expenses
Prepaid expense includes rent paid to Asia Heart Foundation which is being amortized over a period of 25 years from February 2008 and rent paid to Modern Medical Institute which is being amortized over a period of 20 years from August 2011.The amount are as follows:

INR in millions

Year	Asia Heart Foundation	Modern Medical Institute
31-Mar-11	194.67	-
31-Mar-12	185.81	89.29
31-Mar-13	176.94	84.66
31-Mar-14	168.08	80.04
31-Mar-15	159.21	75.41

25. Agreement with Karnataka Industrial Area Development Board
As per the understanding between Karnataka Industrial Area Development Board (KIADB) and Narayana Health Institutions Private Limited ("NHIPL"), it is necessary that NHIPL gets the consent of the owners of the said property to get the land registered in its name. NHIPL entered into a memorandum of understanding on 31 July 2008 with a person to get the consent letters from the owners of the said land. NHIPL paid INR 10,000,000 as advance to concerned person and the balance would be payable once NHIPL gets the consent from the owners of the land. NHIPL would capitalize this amount along with any other payment once NHIPL gets the land registered in its name. Since this is long outstanding and there has been no progress in the project, the same has been provided for as NHIPL believes the advance paid is not recoverable.

26. Jaipur Development Authority - Land arrangement
In the year 2008-09, Narayana Hospitals Private Limited ("NHL") was allotted 35 acres of land by Jaipur Development Authority ('JDA') for establishing a medical college at Bangra. Subsequently, NHL has surrendered 25 acres of land to JDA and retained remaining 10 acres of land. However, in the year 2013-14, JDA has intimated the NHL that 6,000 sq meters of land will be utilized for the completion of ring road project out of the 10 acres land retained. Subsequent to 31 March 2015 JDA gave another proposal of land allotment at Govind Pura Ropada, in lieu of 10 acres at Bangra, the Company has given its consent on same through letter dated 24 April 2015.

Since this land is given in lieu of land allotted at Bangra, NHL has requested JDA that the commercials of the land at Govind Pura Ropada to be valued the same as it was during the time of allotment of land in Bangra in March 2008.
As at March 31, 2015, the NHL has paid INR 54.44 millions to JDA and accrued the interest payable of INR 11.86 millions. These amount have been disclosed as capital advance under the head long-term loans and advances. NHL would capitalize this amount along with balance payment, if any once the NHL gets the land registered in its name. The management of NHL believes that this amount is recoverable from the JDA and hence provision for doubtful advances is not required as on 31 March 2015.

27. Lease agreement with Government of Gujarat

Leasehold land includes 36 acres of land acquired by Narayana Hospital Private Limited ("NHL") in the year 2008 under perpetual lease from Government of Gujarat amounting to INR 410.52 million. The aforesaid land has been granted to NHL by Government of Gujarat at a concessional rate under Gujarat Health Project for construction of heart hospital with certain conditions including but not limited to the following:

(i) 1,000 bed hospital for cardiac surgery should be built and be operational within 18 months from the date of completing legal formalities/ handing over with clear title and after obtaining all necessary permissions from all concerned departments. Self dependent 100 seat medical college under Medical Council of India ('MCI') Rules should be built and be operational within 36 months. Total project including 5,000 bed super-specialty hospital should be completed within 6 years;

(ii) Self dependent medical college, to be established by the NHL, should be set up with total adherence to rules governed by MCI and Government of India;

(iii) 5% surgery in the proposed health city should be done free. Only medicines and disposable should be charged;

(iv) 20% cardiac surgeries should be performed at the subsidized rate of INR 0.07 millions only, which includes every expense;

(v) Beneficiaries of the above said 5% and 20% surgeries will be referred by the Government of Gujarat;

(vi) 15% out-patients should be given free consultation. Diagnostics fees will be charged at 50%;

(vii) After achieving, 5,000 surgeries annually, 1,000 surgeries should be performed under concessional rate of INR 0.07 millions and 250 surgeries should be performed free; and

(viii) Number of student intake and fees for the proposed medical college should be according to the prevailing government rules.

(ix) The NHL was unable to start the project on the specified date and received a show cause notice from the Government of Gujarat on 22 December 2010.
Subsequent to the show cause notice, the NHL replied on 19 January 2011 assuring the Government of Gujarat that the entire project will be completed by June 2016.

As per the letter dated 19 January 2011, the timelines committed by the Company are as follows:

Commissioning timelines		
a)	500 beds multispecialty hospital	June-12
b)	1000 beds multispecialty hospital (expansion)	June-12
c)	100 seat Medical College	June-12
d)	5000 bed Health City	June-16

NHL had commenced operation in its Ahmedabad unit on 3 May 2012. As of March 31, 2015, NHL is yet to achieve the above timelines and believes that there is no liability for delay in the above commitments.

28. Shareholders and investment agreement

Pursuant to the Shareholders and Investment Agreement dated 28 January 2008 (the agreement) entered amongst the Company; Ashoka Investments Holdings Private Limited, Ambadevi Mauritius Holdings Limited, JP Morgan Mauritius Holdings IV Limited (hereinafter collectively referred to as "Investors"); Dr. Devi Prasad Shetty and Mrs. Shakuntala Shetty, (hereinafter collectively referred to as 'Sponsors') and Narayana Health Academy Private Limited; the Investors have invested in 75,414 equity shares (aggregates 43,623,049 equity shares including 43,547,635 bonus equity shares allotted on 25 March 2015). The terms of the agreement inter alia provides for certain exit options to the Investors before 4 August 2015. All the aforesaid parties have entered into an amendment agreement dated 16 July 2015 vide which the time to comply with the exit options has been extended to 31 December 2015.

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29. Investments, loans and guarantees

(a) The Group has paid the following amounts towards share application money for allotment of equity shares in respective years:

INR in millions

Entity	For the year ended 31 March				
	2011	2012	2013	2014	2015
Health City Cayman Islands Ltd	-	-	362.85	260.50	383.63
Trimedx India Private Limited	-	-	-	0.87	0.94
Total	**-**	**-**	**362.85**	**261.37**	**384.57**

(b) The Group has made investment in the following Companies:

INR in millions

Entity	For the year ended 31 March				
	2011	2012	2013	2014	2015
Investment in Equity Instruments					
Health City Cayman Islands Ltd	-	-	67.65	511.21	518.81
Trimedx India Private Limited	-	-	0.26	3.00	3.00
Total	**-**	**-**	**67.91**	**514.21**	**521.81**

(c) The Group has provided the guarantees to the following entities:

INR in millions

Particulars	For the year ended 31 March					Purpose of guarantees
	2011	2012	2013	2014	2015	
Health City Cayman Island Ltd	-	-	-	-	537.03 (USD 8.58 millions)	Bank guarantee through Canara Bank given to Bank of America for providing term loan to HCCI.
Narayana Hrudayalaya Surgical Hospital Private Limited	-	-	103.79	117.08	411.21	Corporate guarantee given to Yes Bank, Canara Bank and GE Capital Services for providing term loan/working capital loan to NSHPL.
Meridian Medical Research & Hospital Limited	-	-	-	-	323.53	Corporate guarantee given to State Bank of India for providing term loan/working capital loan for giving to MMRHL.
Total	**-**	**-**	**103.79**	**117.08**	**1,271.77**	

30. Other Significant Notes

(i) Financial year ended 31 March 2012

1. Gain on stake dilution in Narayana Hrudayalaya Surgical Hospital Private Limited
Minority shareholders had infused equity in NHSHPL resulting in decrease in equity stake of the Group by 15% to 85% during the year ended March 31, 2012. Infusion of equity by minority shareholders at higher valuations resulted in dilution gains, which have been recorded as Capital Reserve. Dilution gain for the year amounting to INR 84.25 millions in NSHPL has been recognized by adjusting the carrying value of the investment with a corresponding adjustment to Capital Reserve on consolidation, disclosed under 'Reserves and Surplus'.

(ii) Financial year ended 31 March 2013

1. Gain on stake dilution in Narayana Hrudayalaya Surgical Hospital Private Limited
Minority shareholders had infused equity in NHSHPL resulting in decrease in equity stake of the Group by 11% to 74% during the year ended March 31, 2013. Infusion of equity by minority shareholders at higher valuations resulted in dilution gains, which have been recorded as Capital Reserve. Dilution gain for the year amounting to INR 58.47 millions in NSHPL has been recognized by adjusting the carrying value of the investment with a corresponding adjustment to Capital Reserve on consolidation, disclosed under 'Reserves and Surplus'.

2. Health City Cayman Islands Ltd - Agreement
The Company entered into an agreement with Ascension Health Ventures, LLC (AHVL) through its 100% subsidiary Narayana Cayman Holding Limited (NCHL) to set up an integrated hospital in Cayman Islands. For this purpose Health City Cayman Island Limited (HCCI) was incorporated in Cayman Islands. NCHL holds 28.6% of the total share capital of HCCI and balance 71.4% is held by AHVL. The hospital is operational effective April 2014.

(iii) Financial year ended 31 March 2014

1. Acquisition of Asia Healthcare Development Limited
1. During the year ended 31 March 2014, the Company has acquired 100% of the equity shares of Asia Healthcare Development Limited ("AHDL") vide share purchase agreement dated 3 March 2014 for an aggregate consideration of INR 23.74 millions. The Company has recorded the investment in AHDL shares at cost.

2. Sale of Narayana Hrudayalaya Dental Clinics Private Limited

The Company along with its minority shareholder entered into a Share Purchase Agreement ("SPA") with Axiss Dental Private Limited on 21 May 2013 for sale of 100% of the total issued share capital of Narayana Hrudayalaya Dental Clinics Private Limited (NHDC) for a consideration of INR 177.65 millions
As per the terms of the SPA, the Company had sold 95% of the paid up share capital of NHDC for a consideration of INR 168.78 millions (balance 5% was sold by minority shareholder). The Company as part of the SPA netted off share application money pending allotment aggregating INR 6.9 millions intercompany receivable from NHDC aggregating INR 14.88 millions and security deposit aggregating INR 2.25 millions with the aforesaid agreed consideration. Further, the Company had also transferred fixed assets aggregating INR 4.25 millions (gross block INR 7.77 millions and accumulated depreciation INR 3.52 millions) to NHDC as per the SPA.
The Company had recorded a net profit on sale of non-current investment of INR 166.74 millions after considering losses recorded in earlier year.

3. National Rural Health Mission Government Grant

The Company had entered into an agreement with National Rural Health Mission, Assam (NRHM) on 16 August 2012 ("effective date") to set up a super specialty hospital and to operate and manage such hospital for a period of 30 years. As per the agreement, NRHM will provide INR 220 millions in three installments over a period of 1 year during execution of the project besides the existing hospital building on as is where is basis. The Company has received INR 220 millions as it met all the conditions related to the grant.
Since the total grant was towards purchase of fixed assets, the Company has opted for the first method of presentation in financial statements for grants related to specific fixed assets (as per Accounting standard (AS) 12: Accounting for Government Grants) and accordingly the total consideration of INR 220 millions was deducted from the gross value of the fixed assets purchased (INR 295 millions) in arriving at the net book value.

Annexure VI
Notes to Restated Consolidated Summary Statements

30. Other Significant Notes (continued)

National Rural Health Mission Government Grant (continued)

Details related to government grant

Particulars	Gross addition during the year 31 March 2014	Government grant	Net addition during the year 31 March 2014
Medical equipment	140.37	65.90	74.47
Leasehold Improvements	67.25	67.25	-
Furniture and fixtures	22.67	22.67	-
Electric Installation	17.72	17.72	-
Other equipment including air conditioners	38.63	38.53	0.10
Computers	6.58	5.64	0.94
Vehicles	1.58	1.58	-
Office equipment	0.71	0.71	-
Total	**295.51**	**220.00**	**75.51**

4. Loan to Narayana Hrudayalaya Surgical Hospital Private Limited ("NSHPL")

Pursuant to a resolution passed by the Board of Directors under Section 292 of the Companies Act, 1956, on 19 March 2009; and agreement entered between Narayana Hrudayalaya Limited (*formerly known as Narayana Hrudayalaya Private Limited*) ("the Company") and Narayana Hrudayalaya Surgical Hospital Private Limited ("NSHPL") on 30 September 2010 and subsequently amended on 26 April 2011 and 30 August 2013, the Company has granted certain loans to its subsidiary (NSHPL).

On 12 September 2013, Central Government notified Section 185 of the Companies Act, 2013 ("Act") which imposed certain restrictions on the granting and ailment of loans to companies in which the directors of the lender/ borrower are interested.

Further, on 23 July 2014, MCA vide general circular no. 32/2014 ('the Circular'), clarified that the resolutions passed under the Companies Act, 1956 shall have a transitional period for their implementation as per the time-limits mentioned in the Circular. On the basis of independent legal advice, the Company is of the view that the restrictions imposed by the aforesaid Section are not applicable to loans granted prior to the effective date of the Section. For other loans, the Company is of the view that the loans have been granted pursuant to the implementation of earlier resolutions passed under the Companies Act, 1956 and are hence valid during the transitional period granted by the circular. Management is taking necessary steps to restructure these loans.

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Annexure VI
Notes to Restated Consolidated Summary Statements

30. Other Significant Notes (continued)

5. Business purchase of Jubilant First Trust Healthcare Limited
During the year, the Company has entered into a business transfer agreement with Jubilant First Trust Healthcare Limited on 3 March 2014 for purchase of its business on a slump sale basis, without values being assigned to the individual assets and liabilities.
As per the terms of agreement, the Company has purchased the following assets and liabilities pertaining to health care business of Jubilant First Trust Healthcare Limited for an aggregate consideration of INR 419.83 millions. The Company has accounted for the transaction based on the fair value of the assets, of this land and building has been valued based on an independent external valuation report. The excess of the aggregate value of the assets acquired over the purchase consideration paid by the Company has been accounted as net gain on assets recorded in capital reserve.

INR in millions

Particulars		**Amount**	**Amount**
Assets			
Non-current assets			
Fixed assets			
Tangible assets		427.21	
Current assets			
Inventories		3.57	
Trade receivables		5.83	
Cash and cash equivalents		3.57	
Other current assets		3.43	
Total Assets	**A**		**443.61**
Liabilities			
Current liabilities			
Trade Payables		(15.96)	
Others current liabilities		(3.60)	
Short-term provisions		(2.68)	
Total Liabilities	**B**		**(22.24)**
Net Assets	**C=A+B**		**421.37**
Purchase consideration paid	**D**		**419.83**
Net gain on assets recorded in capital reserve	**C-D**		**1.54**

6. AHDL lease agreement
AHDL has taken on lease Rabindranath Thakur Diagnostic Medical Centre, Berhampur from Murshidabad Zillah Paris had for a period of 21 years for an amount equivalent to 12.50 % of total collection after deducting the doctors fees, cost of medicines and consumables per month for the first two year and 15 % for remaining 19 years. AHDL has accounted the same as rent expenses.

7. Transaction with Amaryllis Healthcare Private Limited
One of the group subsidiary (Narayana Hrudayalaya Surgical Private Limited) has entered into contracts with Amaryllis Healthcare Private Limited for purchase of goods, aggregating INR 1.26 million in which director is interested. As per the requirements of Section 297 of the Companies Act, 1956, prior approval of the Central Government is required if the Company's paid-up share capital is more than INR 1 crore at the time of entering into a contract. However, the Group is in the process of seeking an approval of these contracts from the Central Government. The Group is of the view that this will not have material impact on the consolidated financial statements for the year ended 31 March 2014.

(iv) Financial year ended 31 March 2015

1. **Corporate Social Responsibility**
Consequent to the requirements of Section 135 of the Companies Act 2013, the Company has made contributions as stated below. The same is in line with activities specified in Schedule VII of the Companies Act 2013.

a) Gross amount required to be spent by the Company during the year is INR 8.76 millions
b) Amount spent during the year on Corporate social responsibility activities:

INR in millions

Particulars	Yet to be paid in cash	Total
Construction/acquisition of any asset	Nil	Nil
On purposes other than above	0.25	10.60

2. **Bonus shares**
The Company during the year has issued 577.4476 fully paid up equity shares of INR 10 each for every 1 fully paid up equity share of INR 10 each to the existing shareholders whose name appears in the register of members as on 25 March 2015, subject to the fractional shares being rounded off the nearest number. As per Section 63(1) of the 2013 Act, the bonus shares has been issued by utilizing securities premium account. The bonus shares shall rank pari passu in all respects including dividend with the existing equity shares of the Company.

Name of the Shareholder	Number of shares before bonus issue	Number of bonus shares issued during the year	Number of shares after bonus issue
Dr. Devi Prasad Shetty	115,385	66,628,794	66,744,179
Mrs. Shakuntala Shetty	110,860	64,015,843	64,126,703
Narayana Health Academy Private Limited (NHAPL)	15,620	9,019,732	9,035,352
Ashoka Investments Holdings Private Limited (AIH)	29,006	16,749,446	16,778,452
Ambadevi Mauritius Holdings Limited (AMH)	8,701	5,024,372	5,033,073
JP Morgan Mauritius Holdings IV Limited (JPM)	37,707	21,773,817	21,811,524
Kiran Mazumdar Shaw	8,135	4,697,536	4,705,671
CDC Group PLC (CDC)	20,339	11,744,707	11,765,046
Total	**345,753**	**199,654,247**	**200,000,000**

3. **Adjustment of shares and debentures issue expenses with Securities premium**
The Company has paid fees amounting to INR 73.03 million for professional services in connection with the fund raised from CDC Group PLC and CDC India Opportunities Limited . The same has been adjusted with securities premium account as per Section 52(2) of the Companies Act 2013.

4. **Agreement of Narayana Hrudayalaya Hospitals Malaysia SDN. BHD**
The Company has aggregate investment of INR 105 millions in Narayana Hrudayalaya Hospitals Malaysia SDN. BHD (" Narayana Malaysia"). The amount has been invested as INR 50 millions in equity shares and INR 55 millions in 6% partly convertible debentures. Narayana Malaysia has entered into an arrangement dated 3 September 2014 with another company for sale of its assets for a total consideration of INR 75 millions. Subsequent to the year end, the Company has received INR 35 millions with regard to the sale of assets.The balance INR 40 millions will be received in October 2015.

5. **Debenture redemption reserve**
As per Section 71 of the Companies Act 2013, and Companies (Share Capital and Debenture) Rules, 2014 the Company has created Debenture Redemption Reserve (DRR) for the purpose of redemption of debentures amounting to INR 250 million, which is 25 % of the value of the debentures issued. The DRR has been created out of the profits of the Company available for the payment of dividend.

6. **Investment by CDC in equity shares and debentures**

   During the year, the Company has issued 20,339 equity shares of INR 10 each at a premium of INR 98,326.27 per share to CDC Group PLC on 24 December 2014 (face value of INR 10 per share) aggregating INR 2,000.06 million. The Company has also issued 10,000,000 10.50% optionally convertible debentures (OCD) aggregating INR 1,000 million to CDC India Opportunities Limited (CDC India):

   10.50% OCD were allotted on 24th December 2014 (effective date). These debentures are redeemable/convertible as per terms of the agreement given below:

   - If the existing investors sell their shares in Offer For Sale (OFS) by way of Initial Public Offering (IPO), then the OCD shall be compulsorily converted into equity shares. Conversion price is lower of 10% discount to the IPO price or valuation as per the agreement.

   - In the above case, if the IPO is before 22 March 2016 (15 months) then only OCD value will be converted into equity shares. If the IPO is between 22 March 2016 and 31 December 2016, then OCD value along with the interest @ 10.5% together will be converted into equity shares.

   - If the existing investors do not sell their shares in OFS, then the conversion will be at the option of the Company, else, OCD will be redeemed

   -If there is no IPO on or before 31 December 2016, then CDC India has the option to convert OCD along with interest into equity shares at valuation as per the agreement

   - If there is no IPO till 31 December 2021 and if CDC India is not able to sell its equity shares then the Company is required to buyback the equity shares at fair value from CDC India

7. Meridian Medical Research & Hospital Limited ("MMRHL") has entered into 'Operation and Management' agreement with entities which are into hospital operations, in terms of which, MMRHL is responsible for developing and providing maintenance support and related services necessary to support, manage and maintain the hospital as may be required. The revenue sharing in this case is generally based on gross billing of the hospital subject to certain conditions as per the underlying agreement. The gross billing of the hospital is considered based on the certificate of the respective entity. The management of MMRHL does not anticipate any material changes in the amounts considered in financial statements.

8. Narayana Vaishno Devi Specialty Hospitals Private Limited (NVDSHPL) has entered into an concession agreement with Shri Mata Vaishno Devi Shrine Board (“trust”) to operate, maintain and manage the 230 bed multi specialty hospital on public private partnership model. As per terms of the agreement NVDSHPL is required to commence the operation of hospital within 10 months from compliance date. NVDSHPL is required to pay concession fees to trust as mutually agreed during the period of agreement.
   Trust is expected to invest and incur capital costs to set up/establish 230 bed multi specialty hospital and will reimburse costs incurred by NVDSHPL for providing technical assistance during the refurbishment and commissioning period to the extent of INR 5 million.

9. AHDL has taken on lease Rabindranath Thakur Diagnostic Medical Centre, Berhampur from Murshidabad Zillah Parishad for a period of 21 years for an amount equivalent to 12.50 % of total collection after deducting the doctors fees, cost of medicines and consumables per month for the first two year and 15 % for remaining 19 years. AHDL has accounted the same as rent expenses.

10. **Investment in Associate/ Joint venture**

The Company entered into an agreement with Ascension Health Ventures, LLC (AHVL) through its 100% subsidiary Narayana Cayman Holding Limited (NCHL) to set up an integrated hospital in Cayman Islands. For this purpose Health City Cayman Island Limited (HCCI) was incorporated in Cayman Islands. NCHL holds 28.6% of the total share capital of HCCI and balance 71.4% is held by AHVL. The hospital is operational effective April 2014.

During the year Company re-assessed the terms of agreement between NCHL and AHVL. The contractual arrangement between NCHL and AHVL do not give significant participating rights to NCHL, such that they jointly control the financial and operating policies of HCCI in the ordinary course of business. The contractual arrangement allows AHVL to unilaterally control certain financial activities of HCCI. Based on the aforesaid evaluation, the Company has concluded that investment in HCCI through NCHL will not be a jointly controlled operation in accordance with the provisions of the Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" (AS 27). However, since NCHL holds more than 20% of the voting power and it has the right to participate in policy making processes and vote as a shareholder, the Company has concluded HCCI as an 'Associate' of NCHL with effect from 1 April 2014. Accordingly, investment in HCCI has been accounted for under the equity method in accordance with AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued under the Companies (Accounting Standards) Rules 2014. Accordingly, the following items of balance sheet which were considered while drawing up the consolidated financial statements of 31 March 2014 have not been considered in the current year's consolidated financial statements.

INR in millions

Particulars	**As on 31 March 2014**
Cash and bank balances	32.18
Capital work-in-progress	1136.85
Short-term loans and advances	6.30
Inventories	6.05
Trade payable	46.97
Long-term borrowings	515.66
Other current liability	134.54

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Annexure VI
Notes to Restated Consolidated Summary Statements

31. Contingent liabilities and commitments

(i) Contingent liabilities INR in millions

Particulars	**As at 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Claims against the Group not acknowledged as debts in respect of :					
a) Employees' State Insurance	-	-	-	4.24	-
b) Entry tax	1.19	2.15	2.15	2.15	2.15
c) Income tax	-	12.17	12.17	12.17	12.17
d) Customer claim	-	-	-	-	8.57
Guarantees:					
a) Bank guarantee	10.25	9.70	81.85	132.49	555.06
b) Corporate guarantee	5.40	1.79	104.64	117.07	734.74

Notes:
a) During the year 2013-2014, the Raipur unit of the Company had received a notice from Employees' State Insurance Corporation for retrospective implementation of Employees' State Insurance from 1 September 2011. The Company had deposited INR 4.24 million under protest. The Management considers the possibility of an adverse order to be high. Accordingly, the amount paid under protest has been charged off to the statement of profit and loss during the year ended 31 March 2015.

b) The Company has received a show cause notice proposing levy of special entry tax @ 4% on import of elevators under Karnataka Special Tax on Entry of Certain Goods Act, 2004. The Company has filed a writ petition in The Honorable High Court of Karnataka. The Honorable High Court has granted stay on the same. The Management believes that its position is likely to be upheld in appellate process.

c) For assessment year 2009-2010 the Company had received an assessment order u/s 143(3) on 28 December 2011 with a demand of INR 12.17 million. Against this demand the Company had paid INR 10 million under protest and filed an appeal with the CIT (A) against order issued by the department. After the hearing CIT (A) had issued an order in favor of the Company and the department had filed an appeal with the ITAT (Income Tax Appellate Tribunal) against the order of CIT (A). During the year, the ITAT has issued an order on 23 January 2015 in favor of the Company, but the Assessing officer has not given affect of such order. The Management believes that its position is likely to be upheld in appellate process.

d) A customer of MMRHL had filed a complaint before the State Consumer Dispute Redressal Commission against the Executive Director of MMRHL for the deficiency in rendering medical services to his wife and male child and is demanding INR 8.57 million from MMRHL. The management of MMRHL believes that there will be no material adverse effect on its financial statements in any given accounting period.

Additionally, the Company believes that other disputes, lawsuits and claims, including commercial matters, which arise from time to time in the ordinary course of business will not have any material adverse effect on its financial statements in any given accounting period.

(ii) Commitments

INR in millions

Particulars	**As at 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Estimated amounts of contracts remaining to be executed on capital account (net of advances)	630.27	568.03	442.53	36.44	36.44
Total	**630.27**	**568.03**	**442.53**	**36.44**	**36.44**

Annexure VI
Notes to Restated Consolidated Summary Statements

32. Related party disclosures

a) Details of related parties

Nature of relationship	**Name of related parties**				
	Year ended 31 March 2011	**Year ended 31 March 2012**	**Year ended 31 March 2013**	**Year ended 31 March 2014**	**Year ended 31 March 2015**
Key Management Personnel (KMP)	Dr. Devi Prasad Shetty (Managing Director) Dr. Ashutosh Raghuvanshi (Whole-time Director) Mrs. Shakuntala Shetty (Whole-time Director) Mr. Viren Shetty (Whole-time Director) Dr. Varun Shetty (Whole-time Director)	Dr. Devi Prasad Shetty (Chairman) Dr. Ashutosh Raghuvanshi (Managing Director) Mrs. Shakuntala Shetty (Whole-time Director) Mr. Viren Shetty (Whole-time Director) Dr. Varun Shetty (Whole-time Director)	Dr. Devi Prasad Shetty (Chairman) Dr. Ashutosh Raghuvanshi (Managing Director) Mrs. Shakuntala Shetty (Whole-time Director) Mr. Viren Shetty (Whole-time Director) Dr. Varun Shetty (Whole-time Director)	Dr. Devi Prasad Shetty (Chairman) Dr. Ashutosh Raghuvanshi (Managing Director) Mrs. Shakuntala Shetty (Whole-time Director) Mr. Viren Shetty (Whole-time Director) Dr. Varun Shetty (Whole-time Director) Mr. Tapani Ghosh (Whole-time Director)	Dr. Devi Prasad Shetty (Chairman) Dr. Ashutosh Raghuvanshi (Managing Director) Mrs. Shakuntala Shetty (Whole-time Director) Mr. Viren Shetty (Whole-time Director) Dr. Varun Shetty (Whole-time Director) Mr. Tapani Ghosh (Whole-time Director) Mr. Ashish Chakraborty (Whole-time Director)
Associate of a subsidiary, Narayana Cayman Holdings Ltd			Health City Cayman Islands Ltd (with effect from 25 July 2013)	Health City Cayman Islands Ltd	Health City Cayman Islands Ltd
Enterprises under significant influence of KMP	Narayana Health Academy Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Amaryllis Healthcare Private Limited Annapoorna Health Foods Daya Drishti Charitable Trust Narayana Hrudayalaya Charitable Trust Asia Heart Foundation	Narayana Health Academy Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Amaryllis Healthcare Private Limited Annapoorna Health Foods Daya Drishti Charitable Trust Narayana Hrudayalaya Charitable Trust Asia Heart Foundation	Narayana Health Academy Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Amaryllis Healthcare Private Limited TriMedx India Private Limited (with effect from FY 2012-13) Daya Drishti Charitable Trust Narayana Hrudayalaya Charitable Trust Asia Heart Foundation Narayana Hrudayalaya Foundation (with effect from FY 2012-13)	Narayana Health Academy Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Amaryllis Healthcare Private Limited TriMedx India Private Limited Daya Drishti Charitable Trust Narayana Hrudayalaya Charitable Trust Asia Heart Foundation Narayana Hrudayalaya Foundation	Narayana Health Academy Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Amaryllis Healthcare Private Limited TriMedx India Private Limited Daya Drishti Charitable Trust Narayana Hrudayalaya Charitable Trust Asia Heart Foundation Narayana Hrudayalaya Foundation Kateel Software Private Limited Mazumdar Shaw Medical Foundation (with effect from FY 2014-15)
Enterprises having significant influence over the subsidiary		Infrastructure Development Corporation (Karnataka) Limited (IDECK) (with effect from FY 2011-12)	Infrastructure Development Corporation (Karnataka) Limited (IDECK)	Infrastructure Development Corporation (Karnataka) Limited (IDECK)	Infrastructure Development Corporation (Karnataka) Limited (IDECK)
Enterprises under significant influence of relative of KMP	Akkayya Consultancy Services	Akkayya Consultancy Services	Akkayya Consultancy Services	Akkayya Hospitality Services *(formerly known as Akkayya Consultancy Services)*	Akkayya Hospitality Services *(formerly known as Akkayya Consultancy Services)*

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Notes to Restated Consolidated Summary Statements

32. Related party disclosures (continued)

For the year ended 31 March 2011

a) Transactions with related parties:

INR in millions

Transactions	Key Management Personnel (KMP)	Enterprises under significant influence of KMP	Enterprises under significant influence of a relative of KMP	Total
Security deposit given				
Charmakki Infrastructures	-	70.00	-	70.00
Rental expense net of taxes				
Akkayya Consultancy Services	-	-	1.35	1.35
Reimbursement of expenses				
Narayana Health Academy Private Limited	-	0.05	-	0.05
Asia Heart Foundation	-	47.07	-	47.07
Daya Drishti Charitable Trust	-	0.18	-	0.18
Total	**-**	**47.30**	**-**	**47.30**
Purchases of medical stores and surgical equipment				
Hrudayalaya Pharmacy	-	9.81	-	9.81
Amaryllis Healthcare Private Limited	-	24.20	-	24.20
Total	**-**	**34.01**	**-**	**34.01**
Catering expenses				
Annapoorna Health Foods	-	15.97	-	15.97
Revenue from health care services				
Narayana Hrudayalaya Charitable Trust	-	28.20	-	28.20
Payment of remuneration				
Dr. Devi Prasad Shetty	24.00	-	-	24.00
Mrs. Shankuntala Shetty	1.50	-	-	1.50
Mr. Viren Shetty	1.00	-	-	1.00
Total	**26.50**	**-**	**-**	**26.50**
Payment of professional fees				
Dr. Ashutosh Raghuvanshi	8.98	-	-	8.98

b) The balances receivable from and payable to related parties as at 31 March 2011

INR in millions

Transactions	Key Management Personnel (KMP)	Enterprises under significant influence of KMP	Enterprises under significant influence of a relative of KMP	Total
Short term loans and advances- Other loans and advances				
Narayana Health Academy Private Limited	-	0.42	-	0.42
Asia Heart Foundation	-	36.17	-	36.17
Daya Drishti Charitable Trust	-	0.17	-	0.17
Total	**-**	**36.76**	**-**	**36.76**
Long term loans and advances - Security deposit				
Charmakki Infrastructures	-	140.00	-	140.00
Trade receivables				
Asia Heart Foundation	-	1.37	-	1.37
Narayana Hrudayalaya Charitable Trust	-	10.06	-	10.06
Total	**-**	**11.43**	**-**	**11.43**
Trade payables				
Amaryllis Healthcare Private Limited	-	0.27	-	0.27
Hrudayalaya Pharmacy	-	0.74	-	0.74
Akkayya Consultancy Services	-	-	0.28	0.28
Total	**-**	**1.01**	**0.28**	**1.29**

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Notes to Restated Consolidated Summary Statements

32. Related party disclosures (continued)

For the year ended 31 March 2012

a) Transactions with related parties:

INR in millions

Transactions	Key Management Personnel (KMP)	Enterprises under significant influence of KMP	Enterprises having significant influence over the subsidiary	Enterprises under significant influence of a relative of KMP	Total
Rental expense, net of taxes					
Charmakki Infrastructures	-	4.66	-	-	4.66
Akkayya Consultancy Services	-	-	-	1.10	1.10
Total	**-**	**4.66**	**-**	**1.10**	**5.76**
Receipt of share application money					
Infrastructure Development Corporation (Karnataka) Limited	-	-	0.04	-	0.04
Reimbursement of expenses					
Narayana Health Academy Private Limited	-	0.04	-	-	0.04
Asia Heart Foundation	-	141.41	-	-	141.41
Total	**-**	**141.45**	**-**	**-**	**141.45**
Reimbursement of expenses on behalf of the Company					
Daya Drishti Charitable Trust	-	0.56	-	-	0.56
Purchases of medical stores and surgical equipment					
Hrudayalaya Pharmacy	-	14.24	-	-	14.24
Amaryllis Healthcare Private Limited	-	38.17	-	-	38.17
Total	**-**	**52.41**	**-**	**-**	**52.41**
Catering expenses					
Annapoorna Health Foods	-	0.09	-	-	0.09
Revenue from health care services					
Narayana Hrudayalaya Charitable Trust	-	15.64	-	-	15.64
Payment of remuneration					
Dr. Devi Prasad Shetty	24.00	-	-	-	24.00
Mrs. Shankuntala Shetty	1.50	-	-	-	1.50
Dr. Varun Shetty	2.44	-	-	-	2.44
Dr. Ashutosh Raghuvanshi	13.50	-	-	-	13.50
Total	**41.44**	**-**	**-**	**-**	**41.44**

b) The balances receivable from and payable to related parties as at 31 March 2012

INR in millions

Transactions	Key Management Personnel (KMP)	Enterprises under significant influence of KMP	Enterprises having significant influence over the subsidiary	Enterprises under significant influence of a relative of KMP	Total
Short term loans and advances- Other loans and advances					
Narayana Health Academy Private Limited	-	0.46	-	-	0.46
Asia Heart Foundation	-	39.81	-	-	39.81
Total	**-**	**40.27**	**-**	**-**	**40.27**
Share application money pending allotment					
Infrastructure Development Corporation (Karnataka) Limited	-	-	0.04	-	0.04
Long term loans and advances - Security deposit					
Charmakki Infrastructures	-	140.00	-	-	140.00
Trade receivables					
Asia Heart Foundation	-	1.25	-	-	1.25
Narayana Hrudayalaya Charitable Trust	-	6.38	-	-	6.38
Total	**-**	**7.63**	**-**	**-**	**7.63**
Trade payables					
Amaryllis Healthcare Private Limited	-	1.53	-	-	1.53
Hrudayalaya Pharmacy	-	1.08	-	-	1.08
Akkayya Consultancy Service	-	-	-	0.02	0.02
Annapoorna Health Foods	-	-	-	0.01	0.01
Daya Drishti Charitable Trust	-	0.40	-	-	0.40
Total	**-**	**3.01**	**-**	**0.03**	**3.04**

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI
Notes to Restated Consolidated Summary Statements

32. Related party disclosures (continued)

For the year ended 31 March 2013

a) Transactions with related parties:

INR in millions

Transactions	**Key Management Personnel (KMP)**	**Associate of Subsidiary (NCHL)**	**Enterprises under significant influence of KMP**	**Enterprises having significant influence over the subsidiary**	**Enterprises under significant influence of a relative of KMP**	**Total**
Rental expense, net of taxes						
Charmakki Infrastructures	-	-	4.96	-	-	4.96
Akkayya Consultancy Services	-	-	-	-	1.53	1.53
Total	**-**	**-**	**4.96**	**-**	**1.53**	**6.49**
Payment of share application money						
Health City Cayman Islands Ltd	-	362.85	-	-	-	362.85
Receipt of share application money						
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	0.04	-	0.04
Sale of fixed assets						
Health City Cayman Islands Ltd	-	158.32	-	-	-	158.32
Reimbursement of expenses						
Narayana Health Academy Private Limited	-	-	0.10	-	-	0.10
Asia Heart Foundation	-	-	19.51	-	-	19.51
Daya Drishti Charitable Trust	-	-	0.83	-		0.83
Total	**-**	**-**	**20.44**	**-**	**-**	**20.44**
Investment in equity instrument						
Trimedx India Private Limited	-	-	0.26	-	-	0.26
Discount entitlement						
Asia Heart Foundation	-	-	18.00	-	-	18.00
Revenue from health care services						
Narayana Hrudayalaya Charitable Trust	-	-	14.44	-	-	14.44
Narayana Hrudayalaya Foundation	-	-	0.48	-	-	0.48
Total	**-**	**-**	**14.92**	**-**	**-**	**14.92**
Payment of liability on behalf of subsidiary						
Narayana Health Academy Private Limited	-	-	0.10	-	-	0.10
Purchases of medical stores and surgical equipment						
Hrudayalaya Pharmacy	-	-	5.42	-	-	5.42
Amaryllis Healthcare Private Limited	-	-	41.36	-	-	41.36
Total	**-**	**-**	**46.78**	**-**	**-**	**46.78**
Maintenance of medical equipments						
Trimedx India Private Limited	-	-	50.31	-	-	50.31
Payment of remuneration						
Dr. Devi Prasad Shetty	24.00	-	-	-	-	24.00
Mrs. Shankuntala Shetty	1.50	-	-	-	-	1.50
Mr. Viren Shetty	4.11	-	-	-	-	4.11
Dr. Varun Shetty	2.70	-	-	-	-	2.70
Dr. Ashutosh Raghuvanshi	13.90	-	-	-	-	13.90
Total	**46.21**	**-**	**-**	**-**	**-**	**46.21**

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI
Notes to Restated Consolidated Summary Statements

32. Related party disclosures (continued)

b) The balances receivable from and payable to related parties as at 31 March 2013

INR in millions

Transactions	Key Management Personnel (KMP)	Associate of Subsidiary (NCHL)	Enterprises under significant influence of KMP	Enterprises having significant influence over the subsidiary	Enterprises under significant influence of a relative of KMP	Total
Short term loans and advances- Other loans and advances						
Narayana Health Academy Private Limited	-	-	0.57	-	-	0.57
Asia Heart Foundation	-	-	15.91	-	-	15.91
Daya Drishti Charitable Trust	-	-	0.43	-	-	0.43
Total	**-**	**-**	**16.91**	**-**	**-**	**16.91**
Long term loans and advances - Security deposit						
Charmakki Infrastructures	-	-	140.00	-	-	140.00
Share application money pending allotment						
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	0.08	-	0.08
Long term loans and advances - Share application money pending allotment						
Health City Cayman Islands Ltd	-	297.51	-	-	-	297.51
Trade receivables						
Narayana Hrudayalaya Charitable Trust	-	-	7.87	-	-	7.87
Narayana Hrudayalaya Foundation	-	-	0.48	-	-	0.48
Total	**-**	**-**	**8.35**	**-**	**-**	**8.35**
Trade payables						
Amaryllis Healthcare Private Limited	-	-	1.39	-	-	1.39
Trimedx India Private Limited	-	-	10.56	-	-	10.56
Hrudayalaya Pharmacy	-	-	0.51	-	-	0.51
Akkayya Consultancy Service	-	-	-	-	0.11	0.11
Asia Heart Foundation	-	-	0.05	-	-	0.05
Total	**-**	**-**	**12.51**	**-**	**0.11**	**12.62**

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI
Notes to Restated Consolidated Summary Statements

32. Related party disclosures (continued)

For the year ended 31 March 2014

a) Transactions with related parties:

INR in millions

Transactions	Key Management Personnel (KMP)	Associate of Subsidiary (NCHL)	Enterprises under significant influence of KMP	Enterprises having significant influence over the subsidiary	Enterprises under significant influence of relative of KMP	Total
Rental expense, net of taxes						
Charmakki Infrastructures	-	-	5.72	-	-	5.72
Reimbursement of expenses						
Narayana Hrudayalaya Foundation	-	-	0.65	-	-	0.65
Trimedx India Private Limited	-	-	0.93	-	-	0.93
Asia Heart Foundation	-	-	24.52	-	-	24.52
Total	**-**	**-**	**26.10**	**-**	**-**	**26.10**
Payment of share application money						
Health City Cayman Islands Ltd	-	260.50	-	-	-	260.50
Trimedx India Private Limited	-	-	0.87	-	-	0.87
Total	**-**	**260.50**	**0.87**	**-**	**-**	**261.37**
Investment in equity instrument						
Trimedx India Private Limited	-	-	3.00	-	-	3.00
Total	**-**	**-**	**3.00**	**-**	**-**	**3.00**
Revenue from health care services						
Narayana Hrudayalaya Charitable Trust	-	-	14.18	-	-	14.18
Narayana Hrudayalaya Foundation	-	-	0.04	-	-	0.04
Total	**-**	**-**	**14.22**	**-**	**-**	**14.22**
Discount entitlement						
Asia Heart Foundation	-	-	18.00	-	-	18.00
Purchases of medical stores and surgical equipment						
Hrudayalaya Pharmacy	-	-	6.33	-	-	6.33
Amaryllis Healthcare Private Limited	-	-	48.44	-	-	48.44
Narayana Hrudayalaya Foundation	-	-	0.02	-	-	0.02
Total	**-**	**-**	**54.79**	**-**	**-**	**54.79**
Sale of medical stores and consumables						
Health City Cayman Islands Ltd		59.18				59.18
Maintenance of medical equipments						
Trimedx India Private Limited	-	-	93.66	-	-	93.66
Hotel accommodation expenses						
Akkayya Hospitality Services *(formerly known as Akkayya Consultancy Services)*	-	-	-	-	0.66	0.66
Payment of remuneration						
Dr. Devi Prasad Shetty	24.00	-	-	-	-	24.00
Mrs. Shankuntala Shetty	1.50	-	-	-	-	1.50
Mr. Viren Shetty	6.93	-	-	-	-	6.93
Dr. Varun Shetty	2.40	-	-	-	-	2.40
Dr. Ashutosh Raghuvanshi	20.11	-	-	-	-	20.11
Total	**54.94**	**-**	**-**	**-**	**-**	**54.94**

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI
Notes to Restated Consolidated Summary Statements

32. Related party disclosures (continued)

For the year ended 31 March 2014

b) The balances receivable from and payable to related parties as at 31 March 2014

INR in millions

Transactions	Key Management Personnel (KMP)	Associate of Subsidiary (NCHL)	Enterprises under significant influence of KMP	Enterprises having significant influence over the subsidiary	Enterprises under significant influence of relative of KMP	Total
Short term loans and advances- Other loans and advances						
Narayana Health Academy Private	-	-	0.57	-	-	0.57
Hrudayalaya Pharmacy	-	-	0.85	-	-	0.85
Narayana Hrudayalaya Foundation	-	-	0.65	-	-	0.65
Akkayya Hospitality Services *(formerly known as Akkayya Consultancy Services)*	-	-	-	-	0.04	0.04
Daya Drishti Charitable Trust	-	-	0.43	-	-	0.43
Trimedx India Private Limited	-	-	0.93	-	-	0.93
Health City Cayman Islands Ltd	-	16.95	-	-	-	16.95
Total	**-**	**16.95**	**3.43**	**-**	**0.04**	**20.42**
Share application money pending allotment						
Infrastructure Development Corporation (Karnataka) Limited (IDeCK)	-	-	-	0.08	-	0.08
Long term loans and advances - Share application money pending allotment						
Trimedx India Private Limited	-	-	0.87	-	-	0.87
Health City Cayman Islands Ltd	-	88.49	-	-	-	88.49
Total	**-**	**88.49**	**0.87**	**-**	**-**	**89.36**
Long term loans and advances - Security deposit						
Charmakki Infrastructures	-	-	140.00	-	-	140.00
Trade receivables						
Health City Cayman Islands Ltd	-	42.82	-	-	-	42.82
Asia Heart Foundation	-	-	0.31	-	-	0.31
Narayana Hrudayalaya Charitable Trust	-	-	2.31	-	-	2.31
Narayana Hrudayalaya Foundation	-	-	0.51	-	-	0.51
Hrudayalaya Pharmacy	-	-	0.85	-	-	0.85
Total	**-**	**42.82**	**3.98**	**-**	**-**	**46.80**
Trade payables						
Amaryllis Healthcare Private Limited	-	-	6.91	-	-	6.91
Trimedx India Private Limited	-	-	17.44	-	-	17.44
Narayana Hrudayalaya Foundation	-	-	0.03	-	-	0.03
Health City Cayman Islands Ltd	-	3.10	-	-	-	3.10
Asia Heart Foundation	-	-	1.43	-	-	1.43
Total	**-**	**3.10**	**25.81**	**-**	**-**	**28.91**

Annexure VI
Notes to Restated Consolidated Summary Statements

32. Related party disclosures (continued)

For the year ended 31 March 2015

a) Transactions with related parties:

INR in millions

Transactions	**Key Management Personnel (KMP)**	**Associate of Subsidiary (NCHL)**	**Enterprises under significant influence of KMP**	**Enterprises having significant influence over the subsidiary**	**Enterprises under significant influence of relative of KMP**	**Total**
Payment of share application money						
Trimedx India Private Limited	-	-	0.94	-	-	0.94
Health City Cayman Islands Ltd	-	383.63	-	-	-	383.63
Total	**-**	**383.63**	**0.94**	**-**	**-**	**384.57**
Rental expense net of taxes						
Charmakki Infrastructures	-	-	6.03	-	-	6.03
Refund of share application money						
Infrastructure Development Corporation (Karnataka) Limited	-	-	-	0.08	-	0.08
Reimbursement of expenses						
Health City Cayman Islands Ltd	-	2.82	-	-	-	2.82
Narayana Hrudayalaya Foundation	-	-	0.32	-	-	0.32
Asia Heart Foundation	-	-	6.71	-	-	6.71
Total	**-**	**2.82**	**7.03**	**-**	**-**	**9.85**
Hospital management fees						
Mazumdar Shaw Medical Foundation	-	-	25.00	-	-	25.00
Sales of medical consumables and drugs						
Health City Cayman Islands Ltd	-	55.27	-	-	-	55.27
Guarantee commission						
Health City Cayman Islands Ltd	-	13.15	-	-	-	13.15
Software license fees						
Health City Cayman Islands Ltd	-	7.41	-	-	-	7.41
Purchases of medical consumables						
Hrudayalaya Pharmacy	-	-	9.93	-	-	9.93
Amaryllis Healthcare Private Limited	-	-	63.78	-	-	63.78
Total	**-**	**-**	**73.71**	**-**	**-**	**73.71**
Revenue from health care services						
Narayana Hrudayalaya Charitable Trust	-	-	15.51	-	-	15.51
Discount entitlement						
Asia Heart Foundation	-	-	18.00	-	-	18.00
Maintenance of medical equipments						
Trimedx India Private Limited	-	-	267.80	-	-	267.80
Hotel accommodation expenses incurred						
Akkayya Hospitality Services *(formerly known as Akkayya Consultancy Services)*	-	-	-	-	0.25	0.25
Corporate guarantee						
Health City Cayman Island Ltd	-	323.53	-	-	-	323.53
Payment of remuneration						
Dr. Devi Prasad Shetty	26.40	-	-	-	-	26.40
Mrs. Shankuntala Shetty	1.50	-	-	-	-	1.50
Mr. Viren Shetty	6.35	-	-	-	-	6.35
Dr. Varun Shetty	2.81	-	-	-	-	2.81
Dr. Ashutosh Raghuvanshi	17.12	-	-	-	-	17.12
Mr. Tapani Ghosh	0.49	-	-	-	-	0.49
Total	**54.67**	**-**	**-**	**-**	**-**	**54.67**

Annexure VI
Notes to Restated Consolidated Summary Statements

32. Related party disclosures (continued)

b) The balances receivable from and payable to related parties as at 31 March 2015

INR in millions

Transactions	Key Management Personnel (KMP)	Associate of Subsidiary (NCHL)	Enterprises under significant influence of KMP	Enterprises having significant influence over the subsidiary	Enterprises under significant influence of relative of KMP	Total
Short term loans and advances- Other loans and advances						
Health City Cayman Islands Ltd	-	18.98	-	-	-	18.98
Hrudayalaya Pharmacy	-	-	0.93	-	-	0.93
Narayana Hrudayalaya Foundation	-	-	0.96	-	-	0.96
Akkayya Hospitality Services *(formerly known as Akkayya Consultancy Services)*	-	-	-	-	0.18	0.18
Daya Drishti Charitable Trust	-	-	0.06	-	-	0.06
Asia Heart Foundation	-	-	1.10	-	-	1.10
Total	**-**	**18.98**	**3.05**	**-**	**0.18**	**22.21**
Long term loans and advances - Share application money pending allotment						
Trimedx India Private Limited	-	-	1.80	-	-	1.80
Health City Cayman Islands Ltd	-	231.23	-	-	-	231.23
Total	**-**	**231.23**	**1.80**	**-**	**-**	**233.03**
Long term loans and advances - Security deposit						
Charmakki Infrastructures	-	-	140.00	-	-	140.00
Trade payables						
Health City Cayman Islands Ltd	-	0.28	-	-	-	0.28
Amaryllis Healthcare Private Limited	-	-	5.28	-	-	5.28
Trimedx India Pvt Ltd	-	-	26.88	-	-	26.88
Charmakki Infrastructures	-	-	0.47	-	-	0.47
Mazumdar Shaw Medical Foundation	-	-	20.00	-	-	20.00
Total	**-**	**0.28**	**52.63**	**-**	**-**	**52.91**
Trade receivables						
Health City Cayman Islands Ltd	-	28.85	-	-	-	28.85
Asia Heart Foundation	-	-	0.31	-	-	0.31
Narayana Hrudayalaya Charitable Trust	-	-	1.71	-	-	1.71
Narayana Hrudayalaya Foundation	-	-	0.30	-	-	0.30
Total	**-**	**28.85**	**2.32**	**-**	**-**	**31.17**
Remuneration payable						
Mr Viren Shetty	1.27	-	-	-	-	1.27
Dr Ashutosh Raghuvanshi	3.12	-	-	-	-	3.12
Total	**4.39**	**-**	**-**	**-**	**-**	**4.39**
Corporate guarantee						
Health City Cayman Islands Ltd	-	537.03	-	-	-	537.03

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VII

Restated Consolidated Summary Statement of Accounting ratios

INR in millions except per share details

Particulars		**As at 31 March**				
		2011	**2012**	**2013**	**2014**	**2015**
Restated net worth at the end of the year (Refer note 5 and 6)	A	4,809.42	5,153.43	5,470.24	5,803.96	7,647.68
Net profit/(loss) as per Restated Consolidated Summary Statement of profit and loss	B	136.41	257.54	247.96	317.08	(108.61)
Add: Interest on debenture, net of tax		-	-	-	-	18.61
Net profit/(loss) after tax attributable to equity shareholders (including dilutive potential equity shares)	C	136.41	257.54	247.96	317.08	(90.00)
Weighted average number of equity shares outstanding during the year considered for calculating basic earning per share (Refer note 4)	D	188,234,954	188,234,954	188,234,954	188,234,954	190,910,293
Weighted average number of equity shares outstanding during the year considered for calculating dilutive earnings per share (Refer note 4)	E	188,234,954	188,234,954	188,234,954	188,234,954	192,285,674
Earnings per share of INR 10 each						
- Basic earnings/(loss) per share (INR)	F= B/D	0.72	1.37	1.32	1.68	(0.57)
- Diluted earnings/(loss) per share (INR)*	G = C/E	0.72	1.37	1.32	1.68	(0.57)
Return on net worth (%)	H = B/A	2.84%	5.00%	4.53%	5.46%	(1.42%)
Number of shares outstanding at the end of the year (bonus adjusted) (Refer note 4)	I	188,234,954	188,234,954	188,234,954	188,234,954	200,000,000
Net asset value per share	J=A/I	25.55	27.38	29.06	30.83	38.24

Notes:

1. The above ratios have been computed on the basis of the Restated Consolidated Summary Statements of the Group.

2. The above statement should be read with the basis of preparation and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement Adjustments to Audited Consolidated Financial Statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

3. The ratios have been computed as below:

a) Basic earnings/(loss) per share (INR) = $\frac{\text{Net profit/(loss) as per Restated Consolidated Summary Statement of profit and loss}}{\text{Weighted average number of equity shares outstanding during the year considered for calculating basic earnings per share (refer note 4)}}$

a) Diluted earnings/(loss) per share (INR) = $\frac{\text{Net profit after tax attributable to equity shareholders(including dilutive potential equity shares)}}{\text{Weighted average number of equity shares outstanding during the year considered for calculating dilutive earning per share (refer note 4)}}$

b) Return on net worth (%) = $\frac{\text{Net profit/(loss) as per Restated Consolidated Summary Statement of profit and loss}}{\text{Restated net worth at the end of the year}}$

c) Net asset value per share (INR) = $\frac{\text{Restated net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year (Refer note 4)}}$

4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

For the purposes of computation of basic, diluted earnings/(loss) per share and net asset value per share, the equity shares as at 31 March, 2015 and for the all the years presented are adjusted for such bonus shares.

5. The Company does not have any revaluation reserves.

6. Net worth include equity share capital and reserves and surplus, as restated (including capital reserve, debenture redemption reserve, securities premium account, foreign currency translation reserve and surplus (balance in statement of profit and loss).

7. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, prescribed under Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts Rules, 2014).

8. Weighted average number of equity shares considered for the computation of diluted earnings/(loss) per share are adjusted for the dilutive portion of outstanding debentures.

*The potential equity shares are anti-dilutive in nature therefore basic and dilutive earnings per share are the same.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure - VIII

Restated Consolidated Summary Statement of dividend

The Company has not paid any dividend in respect of the five years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure - IX

Restated Consolidated Summary Statement of capitalization

INR in millions

Particulars	**Pre-Issue as at 31 March 2015**	**As adjusted for issue (Refer note 4 below)**
Debt:		
Long term borrowings *		
Non-current portions (A) (Refer note 3 of Annexure VI)	2,065.78	
Current maturities (B) (Refer note 3 of Annexure VI)	569.22	
Total long term borrowings (C) = (A+B)	**2,635.00**	
Short term borrowings (D) (Refer note 3 of Annexure VI)	985.27	
Total borrowings E = (C+D)	**3,620.27**	
Shareholders funds:		
Share capital	2,000.00	
Reserves and surplus	5,647.68	
Total Shareholders Funds (F)	**7,647.68**	
Total long-term borrowings/Total Shareholders Funds (C/F)	0.34 : 1	
Total borrowings/Total Shareholders Funds (E/F)	0.47 : 1	

*excludes interest accrued but not due

Notes:

1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Group.

2. The above statement should be read with the basis of preparation and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement Adjustments to Audited Consolidated Financial Statements in Annexure V and Notes to Restated Consolidated Summary Statements appearing in Annexure VI.

3. There is no change in the share capital of the Company since 31 March 2015 (which is the last date as of which financial information has been given in the Restated Consolidated Summary Statements).

4. The corresponding figures (as adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

EXAMINATION REPORT ON RESTATED STANDALONE SUMMARY STATEMENTS

The Board of Directors
Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)
No. 258/A, Bommasandra Industrial Area
Anekal Taluk
Bengaluru – 560 099

Dear Sirs

1. We have examined the attached Restated Standalone Summary Statement of assets and liabilities as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, Restated Standalone Summary Statement of profit and loss for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 and Restated Standalone Summary Statement of cash flow for each of the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, together with the annexures thereto (hereinafter collectively referred to as "the Restated Standalone Summary Statements") of Narayana Hrudayalaya Limited (formerly known as Narayana Hrudayalaya Private Limited) ("the Company"), as approved by the Board of Directors of the Company, prepared in terms of the requirements of Section 26 of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the extent applicable, and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("the SEBI Regulations"), the Guidance note on "Reports in Company's Prospectuses (Revised)" issued by the Institute of Chartered Accountants of India ("ICAI"), to the extent applicable ("the Guidance Note") and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 9 June 2015 in connection with the proposed initial public offering of equity shares of the Company.

2. The above Restated Standalone Summary Statements have been extracted by the Management from the Company's audited standalone financial statements as at and for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015. The audit of the Company's standalone financial statements for the years ended 31 March 2011 and 31 March 2012 was conducted by B S R and Co. The audit of the Company's standalone financial statements for the years ended 31 March 2013 and 31 March 2014 was conducted by B S R R & Co. The audit of the Company's standalone financial statements for the year ended 31 March 2015 was conducted by us, B S R & Co. LLP.

   B S R and Co, B S R R & Co and B S R & Co. LLP are member firms of B S R & Affiliates, a network of firms, registered with ICAI.

Examination Report On Restated Standalone Summary Statements (continued)

3. In accordance with the requirements of Section 26 of the Act, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the extent applicable, the SEBI Regulations, the Guidance Note and the terms of our engagement agreed with you, we further report that:

   (a) The Restated Standalone Summary Statement of assets and liabilities of the Company as at and for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 examined by us, as set out in Annexure I to this examination report on Restated Standalone Summary Statements ("standalone report") read with the Significant accounting policies in Annexure IV and notes to Restated Standalone Summary Statements in Annexure VI, are after making such adjustments and regroupings, as in our opinion, were appropriate and more fully described in the Statement of restatement adjustments to audited standalone financial statements in Annexure V; and

   (b) The Restated Standalone Summary Statement of profit and loss of the Company, and the Restated Standalone Summary Statement of cash flow of the Company for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 examined by us, as set out in Annexures II and III respectively to this standalone report read with the Significant accounting policies in Annexure IV and notes to Restated Standalone Summary Statements in Annexure VI, are after such making adjustments and regroupings, as in our opinion, were appropriate and more fully described in the Statement of restatement adjustments to audited standalone financial statements in Annexure V.

4. Based on the above, we are of the opinion that the Restated Standalone Summary Statements:

   (a) have been made after incorporating adjustments for the changes in accounting estimates retrospectively in respective years to reflect the same accounting treatment as per the changed accounting estimates for all the reporting years based on the estimates adopted by the Company as on 31 March 2015;

   (b) have been made after incorporating adjustments for the prior period and other material amounts in the respective years to which they relate; and

   (c) do not contain any extra-ordinary items that need to be disclosed separately in the accounts and do not contain any qualifications requiring adjustments.

   Other remarks/comments in the Annexure to the Auditor's report on the financial statements of the Company for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 which do not require any corrective adjustment in the Restated Standalone Summary Statements are mentioned in Clause 4: Non-adjusting items under Annexure V.

5. We have also examined the following annexures in the Restated Standalone Summary Statements of the Company. These annexures have been prepared by the Management and approved by the Board of Directors of the Company as at and for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015:

   (a) Restated Standalone Summary Statement of accounting ratios as Annexure VII
   (b) Restated Standalone Summary Statement of tax shelter as Annexure VIII
   (c) Restated Standalone Summary Statement of dividend as Annexure IX
   (d) Restated Standalone Summary Statement of capitalization as Annexure X

Examination Report On Restated Standalone Summary Statements (continued)

6. In our opinion, the above financial information contained in Annexures I to X accompanying this standalone report read along with the Significant accounting policies in Annexure IV, notes to Restated Standalone Summary Statements in Annexure VI and the Statement of Restatement adjustments to audited standalone financial statements in Annexure V are prepared after making such adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of the Act, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the extent applicable, the SEBI Regulations, the Guidance Note and the terms of our engagement as agreed with you.

7. This standalone report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other auditors, nor should this standalone report be construed as an opinion on any of the audited standalone financial statements referred to herein.

8. We have no responsibility to update our standalone report for events and circumstances occurring after the date of the standalone report.

9. Our standalone report is intended solely for use of the Management for inclusion in the offer document in connection with the proposed initial public offering of equity shares of the Company. Our standalone report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Sunil Gaggar
Partner
Membership number: 104315

Place: Bengaluru
Date: 19 September 2015

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure - I

Restated Standalone Summary Statement of assets and liabilities

INR in millions

Particulars	Annexure reference	As at 31 March				
		2011	2012	2013	2014	2015
EQUITY AND LIABILITIES						
A. Shareholders' funds						
Share capital	Note 1 of Annexure VI	3.25	3.25	3.25	3.25	2,000.00
Reserves and surplus	Note 2 of Annexure VI	4,857.39	5,147.22	5,331.67	5,693.50	5,912.99
		4,860.64	**5,150.47**	**5,334.92**	**5,696.75**	**7,912.99**
B. Non-current liabilities						
Long-term borrowings	Note 3 of Annexure VI	872.75	1,112.67	1,731.89	2,172.17	1,593.36
Deferred tax liabilities (net)	Note 4 of Annexure VI	152.78	175.01	190.36	241.15	272.89
Other long-term liabilities	Note 5 of Annexure VI	-	8.65	15.17	20.86	46.22
Long-term provisions	Note 5 of Annexure VI	25.99	48.01	54.50	61.47	97.78
		1,051.52	**1,344.34**	**1,991.92**	**2,495.65**	**2,010.25**
C. Current liabilities						
Short-term borrowings	Note 3 of Annexure VI	0.00	0.00	293.22	522.17	943.47
Trade payables	Note 5 of Annexure VI	526.94	692.91	764.06	1,552.87	1,222.04
Other current liabilities	Note 5 of Annexure VI	545.13	543.03	864.18	973.83	778.73
Short-term provisions	Note 5 of Annexure VI	25.65	36.23	25.21	38.06	65.90
		1,097.72	**1,272.17**	**1,946.67**	**3,086.93**	**3,010.14**
TOTAL (D = A + B + C)		**7,009.88**	**7,766.98**	**9,273.51**	**11,279.33**	**12,933.38**
ASSETS						
E. Non-current assets						
Fixed assets						
Tangible assets	Note 6 of Annexure VI	4,066.13	4,068.29	4,984.75	6,194.67	6,424.77
Intangible assets	Note 6 of Annexure VI	3.56	3.49	50.13	70.18	30.72
Capital work-in-progress		366.88	725.57	421.83	121.04	88.53
Intangible assets under development		30.66	68.75	22.69	-	-
Non-current investments	Note 7 of Annexure VI	58.00	125.27	314.42	513.72	2,408.20
Long-term loans and advances	Note 8 of Annexure VI	1,451.27	1,532.86	1,679.82	1,926.82	1,465.15
Other non-current assets	Note 8.1 of Annexure VI	-	-	13.41	13.06	8.76
		5,976.50	**6,524.23**	**7,487.05**	**8,839.49**	**10,426.13**
F. Current assets						
Inventories	Note 9 of Annexure VI	251.87	271.41	364.02	473.87	482.63
Trade receivables	Note 10 of Annexure VI	462.28	672.44	914.70	1,331.50	1,430.65
Cash and bank balances	Note 11 of Annexure VI	172.99	138.11	229.25	223.13	233.71
Short-term loans and advances	Note 8 of Annexure VI	113.90	116.20	204.07	281.87	241.25
Other current assets	Note 8.1 of Annexure VI	32.34	44.59	74.42	129.47	119.01
		1,033.38	**1,242.75**	**1,786.46**	**2,439.84**	**2,507.25**
TOTAL (G = E + F)		**7,009.88**	**7,766.98**	**9,273.51**	**11,279.33**	**12,933.38**

Notes:

1) The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure - II

Restated Standalone Summary Statement of profit and loss

INR in millions

Particulars	Annexure reference	For the year ended 31 March				
		2011	2012	2013	2014	2015
INCOME						
Revenue from operations	Note 12 of Annexure VI	4,729.20	6,470.57	8,250.72	10,758.14	13,075.65
Other income	Note 13 of Annexure VI	26.22	23.77	22.76	155.02	100.53
Total revenue		**4,755.42**	**6,494.34**	**8,273.48**	**10,913.16**	**13,176.18**
EXPENSES						
Purchase of medical consumables, drugs and surgical equipment		1,616.76	1,965.47	2,401.18	2,866.45	3,286.36
Changes in inventories of medical consumables, drugs and surgical equipment	Note 14 of Annexure VI	(95.42)	(19.54)	(92.61)	(109.85)	(8.76)
Employee benefits	Note 15 of Annexure VI	771.79	1,108.33	1,539.22	1,924.04	2,640.64
Other expenses	Note 16 of Annexure VI	1,850.27	2,579.28	3,545.44	4,855.68	5,833.36
Total expenses		**4,143.40**	**5,633.54**	**7,393.23**	**9,536.32**	**11,751.60**
Profit before interest, tax, depreciation and amortization		**612.02**	**860.80**	**880.25**	**1,376.84**	**1,424.58**
Finance costs	Note 17 of Annexure VI	52.25	87.04	156.78	266.95	347.07
Depreciation and amortization	Note 6 of Annexure VI	313.89	355.68	439.69	546.81	619.56
Profit before tax, as restated		**245.88**	**418.08**	**283.78**	**563.08**	**457.95**
Tax expense						
Current tax		68.00	106.00	84.00	152.00	137.00
Deferred tax charge		32.80	22.25	15.33	50.79	31.75
Minimum Alternate Tax credit		(28.96)	-	-	-	-
Total tax expense		**71.84**	**128.25**	**99.33**	**202.79**	**168.75**
Profit for the year, as restated		**174.04**	**289.83**	**184.45**	**360.29**	**289.20**

Notes:

1) The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure III

Restated Standalone Summary Statement of cash flow

INR in millions

Particulars	**For the year ended 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Cash flow from operating activities					
Profit before tax, as restated	245.88	418.08	283.78	563.08	457.95
Adjustments:					
Foreign exchange unrealized gain, net	(0.40)	(0.50)	-	-	(1.09)
Depreciation and amortization	313.89	355.68	439.69	546.81	619.56
Provision for other than temporary diminution in the value of long-term investments	-	-	-	30.46	10.74
Interest income on bank deposits and others	(7.70)	(4.39)	(4.20)	(6.41)	(32.12)
Interest expense and other borrowing costs	52.25	87.04	156.78	266.95	347.07
Profit on sale of non-current investment	-	-	-	(93.02)	-
(Profit) / loss on sale of fixed assets	(1.77)	-	-	0.29	2.58
Operating cash flow before working capital changes	**602.15**	**855.91**	**876.05**	**1,308.16**	**1,404.69**
Changes in trade receivables	(252.43)	(210.16)	(242.26)	(416.80)	(99.15)
Changes in inventories	(95.42)	(19.54)	(92.61)	(109.85)	(8.76)
Changes in other assets	(22.11)	(12.25)	(28.40)	(55.05)	26.05
Changes in loans and advances	(124.61)	(104.99)	(139.44)	(134.08)	(267.10)
Changes in liabilities and provisions	332.32	196.36	244.22	1,248.09	(246.41)
Cash generated from operations	**439.90**	**705.33**	**617.56**	**1,840.47**	**809.32**
Income taxes paid, net	(101.12)	(131.59)	(172.28)	(195.79)	(199.83)
Net cash generated from operating activities (A)	**338.78**	**573.74**	**445.28**	**1,644.68**	**609.49**
Cash flow from investing activities					
Purchase of fixed assets	(983.66)	(850.75)	(1,071.67)	(1,221.80)	(803.07)
Investment in subsidiary	(146.31)	(19.58)	(189.25)	(403.92)	(377.38)
Movement in deposits (having original maturity of more than three months), net	116.05	26.74	(1.85)	(22.84)	(50.60)
Movement in deposits (due to mature after 12 months from the reporting date), net	-	-	(13.40)	1.68	2.39
Payment for acquisition of long-term investment	-	-	(0.26)	(2.74)	(883.95)
Government grant received	-	-	50.00	170.00	-
Proceeds from sale of fixed assets	3.79	-	-	-	10.11
Purchase of assets on slump sale	-	-	-	(419.83)	-
Proceeds from sale of non-current investments	-	-	-	168.78	-
Refund of share application money received	-	-	-	-	300.00
Unsecured loan given to related parties	-	-	-	-	(224.24)
Repayment of loan by related party	-	-	-	-	85.68
Interest received on bank deposits and others	7.70	3.37	2.76	4.74	18.43
Net cash (used) in investing activities (B)	**(1,002.43)**	**(840.22)**	**(1,223.67)**	**(1,725.93)**	**(1,922.63)**
Cash flow from financing activities					
Proceeds from long-term borrowings	614.07	468.02	932.27	502.38	985.80
Proceeds from short-term borrowings	-	-	225.00	-	300.00
Repayment of long-term borrowings	(81.00)	(125.02)	(202.61)	(418.59)	(2,744.06)
Repayment of short-term borrowings	-	-	-	(225.00)	(50.00)
Change in bank overdrafts	0.19	-	68.22	453.95	171.30
Proceeds from issue of debentures	-	-	-	-	1,000.00
Expenses incurred in relation to issue of debentures	-	-	-	-	(16.85)
Proceeds from issue of equity shares	-	-	-	-	2,000.06
Expenses incurred in relation to issue of shares	-	-	-	-	(56.18)
Interest and other borrowing costs paid	(48.45)	(84.65)	(155.22)	(264.00)	(316.95)
Net cash provided by financing activities (C)	**484.81**	**258.35**	**867.66**	**48.74**	**1,273.12**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(178.84)**	**(8.13)**	**89.27**	**(32.51)**	**(40.02)**
Cash and cash equivalents at the beginning of the year	313.64	134.80	126.67	215.94	187.00
Cash and cash equivalent acquired on slump sale basis	-	-	-	3.57	-
Cash and cash equivalents at the end of the year (refer to note 11 of Annexure VI)	**134.80**	**126.67**	**215.94**	**187.00**	**146.98**

Notes:
1) The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure IV

Company overview

Narayana Hrudayalaya Limited (‘the Company’) was incorporated on 19 July 2000 under the Companies Act, 1956. The Company, headquartered in Bengaluru is engaged in providing economical healthcare services. The Group was rebranded as ‘Narayana Health’ in 2013. It has a network of multispecialty and super specialty hospitals spread across multiple locations. The Company owns and operates certain hospitals and also enters into management agreements with hospitals under which the Company acquires the operating control of the hospitals.

The Restated Standalone Summary Statements relate to the Company and have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Standalone Summary Statements consist of the Restated Standalone Summary Statement of assets and liabilities of the Company as at 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015, the Restated Standalone Summary Statement of profits and loss for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 and the notes thereto and the Restated Standalone Summary Statement of cash flow for each of the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 and annexures thereto (hereinafter collectively referred to as “the Restated Standalone Summary Statements”).

The Restated Standalone Summary Statements have been prepared to comply in all material respects with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013 ('the 2013 Act'); and the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 notified by SEBI on August 26, 2009, as amended from time to time (“the SEBI Regulations”). The 2013 Act and the SEBI Regulations require the information in respect of the assets and liabilities and profits and losses of the Company for each of the five years immediately preceding the issue of the Prospectus.

These Restated Standalone Summary Statements were approved by the Board of Directors of the Company in their meeting held on 19 September 2015.

1. Significant accounting policies

1.1 Basis of preparation of Restated Standalone Summary Statements
The Restated Standalone Summary Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis of accounting and comply with the accounting standards prescribed under the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act 2013 [which has superseded section 211(3C) of the Companies Act 1956 w.e.f. 12 September 2013], other pronouncements of the Institute of Chartered Accountants of India (‘ICAI’), the provisions of the 2013 Act to the extent notified and applicable.

The accounting policies have been consistently applied by the Company. The restated standalone summary statements are presented in Indian rupees, rounded off to the nearest millions with two decimal except for earnings per share details and where not mentioned otherwise.

These Restated Standalone Summary Statements have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

(a) Adjustments, if any, for audit qualification requiring corrective adjustment in the financial statements;

(b) Adjustments for the material amounts in respective years / periods to which they relate;

(c) Adjustments for previous years identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred;

(d) Adjustments, if any, to the profits or losses of the earlier years and of the year in which the change in accounting estimate has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting estimate was followed in each of these years;

(e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year ended 31 March 2015 and the requirements of the SEBI Regulations;

(f) The resultant impact of deferred tax due to the aforesaid adjustments.

1.2 Use of estimates
The Restated Standalone Summary Statements is in conformity with generally accepted accounting principles in India which requires the management to make judgment estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future years.

1. Significant accounting policies (continued)

1.3 Current and non-current classification
All assets and liabilities are classified into current and non – current.

Assets
An asset is classified as current when it satisfies any of the following criteria:
(a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
(b) It is held primarily for the purpose of being traded;
(c) It is expected to be realized within 12 months after the reporting date; or
(d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
Current assets include the current portion of non – current financial assets.
All other assets are classified as non – current.

Liabilities
A liability is classified as current when it satisfies any of the following criteria:
a) It is expected to be settled in the Company's normal operating cycle;
b) It is held primarily for the purpose of being traded;
c) It is expected to be settled within 12 months after the reporting date; or
d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
Current liabilities include the current portion of non – current financial liabilities.
All other liabilities are classified as non – current.

Operating cycle
Operating cycle is the time between the acquisition of assets for processing and their realizations in cash or cash equivalents.

1.4 Inventories
The inventories of medical consumables, drugs and surgical equipment's are valued at lower of cost or net realizable value. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the net realizable value is the selling price. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for value added tax wherever applicable, applying the first in first out method.

1.5 Cash and cash equivalents
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.6 Cash flow statement
Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

1.7 Fixed assets, depreciation and amortization
Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation.

The cost of fixed assets not ready for their intended use before such date, are disclosed as capital work in progress. Advances paid towards acquisition of fixed assets outstanding as of the balance sheet date are disclosed under long-term loans and advances.

a) Tangible fixed assets
Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/ or accumulated impairment, if any. The cost of an item of tangible fixed assets comprises its purchase price, including import duties and other non-refundable taxes or levies, freight and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

b) Intangible fixed assets
Intangible assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.
Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

c) Depreciation and amortization
Leasehold improvements are being amortized over the term of the lease, or estimated useful life of the assets, whichever is lower. Consideration paid for acquiring leasehold land is amortized over the lease term.
Freehold land is not depreciated.
Depreciation on additions and disposals during the year is provided on proportionate basis.

Depreciation is provided on the straight line method over the estimated useful life of fixed assets.

1. Significant accounting policies (continued)

Fixed assets, depreciation and amortization (continued)

Change in accounting estimate
Pursuant to the notification of Schedule II to the Companies Act 2013 effective from April 01, 2014, the Company based on the internal technical evaluation revised the estimated useful life of office equipment and electrical installation.

Pursuant to this policy, the Company estimates the useful life of the fixed assets as follows:

Category of assets	Method of Depreciation	Erstwhile Useful Life				Revised Life
		31 March 2011	31 March 2012	31 March 2013	31 March 2014	31 March 2015
Building	Straight-line method	60 years	60 years	60 years	60 years	60 years
Electrical installation		15 years	15 years	15 years	15 years	10 years
Medical equipment		13 years	13 years	13 years	13 years	13 years
Office equipment		10 years	10 years	10 years	10 years	5 years
Other equipment including air conditioners		15 years	15 years	15 years	15 years	15 years
Furniture and fixtures		10 years	10 years	10 years	10 years	10 years
Computers		3 years	3 years	3 years	3 years	3 years
Computer software		3 years	3 years	3 years	3 years	3 years
Vehicles		5 years	5 years	5 years	5 years	5 years

1.8 Revenue recognition

Revenue from operations
Revenue from medical and healthcare services to patients is recognized as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognized in relation to the services rendered to the patients who are undergoing treatment/observation on the balance sheet date to the extent of services rendered.

Revenue is recognized net of discounts given to the patients.

Revenue from sale of medical consumables and drugs within the hospital premises is recognized when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

The Company has entered into management agreements with certain trusts, under which, the Company has a right over the management, operation and utilization of hospital facilities owned by the trusts. As a consideration towards the aforesaid arrangement, the Company is obligated to offer discounts to patients nominated by the trusts at free of cost/concession as per the terms of the agreement. The discounts thus offered have been recognized as revenue with a corresponding charge to rent expense.

'Unbilled revenue' represents value of medical and healthcare services rendered in excess of amounts billed to the patients as at the balance sheet date. 'Unearned revenue' comprises billings in excess of earnings.

Interest
Interest on the deployment of funds is recognized using the time-proportion method, based on underlying interest rates.

Dividend
Dividend income is recognized when the Company's right to receive dividend is established.

Learning and development income
Revenue is recognized on pro-rata basis on the completion of such services over the duration of the program.

1.9 Government grants
Government grants available to the Company are recognized
(i) where there is reasonable assurance that the Company will comply with the conditions attached to them; and
(ii) where such benefits have been earned by the Company and it is reasonably certain that the ultimate collection will be made.
Government grants related to the acquisition or construction of fixed assets are shown as a deduction from the gross value of the respective fixed assets.

1.10 Borrowing cost
Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily takes a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are accounted as an expense in the period in which they are incurred.

1.11 Investments
Long term investments are carried at cost. Provision is made, wherever necessary, for any diminution, other than temporary, in value of investments. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is determined separately for each individual investment.

1. Significant accounting policies (continued)

1.12 Income tax

Income-tax expense comprises of current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Minimum Alternate Tax ("MAT") paid in accordance with the tax laws which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in subsequent years. MAT credit entitlement can be carried forward and utilized for a period of 10 years from the year in which the same is availed. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

Assets and liabilities representing current tax and deferred tax are disclosed on a net basis where there is a legally enforceable right to set off and where the management intends to settle the asset and liability on a net basis.

1.13 Employee benefits

Short term employee benefits

Employee benefits payable wholly within 12 months of receiving services are classified as short-term employee benefits. These benefits include salary and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by the employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The company makes specified obligations towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the restated standalone summary statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned and returned for services in the current and prior periods; that benefit is discounted to determine its present value. The calculation of Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the restated standalone summary statement of profit and loss. All expenses related to defined benefit plans are recognized in employee benefit expense in the restated standalone summary statement of profit and loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in the restated standalone summary statement of profit and loss on a straight-line basis over the average period until the benefits become vested. The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

1.14 Earnings per share

The basic earnings per share is computed by dividing the restated net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the restated net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

1. Significant accounting policies (continued)

1.15 Foreign exchange transactions and translations

Foreign exchange transactions are recorded at the rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the restated standalone summary statement of profit and loss for the year except for exchange difference arising on settlement of long-term foreign currency monetary items (i.e. an asset or liability which is expressed in a foreign currency and has a term of 12 months or more at the date of the origination of the asset or liability) relating to acquisition of depreciable capital asset at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are added or deducted from the cost of the asset and shall be depreciated over the remaining life of the asset.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date; the resultant exchange differences are recognized in the restated standalone summary statement of profit and loss except for exchange difference arising on reporting of long-term foreign currency monetary items (i.e. an asset or liability which is expressed in a foreign currency and has a term of 12 months or more at the date of the origination of the asset or liability) relating to acquisition of depreciable capital asset at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are added or deducted from the cost of the asset and shall be depreciated over the remaining life of the asset.

1.16 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

Lease payments under operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term. Lease term is the non-cancellable period for which the Company has agreed to take on lease the asset together with any further periods for which the Company has the option to continue the lease and at the inception of the lease it is reasonably certain that the Company will exercise such an option.

The Company has entered into management agreements with certain trusts, under which, the Company has a right over the management, operation and utilization of hospital facilities owned by the trusts. As a consideration towards the aforesaid arrangement, the Company is obligated to offer discounts to patients nominated by the trusts at free of cost/ concession as per the terms of the agreement. The discounts thus offered have been recognized as revenue with a corresponding charge to rent expense.

1.17 Provisions and contingencies

Provision is recognized if, as a result of obligating events, there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

The disclosure of contingent liability is made if, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

No provision or disclosure is made if, as a result of obligating events, there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

1.18 Impairment of assets

The Company assesses at each balance sheet date using external and internal sources, whether there is any indication that an asset or a group of assets comprising a cash-generating unit may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the restated standalone summary statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognized.

1.19 Share issue expenses

Share issue expenses are adjusted against the securities premium account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilization in the securities premium account. The balance of share issue expenses in excess of the balance in the securities premium account is expensed in the statement of profit and loss.

1.20 Measurement of Profit/Earnings before Interest, Tax, Depreciation and Amortization

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (which is considered to be applicable even in the context of schedule III to the Companies Act, 2013) the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the restated standalone summary statement of profit and loss. In its measurement of EBITDA, the Company includes other income but does not include depreciation and amortization expense, finance costs and tax expense.

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Annexure V

Statement of Restatement adjustments to audited standalone financial statements

1. Impact of material adjustments

INR in millions

Particulars	Note	For the year ended 31 March				
		2011	2012	2013	2014	2015
Profit after tax as per audited statement of profit and loss		227.57	313.28	260.13	355.56	210.02
Adjustments on account of:						
a) Prior period item	B (i)	(45.98)	-	-	-	-
b) Provision for doubtful debts and bad debts written off	B (ii)	(6.51)	(20.72)	(97.63)	59.21	71.44
c) Depreciation	B (iii)	(27.67)	(13.95)	(17.08)	(21.58)	16.67
d) Provision for other than temporary diminution in the value of long-term investments	B (iv)	-	-	-	(30.46)	30.56
Total impact of the adjustments		**(80.16)**	**(34.67)**	**(114.71)**	**7.17**	**118.67**
d) Tax impact on adjustments	B (v)	26.63	11.22	39.03	(2.44)	(39.49)
Total adjustments		**(53.53)**	**(23.45)**	**(75.68)**	**4.73**	**79.18**
Profit after tax, as restated		**174.04**	**289.83**	**184.45**	**360.29**	**289.20**

2. Restatement adjustments made in the audited opening balance of Surplus in the Statement of profit and loss as at 1 April 2010

INR in millions

Particulars	Note	Amount
Surplus in the Statement of profit and loss as at 1 April 2010 as per audited financial statements		**698.51**
Restatement Adjustments		
a) Prior period item	B (i)	45.98
b) Provision for doubtful debts and bad debts written off	B (ii)	(5.78)
c) Depreciation	B (iii)	(1.53)
d) Provision for other than temporary diminution in the value of long-term investments	B (iv)	(0.10)
Total impact of the adjustments		**38.57**
Deferred tax impact of the above adjustments		(12.81)
Total impact of adjustments	B (v)	**25.76**
Surplus in the Statement of profit and loss as at 1 April 2010, as restated		**724.27**

Notes:

1) The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

3. Explanatory Notes:

A. Presentation and disclosure of financial statements

For the year ended 31 March 2012, the Revised Schedule VI notified under the Companies Act,1956 ("Act") was to be applied for preparation and presentation of the financial statements. Further, Schedule III of the 2013 Act was notified by Ministry of Corporate Affairs effective 01 April 2014. Accordingly, the Company has prepared the financial statements in accordance with Revised Schedule VI / Schedule III (as applicable). The adoption of Revised Schedule VI / Schedule III (as applicable) does not impact recognition and measurement principles followed for preparation of the financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

B. Other Adjustments

i) Prior period item

In the audited standalone financial statements for the year ended 31 March 2011, the Company had classified depreciation charge as prior period item. Accordingly, for the purpose of the Restated Standalone Summary Statements, the effect of the prior period item has been appropriately adjusted to 'Surplus in the Statement of profit and loss' as at 1 April 2010.

ii) Provision for doubtful debts and bad debts written off

Provision for doubtful debts and bad debts written off were made in the audited standalone financial statements for the years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015 where the uncertainty as to the ultimate collection of outstanding amount arose. For the purpose of the Restated Standalone Summary Statements, provision for doubtful debts and bad debts written off are considered in the respective years in which the amount of revenue was recognized irrespective of the triggering event including adjustment to 'Surplus in the Statement of profit and loss' as at 1 April 2010 for the revenue recognized in the years prior to 1 April 2010.

iii) Depreciation

Pursuant to the Schedule II of the 2013 Act, during the year ended 31 March 2015 (effective 1 April 2014), the Company based on the internal technical evaluation revised the estimated useful life of certain tangible fixed assets (office equipment and electrical installation).

Due to such revised lower useful life, depreciation charge in the audited statutory financials for the year ended 31 March 2015 is higher by INR 51.12 millions of which INR 6.37 millions (net of deferred tax) was adjusted through Surplus (profit and loss balance).

Though the change in accounting estimate affects period beginning 1 April 2014, for the purposes of Restated Standalone Summary Statements, the revised useful life for office equipment and electrical installation has been considered from the year beginning 1 April 2010 (i.e. for the year ended 31 March 2011) and the 'Surplus in the Statement of profit and loss' as at 1 April 2010 has been restated for depreciation pertaining to the periods before the year ended 31 March 2011. The impact of this revision is additional depreciation charge in the Restated Standalone Summary Statements, for the year ended 31 March 2011, 31 March 2012, 31 March 2013 and 31 March 2014. For the year ended 31 March 2015, there is a reversal of depreciation i.e. credit in the Restated Standalone Summary Statements considering that the charge in the audited statutory financial statements is higher. On account of this adjustment, Surplus (profit and loss balance) in the Restated Standalone Summary Statement as compared to the Surplus (profit and loss balance) in the audited statutory financials as at 31 March 2015 is lower by INR 36.72 million.

iv) Provision for other than temporary diminution in the value of long-term investments

Provision for diminution in value of long-term investments were made in the audited standalone financial statement for the year ended 31 March 2015 where the uncertainty as to the ultimate recoverability of investment amount arose. For the purpose of the Restated Standalone Summary Statements, provision for diminution in the value of long term investment are considered in the respective years in which the investment was made irrespective of the triggering event.

v) Deferred Tax:

Deferred tax effects of the above restatement adjustments have been adjusted in the respective years.

C. Material regroupings

Appropriate adjustments have been made in the Restated Standalone Summary Statement of assets and liabilities, Restated Standalone Summary Statement of profit and loss and Restated Standalone Summary Statement of cash flow, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financial statements of the Company for the year ended 31 March 2015, prepared in accordance with Schedule III of the Companies Act 2013, and the requirements of the SEBI Regulations.

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Annexure V

4. Non-adjusting items

In addition to the audit opinion on the standalone financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India under sub section (4A) of Section 227 of Companies Act 1956/ Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the 2013 Act. Certain statements/comments included in audit opinion on the standalone financial statements and CARO, which do not require any adjustments in the restated standalone summary statements are reproduced below in respect of the financial statements presented.

Financial year ended 31 March 2011

Clause (v) (b) of the CARO

In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in clause (v) (a) and exceeding the value of Rupees Five lakhs with each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for purchase and sale of fixed assets and procurement of certain services in relation to rendering of services by the Company and which are for the Company's specialized requirements and for which suitable alternative sources are not available to obtain comparable quotations. Further, the Company has purchased certain medicines and surgical equipment exceeding the value of Rupees Five lakhs from a party covered under Section 301 of the Companies Act, 1956 for which suitable comparable quotations are not available. However, on the basis of information and explanations provided, the same appear reasonable.

Clause (ix) (b) of the CARO

According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Customs duty and Service tax which have not been deposited with the appropriate authorities on account of any dispute *except for the following dues of Sales tax which have not been deposited by the Company on account of dispute:*

INR in millions

S.No	Name of Statute	Nature of dues	Amount	Period to which the Amount relates	Forum where dispute is Pending
1	Karnataka Special Tax on Entry of Certain Goods Act 2004	Special entry on Tax purchase of Elevators	1.19	2005-2006	Assistant Commissioner of Commercial Taxes, Bangalore
2	Karnataka Sales Tax Act, 1957	Sales Tax on Implants	8.95	2001-2002 2002-2003 2003-2004 2004-2005	Commercial Tax Officer (Intelligence), Bangalore

Financial year ended 31 March 2012

Clause (iv) of the CARO

In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain medicines and surgical equipment are for the Company's specialized requirements and suitable comparable quotations are not available, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

Clause (v) (b) of the CARO

In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in clause (v)(a) and exceeding the value of Rupees five lakhs with each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for purchase of certain medicines and surgical equipment which are for the Company's specialized requirements and for which suitable comparable quotations are not available. However, on the basis of information and explanations provided, the same appear reasonable.

Clause (ix) (b) of the CARO

According to the information and explanations given to us, there are no dues of Sales tax, Customs duty and Service tax which have not been deposited with the appropriate authorities on account of any dispute *except for the following dues of Sales tax and Income tax which have not been deposited by the Company on account of dispute:*

INR in millions

S.No	Name of Statute	Nature of dues	Amount	Period to which the Amount relates	Forum where dispute is Pending
1	Karnataka Special Tax on Entry of Certain Goods Act 2004	Special entry tax on purchase of elevators	2.15	Financial year 2005-2006 and 2008-2009	Assistant Commissioner of Commercial Taxes, Bangalore
2	Income Tax Act, 1961	Income Tax	2.17*	Assessment Year 2009-10	Commissioner of Income Tax (Appeals)

*Amount disclosed above is net of amounts paid under protest

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Annexure V

4. Non-adjusting items (continued)

Financial year ended 31 March 2013

Clause (i) (b) of the CARO

The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The Company is in the process of reconciling certain physically verified fixed assets with the fixed assets register and the Management is of the opinion that discrepancies, if any, will not be material.

Clause (iv) of the CARO

In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain medicines and surgical equipment are for the Company's specialised requirements and suitable comparable quotations are not available, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

Clause (v) (b) of the CARO

In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in clause (v)(a) and exceeding the value of Rupees Five lakhs with each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for purchase of certain medicines and surgical equipment which are for the Company's specialised requirements and for which suitable comparable quotations are not available. However, on the basis of information and explanations provided, the same appear reasonable.

Clause (ix) (b) of the CARO

According to the information and explanations given to us, there are no dues of Income tax, Customs duty and Service tax which have not been deposited with the appropriate authorities on account of any dispute *except for the following dues of Sales tax which have not been deposited by the Company on account of dispute:*

INR in millions

S.No	Name of Statute	Nature of dues	Amount	Period to which the Amount relates	Forum where dispute is Pending
1	Karnataka Special Tax on Entry of Certain Goods Act 2004	Special entry tax on purchase of elevators	2.15	Financial year 2005-2006 and 2008-2009	Assistant Commissioner of Commercial Taxes, Bangalore
2	Income Tax Act, 1961	Income Tax	2.17*	Assessment Year 2009-10	Commissioner of Income Tax (Appeals)

*Amount disclosed above is net of amounts paid under protest

Financial year ended 31 March 2014

Clause (iv) of the CARO

In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain medicines and surgical equipment are for the Company's specialized requirements and suitable comparable quotations are not available, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

Clause (v) (b) of the CARO

In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in clause (v)(a) and exceeding the value of Rupees Five lakhs with each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for purchase of certain medicines and surgical equipment which are for the Company's specialized requirements and for which suitable comparable quotations are not available. However, on the basis of information and explanations provided, the same appear reasonable.

Clause (ix) (a) of the CARO

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Customs duty, Service tax and any other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there have been slight delay in few cases. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund, Excise duty and Wealth tax.

Clause (ix) (b) of the CARO

According to the information and explanations given to us, there are no dues of Customs duty and Service tax which have not been deposited with the appropriate authorities on account of any dispute *except for the following dues of Sales tax and Income tax which have not been deposited by the Company on account of dispute:*

INR in millions

S.No	Name of Statute	Nature of dues	Amount	Period to which the Amount relates	Forum where dispute is Pending
1	Karnataka Special Tax on Entry of Certain Goods Act 2004	Special entry tax on purchase of elevators	2.15	Financial year 2005-2006 and 2008-2009	Assistant Commissioner of Commercial Taxes, Bangalore
2	Income Tax Act, 1961	Income Tax	2.17*	Assessment Year 2009-10	Commissioner of Income Tax (Appeals)

*Amount disclosed above is net of amounts paid under protest

Annexure V

4. Non-adjusting items (continued)

Financial year ended 31 March 2015

Clause (iv) of the Order

In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchase of certain medical consumables, drugs and surgical equipment are for the Company's specialized requirements and suitable comparable quotations are not available, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets and for sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

Clause (vii) of the Order

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee's State Insurance, Sales Tax, Duty of Customs and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities except for Income Tax, Professional Tax, Service Tax and Value Added Tax which have been deposited during the year by the Company with the appropriate authorities with delays. As explained to us, the Company did not have any dues on account of Duty of Excise and Wealth Tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Provident Fund, Employee's State Insurance, Sales Tax, Service Tax, Duty of Customs, Value Added Tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of Value Added Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise and Cess which have not been deposited with the appropriate authorities on account of any dispute. The following dues of Income Tax and Sales Tax have not been deposited by the Company on account of disputes.

INR in millions

S.No	**Name of Statute**	**Nature of dues**	**Amount**	**Period to which the Amount relates**	**Forum where dispute is pending**
1	Karnataka Special Tax on Entry of Certain Goods Act, 2004	Special entry tax on purchase of elevators	2.15	Financial year 2005-2006	Assistant Commissioner of Commercial Taxes, Bengaluru
2	Income tax Act, 1961	Income tax	2.17*	Assessment year 2009 2010	Assessing Officer

*Amount disclosed above is net of amounts paid under protest

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Annexure VI

Notes to the Restated Standalone Summary Statements

1. Share Capital

INR in millions, except share details

Particulars	As at 31 March									
	2011		2012		2013		2014		2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised										
Equity shares of INR 10 each	2,000,000	20.00	2,000,000	20.00	2,000,000	20.00	2,000,000	20.00	300,000,000	3,000.00
	2,000,000	**20.00**	**2,000,000**	**20.00**	**2,000,000**	**20.00**	**2,000,000**	**20.00**	**300,000,000**	**3,000.00**
Issued, subscribed and paid up										
Equity shares of INR 10 each, fully paid up	325,414	3.25	325,414	3.25	325,414	3.25	325,414	3.25	200,000,000	2,000.00
	325,414	**3.25**	**325,414**	**3.25**	**325,414**	**3.25**	**325,414**	**3.25**	**200,000,000**	**2,000.00**

Reconciliation of the equity shares outstanding at the beginning and at the end of the year:

Particulars	2011		2012		2013		2014		2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	325,414	3.25	325,414	3.25	325,414	3.25	325,414	3.25	325,414	3.25
Add: Shares issued during the year										
- For cash	-	-	-	-	-	-	-	-	20,339	0.20
- Bonus shares issued during the year	-	-	-	-	-	-	-	-	199,654,247	1,996.55
Shares outstanding at the end of the year	**325,414**	**3.25**	**325,414**	**3.25**	**325,414**	**3.25**	**325,414**	**3.25**	**200,000,000**	**2,000.00**

Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares referred to as equity shares having a nominal value of INR 10 each. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

Details of shareholders holding more than 5% shares:

Name of Shareholders	2011		2012		2013		2014		2015	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Dr Devi Prasad Shetty	115,385	35.46%	115,385	35.46%	115,385	35.46%	115,385	35.46%	66,744,179	33.37%
Shakuntala Shetty	110,860	34.07%	110,860	34.07%	110,860	34.07%	110,860	34.07%	64,126,703	32.06%
J P Morgan Mauritius Holdings IV Limited	37,707	11.59%	37,707	11.59%	37,707	11.59%	37,707	11.59%	21,811,524	10.91%
Ashoka Investment Holdings Limited	29,006	8.91%	29,006	8.91%	29,006	8.91%	29,006	8.91%	16,778,452	8.39%
CDC Group PLC	-	-	-	-	-	-	-	-	11,765,046	5.88%

The Company has not bought back any shares during the period of five years immediately preceding the last balance sheet date. Further, the Company has not issued any bonus shares or shares issued for consideration other than cash during the period of five years immediately preceding the last balance sheet date. During the year ended 31 March 2015, the Company has issued 199,654,247 bonus shares on 25 March 2015.

Notes

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
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Annexure VI

Notes to the Restated Standalone Summary Statements

2. Reserves and surplus

INR in millions

Particulars	As at 31 March				
	2011	**2012**	**2013**	**2014**	**2015**
Capital reserve					
At the commencement of the year	-	-	-	-	1.54
Add: Gain on assets acquired on slump sale basis	-	-	-	1.54	-
At the end of the year	-	-	-	1.54	1.54
Securities premium account					
At the commencement of the year	3,959.08	3,959.08	3,959.08	3,959.08	3,959.08
Add: Securities premium on issue of equity shares during the year	-	-	-	-	1,999.86
Less: Utilised during the year for					
Share issue and debenture issue expenses	-	-	-	-	73.03
Issuing bonus shares	-	-	-	-	1,996.54
At the end of the year	3,959.08	3,959.08	3,959.08	3,959.08	3,889.37
Debenture redemption reserve					
At the commencement of the year	-	-	-	-	-
Add: Amount transferred from surplus (balance in restated standalone summary statement of profit and loss) during the year	-	-	-	-	250.00
At the end of the year	-	-	-	-	250.00
Surplus (balance in restated standalone summary statement of profit and loss)					
At the commencement of the year	724.27	898.31	1,188.14	1,372.59	1,732.88
Add: Profit after tax transferred from statement of profit and loss	174.04	289.83	184.45	360.29	289.20
Less: Transfer to debenture redemption reserve	-	-	-	-	250.00
At the end of the year	898.31	1,188.14	1,372.59	1,732.88	1,772.08
Total	**4,857.39**	**5,147.22**	**5,331.67**	**5,693.50**	**5,912.99**

Notes :

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
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Annexure VI

Notes to the Restated Standalone Summary Statements

3. Long-term borrowings and Short-term borrowings

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Non-current portion of long-term borrowings					
Secured					
Term loans					
From banks	480.00	767.74	1,223.42	1,715.79	591.25
From other parties	392.75	344.93	508.47	456.38	2.11
Unsecured					
Debentures					
10,000,000 (Previous years : Nil) 10.5% optionally convertible debentures of INR 100 each fully paid up	-	-	-	-	1,000.00
Total (A)	**872.75**	**1,112.67**	**1,731.89**	**2,172.17**	**1,593.36**
Short-term borrowings					
Secured					
Loans repayable on demand					
Bank overdrafts	-	-	68.22	522.17	693.47
Short term loan from bank	-	-	225.00	-	-
Working capital loan	-	-	-	-	250.00
Total (B)	**-**	**-**	**293.22**	**522.17**	**943.47**
Current maturities of long-term borrowings					
Secured					
Term loans					
From banks	40.00	148.36	218.63	324.73	311.33
From other parties	98.12	92.85	133.02	192.61	37.37
Total (C)	**138.12**	**241.21**	**351.65**	**517.34**	**348.70**
Total (A+B+C)	**1,010.87**	**1,353.88**	**2,376.76**	**3,211.68**	**2,885.53**

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

3. Refer note 3(A) and 3(B) of Annexure VI for terms and conditions of secured and unsecured borrowings stated above.

4. There are no unsercured loans taken by the issuer from promoters/group companies/related parties.

5. The list of persons / entities classified as 'Promoters/group companies/related parties' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Narayana Hrudayalaya Limited
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Annexure VI

Notes to the Restated Standalone Summary Statements

3(A). Secured Loan - Details of long-term and short-term borrowings outstanding as at 31 March 2015

INR in millions

SI. No.	Name of the lender	Nature of borrowing	Sanctioned Currency	Amount sanctioned	Amount outstanding	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
1	CDC India Opportunities Limited (refer note 3(B) below for terms of conversion)	Debentures	INR	1,000.00	1,000.00	10.50%	14-Feb-13	24 months	Not applicable	Not applicable	Unsecured debentures.
2	Canara Bank	Term Loan	INR	750.00	154.59	Interest Rate is linked to Base Rate	25-Nov-10	It is repayable in 15 monthly installments from the reporting date.	2% p.a on outstanding amount.	2% p.a on outstanding amount.	Prime Security: Exclusive first charge on proposed machineries/ equipments to be purchased out of the term loan of INR 750 million for value INR 100 million Collateral Security (1): Charge on land and building located over Sy No: 1/1, 1/2, 2/2 and 2/3, Kittiganahalli, Attibele Hobli, Anekal Taluk, Bangalore Valued at INR 316.30 million. Collateral Security (2): Charge on Commercial Land measuring 1 acre and 6 Gunta for situated in Sy No. 25, Kittiganahalli, Attebele Hobli, Anekal Bangalore valued at INR 100 million.
3	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	150.00	105.00	10.25%	17-Sep-12	It is repayable in 14 quarterly installments from the reporting date.	Penalties at the bank's discretion	Without prejudice to bank's discretion to revoke the facilities , bank retains the right to charge penal interest at 2% on the outstanding amount.	Secured via mortgage of title deeds on the immovable property of Narayana Hospitals Private Limited. First pari-pasu charge on the Immovable and movable fixed assets of the Company, except for those exclusively charged for specific loans.
4	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	87.50	61.25	10.25%	17-Sep-12	It is repayable in 14 quarterly installments from the reporting date.			
5	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	42.50	29.75	10.25%	17-Sep-12	It is repayable in 14 quarterly installments from the reporting date.			
6	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	50.00	35.00	10.25%	17-Sep-12	It is repayable in 14 quarterly installments from the reporting date.			
7	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	50.00	37.50	10.25%	17-Sep-12	It is repayable in 15 quarterly installments from the reporting date.			
8	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	100.00	75.00	10.25%	17-Sep-12	It is repayable in 15 quarterly installments from the reporting date.			
9	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	100.00	75.00	10.25%	17-Sep-12	It is repayable in 15 quarterly installments from the reporting date.			
10	The Hongkong and Shanghai Banking Corporation Limited	Term Loan	INR	95.00	76.00	10.25%	17-Sep-12	It is repayable in 16 quarterly installments from the reporting date.			

3(A). Secured Loan - Details of long-term and short-term borrowings outstanding as at 31 March 2015 (continued)

INR in millions

SI. No.	Name of the lender	Nature of borrowing	Sanctioned Currency	Amount sanctioned	Amount outstanding	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
11	Export - Import Bank of India	Term Loan	USD	281.66 (USD 4.50 millions)	253.49	Interest Rate is linked to Libor + 340 points.	20-Nov-13	It is repayable in 18 quarterly installments from the reporting date.	Not applicable	1.2% on outstanding amount in case of default in payment of principal or interest 2.Failure to furnish annual report, progress report or non compliance of undertaking of the promoters for non disposal of their shareholding liable to penal interest at the rate of 0.5% on outstanding principal amount.	Exclusive charge on land and building located over Sy No: 135/1 and 135/2, Kittiganahalli, Attebele Hobli, Anekal Bangalore valued at INR 462.10 million.
12	Philips Electronics India Limited	Equipment Loan	INR	18.02	6.10	7.26%	30-May-11	It is repayable in 6 quarterly installments from the reporting date.	Not applicable	Philips Electronics India Limited at its absolute discretion call upon the borrower to pay outstanding amount along with the interest.	Secured via charge on specific equipment purchased from the sanctioned loan.
13	Srei Equipment Finance Limited	Equipment Loan	INR	27.40	5.80	7.25%	24-Jun-10	It is repayable in 2 quarterly installments from the reporting date.	2% on outstanding amount	0.1% on of the overdue amount.	Secured via charge on specific equipment purchased from the sanctioned loan.
14	Wipro Ge HealthCare Pvt. Ltd.	Equipment Loan	INR	84.00	27.58	7.25%	08-Oct-10	It is repayable in 2 quarterly installments from the reporting date.	Not applicable	Interest will be paid @ 12% on outstanding amount.	Secured via charge on specific equipment purchased from the sanctioned loan.
15	Kotak Bank	Working Capital Loan	INR	300.00	250.00	10.40%	07-Jul-14	It is repayable in 10 monthly installments from the reporting date.	Pre-payment if prior to completion of tenor of the facility without 15 days notice, attract penal charge to be to be mutually decided between bank & borrower.	1.For default in payment, 2% on outstanding amount 2.For non creation of security, 1% p.m for the first month of delay, 2% p.m thereafter 3.For failure to furnish annual report, provisional unaudited financials and failure to provide insurance cover, INR 5,000 p.m of delay 4.For failure to provide monthly stock and debt statements and quarterly results, INR 2,000 p.m of delay.	Subservient charge over current assets both present and future.
16	The Hongkong and Shanghai Banking Corporation Limited	Overdraft	INR	150.00	99.85	Base Rate + 0.97 % p.a	17-Sep-12	It is repayable on demand.	Not applicable	2% p.a on outstanding amount.	First pari-pasu charge on the stocks and debtors of the Company.
17	Canara Bank	Overdraft	INR	250.00	235.47	Base Rate + 0.30 % p.a	25-Nov-10	It is repayable on demand.	Not applicable	2% p.a on outstanding amount.	Collateral Security (1): Charge on land and building located over Sy No: 1/1, 1/2, 2/2 and 2/3, Kittiganahalli, Attibele Hobli, Anekal Taluk, Bangalore Valued at INR 316.30 million. Collateral Security (2): Charge on Commercial Land measuring 1 acre and 6 Gunta for situated in Sy No. 25, Kittiganahalli, Attebele Hobli, Anekal Bangalore valued at INR 100 million.

3(A). Secured Loan - Details of long-term and short-term borrowings outstanding as at 31 March 2015 (continued)

INR in millions

SI. No.	Name of the lender	Nature of borrowing	Sanctioned Currency	Amount sanctioned	Amount outstanding	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
18	Yes Bank Limited	Overdraft	INR	400.00	198.66	Base Rate + 0.25 % p.a	03-Feb-14	12 months with revolving nature.	Not applicable	2% on outstanding amount.	First pari-pasu charge on the movable fixed assets both (Present and furture) of the company, except for those exclusively charged for specific loans. And subservient charge on current assets of company (present and future).
19	HDFC Limited	Overdraft	INR	300.00	159.49	Base Rate + 0.40 % p.a	14-Feb-13	One year	Not applicable	3% on outstanding amount.	Charge on stock less than 180 days and book debts less than 90 days.
Total					**2,885.53**						

3(B). Investment by CDC in equity shares and debentures
During the year, the Company has issued 20,339 equity shares of INR 10 each at a premium of INR 98,326.27 per share to CDC Group PLC on 24 December 2014 (face value of INR 10 per share) aggregating INR 2,000.06 million. The Company has also issued 10,000,000 10.50% optionally convertible debentures (OCD) aggregating INR 1,000.00 million to CDC India Opportunities Limited (CDC India):

10.50% OCD were allotted on 24th December 2014 (effective date). These debentures are redeemable/convertible as per terms of the agreement given below:

- If the existing investors sell their shares in Offer For Sale (OFS) by way of Initial Public Offering (IPO), then the OCD shall be compulsorily converted into equity shares. Conversion price is lower of 10% discount to the IPO price or valuation as per the agreement.

In the above case, if the IPO is before 22 March 2016 (15 months) then only OCD value will be converted into equity shares. If the IPO is between 22 March 2016 and 31 December 2016, then OCD value along with the interest @ 10.5% together will be converted into equity shares.

- If the existing investors do not sell their shares in OFS, then the Conversion will be at the option of the Company, else, OCD will be redeemed
- If there is no IPO on or before 31 December 2016, then CDC India has the option to convert OCD along with interest into equity shares at valuation as per the agreement
- If there is no IPO till 31 December 2021 and if CDC India is not able to sell its equity shares then the Company is required to buyback the equity shares at fair value from CDC India.

Notes:
1. The figures disclosed above are based on the Restated Consolidated Summary Statement of assets and liabilities of the Company

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

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Annexure VI

Notes to the Restated Standalone Summary Statements

4. Deferred tax liabilities (net)

INR in millions

Particulars	As at 31 March				
	2011	**2012**	**2013**	**2014**	**2015**
Deferred tax assets					
Provision for doubtful receivables	8.71	17.70	54.52	65.34	63.42
Provision for gratuity	9.23	16.94	19.82	21.77	34.27
Provision for compensated absences	7.92	10.40	7.27	12.06	21.37
Provision for diminution in the value of long-term investment	-	-	-	10.35	14.04
Other current liabilities	2.31	2.50	24.04	8.47	9.70
	28.17	**47.54**	**105.65**	**117.99**	**142.80**
Deferred tax liability					
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act.	180.95	222.55	296.01	359.14	415.69
Deferred tax liabilities (net)	**152.78**	**175.01**	**190.36**	**241.15**	**272.89**

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
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Annexure VI

Notes to the Restated Standalone Summary Statements

5. Other long-term liabilities, trade payables, other current liabilities and long-term and short-term provisions

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Non-current liabilities					
Other long-term liabilities					
Unearned revenue	-	8.65	15.17	20.86	20.85
Interest accrued but not due on debentures (net of tax deducted at source)	-	-	-	-	25.37
Total (A)	**-**	**8.65**	**15.17**	**20.86**	**46.22**
Long-term provisions					
Provision for employee benefits					
Gratuity	25.99	48.01	54.50	61.47	97.78
Total (B)	**25.99**	**48.01**	**54.50**	**61.47**	**97.78**
Current liabilities					
Trade payables					
Trade payables	525.66	684.79	735.79	1,504.95	1,157.99
Payables to related parties	1.28	8.12	28.27	47.92	64.05
Total (C)	**526.94**	**692.91**	**764.06**	**1,552.87**	**1,222.04**
Other current liabilities					
To parties other than related parties					
Current maturities of long-term borrowings	138.12	241.21	351.65	517.34	348.70
Interest accrued but not due on borrowings	3.80	6.20	7.76	10.35	4.28
Other payables					
Book overdraft	54.48	46.56	88.42	7.31	1.02
Advance from patients	62.87	51.02	60.62	91.84	83.53
Accrued salaries and benefits	42.28	46.21	75.63	111.95	130.01
Unearned revenue	-	0.46	50.83	1.18	1.24
Rent equalization	4.19	0.74	5.40	5.44	5.64
Creditors for capital goods	145.67	51.19	39.24	96.41	55.75
Statutory liabilities (value added tax, sales tax, tax deducted at source etc.)	35.65	41.23	51.57	71.49	67.60
Other liabilities	0.19	0.18	75.03	2.49	18.54
To related parties					
Other payables					
Creditors for capital goods	57.88	58.03	58.03	58.03	58.03
Accrued salaries and benefits	-	-	-	-	4.39
Total (D)	**545.13**	**543.03**	**864.18**	**973.83**	**778.73**
Short-term provisions					
Provision for employee benefits					
Gratuity	1.80	4.19	3.81	2.58	3.03
Compensated absences	23.85	32.04	21.40	35.48	62.87
Total (E)	**25.65**	**36.23**	**25.21**	**38.06**	**65.90**
TOTAL (A+B+C+D+E)	**1,123.71**	**1,328.83**	**1,723.12**	**2,647.09**	**2,210.67**

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

Annexure VI

Notes to the Restated Standalone Summary Statements

5. Other long-term liabilities, trade payables, other current liabilities and long-term and short-term provisions (continued)

3. Following are the amounts due to Promoters/promoter group/group companies/directors and their relatives/related parties:

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Trade payables					
Amaryllis Healthcare Private Limited	0.27	1.53	1.39	6.91	4.94
Hrudayalaya Pharmacy	0.73	1.07	0.51	-	-
Akkayya Hospitality services	0.28	0.02	0.11	-	-
(formerly known as Akkayya Consultancy Services)					
Narayana Hrudayalaya Surgical Hospital Private Limited	-	-	0.03	0.03	-
Trimedx India Private Limited	-	-	10.56	17.44	26.88
Narayana Hrudayalaya Foundation	-	-	-	0.02	-
Health City Cayman Islands Ltd	-	-	-	3.10	0.28
Narayana Hospitals Private Limited	-	5.10	15.62	18.99	11.48
Mazumdar Shaw Medical Foundation	-	-	-	-	20.00
Charmakki Infrastructures	-	-	-	-	0.47
Daya Drishti Charitable Trust	-	0.40	-	-	-
Asia Heart Foundation	-	-	0.05	1.43	-
Creditors for capital goods					
Narayana Institute for Advanced Research Private Limited	57.88	58.03	58.03	58.03	58.03
Accrued salaries and benefits					
Mr. Viren Shetty	-	-	-	-	1.27
Dr. Ashutosh Raghuvanshi	-	-	-	-	3.12

4. The list of persons / entities classified as 'Promoters/promoter group/group companies/directors and their relatives/related parties' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

6. Fixed Assets

For the year ended 31 March 2011

INR in millions

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1 April 2010	Additions	Deletions*	As at 31 March 2011	As at 1 April 2010	Depreciation	Deletions*	As at 31 March 2011	31 March 2011	31 March 2010
Tangible assets (owned)										
Freehold land (i)	43.10	0.46	-	43.56	-	-	-	-	43.56	43.10
Land (ii)	17.33	-	-	17.33	1.46	0.69	-	2.15	15.18	15.87
Building (ii)	326.21	30.18	-	356.39	26.11	30.08	-	56.19	300.20	300.10
Building	477.11	81.70	-	558.81	5.31	10.20	-	15.51	543.30	471.80
Building (iii)	185.91	195.69	-	381.60	6.94	8.60	-	15.54	366.06	178.97
Leasehold improvements	14.10	40.06	-	54.16	7.56	4.34	-	11.90	42.26	6.54
Electrical installation	282.71	105.62	0.89	387.44	45.12	45.21	0.04	90.29	297.15	237.59
Medical equipment	1,366.79	753.99	10.80	2,109.98	288.41	131.42	0.27	419.56	1,690.42	1,078.38
Office equipment	27.51	5.54	0.15	32.90	12.05	4.91	0.01	16.95	15.95	15.46
Other equipment including air conditioners	390.72	165.92	2.70	553.94	75.20	32.16	0.04	107.32	446.62	315.52
Furniture and fixtures	178.29	106.18	12.67	271.80	51.78	25.00	0.24	76.54	195.26	126.51
Computers	41.04	29.02	0.85	69.21	18.82	17.47	0.10	36.19	33.02	22.22
Vehicles	13.46	9.99	8.30	15.15	8.29	2.48	6.28	4.49	10.66	5.17
Total - A	**3,364.28**	**1,524.35**	**36.36**	**4,852.27**	**547.05**	**312.56**	**6.98**	**852.63**	**3,999.64**	**2,817.23**
Tangible assets (leased)										
Leasehold land (iv)	21.84	46.14	-	67.98	0.36	1.13	-	1.49	66.49	21.48
Total - B	**21.84**	**46.14**	**-**	**67.98**	**0.36**	**1.13**	**-**	**1.49**	**66.49**	**21.48**
Total tangible assets (A+B)	**3,386.12**	**1,570.49**	**36.36**	**4,920.25**	**547.41**	**313.69**	**6.98**	**854.12**	**4,066.13**	**2,838.71**
Intangible assets										
Computer software	11.05	-	-	11.05	7.29	0.20	-	7.49	3.56	3.76
Total - C	**11.05**	**-**	**-**	**11.05**	**7.29**	**0.20**	**-**	**7.49**	**3.56**	**3.76**
Grand total (A+B+C)	**3,397.17**	**1,570.49**	**36.36**	**4,931.30**	**554.70**	**313.89**	**6.98**	**861.61**	**4,069.69**	**2,842.47**

Notes

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.
2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

(i) includes land in possession and occupation of the Company to the extent of 3 acre 24 guntas out of total 11 acres 33 guntas in Bangalore allotted by Karnataka Industrial Areas Development Board ('KIADB') to the Company on lease cum sale basis for which the Company is yet to execute the sale deed as at 31 March 2011.

(ii) pursuant to clause 7.7 of the Investment Agreement and Clause 3.1(d) of the Shareholders' Agreement signed in January 2008 between the Company, Promoters and Investors who have acquired a significant equity stake in the Company, a Promoter of the Company has the right but not the obligation to require the Company to transfer the Land and Building at no consideration. This right has not been exercised till the date of these financial statements. On exercise of the right, the promoter is obligated to lease the asset to the Company for an initial term of 15 years with an extension of 10 years in accordance with the terms of the aforesaid agreements at no consideration. The said Land and Building has been amortized over a period of 25 years based on the Management's estimate of the lease term for the above arrangement.

(iii) represents the cost of construction of building at the leasehold premises at Kolkata and Jamshedpur. The cost also includes the cost of building at Jaipur. The land and building at Jaipur has been leased to Company for 99 years effective 1 July 2010 by a subsidiary, Narayana Hospitals Private Limited. This amount has been depreciated over the estimated useful life of the asset, or lease term, whichever is lower.

(iv) includes land provided by Mysore Urban Development Authority (MUDA) on lease effective 1 September 2010 for an initial period of 30 years. The said leasehold land is being amortized over a period of 30 years.

* includes assets transferred (other than vehicles) to Narayana Hrudayalaya Dental Clinics Private Limited ('NHDC'), a subsidiary company at book value.

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Annexure VI

Notes to the Restated Standalone Summary Statements

6. Fixed Assets (continued)

For the year ended 31 March 2012

INR in millions

Particulars	**Gross block**				**Accumulated depreciation**				**Net block**
	As at 1 April 2011	**Additions**	**Deletions**	**As at 31 March 2012**	**As at 1 April 2011**	**Depreciation**	**Deletions**	**As at 31 March 2012**	**31 March 2012**
Tangible assets (owned)									
Freehold land (i)	43.56	0.30	-	43.86	-	-	-	-	43.86
Land (ii)	17.33	-	-	17.33	2.15	0.67	-	2.82	14.51
Building (ii)	356.39	12.20	-	368.59	56.19	14.13	-	70.32	298.27
Building	558.81	3.23	-	562.04	15.51	9.52	-	25.03	537.01
Building (iii)	381.60	71.42	-	453.02	15.54	19.06	-	34.60	418.42
Leasehold improvements	54.16	2.93	-	57.09	11.90	2.63	-	14.53	42.56
Electrical installation	387.44	22.38	-	409.82	90.29	38.65	-	128.94	280.88
Medical equipment	2,109.98	123.01	-	2,232.99	419.56	167.02	-	586.58	1,646.41
Office equipment	32.90	6.59	-	39.49	16.95	5.50	-	22.45	17.04
Other equipment including air conditioners	553.94	51.62	-	605.56	107.32	40.87	-	148.19	457.37
Furniture and fixtures	271.80	38.73	-	310.53	76.54	30.32	-	106.86	203.67
Computers	69.21	19.87	-	89.08	36.19	20.11	-	56.30	32.78
Vehicles	15.15	2.82	-	17.97	4.49	2.68	-	7.17	10.80
Total - A	**4,852.27**	**355.10**	**-**	**5,207.37**	**852.63**	**351.16**	**-**	**1,203.79**	**4,003.58**
Tangible assets (leased)									
Leasehold land (iv)	67.98	-	-	67.98	1.49	1.78	-	3.27	64.71
Total - B	**67.98**	**-**	**-**	**67.98**	**1.49**	**1.78**	**-**	**3.27**	**64.71**
Total tangible assets (A+B)	**4,920.25**	**355.10**	**-**	**5,275.35**	**854.12**	**352.94**	**-**	**1,207.06**	**4,068.29**
Intangible assets									
Computer software	11.05	2.67	-	13.72	7.49	2.74	-	10.23	3.49
Total - C	**11.05**	**2.67**	**-**	**13.72**	**7.49**	**2.74**	**-**	**10.23**	**3.49**
Grand total (A+B+C)	**4,931.30**	**357.77**	**-**	**5,289.07**	**861.61**	**355.68**	**-**	**1,217.29**	**4,071.78**

Notes

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

(i) includes land in possession and occupation of the Company to the extent of 3 acre 24 guntas out of total 11 acres 33 guntas in Bangalore allotted by Karnataka Industrial Areas Development Board ('KIADB') to the Company on lease cum sale basis for which the Company is yet to execute the sale deed as at 31 March 2012.

(ii) pursuant to clause 7.7 of the Investment Agreement and Clause 3.1(d) of the Shareholders' Agreement signed in January 2008 between the Company, Promoters and Investors who have acquired a significant equity stake in the Company, a Promoter of the Company has the right but not the obligation to require the Company to transfer the Land and Building at no consideration. This right has not been exercised till the date of these financial statements. On exercise of the right, the promoter is obligated to lease the asset to the Company for an initial term of 15 years with an extension of 10 years in accordance with the terms of the aforesaid agreements at no consideration. The said Land and Building has been amortized over a period of 25 years based on the Management's estimate of the lease term for the above arrangement.

(iii) represents the cost of construction of building at the leasehold premises at Kolkata and Jamshedpur. The cost also includes the cost of building at Jaipur (addition).The land and building at Jaipur has been leased to Company for 99 years effective 1 July 2010 by a subsidiary, Narayana Hospitals Private Limited. This amount has been depreciated over the estimated useful life of the asset, or lease term, whichever is lower.

(iv) includes land provided by Mysore Urban Development Authority (MUDA) on lease effective 1 September 2010 for an initial period of 30 years. The said leasehold land is being amortized over a period of 30 years.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI

Notes to the Restated Standalone Summary Statements

6. Fixed Assets (continued)

For the year ended 31 March 2013

INR in millions

Particulars	**Gross block**				**Accumulated depreciation**				**Net block**
	As at 1 April 2012	**Additions**	**Deletions**	**As at 31 March 2013**	**As at 1 April 2012**	**Depreciation**	**Deletions**	**As at 31 March 2013**	**31 March 2013**
Tangible assets (owned)									
Freehold land (i)	43.86	-	-	43.86	-	-	-	-	43.86
Land (ii)	17.33	-	-	17.33	2.82	0.70	-	3.52	13.81
Building (ii)	368.59	10.08	-	378.67	70.32	14.76	-	85.08	293.59
Building	562.04	132.83	-	694.87	25.03	10.66	-	35.69	659.18
Building (iii)	453.02	426.60	-	879.62	34.60	27.25	-	61.85	817.77
Leasehold improvements	57.09	10.37	-	67.46	14.53	3.27	-	17.80	49.66
Electrical installation	409.82	114.87	-	524.69	128.94	47.79	-	176.73	347.96
Medical equipment	2,232.99	383.54	-	2,616.53	586.58	190.68	-	777.26	1,839.27
Office equipment	39.49	19.82	-	59.31	22.45	7.44	-	29.89	29.42
Other equipment including air conditioners	605.56	120.43	-	725.99	148.19	47.89	-	196.08	529.91
Furniture and fixtures	310.53	84.53	-	395.06	106.86	36.28	-	143.14	251.92
Computers	89.08	25.72	-	114.80	56.30	21.55	-	77.85	36.95
Vehicles	17.97	1.30	-	19.27	7.17	3.62	-	10.79	8.48
Total - A	**5,207.37**	**1,330.09**	**-**	**6,537.46**	**1,203.79**	**411.89**	**-**	**1,615.68**	**4,921.78**
Tangible assets (leased)									
Leasehold land (iv)	67.98	0.04	-	68.02	3.27	1.78	-	5.05	62.97
Total - B	**67.98**	**0.04**	**-**	**68.02**	**3.27**	**1.78**	**-**	**5.05**	**62.97**
Total tangible assets (A+B)	**5,275.35**	**1,330.13**	**-**	**6,605.48**	**1,207.06**	**413.67**	**-**	**1,620.73**	**4,984.75**
Intangible assets									
Computer software	13.72	72.66	-	86.38	10.23	26.02	-	36.25	50.13
Total - C	**13.72**	**72.66**	**-**	**86.38**	**10.23**	**26.02**	**-**	**36.25**	**50.13**
Grand total (A+B+C)	**5,289.07**	**1,402.79**	**-**	**6,691.86**	**1,217.29**	**439.69**	**-**	**1,656.98**	**5,034.88**

Notes

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

(i) includes land in possession and occupation of the Company to the extent of 3 acre 24 guntas out of total 11 acres 33 guntas in Bangalore allotted by Karnataka Industrial Areas Development Board ('KIADB') to the Company on lease cum sale basis for which the Company is yet to execute the sale deed as at 31 March 2013.

(ii) pursuant to clause 7.7 of the Investment Agreement and Clause 3.1(d) of the Shareholders’ Agreement signed in January 2008 between the Company, Promoters and Investors who have acquired a significant equity stake in the Company, a Promoter of the Company has the right but not the obligation to require the Company to transfer the Land and Building at no consideration. This right has not been exercised till the date of these financial statements. On exercise of the right, the promoter is obligated to lease the asset to the Company for an initial term of 15 years with an extension of 10 years in accordance with the terms of the aforesaid agreements at no consideration. The said Land and Building has been amortized over a period of 25 years based on the Management's estimate of the lease term for the above arrangement.

(iii) represents the cost of construction of building at the leasehold premises at Kolkata and Jamshedpur. The cost also includes the cost of building at Jaipur (addition).The land and building at Jaipur has been leased to Company for 99 years effective 1 July 2010 by a subsidiary, Narayana Hospitals Private Limited. This amount has been depreciated over the estimated useful life of the asset, or lease term, whichever is lower.

(iv) includes land provided by Mysore Urban Development Authority (MUDA) on lease effective 1 September 2010 for an initial period of 30 years. The said leasehold land is being amortized over a period of 30 years.

Annexure VI

Notes to the Restated Standalone Summary Statements

6. Fixed Assets

For the year ended 31 March 2014

INR in millions

Particulars	Gross block						Accumulated depreciation					Net block
	As at 1 April 2013	Additions	Assets acquisition on slump sale basis ^	Deletions	Deletion on sale of subsidiary during the year ^^	As at 31 March 2014	As at 1 April 2013	Depreciation	Deletions	Deletion on sale of subsidiary during the year ^^	As at 31 March 2014	31 March 2014
Tangible assets (owned)												
Freehold land (i)	43.86	26.74	273.50	-	-	344.10	-	-	-	-	-	344.10
Land (ii)	17.33	-	-	-	-	17.33	3.52	0.69	-	-	4.21	13.12
Building (ii)	378.67	12.86	-	-	-	391.53	85.08	15.37	-	-	100.45	291.08
Building	694.87	31.65	86.46	-	-	812.98	35.69	12.29	-	-	47.98	765.00
Building (iii)	879.62	47.78	-	-	-	927.40	61.85	31.90	-	-	93.75	833.65
Leasehold improvements	67.46	37.81	-	-	-	105.27	17.80	7.81	-	-	25.61	79.66
Electrical installation	524.69	63.03	-	0.07	-	587.65	176.73	53.85	0.07	-	230.51	357.14
Medical equipment	2,616.53	746.24	39.64	0.85	5.26	3,396.30	777.26	247.10	0.47	1.92	1,021.97	2,374.33
Office equipment	59.31	41.34	3.92	0.18	0.32	104.07	29.89	14.04	0.02	0.02	43.89	60.18
Other equipment including air conditioners	725.99	95.81	14.06	0.14	2.03	833.69	196.08	52.73	0.14	1.33	247.34	586.35
Furniture and fixtures	395.06	173.22	8.49	0.34	-	576.43	143.14	46.61	0.34	-	189.41	387.02
Computers	114.80	20.19	-	-	0.17	134.82	77.85	23.46	-	0.17	101.14	33.68
Vehicles	19.27	2.89	0.37	0.72	-	21.81	10.79	3.54	0.69	-	13.64	8.17
Total - A	**6,537.46**	**1,299.56**	**426.44**	**2.30**	**7.78**	**8,253.38**	**1,615.68**	**509.39**	**1.73**	**3.44**	**2,119.90**	**6,133.48**
Tangible assets (leased)												
Leasehold land (iv)	68.02	-	-	-	-	68.02	5.05	1.78	-	-	6.83	61.19
Total - B	**68.02**	**-**	**-**	**-**	**-**	**68.02**	**5.05**	**1.78**	**-**	**-**	**6.83**	**61.19**
Total tangible assets (A+B)	**6,605.48**	**1,299.56**	**426.44**	**2.30**	**7.78**	**8,321.40**	**1,620.73**	**511.17**	**1.73**	**3.44**	**2,126.73**	**6,194.67**
Intangible assets												
Computer software	86.38	55.69	-	0.01	-	142.06	36.25	35.64	0.01	-	71.88	70.18
Total - C	**86.38**	**55.69**	**-**	**0.01**	**-**	**142.06**	**36.25**	**35.64**	**0.01**	**-**	**71.88**	**70.18**
Grand total (A+B+C)	**6,691.86**	**1,355.25**	**426.44**	**2.31**	**7.78**	**8,463.46**	**1,656.98**	**546.81**	**1.74**	**3.44**	**2,198.61**	**6,264.85**

Notes

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

^ The additions includes assets acquired on slump sale basis.

^^ The deletions includes sale of fixed assets to Narayana Hrudayalaya Dental Clinics Private Limited (NHDC) as per the share purchase agreement dated 21 May 2013.

(i) includes land in possession and occupation of the Company to the extent of 3 acre 24 guntas out of total 11 acres 33 guntas in Bangalore allotted by Karnataka Industrial Areas Development Board ('KIADB') to the Company on lease cum sale basis for which the Company is yet to execute the sale deed as at 31 March 2014.

(ii) pursuant to clause 7.7 of the Investment Agreement and Clause 3.1(d) of the Shareholders' Agreement signed in January 2008 between the Company, Promoters and Investors who have acquired a significant equity stake in the Company, a Promoter of the Company has the right but not the obligation to require the Company to transfer the Land and Building at no consideration. This right has not been exercised till the date of these financial statements. On exercise of the right, the promoter is obligated to lease the asset to the Company for an initial term of 15 years with an extension of 10 years in accordance with the terms of the aforesaid agreements at no consideration. The said Land and Building has been amortized over a period of 25 years based on the Management's estimate of the lease term for the above arrangement.

(iii) represents the cost of construction of building at the leasehold premises at Kolkata and Jamshedpur. The cost also includes the cost of building at Jaipur (addition). The land and building at Jaipur has been leased to Company for 99 years effective 1 July 2010 by a subsidiary, Narayana Hospitals Private Limited. This amount has been depreciated over the estimated useful life of the asset, or lease term, whichever is lower.

(iv) includes land provided by Mysore Urban Development Authority (MUDA) on lease effective 1 September 2010 for an initial period of 30 years. The said leasehold land is being amortized over a period of 30 years.

Annexure VI

Notes to the Restated Standalone Summary Statements

6. Fixed Assets

For the year ended 31 March 2015

INR in millions

Particulars	Gross block				Accumulated depreciation				Net block
	As at 1 April 2014	Additions	Deletions	As at 31 March 2015	As at 1 April 2014	Depreciation	Deletions	As at 31 March 2015	31 March 2015
Tangible assets (owned)									
Freehold land (i)	344.10	0.00	0.00	344.10	0.00	0.00	0.00	0.00	344.10
Land (ii)	17.33	0.00	0.00	17.33	4.21	1.01	0.00	5.22	12.11
Building (ii)	391.53	0.37	0.00	391.90	100.45	15.70	0.00	116.15	275.75
Building	812.98	104.57	0.00	917.55	47.98	13.99	0.00	61.97	855.58
Building (iii)	927.40	60.08	0.00	987.48	93.75	32.30	0.00	126.05	861.43
Leasehold improvements	105.27	59.04	1.64	162.67	25.61	18.03	0.84	42.80	119.87
Electrical installation	587.65	33.72	0.16	621.21	230.51	58.51	0.01	289.01	332.20
Medical equipment	3,396.30	375.29	42.88	3,728.71	1,021.97	274.72	31.47	1,265.22	2,463.49
Office equipment	104.07	22.78	0.10	126.75	43.89	19.56	0.02	63.43	63.32
Other equipment including air conditioners	833.69	87.22	0.09	920.82	247.34	59.92	0.01	307.25	613.57
Furniture and fixtures	576.43	49.99	0.04	626.38	189.41	47.55	0.02	236.94	389.44
Computers	134.82	19.95	0.07	154.70	101.14	25.55	0.05	126.64	28.06
Vehicles	21.81	2.06	1.81	22.06	13.64	3.67	1.69	15.62	6.44
Total - A	**8,253.38**	**815.07**	**46.79**	**9,021.66**	**2,119.90**	**570.51**	**34.11**	**2,656.30**	**6,365.36**
Tangible assets (leased)									
Leasehold land (iv)	68.02	0.00	0.00	68.02	6.83	1.78	0.00	8.61	59.41
Total - B	**68.02**	**0.00**	**0.00**	**68.02**	**6.83**	**1.78**	**0.00**	**8.61**	**59.41**
Total tangible assets (A+B)	**8,321.40**	**815.07**	**46.79**	**9,089.68**	**2,126.73**	**572.29**	**34.11**	**2,664.91**	**6,424.77**
Intangible assets									
Computer software	142.06	7.81	0.00	149.87	71.88	47.27	0.00	119.15	30.72
Total (C)	**142.06**	**7.81**	**0.00**	**149.87**	**71.88**	**47.27**	**0.00**	**119.15**	**30.72**
Grand total (A+B+C)	**8,463.46**	**822.88**	**46.79**	**9,239.55**	**2,198.61**	**619.56**	**34.11**	**2,784.06**	**6,455.49**

Notes

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.
2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

(i) includes land in possession and occupation of the Company to the extent of 3 acre 24 guntas out of total 11 acres 33 guntas in Bangalore allotted by Karnataka Industrial Areas Development Board ('KIADB') to the Company on lease cum sale basis for which the Company is yet to execute the sale deed as at 31 March 2015.

(ii) pursuant to clause 7.7 of the Investment Agreement and Clause 3.1(d) of the Shareholders' Agreement signed in January 2008 between the Company, Promoters and Investors who have acquired a significant equity stake in the Company, a Promoter of the Company has the right but not the obligation to require the Company to transfer the Land and Building at no consideration. This right has not been exercised till the date of these financial statements. On exercise of the right, the promoter is obligated to lease the asset to the Company for an initial term of 15 years with an extension of 10 years in accordance with the terms of the aforesaid agreements at no consideration. The said Land and Building has been amortised over a period of 25 years based on the Management's estimate of the lease term for the above arrangement.

(iii) represents the cost of construction of building at the leasehold premises at Kolkata and Jamshedpur. The cost also includes the cost of building at Jaipur (addition).The land and building at Jaipur has been leased to Company for 99 years effective 1 July 2010 by a subsidiary, Narayana Hospitals Private Limited. This amount has been depreciated over the estimated useful life of the asset, or lease term, whichever is lower.

(iv) includes land provided by Mysore Urban Development Authority (MUDA) on lease effective 1 September 2010 for an initial period of 30 years. The said leasehold land is being amortized over a period of 30 years.

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

Annexure VI

Notes to the Restated Standalone Summary Statements

7. Non-current investments

INR in millions, except share and face value details

Particulars	Face value	As at 31 March 2011		2012		2013		2014		2015	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
(Unquoted, valued at cost unless stated otherwise)											
Investments in equity instruments											
Subsidiaries (Trade investments)											
Narayana Institute for Advanced Research Private Limited (Invested with a premium of INR 45.47 per share)	10	1,038,387	57.60	1,038,387	57.60	1,038,387	57.60	1,038,387	57.60	1,038,387	57.60
Narayana Hrudayalaya Surgical Hospital Private Limited	10	10,000	0.10	2,000,000	20.00	2,000,000	20.00	2,000,000	20.00	2,000,000	20.00
Narayana Hospitals Private Limited	10	20,000	0.20	20,000	0.20	20,000	0.20	20,000	0.20	53,261,443	532.61
Narayana Health Institutions Private Limited (net-off provision for other than temporary dimunition INR 10.84 million in the year ended 31 March 2015)	10	10,000	-	10,000	-	10,000	-	10,000	-	1,104,040	0.20
Narayana Cayman Holdings Ltd (Invested with a premium of USD 999.99 per share)*	USD 0.01	1	-	1	-	3,436,572	188.89	6,671	389.16	13,615	811.37
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD. (net-off provision for other than temporary dimunition INR 30.46 million in the year ended 31 March 2015)	MYR 1	-	-	2	-	2	-	2*	20.02	2,585,136	20.02
Asia Healthcare Development Limited (Invested with a premium of INR 3.44 per share)	10	-	-	-	-	-	-	1,766,648	23.74	1,766,648	23.74
Meridian Medical Research & Hospital Limited (Invested with a premium of INR 28.75 per share)	10	-	-	-	-	-	-	-	-	22,933,232	883.95
Narayana Vaishno Devi Specialty Hospitals Private Limited	10	-	-	-	-	-	-	-	-	50,000	0.50
Narayana Hrudayalaya Dental Clinics Private Limited (Invested with a premium of INR 56.86 per share)	10	10,000	0.10	710,000	47.47	710,000	47.47	-	-	-	-
Others (Non-trade investment)											
Trimedx India Private Limited	100	-	-	-	-	2,585	0.26	30,005	3.00	30,005	3.00
Investments in debentures											
Subsidiary (Trade Investment)											
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD. (6% partly convertible debentures)	MYR 1	-	-	-	-	-	-	-	-	2,960,786	55.21
Total			**58.00**		**125.27**		**314.42**		**513.72**		**2,408.20**

* Transfer/ sale of shares is subject to approval of Exim Bank, as loan is obtained to make investment in these subsidiaries

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

Annexure VI

Notes to the Restated Standalone Summary Statements

8. Long-term and short-term loans and advances

INR in millions

Particulars	As at 31 March				
	2011	**2012**	**2013**	**2014**	**2015**
Long-term loans and advances					
(Unsecured and considered good)					
To parties other than related parties					
Capital advances	22.59	23.24	29.95	64.66	36.70
Security deposits	40.30	57.57	121.06	187.29	166.28
Prepaid expense	185.81	261.60	248.12	236.29	221.73
Advance income tax and tax deducted at source, net	30.02	68.66	156.95	208.34	304.32
Share application money pending allotment	0.05	-	0.01	0.01	-
Income-tax paid under protest	-	-	-	10.00	10.00
Minimum Alternate Tax credit entitlement	50.75	50.75	50.75	33.15	-
Other loans and advances	27.09	24.02	25.61	16.32	3.51
To related parties					
Unsecured loan	-	-	-	-	215.74
Security deposits	140.00	140.00	140.00	140.00	420.00
Share application money pending allotment	954.66	907.02	907.37	975.55	86.87
Debenture application money pending allotment	-	-	-	55.21	-
Total (A)	**1,451.27**	**1,532.86**	**1,679.82**	**1,926.82**	**1,465.15**
Short-term loans and advances					
(Unsecured, considered good)					
To parties other than related parties					
Security deposits	14.80	18.55	19.74	23.15	23.78
Prepaid expense	22.28	29.52	26.74	38.73	37.02
Balance with government authorities					
Value added tax receivable	-	-	-	4.44	4.44
Employee state insurance receivable	-	-	-	4.24	-
Minimum alternate tax credit entitlement	13.05	-	-	-	-
Other loans and advances	20.28	8.77	68.99	33.36	123.66
To related parties					
Unsecured loan	-	-	-	77.18	-
Due for reimbursement of expenses	43.49	59.36	88.60	100.77	52.35
Total (B)	**113.90**	**116.20**	**204.07**	**281.87**	**241.25**
Total (A+B)	**1,565.17**	**1,649.06**	**1,883.89**	**2,208.69**	**1,706.40**

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

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Notes to the Restated Standalone Summary Statements

8. Long-term and short-term loans and advances (continued)

3. Following are the amounts due from Promoters/promoter group/group companies/directors and their relatives/related parties:

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Unsecured loan					
Narayana Hospitals Private Limited	-	-	-	-	20.00
Narayana Hrudayalaya Surgical Hospital Private Limited	-	-	-	77.18	-
Meridian Medical Research & Hospital Limited	-	-	-	-	195.74
Security deposits					
Narayana Hospitals Private Limited	-	-	-	-	280.00
Charmakki Infrastructures	140.00	140.00	140.00	140.00	140.00
Share application money pending allotment					
Narayana Hospitals Private Limited	832.41	832.41	832.41	832.41	-
Narayana Health Institutions Private Limited	10.09	10.14	10.14	10.14	-
Narayana Hrudayalaya Dental Clinics Private Limited	54.27	6.90	6.90	-	-
Narayana Hrudayalaya Surgical Hospital Private Limited	2.53	2.21	-	-	-
Trimedx India Private Limited	-	-	-	0.87	1.81
Narayana Cayman Holdings Ltd	55.36	55.36	57.92	132.13	85.06
Debenture application money pending allotment					
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD	-	-	-	55.21	-
Due for reimbursement of expenses					
Narayana Hospitals Private Limited	6.63	5.42	6.85	8.89	-
Narayana Health Institutions Private Limited	0.10	0.12	0.22	0.33	0.33
Narayana Hrudayalaya Surgical Hospital Private Limited	-	0.08	28.13	38.18	-
Narayana Hrudayalaya Dental Clinics Private Limited	-	5.77	17.59	5.84	-
Narayana Cayman Holdings Ltd	-	7.11	17.63	26.58	27.68
Narayana Institute for Advanced Research Private Limited	-	0.24	0.36	0.51	0.51
Narayana Vaishno Devi Specialty Hospitals Private Limited	-	-	-	-	1.60
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD	-	0.35	0.91	0.02	0.01
Narayana Health Academy Private Limited	0.42	0.46	0.57	0.57	-
Health City Cayman Island Ltd	-	-	-	16.95	18.98
Trimedx India Private Limited	-	-	-	0.93	-
Narayana Hrudayalaya Foundation	-	-	-	0.65	0.96
Akkayya Hospitality Services	-	-	-	0.04	0.18
(formerly known as Akkayya Consultancy Services)					
Asia Heart Foundation	36.17	39.81	15.91	-	1.10
Daya Drishti Charitable Trust	0.17	-	0.43	0.43	0.06
Hrudayalaya Pharmacy	-	-	-	0.85	0.94

4. The list of persons / entities classified as 'Promoters/promoter group/group companies/directors and their relatives/related parties' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

Annexure VI

Notes to the Restated Standalone Summary Statements

8.1 Other non-current and other current assets

INR in millions

Particulars	**As at 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Other non-current assets					
(Unsecured, considered good unless otherwise stated)					
Bank deposits (due to mature after 12 months from the reporting date)	-	-	12.58	10.90	8.51
Interest accrued but not due on fixed deposits	-	-	0.83	2.16	0.25
Total (A)	**-**	**-**	**13.41**	**13.06**	**8.76**
Other current assets					
(Unsecured, considered good unless otherwise stated)					
Interest accrued on fixed deposits but not due	0.17	1.19	2.62	2.96	4.68
Interest accrued on debentures from related party	-	-	-	-	1.74
Interest accrued on unsecured loan from related party	-	-	-	-	11.12
Interest accrued on security deposit	-	-	-	-	1.01
Unbilled revenue	32.17	43.40	71.80	126.51	100.46
Total (B)	**32.34**	**44.59**	**74.42**	**129.47**	**119.01**
Total (A+B)	**32.34**	**44.59**	**87.83**	**142.53**	**127.77**

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

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Notes to the Restated Standalone Summary Statements

9. Inventories

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Inventories (valued at lower of cost and net realizable value)					
Medical consumables, drugs and surgical equipment	251.87	271.41	364.02	480.87	492.75
Less: Provision for slow and non-moving	-	-	-	7.00	10.12
Total	**251.87**	**271.41**	**364.02**	**473.87**	**482.63**

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

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Notes to the Restated Standalone Summary Statements

10. Trade receivables

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
To parties other than related parties					
Receivables outstanding for a period exceeding six months from the date they became due for payment					
Unsecured, considered good	77.62	100.81	72.39	201.05	295.41
Considered doubtful	26.23	54.53	160.41	192.22	186.57
Less: Provision for doubtful receivables	(26.23)	(54.53)	(160.41)	(192.22)	(186.57)
Total (A)	**77.62**	**100.81**	**72.39**	**201.05**	**295.41**
Other receivables					
Unsecured, considered good	373.23	562.06	829.74	1,076.59	1,044.31
Total (B)	**373.23**	**562.06**	**829.74**	**1,076.59**	**1,044.31**
To related parties (C)	11.43	9.57	12.57	53.86	90.93
Total (A+B+C)	**462.28**	**672.44**	**914.70**	**1,331.50**	**1,430.65**

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

3. Following are the amounts due from Promoters/promoter group/group companies/directors and their relatives/related parties:

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD.	-	-	-	7.06	-
Health City Cayman Island Ltd.	-	-	-	42.82	28.85
Narayana Hrudayalaya Dental Clinics Private Limited	-	1.94	4.22	-	-
Meridian Medical Research & Hospital Limited	-	-	-	-	59.76
Hrudayalaya Pharmacy	-	-	-	0.85	-
Asia Heart Foundation	1.37	1.25	-	0.31	0.31
Narayana Hrudayalaya Charitable Trust	10.06	6.38	7.87	2.31	1.71
Narayana Hrudayalaya Foundation	-	-	0.48	0.51	0.30

4. The list of persons / entities classified as 'Promoters/promoter group/group companies/directors and their relatives/related parties' has been determined by the Management and relied upon by the Auditors.The Auditors have not performed any procedure to determine whether the list is accurate and complete.

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Notes to the Restated Standalone Summary Statements

11. Cash and bank balances

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Cash and cash equivalents					
Cash on hand	11.88	19.61	33.26	35.41	20.10
Cheques on hand	-	-	0.18	-	3.10
Balance with banks					
-On current accounts	122.56	88.37	176.34	151.59	123.78
-On deposit accounts (with original maturity of 3 months or less)	0.36	18.69	6.16	-	-
	134.80	126.67	215.94	187.00	146.98
Other bank balances					
-On deposit accounts (due to mature within 12 months of reporting date)*	38.19	11.44	13.31	36.13	86.73
Total	**172.99**	**138.11**	**229.25**	**223.13**	**233.71**

*The above deposits includes deposit given against bank guarantee

Details of bank deposits:

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	0.36	18.69	6.16	-	-
Bank deposits due to mature within 12 months from the reporting date included under 'Other bank balances'	38.19	11.44	13.31	36.13	86.73
Bank deposits due to mature after 12 months from the reporting date included under 'Other non-current assets'	-	-	12.58	10.90	8.51
Total	**38.55**	**30.13**	**32.05**	**47.03**	**95.24**

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

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Notes to the Restated Standalone Summary Statements

12. Revenue from operations

INR in millions

Particulars	For the year ended 31 March				
	2011	**2012**	**2013**	**2014**	**2015**
Income from medical and healthcare services	4,606.62	6,297.12	8,030.53	10,416.55	12,532.77
Sale of medical consumables, drugs and surgical equipment	119.51	164.74	211.47	310.21	493.70
Other operating revenue					
Learning and development income	2.06	5.17	2.03	23.46	29.96
Teleradiology income	-	-	-	3.63	9.92
Revenue share income	1.01	3.54	6.69	4.29	9.30
Total	**4,729.20**	**6,470.57**	**8,250.72**	**10,758.14**	**13,075.65**

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of profit and loss of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

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Notes to the Restated Standalone Summary Statements

13. Other income

INR in millions

Particulars	Nature (Recurring/Non-recurring)	For the year ended 31 March				
		2011	2012	2013	2014	2015
Donations received	Recurring	2.54	4.74	5.60	2.51	1.81
Foreign exchange gain, net	Recurring	0.64	0.50	0.84	17.54	10.11
Interest income on						
- Bank deposits	Recurring	6.83	4.39	4.08	5.10	7.33
- Unsecured loan	Recurring	-	-	-	1.31	22.86
- Others	Recurring	0.87	-	0.12	-	1.93
Guarantee commission	Non-recurring	-	-	-	-	13.15
Profit on sale of non-current investment	Non-recurring	-	-	-	93.02	-
Profit on sale of fixed asset	Non-recurring	1.77	-	-	-	-
Miscellaneous income	Recurring/Non-recurring	13.57	14.14	12.12	35.54	43.34
Total		**26.22**	**23.77**	**22.76**	**155.02**	**100.53**

Notes:

1. The classification of other income as recurring / non-recurring activity is based on the current operations and business activity of the Company as determined by the Management.

2. The figures disclosed above are based on the Restated Standalone Summary Statement of profit and loss of the Company.

3. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

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Notes to the Restated Standalone Summary Statements

14. Changes in inventories of medical consumables, drugs and surgical equipment

INR in millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
Changes in inventories of medical consumables, drugs and surgical equipment					
Inventories at the beginning of the year (A)	156.45	251.87	271.41	364.02	473.87
Inventories at the end of the year (B)	251.87	271.41	364.02	473.87	482.63
Total (A-B)	**(95.42)**	**(19.54)**	**(92.61)**	**(109.85)**	**(8.76)**

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

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Notes to the Restated Standalone Summary Statements

15. Employee benefits

INR in millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
Salaries, wages and bonus	724.67	1,025.39	1,424.65	1,793.64	2,461.60
Contribution to provident and other funds	42.94	76.14	97.99	112.76	148.57
Staff welfare expenses	4.18	6.80	16.58	17.64	30.47
Total	**771.79**	**1,108.33**	**1,539.22**	**1,924.04**	**2,640.64**

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of profit and loss of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

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Notes to the Restated Standalone Summary Statements

16. Other expenses

INR in millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
Hospital operating expenses					
Professional fees to doctors	904.85	1,244.75	1,596.21	2,125.01	2,500.25
Power and fuel	176.16	218.57	279.69	339.54	397.11
Hospital general expenses	96.35	121.17	164.70	191.24	166.95
House keeping expenses	77.67	131.77	176.83	229.50	284.10
Patient welfare expenses	60.23	102.82	150.01	145.90	222.82
Rent	63.59	85.20	91.21	144.89	171.79
Hospital management fees	38.04	70.32	107.36	156.20	211.98
Medical gas charges	18.25	24.65	30.73	41.93	48.35
Biomedical wastage expenses	4.17	5.74	8.49	8.47	9.46
Repairs and maintenance					
- Hospital equipment	75.69	117.88	134.92	180.84	258.05
- Building	15.01	23.38	45.06	40.68	52.87
- Others	28.41	40.15	109.32	160.19	215.50
Administrative expenses					
Traveling and conveyance	32.26	43.74	64.78	101.61	130.56
Security charges	25.40	41.22	68.81	87.19	115.28
Printing and stationery	32.57	57.69	64.97	66.84	81.70
Rent	31.69	37.55	56.84	64.77	72.86
Advertisement and publicity	32.40	33.88	62.58	201.86	270.75
Legal and professional fees	14.08	30.95	40.54	162.76	142.82
Business promotion	18.33	48.56	60.46	87.68	115.92
Telephone and communication	13.87	18.11	26.65	35.74	39.51
Bank charges	10.40	12.03	16.72	24.48	35.01
Insurance	8.15	11.09	19.61	23.76	31.58
Corporate social responsibility	12.71	10.78	12.47	9.11	10.60
Rates and taxes	31.17	8.82	17.22	19.08	61.23
Books and periodicals	-	1.43	2.63	2.51	7.44
Provision for doubtful debts	15.24	28.30	121.77	24.32	(5.28)
Bad debts written off	3.07	0.12	-	137.08	163.81
Loss on sale of fixed assets	-	-	-	0.29	2.58
Provision for other than temporary diminution in the value of long-term investments	-	-	-	30.46	10.74
Miscellaneous expenses	10.51	8.61	14.86	11.75	7.02
Total	**1,850.27**	**2,579.28**	**3,545.44**	**4,855.68**	**5,833.36**

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of profit and loss of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

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Notes to the Restated Standalone Summary Statements

17. Finance costs

INR in millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
Interest expense on					
- term loans from banks	26.00	60.01	124.53	161.35	166.05
- bank overdraft	-	-	4.60	32.20	82.42
- debentures	-	-	-	-	28.19
- others	26.25	27.03	27.65	68.77	48.93
Other borrowing costs	-	-	-	4.63	10.67
Net loss on foreign currency transactions and translation to the extent regarded as borrowing costs	-	-	-	-	10.81
Total	**52.25**	**87.04**	**156.78**	**266.95**	**347.07**

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of profit and loss of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

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Notes to the Restated Standalone Summary Statements

18. Leases

The Company has taken hospitals, office and residential premises under cancellable operating lease agreements. The Company intends to renew such leases in the normal course of business.

The Company is obligated under non-cancellable operating leases for hospital / office premises. The total rental expenses under cancellable and non-cancellable operating leases are as follows:

INR in millions

Particulars	**For the year ended 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Cancellable operating lease	63.70	88.43	85.59	172.40	191.93
Non-cancellable operating lease	31.58	34.32	37.28	37.25	52.74
Total	**95.28**	**122.75**	**122.87**	**209.65**	**244.67**

Future minimum lease payments under non-cancellable operating leases are as follows:

INR in millions

Particulars	**As at 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Not later than 1 year	193.73	35.92	35.99	36.40	57.59
Later than 1 year and not later than 5 years	779.57	144.17	146.39	145.94	236.69
Later than 5 years	3,191.96	503.26	465.37	427.48	682.90
Total	**4,165.26**	**683.35**	**647.75**	**609.82**	**977.18**

19. Auditor's remuneration (excluding service tax) included in legal and professional fees

INR in millions

Particulars	**For the year ended 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Statutory audit fees	0.75	1.25	2.00	2.00	2.20
Other services fees	0.33	0.04	0.26	0.22	0.26
Out of pocket expenses	0.04	0.05	0.05	0.06	0.16
Total	**1.12**	**1.34**	**2.31**	**2.28**	**2.62**

20. Expenditure in foreign currency

INR in millions

Particulars	**For the year ended 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Business promotion	0.30	0.38	6.32	7.86	12.59
Traveling and conveyance	0.14	-	-	-	-
Legal and professional fees	-	0.11	0.95	0.81	-
Repairs and maintenance on hospital equipment and others	-	-	-	-	0.79
Interest expenses	-	-	-	2.19	10.40
Rates and taxes	-	-	2.48	4.17	-
Total	**0.44**	**0.49**	**9.75**	**15.03**	**23.78**

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Notes to the Restated Standalone Summary Statements

21. Earnings in foreign currency

INR in millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
Income from medical and healthcare services (cash basis)	66.80	121.82	131.84	180.26	187.29
Sale of medical consumables and drugs	-	-	-	66.14	55.52
Guarantee commission	-	-	-	-	13.15
Software License fees (Miscellaneous income)	-	-	-	-	7.41
Total	**66.80**	**121.82**	**131.84**	**246.40**	**263.37**

22. Value of import on CIF basis

INR in millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
Surgical equipment and medical spares	74.84	69.43	112.27	67.28	46.58
Medical consumables and drugs	-	-	-	1.84	57.44
Total	**74.84**	**69.43**	**112.27**	**69.12**	**104.02**

23. Employee benefits

Defined contribution plan

The amount recognized as an expense towards Provident Fund and Employee State Insurance are as follows:

INR in millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
Contribution towards Provident Fund and Employee State Insurance	42.94	76.14	97.99	112.76	148.57
Total	**42.94**	**76.14**	**97.99**	**112.76**	**148.57**

Defined benefit plan

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. This scheme is non-funded. The Company accrued gratuity under the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date and accordingly the maximum payment is restricted to INR 1 million.

The following table sets set out the status of the gratuity plan as required under Accounting standard (AS) 15 “Employee Benefits” prescribed by Companies Act 2013:

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Reconciliation of present value of the obligation and the fair value of the plan assets:					
Fair value of the plan assets	0.40	0.06	-	-	-
Present value of obligation	28.19	52.26	58.31	64.05	100.81
Liability recognized in the balance sheet	**27.79**	**52.20**	**58.31**	**64.05**	**100.81**
Current	1.80	4.19	3.81	2.58	3.03
Non-current	25.99	48.01	54.50	61.47	97.78

Movement in present values of defined benefit obligations

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Defined benefit obligation at 1 April	23.13	28.19	52.26	58.31	64.05
Current service cost	4.61	23.05	16.38	17.14	24.67
Interest cost	1.81	2.38	3.95	4.89	4.49
Benefits settled	(1.06)	(0.39)	(5.90)	(7.96)	(5.64)
Actuarial (gain) / loss	(0.30)	(0.97)	(8.38)	(8.33)	13.24
Defined benefit obligations at the year end	**28.19**	**52.26**	**58.31**	**64.05**	**100.81**

Changes in plan assets

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Plan assets at the beginning of the year, at fair value	1.54	0.40	0.06	-	-
Expected return on plan assets (estimated)	0.07	-	-	-	-
Actuarial gain / (loss)	(0.15)	-	-	-	-
Contributions	-	0.05	-	-	-
Benefits settled	(1.06)	(0.39)	(0.06)	-	-
Plan assets at year end, at fair value	**0.40**	**0.06**	**-**	**-**	**-**

Expense recognized in Statement of Profit and Loss

INR in millions

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Current service cost	4.61	23.05	16.38	17.14	24.67
Interest on obligation	1.81	2.38	3.95	4.89	4.49
Expected return on plan assets	(0.07)	-	-	-	-
Net Actuarial (gain) / loss recognized in the year	(0.30)	(0.97)	(8.38)	(8.33)	13.24
Total included in 'Employee benefits'	**6.05**	**24.46**	**11.95**	**13.70**	**42.40**

Principal actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages)

Particulars	As at 31 March				
	2011	2012	2013	2014	2015
Discount rate as at 31 March	8.00%	8.50%	8.00%	9.00%	8.00%
Expected rate of return on plan assets as at 1 April	8.00%	8.00%	8.00%	0.00%	0.00%
Future salary increases	5.00%	5.00%	6.00%	6.00%	6.00%
Attrition rate	30.00%	30.00%	36.50%	46.52%	46.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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Notes to the Restated Standalone Summary Statements

24. Unhedged foreign currency exposure

Foreign currency exposures on account of receivables / payables not hedged by derivative instruments are as follows:

INR in millions

Particulars	As at 31 March									
	2011		2012		2013		2014		2015	
	USD	INR	USD	INR	USD	INR	USD	INR	USD	INR
Long-term borrowings *Term loans from banks*	-	-	-	-	-	-	3.74	224.96	4.05	253.49
Trade payables *Trade payables*	2.05	91.67	0.23	11.51	0.15	8.16	0.15	9.01	0.53	33.25
Other current liabilities *Interest accrued but not due on borrowings*	-	-	-	-	-	-	0.02	1.29	0.01	0.79
Long-term and short-term loans and advances *Due for reimbursement of expenses*	-	-	-	-	-	-	-	-	0.75	46.66
Trade receivables *Receivables from related parties*	-	-	-	-	-	-	0.83	49.88	0.46	28.85
Cash and bank balances *Balance with on current accounts (earners exchange foreign currency account)*	-	-	-	-	0.04	2.32	0.15	9.16	0.06	3.76

25. Due to Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 (‘Act’) is not expected to be material. The Company has not received any claim for interest from any supplier.

INR in millions

Particulars	For the year ended 31 March				
	2011	2012	2013	2014	2015
The amounts remaining unpaid to micro and small suppliers as at the end of the year -Principal and Interest	2.71	3.26	2.77	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-	-	-	-
The amount of payments made to micro and small suppliers beyond the appointed day during the accounting year;	2.08	4.49	18.99	2.77	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.02	0.04	0.06	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-	-	-	-

26. Segment reporting

The Company’s sole business segment is ‘Healthcare Services’ and principal geographical segment is ‘India’. The Company considers business segment as the primary segment and geographical segment based on location of customers as a secondary segment. Since the Company has a single business segment and a single geographical segment, disclosures pertaining to the primary and secondary segments as per Accounting Standard 17- 'Segment Reporting' have not been presented.

27. Management agreement

The Company has management agreement for the management, operation and utilization of their hospital facilities. As a consideration towards the aforesaid arrangement, the Company is obligated to offer discounts to patients nominated by the trusts at free of cost / concession as per the terms of the agreement. The discounts thus offered has been recognized as revenue amounting to INR 18 million with a corresponding charge to rent expense.

28. Hospital management fees

Hospital management fees represents management fees paid under agreements entered into with certain trusts and companies, under which, the Company has a right over the management, operation and utilization of hospital facilities and equipment owned by them.

29. Prepaid expenses

Prepaid expense includes rent paid to Asia Heart Foundation which is being amortized over a period of 25 years from February 2008 and rent paid to Modern Medical Institute which is being amortized over a period of 20 years from August 2011.The amount are as follows:

INR in millions

Year	Asia Heart Foundation	Modern Medical Institute
31-Mar-11	194.67	-
31-Mar-12	185.81	89.29
31-Mar-13	176.94	84.66
31-Mar-14	168.08	80.04
31-Mar-15	159.21	75.41

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Notes to the Restated Standalone Summary Statements

30. Investments, loans and guarantees

(a) The Company has paid the following amounts towards share application money for allotment of equity shares in respective years:

INR in millions

Entity	For the year ended 31 March				
	2011	2012	2013	2014	2015
Narayana Hospitals Private Limited	34.86	-	-	-	-
Narayana Health Institutions Private Limited	-	-	-	-	0.80
Narayana Hrudayalaya Dental Clinics Private Limited	54.27	-	-	-	-
Narayana Hrudayalaya Surgical Hospital Private Limited	2.53	19.58	-	-	-
Narayana Cayman Holdings Ltd (NCHL)	55.36	-	2.56	274.48	375.14
Trimedx India Private Limited	-	-	-	0.87	0.94
	147.02	**19.58**	**2.56**	**275.35**	**376.88**

(b) The Company has investment in the following Companies:

INR in millions

Entity	For the year ended 31 March				
	2011	2012	2013	2014	2015
Investment in equity instruments					
Narayana Institute for Advanced Research Private Limited	57.60	57.60	57.60	57.60	57.60
Narayana Hrudayalaya Surgical Hospital Private Limited	0.10	20.00	20.00	20.00	20.00
Narayana Hospitals Private Limited	0.20	0.20	0.20	0.20	532.61
Narayana Health Institutions Private Limited	-	-	-	-	0.20
Narayana Cayman Holdings Ltd	-	-	188.89	389.16	811.37
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD.	-	-	-	20.02	20.02
Asia Healthcare Development Limited	-	-	-	23.74	23.74
Meridian Medical Research & Hospital Limited	-	-	-	-	883.95
Narayana Vaishno Devi Specialty Hospitals Private Limited	-	-	-	-	0.50
Narayana Hrudayalaya Dental Clinics Private Limited	0.10	47.47	47.47	-	-
Trimedx India Private Limited	-	-	0.26	3.00	3.00
Investment in debentures					
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD.	-	-	-	-	55.21
	58.00	**125.27**	**314.42**	**513.72**	**2,408.20**

(c) The Company has given unsecured loans to its following subsidiaries:

INR in millions

Particulars	For the year ended 31 March					Purpose of loans
	2011	2012	2013	2014	2015	
Narayana Hospitals Private Limited	-	-	-	-	20.00	Financial assistance
Narayana Hrudayalaya Surgical Hospital Private Limited	-	-	-	77.18	-	Financial assistance
Meridian Medical Research & Hospital Limited	-	-	-	-	195.74	Working capital requirement
	-	**-**	**-**	**77.18**	**215.74**	

During the year ended 31 March 2015, the Company has given loan of INR 195,740,517 to MMRHL in which it has 98.62% equity share holding. The Company based on external legal advice, believes that loan advanced to MMRHL is in compliance with Section 185 of the Act, as there are no common directors between the Company and MMRHL.

(d) The Company has provided the guarantees to the following entities:

INR in millions

Particulars	For the year ended 31 March					Purpose of guarantees
	2011	2012	2013	2014	2015	
Health City Cayman Island Ltd	-	-	-	-	537.03 (USD 8.58 millions)	Bank guarantee through Canara Bank given to Bank of America for giving term loan to HCCI.
Narayana Hrudayalaya Surgical Hospital Private Limited	-	-	103.79	117.08	411.21	Corporate guarantee given to Yes Bank, Canara Bank and GE Capital Services for giving term loan/working capital loan to NSHPL.
Meridian Medical Research & Hospital Limited	-	-	-	-	323.53	Corporate guarantee given to State Bank of India for giving term loan/working capital loan for giving to MMRHL.
	-	**-**	**103.79**	**117.08**	**1,271.77**	

31. Shareholders and investment agreement

Pursuant to the Shareholders and Investment Agreement dated 28 January 2008 (the agreement) entered amongst the Company; Ashoka Investments Holdings Private Limited, Ambadevi Mauritius Holdings Limited, JP Morgan Mauritius Holdings IV Limited (hereinafter collectively referred to as "Investors"); Dr. Devi Shetty and Mrs. Shakuntala Shetty, (hereinafter collectively referred to as 'Sponsors') and Narayana Health Academy Private Limited; the Investors have invested in 75,414 equity shares (aggregates 43,623,049 equity shares including 43,547,635 bonus equity shares allotted on 25 March 2015). The terms of the agreement inter alia provides for certain exit options to the Investors before 4 August 2015. All the aforesaid parties have entered into an amendment agreement dated 16 July 2015 vide which the time to comply with the exit options has been extended to 31 December 2015.

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Notes to the Restated Standalone Summary Statements

32. Other Significant Notes

(i) Financial year ended 31 March 2011

1.NHDC Agreement for transfer of assets
During the year ended 31 March 2011, the Company has entered into an arrangement with Narayana Hrudayalaya Dental Clinics Private Limited, the wholly owned subsidiary, to transfer its business of running the Dental unit effective 1 August 2010 along with the transfer of certain assets and liabilities at book values as detailed below:

INR in millions

Particulars	Amount
Fixed assets	21.57
Accumulated depreciation	(0.70)
Inventories of medical consumables and drugs	3.77
Security deposit (Rent)	8.10
Cash and bank balances	1.68
Sundry creditors	(4.00)
Advance to supplier	0.31
Net assets taken over	**30.73**

(ii) Financial year ended 31 March 2014

1. Acquisition of Asia Healthcare Development Limited
1. During the year ended 31 March 2014, the Company has acquired 100% of the equity shares of Asia Healthcare Development Limited ("AHDL") vide share purchase agreement dated 3 March 2014 for an aggregate consideration of INR 23.74 millions. The Company has recorded the investment in AHDL shares at cost.

2. Sale of Narayana Hrudayalaya Dental Clinics Private Limited
The Company along with its minority shareholder entered into a share purchase agreement ("SPA") with Axiss Dental Private Limited on 21 May 2013 for sale of 100% of the total issued share capital of Narayana Hrudayalaya Dental Clinics Private Limited (NHDC) for a consideration of Rs. 177.65 millions.
As per the terms of the SPA, the Company has sold 95% of the paid up share capital of NHDC for a consideration of INR 168.78 millions (balance 5% was sold by minority shareholder). The Company as part of the SPA netted off share application money pending allotment aggregating Rs 6.9 million intercompany receivable from NHDC aggregating INR 14.88 millions and security deposit aggregating INR 2.25 millions with the aforesaid agreed consideration. Further, the Company has also transferred fixed assets aggregating INR 4.25 millions (gross block INR 7.78 millions and accumulated depreciation INR 3.52 millions) to NHDC as per the SPA. The Company has recorded a net profit on sale of non-current investment of INR 93.02 millions after considering the above adjustments and netting of the cost of investment aggregating INR 47.47 millions.

3. NRHM Government Grant
The Company had entered into an agreement with National Rural Health Mission, Assam (NRHM) on 16 August 2012 ("effective date") to set up a super specialty hospital and to operate and manage such hospital for a period of 30 years. As per the agreement, NRHM will provide INR 220 millions in three installments over a period of 1 year during execution of the project besides the existing hospital building on as is where is basis. The Company has received INR 220 millions as it met all the conditions related to the grant.
Since the total grant was towards purchase of fixed assets, the Company has opted for the first method of presentation in financial statements for grants related to specific fixed assets (as per Accounting standard (AS) 12: Accounting for Government Grants) and accordingly the total consideration of INR 220 millions was deducted from the gross value of the fixed assets purchased (INR 295 millions) in arriving at the net book value.

Details related to government grant

Particulars	Gross addition during the year 31 March 2014	Government grant	Net addition during the year 31 March 2014
Medical equipment	140.37	65.90	74.47
Leasehold improvements	67.25	67.25	-
Furniture and fixtures	22.67	22.67	-
Electric installation	17.72	17.72	-
Other equipment including air conditioners	38.63	38.53	0.10
Computers	6.58	5.64	0.94
Vehicles	1.58	1.58	-
Office equipment	0.71	0.71	-
Total	**295.51**	**220.00**	**75.51**

32. Other Significant Notes (continued)

(ii) Financial year ended 31 March 2014 (continued)

4. Loan to Narayana Hrudayalaya Surgical Hospital Private Limited ("NSHPL")

Pursuant to a resolution passed by the Board of Directors under Section 292 of the Companies Act, 1956, on 19 March 2009; and agreement entered between Narayana Hrudayalaya Private Limited ("the Company") and Narayana Hrudayalaya Surgical Hospital Private Limited ("NSHPL") on 30 September 2010 and subsequently amended on 26 April 2011 and 30 August 2013, the Company has granted certain loans to its subsidiary (NSHPL).

On 12 September 2013, Central Government notified Section 185 of the Companies Act, 2013 ("Act") which imposed certain restrictions on the granting and availment of loans to companies in which the directors of the lender/ borrower are interested.

Further, on 23 July 2014, MCA vide general circular no. 32/20 14 ('the Circular'), clarified that the resolutions passed under the Companies Act, 1956 shall have a transitional period for their implementation as per the time-limits mentioned in the Circular. On the basis of independent legal advice, the Company is of the view that the restrictions imposed by the aforesaid Section are not applicable to loans granted prior to the effective date of the Section. For other loans, the Company is of the view that the loans have been granted pursuant to the implementation of earlier resolutions passed under the Companies Act, 1956 and are hence valid during the transitional period granted by the circular. Management is taking necessary steps to restructure these loans.

5. Business purchase of Jubilant First Trust Healthcare Limited

During the year ended 31 March 2014, the Company has entered into a business transfer agreement with Jubilant First Trust Healthcare Limited on 3 March 2014 for purchase of its business on a slump sale basis, without values being assigned to the individual assets and liabilities.

As per the terms of agreement, the Company has purchased the following assets and liabilities pertaining to health care business of Jubilant First Trust Healthcare Limited for an aggregate consideration of INR 419.83 millions. The Company has accounted for the transaction based on the fair value of the assets, of this land and building has been valued based on an independent external valuation report. The excess of the aggregate value of the assets acquired over the purchase consideration paid by the Company has been accounted as net gain on assets recorded in capital reserve.

INR in millions

Particulars		**Amount**	**Amount**
Assets			
Non-current assets			
Fixed assets			
Tangible assets		427.21	
Current assets			
Inventories		3.57	
Trade receivables		5.83	
Cash and cash equivalents		3.57	
Other current assets		3.43	
Total Assets	**A**		**443.61**
Liabilities			
Current liabilities			
Trade payables		(15.96)	
Others current liabilities		(3.60)	
Short-term provisions		(2.68)	
Total Liabilities	**B**		**(22.24)**
Net Assets	**C=A+B**		**421.37**
Purchase consideration paid	**D**		**419.83**
Net gain on assets recorded in capital reserve	**C-D**		**1.54**

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Notes to the Restated Standalone Summary Statements

32. Other Significant Notes (continued)

(iii) Financial year ended 31 March 2015

1 **Acquisition of Meridian Medical Research & Hospital Limited**

During the year ended 31 March 15, the Company had invested a sum of INR 883.95 millions towards purchase of 98.62% equity shares of Meridian Medical Research & Hospital Limited ("MMRHL"). MMRHL is a multispecialty hospital operating under the name "West Bank Hospital" at Andul Road, Howrah, West Bengal.

2. **Corporate Social Responsibility**

Consequent to the requirements of Section 135 of the 2013 Act, the Company has made contributions as stated below.
The same is in line with activities specified in Schedule VII of the 2013 Act.

a) Gross amount required to be spent by the Company during the year is INR 8.76 millions
b) Amount spent during the year on Corporate social responsibility activities:

INR

Particulars	**In cash**	**Yet to be paid in cash**	**Total**
Construction/acquisition of any asset	-	-	-
On purposes other than above	10.34	0.26	10.60

3 **Bonus shares**

The Company during the year has issued 577.4476 fully paid up equity shares of INR 10 each for every 1 fully paid up equity share of INR 10 each to the existing shareholders whose name appears in the register of members as on 25 March 2015, subject to the fractional shares being rounded off the nearest number. As per Section 63(1) of the 2013 Act, the bonus shares has been issued by utilizing securities premium account. The bonus shares shall rank pari passu in all respects including dividend with the existing equity shares of the Company.

Name of the Shareholder	**Number of shares before bonus issue**	**Number of bonus shares issued during the year**	**Number of shares after bonus issue**
Dr. Devi Prasad Shetty	115,385	66,628,794	66,744,179
Mrs. Shakuntala Shetty	110,860	64,015,843	64,126,703
Narayana Health Academy Private Limited (NHAPL)	15,620	9,019,732	9,035,352
Ashoka Investments Holdings Private Limited (AIH)	29,006	16,749,446	16,778,452
Ambadevi Mauritius Holdings Limited (AMH)	8,701	5,024,372	5,033,073
JP Morgan Mauritius Holdings IV Limited (JPM)	37,707	21,773,817	21,811,524
Kiran Mazumdar Shaw	8,135	4,697,536	4,705,671
CDC Group PLC (CDC)	20,339	11,744,707	11,765,046
Total	**345,753**	**199,654,247**	**200,000,000**

4 **Adjustment of shares and debentures issue expenses with securities premium**

The Company has paid fees amounting to INR 73.03 millions for professional services in connection with the fund raised from CDC Group PLC and CDC India Opportunities Limited. The same has been adjusted from securities premium account as per Section 52(2) of the 2013 Act.

5 **Agreement of Narayana Hrudayalaya Hospitals Malaysia SDN. BHD**

The Company has aggregate investment of INR 105 millions in Narayana Hrudayalaya Hospitals Malaysia SDN. BHD ("Narayana Malaysia"). The amount has been invested as INR 50 millions in equity shares and INR 55 millions in 6% partly convertible debentures. Narayana Malaysia has entered into an arrangement dated 3 September 2014 with another company for sale of its assets for a total consideration of INR 75 millions. Subsequent to the year end, the Company has received INR 35 millions with regard to the sale of assets. The balance INR 45 millions will be received in October 2015. Accordingly, the Company has recorded diminution in the value of investment aggregating INR 30.46 millions (previous year: Nil) .

(iii) Financial year ended 31 March 2015 (continued)

6 **Debenture redemption reserve**

As per Section 71 of the 2013 Act, and Companies (Share Capital and Debenture) Rules, 2014 the Company has created Debenture Redemption Reserve (DRR) for the purpose of redemption of debentures amounting to INR 250 millions ,which is 25 % of the value of the debentures issued. The Debenture Redemption reserve (DRR) has been created out of the profit of the company available for the payment of dividend.

7 **Investment by CDC in equity shares and debentures**

During the year, the Company has issued 20,339 equity shares of INR 10 each at a premium of INR 98,326.27 per share to CDC Group PLC on 24 December 2014 (face value of INR 10 per share) aggregating INR 2,000.06 millions. The Company has also issued 10,000,000 10.50% optionally convertible debentures (OCD) aggregating INR 1,000 millions to CDC India Opportunities Limited (CDC India):

10.50% OCD were allotted on 24th December 2014 (effective date). These debentures are redeemable/convertible as per terms of the agreement given below:

- If the existing investors sell their shares in Offer For Sale (OFS) by way of Initial Public Offering (IPO), then the OCD shall be compulsorily converted into equity shares. Conversion price is lower of 10% discount to the IPO price or valuation as per the agreement.

- In the above case, if the IPO is before 22 March 2016 (15 months) then only OCD value will be converted into equity shares. If the IPO is between 22 March 2016 and 31 December 2016, then OCD value along with the interest @ 10.5% together will be converted into equity shares.

- If there is no IPO on or before 31 December 2016, then CDC India has the option to convert OCD along with interest into equity shares at valuation as per the agreement

-If there is no IPO till 31 December 2021 and if CDC India is not able to sell its equity shares then the Company is required to buyback the equity shares at fair value from CDC India

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Notes to the Restated Standalone Summary Statements

33. Related party disclosures

a) Names of related parties

Nature of relationship	Name of related parties				
	For the year ended 31 March 2011	**For the year ended 31 March 2012**	**For the year ended 31 March 2013**	**For the year ended 31 March 2014**	**For the year ended 31 March 2015**
Subsidiaries	Narayana Institute for Advanced Research Private Limited Narayana Hrudayalaya Surgical Hospital Private Limited Narayana Hospitals Private Limited Narayana Health Institutions Private Limited Narayana Hrudayalaya Dental Clinics Private Limited Narayana Cayman Holdings Ltd (a company incorporated in the Cayman Islands with limited liability with effect from 7 May 2010).	Narayana Institute for Advanced Research Private Limited Narayana Hrudayalaya Surgical Hospital Private Limited Narayana Hospitals Private Limited Narayana Health Institutions Private Limited Narayana Hrudayalaya Dental Clinics Private Limited Narayana Cayman Holdings Ltd Narayana Hrudayalaya Hospitals Malaysia SDN. BHD (with effect from 27 September 2011)	Narayana Institute for Advanced Research Private Limited Narayana Hrudayalaya Surgical Hospital Private Limited Narayana Hospitals Private Limited Narayana Health Institutions Private Limited Narayana Hrudayalaya Dental Clinics Private Limited Narayana Cayman Holdings Ltd Narayana Hrudayalaya Hospitals Malaysia SDN. BHD	Narayana Institute for Advanced Research Private Limited Narayana Hrudayalaya Surgical Hospital Private Limited Narayana Hospitals Private Limited Narayana Health Institutions Private Limited Narayana Hrudayalaya Dental Clinics Private Limited (till 21 May 2013) Narayana Cayman Holdings Ltd Narayana Hrudayalaya Hospitals Malaysia SDN. BHD Asia Healthcare Development limited (with effect from 3 March 2014)	Narayana Institute for Advanced Research Private Limited Narayana Hrudayalaya Surgical Hospital Private Limited Narayana Hospitals Private Limited Narayana Health Institutions Private Limited Narayana Cayman Holdings Ltd Narayana Hrudayalaya Hospitals Malaysia SDN. BHD Asia Healthcare Development Limited Meridian Medical Research & Hospital Limited (with effect from 24 November 2014) Narayana Vaishno Devi Speciality Hospital Private Limited (with effect from 5 September 2014)
Key Management Personnel (KMP)	Dr. Devi Prasad Shetty (Managing Director) Dr. Ashutosh Raghuvanshi (Whole-time Director) Mrs. Shakuntala Shetty (Whole-time Director) Mr. Viren Shetty (Whole-time Director) Dr. Varun Shetty (Whole-time Director)	Dr. Devi Prasad Shetty (Chairman) Dr. Ashutosh Raghuvanshi (Managing Director) Mrs. Shakuntala Shetty (Whole-time Director) Mr. Viren Shetty (Whole-time Director) Dr. Varun Shetty (Whole-time Director)	Dr. Devi Prasad Shetty (Chairman) Dr. Ashutosh Raghuvanshi (Managing Director) Mrs. Shakuntala Shetty (Whole-time Director) Mr. Viren Shetty (Whole-time Director) Dr. Varun Shetty (Whole-time Director)	Dr. Devi Prasad Shetty (Chairman) Dr. Ashutosh Raghuvanshi (Managing Director) Mrs. Shakuntala Shetty (Whole-time Director) Mr. Viren Shetty (Whole-time Director) Dr. Varun Shetty (Whole-time Director)	Dr. Devi Prasad Shetty (Chairman) Dr. Ashutosh Raghuvanshi (Managing Director) Mrs. Shakuntala Shetty (Whole-time Director) Mr. Viren Shetty (Whole-time Director) Dr. Varun Shetty (Whole-time Director)
Associate of subsidiary, (NCHL)			Health City Cayman Islands Ltd (with effect from 25 July 2013)	Health City Cayman Islands Ltd	Health City Cayman Islands Ltd
Enterprises under significant influence of KMP	Narayana Health Academy Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Amaryllis Healthcare Private Limited Annapoorna Health Foods Daya Drishti Charitable Trust Narayana Hrudayalaya Charitable Trust Asia Heart Foundation	Narayana Health Academy Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Amaryllis Healthcare Private Limited Daya Drishti Charitable Trust Narayana Hrudayalaya Charitable Trust Asia Heart Foundation	Narayana Health Academy Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Amaryllis Healthcare Private Limited Daya Drishti Charitable Trust Narayana Hrudayalaya Charitable Trust Asia Heart Foundation Trimedx India Private Limited (with effect from FY 2012-13) Narayana Hrudayalaya Foundation (with effect from FY 2012-13)	Narayana Health Academy Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Amaryllis Healthcare Private Limited Daya Drishti Charitable Trust Narayana Hrudayalaya Charitable Trust Asia Heart Foundation Trimedx India Private Limited Narayana Hrudayalaya Foundation	Narayana Health Academy Private Limited Hrudayalaya Pharmacy Charmakki Infrastructures Amaryllis Healthcare Private Limited Daya Drishti Charitable Trust Narayana Hrudayalaya Charitable Trust Asia Heart Foundation TriMedx India Private Limited Narayana Hrudayalaya Foundation Kateel Software Private Limited Mazumdar Shaw Medical Foundation (with effect from FY 2014-15)
Enterprises under significant influence of a relative of KMP	Akkayya Consultancy Services	Akkayya Consultancy Services	Akkayya Consultancy Services	Akkayya Hospitality Services *(formerly known as Akkayya Consultancy Services)*	Akkayya Hospitality Services *(formerly known as Akkayya Consultancy Services)*

33. Related party disclsoures (continued)

For the year ended 31 March 2011

a) Transactions with related parties: INR in million

Transactions	Subsidiaries	Key Management Personnel (KMP)	Enterprises under significant influence of KMP	Enterprises under significant influence of relative of KMP	Total
Payment of share application money					
Narayana Cayman Holdings Ltd	55.36	-	-	-	55.36
Narayana Hrudayalaya Surgical Hospital Private Limited	2.53	-	-	-	2.53
Narayana Hrudayalaya Dental Clinics Private Limited	54.27	-	-	-	54.27
Narayana Hospitals Private Limited	34.86	-	-	-	34.86
Total	**147.02**	**-**	**-**	**-**	**147.02**
Transfer of assets					
Narayana Hrudayalaya Dental Clinics Private Limited	30.73	-	-	-	30.73
Security deposit					
Charmakki Infrastructures	-	-	70.00	-	70.00
Hotel accommodation expenses incurred					
Akkayya Consultancy Services	-	-	-	1.35	1.35
Rental expense, net of taxes					
Narayana Hospitals Private Limited	0.60	-	-	-	0.60
Reimbursement of expenses					
Narayana Hospitals Private Limited	0.02	-	-	-	0.02
Narayana Hrudayalaya Surgical Hospital Private Limited	0.03	-	-	-	0.03
Narayana Institute for Advanced Research Private Limited	0.06	-	-	-	0.06
Narayana Health Institutions Private Limited	0.05	-	-	-	0.05
Narayana Health Academy Private Limited	-	-	0.05	-	0.05
Asia Heart Foundation	-	-	47.07	-	47.07
Daya Drishti Charitable Trust	-	-	0.18		0.18
Total	**0.16**	**-**	**47.30**	**-**	**47.46**
Investment in equity instruments					
Narayana Hrudayalaya Surgical Hospital Private Limited	0.10	-	-	-	0.10
Narayana Hrudayalaya Dental Clinics Private Limited	0.10	-	-	-	0.10
Total	**0.20**	**-**	**-**	**-**	**0.20**
Purchases of medical stores and surgical equipments					
Hrudayalaya Pharmacy	-	-	9.81	-	9.81
Amaryllis Healthcare Private Limited	-	-	24.07	-	24.07
Total	**-**	**-**	**33.88**	**-**	**33.88**
Catering expenses					
Annapoorna Health Foods	-	-	15.97	-	15.97
Revenue from health care services					
Narayana Hrudayalaya Charitable Trust	-	-	28.20	-	28.20
Payment of remuneration					
Dr. Devi Prasad Shetty	-	24.00	-	-	24.00
Mrs. Shankuntala Shetty	-	1.50	-	-	1.50
Mr. Viren Shetty	-	1.00	-	-	1.00
Total	**-**	**26.50**	**-**	**-**	**26.50**
Payment of professional fees					
Dr. Ashutosh Raghuvanshi	-	8.98	-	-	8.98

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

33. Related party disclsoures (continued)

For the year ended 31 March 2011

b)The balances receivable from and payable to related parties as at 31 March 2011 INR in million

Transactions	Subsidiaries	Key Management Personnel (KMP)	Enterprises under significant influence of KMP	Enterprises under significant influence of relative of KMP	Total
Short-term loans and advances- Due for reimbursement of expense					
Narayana Hospitals Private Limited	6.63	-	-	-	6.63
Narayana Health Institutions Private Limited	0.10	-	-	-	0.10
Narayana Health Academy Private Limited	-	-	0.42	-	0.42
Asia Heart Foundation	-	-	36.17	-	36.17
Daya Drishti Charitable Trust	-	-	0.17		0.17
Total	**6.73**	**-**	**36.76**	**-**	**43.49**
Other payables - Creditors for capital goods					
Narayana Institute for Advanced Research Private Limited	57.88	-	-	-	57.88
Long-term loans and advances - Share application money pending allotment					
Narayana Hospitals Private Limited	832.41	-	-	-	832.41
Narayana Health Institutions Private Limited	10.09	-	-	-	10.09
Narayana Hrudayala Surgical Hospital Private Limited	2.53	-	-	-	2.53
Narayana Hrudayalaya Dental Clinics Private Limited	54.27	-	-	-	54.27
Narayana Cayman Holdings Ltd	55.36	-	-	-	55.36
Total	**954.66**	**-**	**-**	**-**	**954.66**
Long-term loans and advances - Security deposit					
Charmakki Infrastructures	-	-	140.00	-	140.00
Trade receivables					
Asia Heart Foundation	-	-	1.37		1.37
Narayana Hrudayalaya Charitable Trust	-	-	10.06	-	10.06
Total	**-**	**-**	**11.43**	**-**	**11.43**
Trade payables					
Amaryllis Healthcare Private Limited	-	-	0.27	-	0.27
Hrudayala Pharmacy	-	-	0.73	-	0.73
Akkayya Consultancy services	-	-	-	0.28	0.28
Total	**-**	**-**	**1.00**	**0.28**	**1.28**

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

33. Related party disclsoures (continued)

For the year ended 31 March 2012

a) Transactions with related parties: INR in million

Transactions	Subsidiaries	Key Management Personnel (KMP)	Enterprises under significant influence of KMP	Enterprises under significant influence of relative of KMP	Total
Payment of share application money					
Narayana Hrudayalaya Surgical Hospital Private Limited	19.58	-	-	-	19.58
Hospital management fee					
Narayana Hrudayalaya Dental Clinics Private Limited	9.26	-	-	-	9.26
Rental expense net of taxes					
Akkayya Consultancy Services	-	-	-	1.10	1.10
Charmakki Infrastructures	-	-	4.66	-	4.66
Narayana Hospitals Private Limited	9.00	-	-	-	9.00
Total	**9.00**	**-**	**4.66**	**1.10**	**14.76**
Reimbursement of expenses					
Narayana Hospitals Private Limited	2.69	-	-	-	2.69
Narayana Hrudayalaya Surgical Hospital Private Limited	0.08	-	-	-	0.08
Narayana Institute for Advanced Research Private Limited	0.09	-	-	-	0.09
Narayana Health Institutions Private Limited	0.05	-	-	-	0.05
Narayana Cayman Holdings Ltd	7.11	-	-	-	7.11
Narayana Hrudayalaya Hospitals Malaysia SDN BHD	0.35	-	-	-	0.35
Narayana Health Academy Private Limited	-	-	0.04	-	0.04
Asia Heart Foundation	-	-	141.41	-	141.41
Total	**10.37**	**-**	**141.45**	**-**	**151.82**
Reimbursement of expenses on behalf of the Company					
Daya Drishti Charitable Trust	-	-	0.56	-	0.56
Investment in equity instruments					
Narayana Hrudayalaya Surgical Hospital Private Limited	19.90	-	-	-	19.90
Narayana Hrudayalaya Dental Clinics Private Limited	47.37	-	-	-	47.37
Total	**67.27**	**-**	**-**	**-**	**67.27**
Purchases of medical stores and surgical equipment					
Hrudayalaya Pharmacy	-	-	14.24	-	14.24
Amaryllis Healthcare Private Limited	-	-	38.17	-	38.17
Total	**-**	**-**	**52.41**	**-**	**52.41**
Revenue from health care services					
Narayana Hrudayalaya Charitable Trust	-	-	15.64	-	15.64
Liability discharged					
Narayana Hrudayalaya Dental Clinics Private Limited	5.57	-	-	-	5.57
Payment of remuneration					
Dr. Devi Prasad Shetty	-	24.00	-	-	24.00
Mrs. Shankuntala Shetty	-	1.50	-	-	1.50
Dr. Varun Shetty	-	2.44	-	-	2.44
Dr. Ashutosh Raghuvanshi	-	13.50	-	-	13.50
Total	**-**	**41.44**	**-**	**-**	**41.44**

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

33. Related party disclsoures (continued)

For the year ended 31 March 2012

b)The balances receivable from and payable to related parties as at 31 March 2012 INR in million

Transactions	Subsidiaries	Key Management Personnel (KMP)	Enterprises under significant influence of KMP	Enterprises under significant influence of relative of KMP	Total
Short-term loans and advances- Due for reimbursement of expense					
Narayana Hospitals Private Limited	5.42	-	-	-	5.42
Narayana Health Institutions Private Limited	0.12	-	-	-	0.12
Narayana Hrudayalaya Dental Clinics Private Limited	5.77	-	-	-	5.77
Narayana Hrudayalaya Surgical Hospital Private Limited	0.08	-	-	-	0.08
Narayana Cayman Holdings Ltd	7.11	-	-	-	7.11
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD	0.35	-	-	-	0.35
Narayana Institute for Advanced Research Private Limited	0.24	-	-	-	0.24
Narayana Health Academy Private Limited	-	-	0.46	-	0.46
Asia Heart Foundation	-	-	39.81	-	39.81
Total	**19.09**	**-**	**40.27**	**-**	**59.36**
Other payables - Creditors for capital goods					
Narayana Institute for Advanced Research Private Limited	58.03	-	-	-	58.03
Long-term loans and advances - Share application money pending allotment					
Narayana Hospitals Private Limited	832.41	-	-	-	832.41
Narayana Health Institutions Private Limited	10.14	-	-	-	10.14
Narayana Cayman Holdings Ltd	55.36	-	-	-	55.36
Narayana Hrudayalaya Surgical Hospital Private Limited	2.21	-	-	-	2.21
Narayana Hrudayalaya Dental Clinics Private Limited	6.90	-	-	-	6.90
Total	**907.02**	**-**	**-**	**-**	**907.02**
Long-term loans and advances - Security deposit					
Charmakki Infrastructures	-	-	140.00	-	140.00
Trade receivables					
Narayana Hrudayalaya Dental Clinics Private Limited	1.94	-	-	-	1.94
Asia Heart Foundation	-	-	1.25	-	1.25
Narayana Hrudayalaya Charitable Trust	-	-	6.38	-	6.38
Total	**1.94**	**-**	**7.63**	**-**	**9.57**
Trade payables					
Hrudayalaya Pharmacy	-	-	1.07	-	1.07
Akkayya Consulatancy Services	-	-	-	0.02	0.02
Narayana Hospitals Private Limited	5.10	-	-	-	5.10
Amaryllis Healthcare Private Limited	-	-	1.53	-	1.53
Daya Drishti Charitable Trust	-	-	0.40	-	0.40
Total	**5.10**	**-**	**3.00**	**0.02**	**8.12**

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

33. Related party disclsoures (continued)

For the year ended 31 March 2013

a) Transactions with related parties INR in million

Transactions	Subsidiaries	Key Management Personnel (KMP)	Associate of Subsidiary (NCHL)	Enterprises under significant influence of KMP	Enterprises under significant influence of relative of KMP	Total
Payment of share application money						
Narayana Cayman Holdings Ltd	2.56	-	-	-	-	2.56
Refund of share application money						
Narayana Hrudayalaya Surgical Hospital Private Limited	2.21	-	-	-	-	2.21
Hospital Management fee income						
Narayana Hrudayalaya Dental Clinics Private Limited	5.54	-	-	-	-	5.54
Rental expense, net of taxes						
Akkayya Consultancy Services	-	-	-	-	1.53	1.53
Charmakki Infrastructures	-	-	-	4.96	-	4.96
Narayana Hospitals Private Limited	9.10	-	-	-	-	9.10
Total	**9.10**	**-**	**-**	**4.96**	**1.53**	**15.59**
Reimbursement of expenses						
Narayana Hrudayalaya Surgical Hospital Private Limited	28.02	-	-	-	-	28.02
Narayana Institute for Advanced Research Private Limited	0.12	-	-	-	-	0.12
Narayana Hrudayalaya Dental Clinics Private Limited	4.00	-	-	-	-	4.00
Narayana Health Institutions Private Limited	0.10	-	-	-	-	0.10
Narayana Cayman Holdings Ltd	10.51	-	-	-	-	10.51
Narayana Hrudayalaya Hospitals Malaysia SDN BHD	0.56	-	-	-	-	0.56
Narayana Health Academy Private Limited	-	-	-	0.10	-	0.10
Asia Heart Foundation	-	-	-	19.51	-	19.51
Daya Drishti Charitable Trust	-	-	-	0.83	-	0.83
Total	**43.31**	**-**	**-**	**20.44**	**-**	**63.75**
Investment in Equity Instruments						
Trimedx India Private Limited	-	-	-	0.26	-	0.26
Narayana Cayman Holdings Ltd	188.89	-	-	-	-	188.89
Total	**188.89**	**-**	**-**	**0.26**	**-**	**189.15**
Purchases of medical stores and surgical equipment						
Hrudayalaya Pharmacy	-	-	-	5.42	-	5.42
Amaryllis Healthcare Private Limited	-	-	-	41.23	-	41.23
Total	**-**	**-**	**-**	**46.65**	**-**	**46.65**
Purchases of medical spares and medical equipment maintainance						
Trimedx India Private Limited	-	-	-	50.31	-	50.31
Discount entitlement						
Asia Heart Foundation	-	-	-	18.00	-	18.00
Revenue from health care services						
Narayana Hrudayalaya Charitable Trust	-	-	-	14.44	-	14.44
Narayana Hrudayalaya Foundation	-	-	-	0.48	-	0.48
Total	**-**	**-**	**-**	**14.92**	**-**	**14.92**
Corporate guarantees						
Narayana Hrudayalaya Surgical Hospital Private Limited	103.79	-	-	-	-	103.79
Payment of remuneration						
Dr. Devi Prasad Shetty	-	24.00	-	-	-	24.00
Mrs. Shankuntala Shetty	-	1.50	-	-	-	1.50
Mr. Viren Shetty	-	4.11	-	-	-	4.11
Dr. Varun Shetty	-	2.70	-	-	-	2.70
Dr. Ashutosh Raghuvanshi	-	13.90	-	-	-	13.90
Total	**-**	**46.21**	**-**	**-**	**-**	**46.21**

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

33. Related party disclsoures (continued)

For the year ended 31 March 2013

b) The balances receivable from and payable to related parties as at 31 March 2013 INR in million

Transactions	Subsidiaries	Key Management Personnel (KMP)	Associate of Subsidiary (NCHL)	Enterprises under significant influence of KMP	Enterprises under significant influence of relative of KMP	Total
Short-term loans and advances- Due for reimbursement of expense						
Narayana Hospitals Private Limited	6.85	-	-	-	-	6.85
Narayana Health Institutions Private Limited	0.22	-	-	-	-	0.22
Narayana Hrudayalaya Dental Clinics Private Limited	17.59	-	-	-	-	17.59
Narayana Hrudayalaya Surgical Hospital Private Limited	28.13	-	-	-	-	28.13
Narayana Cayman Holdings Ltd	17.63	-	-	-	-	17.63
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD	0.91	-	-	-	-	0.91
Narayana Institute for Advanced Research Private Limited	0.36	-	-	-	-	0.36
Narayana Health Academy Private Limited	-	-	-	0.57	-	0.57
Asia Heart Foundation	-	-	-	15.91	-	15.91
Daya Drishti Charitable Trust	-	-	-	0.43	-	0.43
Total	**71.69**	**-**	**-**	**16.91**	**-**	**88.60**
Other payables - Creditors for capital goods						
Narayana Institute for Advanced Research Private Limited	58.03	-	-	-	-	58.03
Long-term loans and advances - Share application money pending allotment						
Narayana Hospitals Private Limited	832.41	-	-	-	-	832.41
Narayana Health Institutions Private Limited	10.14	-	-	-	-	10.14
Narayana Cayman Holdings Ltd	57.92	-	-	-	-	57.92
Narayana Hrudayalaya Dental Clinics Private Limited	6.90	-	-	-	-	6.90
Total	**907.37**	**-**	**-**	**-**	**-**	**907.37**
Long-term loans and advances - Security deposit						
Charmakki Infrastructures	-	-	-	140.00	-	140.00
Trade receivables						
Narayana Hrudayalaya Dental Clinics Private Limited	4.22	-	-	-	-	4.22
Narayana Hrudayalaya Foundation	-	-	-	0.48	-	0.48
Narayana Hrudayalaya Charitable Trust	-	-	-	7.87	-	7.87
Total	**4.22**	**-**	**-**	**8.35**	**-**	**12.57**
Trade payables						
Hrudayalaya Pharmacy	-	-	-	0.51	-	0.51
Akkayya Consulatancy Services	-	-	-	-	0.11	0.11
Amaryllis Healthcare Private Limited	-	-	-	1.39	-	1.39
Narayana Hrudayalaya Surgical Hospital Private Limited	0.03	-	-	-	-	0.03
Trimedx India Private Limited	-	-	-	10.56	-	10.56
Narayana Hospitals Private Limited	15.62	-	-	-	-	15.62
Asia Heart Foundation				0.05		0.05
Total	**15.65**	**-**	**-**	**12.51**	**0.11**	**28.27**
Corporate guarantees						
Narayana Hrudayalaya Surgical Hospital Private Limited	103.79	-	-	-	-	103.79

33. Related party disclsoures (continued)

For the year ended 31 March 2014

a) Transactions with related parties INR in million

Transactions	Subsidiaries	Key Management Personnel (KMP)	Associate of Subsidiary (NCHL)	Enterprises under significant influence of KMP	Enterprises under significant influence of relative of KMP	Total
Payment of share application money						
Narayana Cayman Holdings Ltd	274.48	-	-	-	-	274.48
Trimedx India Private Limited	-	-	-	0.87	-	0.87
Total	**274.48**	**-**	**-**	**0.87**	**-**	**275.35**
Refund of share application money						
Narayana Hrudayalaya Dental Clinics Private Limited	6.90	-	-	-	-	6.90
Payment of debenture application money						
Narayana Hrudayalaya Hospitals Malaysia SDN BHD	55.21	-	-	-	-	55.21
Rental expense, net of taxes						
Charmakki Infrastructures	-	-	-	5.72	-	5.72
Narayana Hospitals Private Limited	9.21	-	-	-	-	9.21
Total	**9.21**	**-**	**-**	**5.72**	**-**	**14.93**
Reimbursement of expenses						
Narayana Hospitals Private Limited	2.04	-	-	-	-	2.04
Narayana Hrudayalaya Surgical Hospital Private Limited	2.48	-	-	-	-	2.48
Narayana Institute for Advance Research Private Limited	0.27	-	-	-	-	0.27
Narayana Health Institutions Private Limited	0.23	-	-	-	-	0.23
Narayana Hrudayalaya Hospitals Malaysia SDN BHD	0.02	-	-	-	-	0.02
Narayana Hrudayalaya Foundation	-	-	-	0.65	-	0.65
Health City Cayman Island Ltd	-	-	17.91	-	-	17.91
Asia Heart Foundation	-	-	-	24.52	-	24.52
Total	**5.04**	**-**	**17.91**	**25.17**	**-**	**48.12**
Investment in equity instruments						
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD	50.48	-	-	-	-	50.48
Narayana Cayman Holdings Ltd	200.27	-	-	-	-	200.27
Asia Healthcare Development Limited	23.74	-	-	-	-	23.74
Trimedx India Private Limited	-	-	-	3.00	-	3.00
Total	**274.49**	**-**	**-**	**3.00**	**-**	**277.49**
Sale of investment						
Narayana Hrudayalaya Dental Clinics Private Limited	47.47	-	-	-	-	47.47
Hospital management fees income						
Narayana Hrudayalaya Surgical Hospital Private Limited	2.43	-	-	-	-	2.43
Narayana Hrudayalaya Dental Clinics Private Limited	0.87	-	-	-	-	0.87
Total	**3.30**	**-**	**-**	**-**	**-**	**3.30**
Rental income net of taxes						
Narayana Hrudayalaya Surgical Hospital Private Limited	4.33	-	-	-	-	4.33
Interest income net of taxes						
Narayana Hrudayalaya Surgical Hospital Private Limited	1.31	-	-	-	-	1.31
Unsecured loan						
Narayana Hrudayalaya Surgical Hospital Private Limited	77.18	-	-	-	-	77.18
Expense reimbursement and rental income						
Narayana Hrudayalaya Dental Clinics Private Limited	0.25	-	-	-	-	0.25
Advance received for payment of advance to employees						
Health City Cayman Island Ltd	-	-	3.11	-	-	3.11
Purchases of medical stores and surgical equipment						
Hrudayalaya Pharmacy	-	-	-	6.33	-	6.33
Amaryllis Healthcare Private Limited	-	-	-	47.17	-	47.17
Narayana Hrudayalaya Foundation	-	-	-	0.02	-	0.02
Total	**-**	**-**	**-**	**53.52**	**-**	**53.52**
Purchases of medical spares and medical equipment maintenance						
Trimedx India Private Limited	-	-	-	93.66	-	93.66

33. Related party disclsoures (continued)

For the year ended 31 March 2014

a) Transactions with related parties (continued) INR in million

Transactions	Subsidiaries	Key Management Personnel (KMP)	Associate of Subsidiary (NCHL)	Enterprises under significant influence of KMP	Enterprises under significant influence of relative of KMP	Total
Sale of medical stores and consumables						
Health City Cayman Island Ltd	-	-	59.18	-	-	59.18
Hotel accomodation expense						
Akkayya Hospitality Services *(formerly known as Akkayya Consultancy Services)*	-	-	-	-	0.66	0.66
Sale of medical stores and surgical equipment						
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD	7.13	-	-	-	-	7.13
Liability discharged						
Narayana Hrudayalaya Surgical Hospital Private Limited	0.50	-	-	-	-	0.50
Revenue from health care services						
Narayana Hrudayalaya Charitable Trust	-	-	-	14.18	-	14.18
Narayana Hrudayalaya Foundation	-	-	-	0.04	-	0.04
Total	**-**	**-**	**-**	**14.22**	**-**	**14.22**
Discount entitlement						
Asia Heart Foundation	-	-	-	18.00	-	18.00
Corporate guarantees						
Narayana Hrudayalaya Surgical Hospital Private Limited	13.29	-	-	-	-	13.29
Payment of remuneration						
Dr. Devi Prasad Shetty	-	24.00	-	-	-	24.00
Mrs. Shankuntala Shetty	-	1.50	-	-	-	1.50
Mr. Viren Shetty	-	6.93	-	-	-	6.93
Dr. Varun Shetty	-	2.40	-	-	-	2.40
Dr. Ashutosh Raghuvanshi	-	20.11	-	-	-	20.11
Total	**-**	**54.94**	**-**	**-**	**-**	**54.94**

33. Related party disclsoures (continued)

For the year ended 31 March 2014

b) The balances receivable from and payable to related parties as at 31 March 2014 INR in million

Transactions	Subsidiaries	Key Management Personnel (KMP)	Associate of Subsidiary (NCHL)	Enterprises under significant influence of KMP	Enterprises under significant influence of relative of KMP	Total
Short-term loans and advances- Due for reimbursement of expense						
Narayana Hospitals Private Limited	8.89	-	-	-	-	8.89
Narayana Health Institutions Private Limited	0.33	-	-	-	-	0.33
Narayana Hrudayalaya Dental Clinics Private Limited	5.84	-	-	-	-	5.84
Narayana Hrudayalaya Surgical Hospital Private Limited	38.18	-	-	-	-	38.18
Narayana Cayman Holdings Ltd	26.58	-	-	-	-	26.58
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD	0.02	-	-	-	-	0.02
Narayana Institute for Advanced Research Private Limited	0.51	-	-	-	-	0.51
Narayana Health Academy Private Limited	-	-	-	0.57	-	0.57
Trimedx India Private Limited	-	-	-	0.93	-	0.93
Health City Cayman Island Ltd	-	-	16.95	-	-	16.95
Narayana Hrudayalaya Foundation	-	-	-	0.65	-	0.65
Akkayya Hospitality Services *(formerly known as Akkayya Consultancy Services)*	-	-	-	-	0.04	0.04
Hrudayalaya Pharmacy	-	-	-	0.85	-	0.85
Daya Drishti Charitable Trust	-	-	-	0.43	-	0.43
Total	**80.35**	**-**	**16.95**	**3.43**	**0.04**	**100.77**
Unsecured loan						
Narayana Hrudayalaya Surgical Hospital Private Limited	77.18	-	-	-	-	77.18
Other payables - Creditors for capital goods						
Narayana Institute for Advanced Research Private Limited	58.03	-	-	-	-	58.03
Long-term loans and advances - Share application money pending allotment						
Narayana Hospitals Private Limited	832.41	-	-	-	-	832.41
Narayana Health Institutions Private Limited	10.14	-	-	-	-	10.14
Narayana Cayman Holdings Ltd	132.13	-	-	-	-	132.13
Trimedx India Private Limited	-	-	-	0.87	-	0.87
Total	**974.68**	**-**	**-**	**0.87**	**-**	**975.55**
Debenture application money pending allotment						
Narayana Hrudayalaya Hospitals Malaysia SDN BHD	55.21	-	-	-	-	55.21
Long-term loans and advances - Security deposit						
Charmakki Infrastructures	-	-	-	140.00	-	140.00
Trade receivables						
Narayana Hrudayalaya Hospitals Malaysia SDN BHD	7.06	-	-	-	-	7.06
Hrudayalaya Pharmacy	-	-	0.85	-	-	0.85
Health City Cayman Islands Ltd	-	-	42.82	-	-	42.82
Asia Heart Foundation	-	-	-	0.31	-	0.31
Narayana Hrudayalaya Charitable Trust	-	-	-	2.31	-	2.31
Narayana Hrudayalaya Foundation	-	-	-	0.51	-	0.51
Total	**7.06**	**-**	**43.67**	**3.13**	**-**	**53.86**
Trade payables						
Amaryllis Healthcare Private Limited	-	-	-	6.91	-	6.91
Narayana Hrudayalaya Surgical Hospital Private Limited	0.03	-	-	-	-	0.03
Narayana Hospitals Private Limited	18.99	-	-	-	-	18.99
Health City Cayman Islands Ltd	-	-	3.10	-	-	3.10
Trimedx India Private Limited	-	-	-	17.44	-	17.44
Narayana Hrudayalaya Foundation	-	-	-	0.02	-	0.02
Asia Heart Foundation	-	-	-	1.43	-	1.43
Total	**19.02**	**-**	**3.10**	**25.80**	**-**	**47.92**
Corporate guarantees						
Narayana Hrudayalaya Surgical Hospital Private Limited	117.08	-	-	-	-	117.08

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

33. Related party disclsoures (continued)

For the year ended 31 March 2015

a) Transactions with related parties INR in millions

Transactions	Subsidiaries	Key Management Personnel (KMP)	Associate of Subsidiary (NCHL)	Enterprises under significant influence of KMP	Enterprises under significant influence of relative of KMP	Total
Payment of share application money						
Narayana Cayman Holdings Ltd	375.14	-	-	-	-	375.14
Narayana Health Institutions Private Limited	0.80	-	-	-	-	0.80
Trimedx India Private Limited	-	-	-	0.94	-	0.94
Total	**375.94**	**-**	**-**	**0.94**	**-**	**376.88**
Refund of share application money						
Narayana Hospitals Private Limited	300.00	-	-	-	-	300.00
Unsecured loan						
Narayana Hospitals Private Limited	20.00	-	-	-	-	20.00
Meridian Medical Research & Hospital Limited	195.74	-	-	-	-	195.74
Narayana Hrudayalaya Surgical Hospital Private Limited	8.50	-	-	-	-	8.50
Total	**224.24**	**-**	**-**	**-**	**-**	**224.24**
Refund of unsecured loan						
Narayana Hrudayalaya Surgical Hospital Private Limited	85.68	-	-	-	-	85.68
Security deposit						
Narayana Hospitals Private Limited	280.00	-	-	-	-	280.00
Sales of consumables and drugs						
Health City Cayman Islands Ltd	-	-	55.27	-	-	55.27
Rental expense, net of taxes						
Narayana Hospitals Private Limited	9.21	-	-	-	-	9.21
Charmakki Infrastructures	-	-	-	6.03	-	6.03
Total	**9.21**	**-**	**-**	**6.03**	**-**	**15.24**
Reimbursement of expenses						
Narayana Hospitals Private Limited	1.76	-	-	-	-	1.76
Narayana Hrudayalaya Surgical Hospital Private Limited	1.96	-	-	-	-	1.96
Narayana Vaishno Devi Specialty Hospitals Private Limited	1.60	-	-	-	-	1.60
Meridian Medical Research & Hospital Limited	5.80	-	-	-	-	5.80
Narayana Institute for Advanced Research Private Limited	-	-	-	-	-	-
Narayana Health Institutions Private Limited	0.01	-	-	-	-	0.01
Health City Cayman Islands Ltd	-	-	2.82	-	-	2.82
Narayana Hrudayalaya Foundation	-	-	-	0.31	-	0.31
Asia Heart Foundation	-	-	-	6.71	-	6.71
Total	**11.13**	**-**	**2.82**	**7.02**	**-**	**20.97**
Refund of advance						
Narayana Hrudayalaya Surgical Hospital Private Limited	50.92	-	-	-	-	50.92
Rental income, net of taxes						
Narayana Hrudayalaya Surgical Hospital Private Limited	4.30	-	-	-	-	4.30
Interest income, net of tax						
Narayana Hrudayalaya Surgical Hospital Private Limited	9.34	-	-	-	-	9.34
Meridian Medical Research & Hospital Limited	11.09	-	-	-	-	11.09
Narayana Hospitals Private Limited	0.03	-	-	-	-	0.03
Total	**20.46**	**-**	**-**	**-**	**-**	**20.46**
Interest on debentures, net of tax						
Narayana Hrudayalaya Hospitals Malaysia SDN BHD	1.74	-	-	-	-	-
Hospital management fees payable						
Mazumdar Shaw Medical Foundation	-	-	-	25.00	-	25.00
Hospital management fees income						
Meridian Medical Research & Hospital Limited	0.46	-	-	-	-	0.46

Narayana Hrudayalaya Limited
(formerly known as Narayana Hrudayalaya Private Limited)

33. Related party disclsoures (continued)

For the year ended 31 March 2015

a) Transactions with related parties (continued) INR in millions

Transactions	Subsidiaries	Key Management Personnel (KMP)	Associate of Subsidiary (NCHL)	Enterprises under significant influence of KMP	Enterprises under significant influence of relative of KMP	Total
Hospital management fees reversal						
Narayana Hrudayalaya Surgical Hospital Private Limited	2.43	-	-	-	-	2.43
Investment in equity instruments						
Narayana Vaishno Devi Specialty Hospitals Private Limited	0.50	-	-	-	-	0.50
Investment in debenture						
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD	55.21	-	-	-	-	55.21
Sales of medical stores and consumables						
Health City Cayman Islands Ltd	-	-	55.27	-	-	55.27
Guarantee commission						
Health City Cayman Islands Ltd	-	-	13.15	-	-	13.15
Software license fees						
Health City Cayman Islands Ltd	-	-	7.41	-	-	7.41
Purchases of medical stores						
Hrudayalaya Pharmacy	-	-	-	9.93	-	9.93
Amaryllis Healthcare Private Limited	-	-	-	61.70	-	61.70
Total	**-**	**-**	**-**	**71.63**	**-**	**71.63**
Maintenance of medical equipment						
Trimedx India Private Limited	-	-	-	267.80	-	267.80
Hotel accommodation expenses						
Akkayya Hospitality Services *(formerly known as Akkayya Consultancy Services)*	-	-	-	-	0.25	0.25
Revenue from health care services						
Narayana Hrudayalaya Charitable Trust	-	-	-	15.51	-	15.51
Discount entitlement						
Asia Heart Foundation	-	-	-	18.00	-	18.00
Payment of remuneration						
Dr. Devi Prasad Shetty	-	26.40	-	-	-	26.40
Mrs. Shankuntala Shetty	-	1.50	-	-	-	1.50
Mr. Viren Shetty	-	6.35	-	-	-	6.35
Dr. Varun Shetty	-	2.81	-	-	-	2.81
Dr. Ashutosh Raghuvanshi	-	17.12	-	-	-	17.12
Total	**-**	**54.18**	**-**	**-**	**-**	**54.18**
Corporate guarantees						
Meridian Medical Research & Hospital Limited	537.03	-	-	-	-	537.03
Narayana Hrudayalaya Surgical Hospital Private Limited	294.13	-	-	-	-	294.13
Health City Cayman Island Ltd	-	-	323.53	-	-	323.53
Total	**831.16**	**-**	**323.53**	**-**	**-**	**1,154.69**

Narayana Hrudayalaya Limited
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33. Related party disclsoures (continued)

For the year ended 31 March 2015

b) The balances receivable from and payable to related parties as at 31 March 2015 INR in millions

Transactions	Subsidiaries	Key Management Personnel (KMP)	Associate of Subsidiary (NCHL)	Enterprises under significant influence of KMP	Enterprises under significant influence of relative of KMP	Total
Short-term loans and advances- Due for reimbursement of expense						
Narayana Health Institutions Private Limited	0.33	-	-	-	-	0.33
Narayana Cayman Holdings Ltd	27.68	-	-	-	-	27.68
Narayana Vaishno Devi Specialty Hospitals Private Limited	1.60	-	-	-	-	1.60
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD	0.01	-	-	-	-	0.01
Narayana Institute for Advanced Research Private Limited	0.51	-	-	-	-	0.51
Health City Cayman Islands Ltd	-	-	18.98	-	-	18.98
Hrudayalaya Pharmacy	-	-	-	0.94	-	0.94
Narayana Hrudayalaya Foundation	-	-	-	0.96	-	0.96
Akkayya Hospitality Services *(formerly known as Akkayya Consultancy Services)*	-	-	-	-	0.18	0.18
Daya Drishti Charitable Trust	-	-	-	0.06	-	0.06
Asia Heart Foundation	-	-	-	1.10	-	1.10
Total	**30.13**	**-**	**18.98**	**3.06**	**0.18**	**52.35**
Long-term loans and advances- Unsecured loan						
Narayana Hospitals Private Limited	20.00	-	-	-	-	20.00
Meridian Medical Research & Hospital Limited	195.74	-	-	-	-	195.74
Total	**215.74**	**-**	**-**	**-**	**-**	**215.74**
Other payables - Creditors for capital goods						
Narayana Institute for Advanced Research Private Limited	58.03	-	-	-	-	58.03
Long-term loans and advances - Share application money pending allotment						
Narayana Cayman Holdings Ltd	85.06	-	-	-	-	85.06
Trimedx India Private Limited	-	-	-	1.81	-	1.81
Total	**85.06**	**-**	**-**	**1.81**	**-**	**86.87**
Long-term loans and advances - Security deposit						
Narayana Hospitals Private Limited	280.00	-	-	-	-	280.00
Charmakki Infrastructures	-	-	-	140.00	-	140.00
Total	**280.00**	**-**	**-**	**140.00**	**-**	**420.00**
Trade payables						
Narayana Hospitals Private Limited	11.48	-	-	-	-	11.48
Health City Cayman Islands Ltd	-	-	0.28	-	-	0.28
Amaryllis Healthcare Private Limited	-	-	-	4.94	-	4.94
Trimedx India Private Limited	-	-	-	26.88	-	26.88
Charmakki Infrastructures	-	-	-	0.47	-	0.47
Mazumdar Shaw Medical Foundation	-	-	-	20.00	-	20.00
Total	**11.48**	**-**	**0.28**	**52.29**	**-**	**64.05**
Trade receivables						
Meridian Medical Research & Hospital Limited	59.76	-	-	-	-	59.76
Health City Cayman Islands Ltd	-	-	28.85	-	-	28.85
Asia Heart Foundation	-	-	-	0.31	-	0.31
Narayana Hrudayalaya Charitable Trust	-	-	-	1.71	-	1.71
Narayana Hrudayalaya Foundation	-	-	-	0.30	-	0.30
Total	**59.76**	**-**	**28.85**	**2.32**	**-**	**90.93**
Other current assets - Interest accrued on debentures						
Narayana Hrudayalaya Hospitals Malaysia SDN. BHD	1.74	-	-	-	-	1.74
Other current assets - Interest accrued on unsecured loan						
Meridian Medical Research & Hospital Limited	11.09	-	-	-	-	11.09
Narayana Hospitals Private Limited	0.03	-	-	-	-	0.03
Total	**11.12**	-	-	-	-	**11.12**
Remuneration payable						
Mr. Viren Shetty	-	1.27	-	-	-	1.27
Dr. Ashutosh Raghuvanshi	-	3.12	-	-	-	3.12
Total	**-**	**4.39**	**-**	**-**	**-**	**4.39**
Corporate guarantees						
Meridian Medical Research & Hospital Limited	323.53	-	-	-	-	323.53
Narayana Hrudayalaya Surgical Hospital Private Limited	411.21	-	-	-	-	411.21
Health City Cayman Island Ltd	-	-	537.03	-	-	537.03
Total	**734.74**	**-**	**537.03**	**-**	**-**	**1,271.77**

Annexure VI

Notes to the Restated Standalone Summary Statements

34. Contingent liabilities and commitments

(i) Contingent liabilities

INR in million

Particulars	**As at 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Claims against the Company not acknowledged as debts in respect of :					
a) Employee State Insurance	-	-	-	4.24	-
b) Entry tax	1.19	2.15	2.15	2.15	2.15
c) Income tax	-	12.17	12.17	12.17	12.17
Guarantees					
a) Bank guarantees	10.25	9.50	81.85	132.49	553.97
b) Corporate guarantees	5.40	1.99	103.79	117.08	734.75

Notes:

a) During the year 2013-2014, the Raipur unit of the Company had received a notice from Employees' State Insurance Corporation for retrospective implementation of Employees' State Insurance from 1 September 2011. The Company had deposited INR 4.24 million under protest. The Management considers the possibility of an adverse order to be high. Accordingly, the amount paid under protest has been charged off to the restated standalone summary statement of profit and loss during the year ended 31 March 2015.

b) The Company has received a show cause notice proposing levy of special entry tax @ 4% on import of elevators under Karnataka Special Tax on Entry of Certain Goods Act, 2004. The Company has filed a writ petition in the Honorable High Court of Karnataka. The Honorable High Court has granted stay on the same. The management believes that its position is likely to be upheld in the appellate process.

c) For assessment year 2009-2010 the Company had received an assessment order u/s 143(3) on 28 December 2011 with a demand of INR 12.17 million. Against this demand the Company had paid INR 10 million under protest and filed an appeal with the CIT (A) against order issued by the department. After the hearing CIT (A) had issued an order in favor of the Company and the department had filed an appeal with the ITAT (Income Tax Appellate Tribunal) against the order of CIT (A). During the year, the ITAT has issued an order on 23 January 2015 in favor of the Company, but the Assessing officer has not given affect of such order. The Management believes that its position is likely to be upheld in the appellate process.

Additionally, the Company believes that other disputes, lawsuits and claims, including commercial matters, which arise from time to time in the ordinary course of business will not have any material adverse effect on its financial statements in any given accounting period.

The Company has given letter of supports to various subsidiaries, as given below in each respective years. Under the letter of support, the Company is committed to provide operational and financial assistance as is necessary for the subsidiaries to enable them to operate as going concern for a period of at least one year from the balance sheet date.

Particulars	**As at 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Narayana Hospitals Private Limited	Yes	Yes	Yes	Yes	Yes
Narayana Health Institution Private Limited	Yes	Yes	Yes	Yes	Yes
Narayana Hrudayalaya Dental Clinics Private Limited	Yes	Yes	Yes	Not applicable	Not applicable
Narayana Hrudayalaya Surgical Hospital Private Limited	Yes	Yes	Yes	No	No
Narayana Cayman Holdings Ltd	Yes	Yes	Yes	No	No
Narayana Institute for Advanced Research Private Limited	No	No	No	Yes	Yes
Narayana Health Academy Private Limited	Yes	Yes	Yes	Yes	No
Narayana Vaishno Devi Specialty Hospitals Private Limited	Not applicable	Not applicable	Not applicable	Not applicable	Yes

(ii) Commitments

INR in million

Particulars	**As at 31 March**				
	2011	**2012**	**2013**	**2014**	**2015**
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	329.12	40.19	-	-	-

Narayana Hrudayalaya Limited
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Annexure VII

Restated Standalone Summary Statement of Accounting Ratios

INR in millions except per share details

Particulars		As at 31 March				
		2011	2012	2013	2014	2015
Restated net worth at the end of the year (Refer note 5 and 6)	A	4,860.64	5,150.47	5,334.92	5,696.75	7,912.99
Net profit as per Restated Standalone Summary Statement of profit and loss	B	174.04	289.83	184.45	360.29	289.20
Add: Interest on debenture, net of tax		-	-	-	-	18.61
Net profit after tax attributable to equity shareholders (including dilutive potential equity shares)	C	174.04	289.83	184.45	360.29	307.81
Weighted average number of equity shares outstanding during the year considered for calculating basic earning per share (Refer note 4)	D	188,234,954	188,234,954	188,234,954	188,234,954	190,910,293
Weighted average number of equity shares outstanding during the year considered for calculating dilutive earnings per share (Refer note 4)	E	188,234,954	188,234,954	188,234,954	188,234,954	192,285,674
Earnings per share of INR 10 each						
- Basic earnings per share (INR)	F= B/D	0.92	1.54	0.98	1.91	1.51
- Diluted earnings per share (INR)*	G = C/E	0.92	1.54	0.98	1.91	1.51
Return on net worth (%)	H = B/A	3.58%	5.63%	3.46%	6.32%	3.65%
Number of shares outstanding at the end of the year (bonus adjusted) (Refer note 4)	I	188,234,954	188,234,954	188,234,954	188,234,954	200,000,000
Net asset value per share	J=A/I	25.82	27.36	28.34	30.26	39.56

Notes:

1. The above ratios have been computed on the basis of the Restated Standalone Summary Statements of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

3. The ratios have been computed as below:

a) Basic earnings per share (INR) = Net profit as per Restated Standalone Summary Statement of profit and loss / Weighted average number of equity shares outstanding during the year considered for calculating basic earnings per share (refer note 4)

a) Diluted earnings per share (INR) = Net profit after tax attributable to equity shareholders (including dilutive potential equity shares) / Weighted average number of equity shares outstanding during the year considered for calculating dilutive earnings per share (refer note 4)

b) Return on net worth (%) = Net profit as per Restated Standalone Summary Statement of profit and loss / Restated net worth at the end of the year

c) Net asset value per share (INR) = Restated net worth at the end of the year / Total number of equity shares outstanding at the end of the year (Refer note 4)

4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

For the purposes of computation of basic, diluted earnings per share and net asset value per share, the equity shares as at 31 March, 2015 and for the all the years presented are adjusted for such bonus shares.

5. The Company does not have any revaluation reserves.

6. Net worth include equity share capital and reserves and surplus, as restated (including capital reserve, debenture redemption reserve, securities premium account and surplus (balance in statement of profit and loss).

7. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, prescribed under Section 133 of the 2013 Act, read with Rule 7 of the Companies (Accounts Rules, 2014).

8. Weighted average number of equity shares considered for the computation of diluted earnings/(loss) per share are adjusted for the dilutive portion of outstanding debentures.

*The potential equity shares are anti-dilutive in nature therefore basic and dilutive earnings per share are the same.

Narayana Hrudayalaya Limited
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Annexure - VIII

Restated Standalone Summary Statement of Tax Shelter

INR in millions

Particulars		For the year ended 31 March				
		2011	2012	2013	2014	2015
Restated profit before tax	A	245.88	418.08	283.78	563.08	457.95
Income tax rates applicable (including surcharge and education cess)	B	33.22%	32.45%	32.45%	33.99%	33.99%
Tax thereon at the above rates	**C = A*B**	**81.68**	**135.67**	**92.09**	**191.39**	**155.66**
Permanent differences						
Corporate Social Responsibility disallowed under Income-tax laws		-	-	-	-	10.60
(Profit) / loss on sale of assets		(1.78)	-	-	0.29	2.58
Gain on sale of investments		-	-	-	(93.02)	-
Others		(27.84)	(22.84)	4.38	51.63	25.33
Total permanent differences	**D**	**(29.62)**	**(22.84)**	**4.38**	**(41.10)**	**38.51**
Timing differences						
Differences between book depreciation and tax depreciation		(120.67)	(114.20)	(178.90)	(226.13)	(173.27)
Impairment of investments		-	-	-	30.46	12.39
Amounts disallowed u/s 43B, net		13.92	24.42	13.22	32.27	68.70
Provision for Doubtful Debts		15.24	28.41	121.72	24.32	(5.28)
Provision for expenses u/s 35D disallowed earlier year now allowed		(8.03)	(8.03)	(1.27)	-	-
Others		0.79	0.83	(2.02)	(2.64)	4.05
Differences in tax and accounting treatment on forex reinstatement of capital loan		-	-	-	(7.69)	-
Total timing differences, net	**E**	**(98.75)**	**(68.57)**	**(47.25)**	**(149.41)**	**(93.41)**
Net adjustments	**F =D+E**	(128.37)	(91.41)	(42.87)	(190.51)	(54.90)
Tax impact of adjustments	G= F*B	(42.64)	(29.67)	(13.91)	(64.75)	(18.66)
Taxable income at special rates		-	-	-	111.91	-
Tax impact of taxable income at special rates	H	-	-	-	25.36	-
Tax provision based on taxable income as per tax laws	**I=C+G+H**	**39.04**	**106.00**	**78.18**	**152.00**	**137.00**
Minimum Alternate Tax Under Section 115JB of Income Tax Act	**J**	**68.00**	**92.12**	**84.00**	**134.03**	**84.98**
Current Tax Expense (Higher of I and J)	**K**	**68.00**	**106.00**	**84.00**	**152.00**	**137.00**
Deferred tax charge / (credit) on expenses debited to the restated standalone summary statement of Profit and Loss in the respective years but allowable/adjustable for tax purpose in following years (net of reversal of earlier years)	L	32.80	22.25	15.33	50.79	31.75
MAT credit	M	(28.96)	-	-	-	-
Total tax expenses	**N=K+L+M**	**71.84**	**128.25**	**99.33**	**202.79**	**168.75**

Notes:

1. The figures disclosed above are based on the restated standalone summary statement of profit and loss of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

Narayana Hrudayalaya Limited
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Annexure - IX

Restated Standalone Summary Statement of dividend

The Company has not paid any dividend in respect of the five years ended 31 March 2011, 31 March 2012, 31 March 2013, 31 March 2014 and 31 March 2015.

Narayana Hrudayalaya Limited
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Annexure X

Restated Standalone Summary Statement of capitalization

INR in millions

Particulars	Pre-Issue as at 31 March 2015	As adjusted for issue (Refer note 4 below)
Debt:		
Long term borrowings *		
Non-current portions (A) (Refer note 3 of Annexure VI)	1,593.36	
Current maturities (B) (Refer note 3 of Annexure VI)	348.70	
Total long term borrowings (C) = (A+B)	**1,942.06**	
Short term borrowings (D) (Refer note 3 of Annexure VI)	943.47	
Total debt E = (C+D)	**2,885.53**	
Shareholders Funds:		
Share capital	2,000.00	
Reserves and surplus	5,912.99	
Total Shareholders Funds (F)	**7,912.99**	
Total long-term borrowings/Total Shareholders Funds (C/F)	0.25 : 1	
Total borrowings/Total Shareholders Funds (E/F)	0.36 : 1	

*excludes interest accrued but not due

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of assets and liabilities of the Company.

2. The above statement should be read with the Company overview and significant accounting policies appearing in Annexure IV, explanatory notes to Statement of Restatement adjustments to audited standalone financial statements in Annexure V and Notes to Restated Standalone Summary Statements appearing in Annexure VI.

3. There is no change in the share capital of the Company since 31 March 2015 (which is the last date as of which financial information has been given in the Restated Standalone Summary Statements).

4. The corresponding figures (as adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

FINANCIAL INDEBTEDNESS

As on March 31, 2015, the aggregate outstanding borrowings of our Company on a consolidated basis are as follows:

(₹ In Millions)

S.No.	Nature of Borrowing[1]	Amount
1.	Secured Borrowings	2,620.27
2.	Unsecured Borrowings	1,000.00

(1) Excludes indebtedness arising out of (i) non-fund based financing facilities, such as bank guarantees and letters of credit availed by us; and (ii) corporate guarantees issued by our Company.

The details of indebtedness of our Company as at March 31, 2015, together with a brief description of certain material covenants of the relevant financing agreements, are provided below:

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S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
I.	**Loans availed by our Company**							
1.	Canara Bank[(1)]	(a) Facility letters dated November 13, 2013, December 13, 2013, May 13, 2014 and July 14, 2014; (b) Letter confirming deposit of title deeds (undated); (c) Counter indemnity (undated); and (d) Supplemental common hypothecation agreement (undated).	1,657.05 divided as follows: (a) Foreign Bank Guarantee ("**FBG**") of USD 8.58[(2)]; (b) 250.00 as overdraft limit; (c) 70.00 as letter of credit; (d) 750.00 as term loan; and (e) 50.00 as bank guarantee.	154.59 of the term loan. 235.47 of overdraft.	(a) FBG: 50.00% of applicable commission of 1.75% p.a. of the outstanding amount. (b) Overdraft facility: Base rate + 0.30%. (c) Letter of credit: 50.00% reduction in opening charges and charges for handling bills under letters of credit. (d) Term loan: linked to base rate. (e) Bank guarantee facility: 1.00% p.a.	FBG: Guarantee for repayment in respect of loan availed from Bank of America by HCCI. Overdraft limit: Working capital. Letter of credit: To procure equipment and consumables. Term loan: To fund upcoming projects and purchase of equipment. Bank guarantee: Advance payment/bid/performance guarantees favouring government, semi government and public sector undertakings.	FBG: 10 years and 6 months starting March 1, 2014. Overdraft: Repayable on demand. Letter of credit: 365 days. Term loan: To be repaid in 15 monthly instalments . Bank guarantee: 2 years excluding claim period.	Term loan: exclusive 1st charge – hypothecation of proposed machineries/ equipment to be purchased out of the term loan. Collateral security for overdraft, term loan and non-fund based facilities: Equitable mortgage over leasehold rights over property allotted by KIADB to the extent of 3 acres and 24 guntas bearing Survey No. 1/1, 1/2, 2/2, and 2/3 of Kittaganahalli village, Attibele Hobli, Anekal Taluk. Landed property measuring 1 acre 6

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
								guntas situated in Survey No. 25 of Kittaganahalli village, Attibele Hobli, Anekal Taluk owned by our Company.
2.	HSBC	a) Facility letter dated September 17, 2012 (amended by facility letters dated February 12, 2013, April 19, 2013 and February 27, 2014; b) Term loan agreement dated September 17, 2012; c) Term loan agreement dated March 01, 2014; d) Agreement for overdraft and cash credit dated September 17, 2012; e) Demand promissory note dated	825.00 divided as follows: 675.00(3) as term loan; and 150.00 as overdraft.	494.50 of the term loan. 99.85 of the overdraft.	Term loan: 10.25%. Overdraft facility: 0.75% p.a. over the base rate, but subject to fluctuation at bank's discretion.	Term loan: to meet capital expenditure requirements for various projects of our Company. Overdraft: to finance capital expenditure of our Company, including towards import payments and credits.	Repayment of term loan(3) Overdraft: Repayable on demand.	Term loan: First exclusive charge by way of equitable mortgage on the land and building measuring 19307.50 sq. mts. situated at Sector-28, Pratap Nagar, Sanganer, Jaipur, Rajasthan. First pari-pasu charge on the immovable and movable fixed assets of our Company, except for those exclusively charged for specific loans. Overdraft facility:

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
		September 17, 2012; f) Deed of hypothecation dated September 17, 2012; g) Supplemental deed of hypothecation dated March 01, 2014; h) Declaration dated March 13, 2013; and i) Memorandum depositing title deeds dated March 13, 2013.						Security for overdraft facility only: first *pari passu* charge on stocks, book debts, outstanding monies, receivables and claims of our Company.
3.	EXIM Bank	a) Deed of hypothecation dated November 26, 2013; b) Amendatory loan agreement dated June 30, 2014; and c) Sanction letter dated November 20, 2013 (amended by sanction letters	USD 4.50	253.49	LIBOR (6 months) + 340 basis points p.a. payable quarterly.	Part financing investments in joint venture with Ascension Health namely, HCCI through Narayana Cayman Holdings.	Repayable in 18 quarterly instalments.	Exclusive charge on immovable property (land and building) located over Sy. No. 135/1 and 135/2, Kittiganahalli Village, Attibele Hobli, Anekal, Bengaluru. Exclusive charge by way of escrow of the

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
		dated April 30, 2014, May 08, 2014, June 23, 2014 and December 18, 2014); d) Memorandum of entry dated June 07, 2014.						dividend receivables from Narayana Cayman Holdings to our Company, in a form and manner acceptable to the bank.
4.	Kotak Mahindra Bank Limited	a) Sanction letter dated June 25, 2014, as modified by the letters dated July 03, 2014, July 07, 2014 and July 11, 2014; b) Term loan agreement dated July 09, 2014; and c) Deed of hypothecation dated July 09, 2014.	300.00 as working capital term loan.	250.0 of the working capital term loan.	Working capital term loan: 10.40% p.a.	Working capital term loan: Augmenting long term working capital sources.	Working capital term loan: Tenor: Maximum 18 months including moratorium of 6 months. Repayable in 10 monthly instalments.	Working capital term loan: Subservient charge on all existing and future current assets of our Company.(4)
5.	Philips Electronics India Limited	Deferred agreement dated May 30, 2011.	18.02	6.10	7.26% p.a.	Financing of medical equipment	Repayable in 6 quarterly instalments.	Exclusive charge over hypothecation of equipment financed through the facility.

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
6.	Srei Equipment Finance Limited.	a) Sanction Letter dated June 24, 2010; and b) Loan cum hypothecation agreement dated July 15, 2010.	27.4	5.80	7.25% p.a.	Financing of medical equipment	Repayable in 2 quarterly instalments.	Hypothecation of equipment financed through the facility.
7.	Wipro GE	a) Agreement dated October 08, 2010.	84.00	27.58	7.25% p.a.	Financing of medical equipment	Repayable in 4 quarterly instalments.	Hypothecation of equipment financed through the facility.
8.	YES Bank	a) Facility letter dated February 03, 2014 (as amended by addendum dated May 03, 2014); b) Demand promissory note dated February 28, 2014; c) Deed of hypothecation dated February 28, 2014; d) Letter of continuity dated February 28, 2014. e) Supplemental deed	400.00 as overdraft facility with the following sub limits: 400.00 as purchase bill discounting; and 400.00 as purchase invoice discounting.	198.66	0.25% p.a. above the YES Bank base rate.	Overdraft facility: To meet cash flow mismatches. Purchase bill discounting: for purchase bill discounting to help our Company meet routine working capital requirements, to make payment to vendors, suppliers, to contractors, for routine equipment, medical, stock and operational expenditure. Purchase invoice discounting: For purchase invoice discounting to help our Company meet routine working capital requirements, to make payment to vendors, suppliers,	Tenor: Overdraft facility: 12 months Purchase bill discounting: Maximum 3 months; Purchase invoice discounting: Maximum 3 months; Repayment: a) Purchase bill discounting: bullet repayment at the end of	Exclusive charge on specific fixed assets (including plant and machinery) of our Company. Subservient charge on the current assets (present and future) of our Company.

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
		of hypothecation dated May 05, 2014; f) Demand promissory note dated May 05, 2014; g) Master facility agreement dated 28, 2014; h) Supplemental master facility agreement dated May 05, 2014.				to contractors, for routine equipment, medical, stock and opex.	tenor. b) Purchase invoice discounting: bullet repayment at the end of tenor.	
9.	YES Bank	a) Facility letter dated June 05, 2014, as amended by the letter dated October 21, 2014; b) General undertaking dated June 06, 2014; c) Deed of hypothecation dated June 06, 2014; and d) Deed of hypothecation dated	250.00 as letter of credit (Sight) 1 with the following sublimit: 250.00 as letter of credit (Usance) 1. 100.00 as letter of credit (Sight) 2 with the following sub-limit:	–	Letter of credit (Sight) 1: Commission of 0.20% p.a. Letter of credit (Usance) 1: Commission of 0.25% p.a. Letter of credit (Sight) 2 and Letter of credit (Usance) 2: Commission of 0.25% p.a.	Letter of credit (Sight) 1: Purchase of equipment and medical stock. Letter of credit (Usance) 1: To purchase medical equipment. Letter of credit (Sight) 2 and (Usance) 2: Purchase of equipment and medical stock.	Letter of credit (Sight) 1 and (Usance) 1: Tenor of 36 months Letter of credit (Sight) 2 and (Usance) 2: Tenor of 12 months	Letter of credit (Sight) 1 and (Usance) 1: Exclusive charge on assets procured under the letter of credit facility. Letter of credit (Sight) 2 and (Usance) 2: Subservient charge on current assets of our Company (present and future),

S.No.	Lender		Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
			January 12, 2015.	Letter of credit (Usance) 2: 100.00.					except those charged exclusively to any bank / supplier / vendor.
10.	HDFC	a)	Sanction Letter dated February 14, 2013;	300.00 as overdraft.	159.48	Base rate + 0.40%	Cash credit facility	Tenor: 12 months	*Pari passu* first charge over stock in trade and book debts.
		b)	Demand promissory note dated February 14, 2013;						
		c)	Letter of continuity dated February 14, 2013;						
		d)	Letter of hypothecation dated February 14, 2013;						
		e)	Power of attorney dated February 14, 2013;						
		f)	Letter of general lien and set off dated February 14, 2013; and						

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
		g) Renewal letter dated May 22, 2014.						
11.	CDC IOL	Securities Subscription Agreement dated December 22, 2014 entered into between our Company, CDC Group and CDC IOL	1,000.00	1,000.00	10.50% p.a. of the face value of each OCD (compounded annually and repaid or converted at time of conversion or redemption); provided that no accrued coupon is payable in respect of any OCD if such OCD has been converted into Equity Shares of our Company at an initial public offer conducted within 15 months from December 24, 2014.	Retirement of loans	In the event that the Selling Shareholders have not offered for sale as part of this public offer (jointly or singly) at least 10.00% of the post-issue paid-up capital of our Company or such other amount as per the SEBI ICDR Regulations for minimum IPO size, the principal amount of the OCDs and accrued coupon (which is applicable only where the initial public offer is completed after 15 months from December 24, 2014) will, at the option of our Company, either be redeemed or converted into Equity Shares. see section "***History and Certain***	None

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
							Corporate Matters" on page 139 for further information on the conversion formula to be adopted in the event the OCDs are converted. Our Company also has the option to part-redeem and part-convert the OCDs as it may choose to.(5)	
II.	**Loans availed by our Subsidiaries**							
Loans availed by MMRHL								
12.	SBI	a) Sanction letter dated June 10, 2014 (as amended by sanction letters dated November 21, 2014; b) Letter dated November 24, 2014; c) Counter guarantee dated November 21, 2014; d) Loan agreement dated June 22, 2010;	356.40 divided as follows: 15.00 as cash credit; 265.40 as term loan – I; 71.00 as term loan – II; 5.00 as bank guarantee.	317.61 of the term loan. 5.91 of cash credit.	Cash credit: 3.25% p.a. above the base rate. Term loan – I: 3.50% p.a. above the base rate. Term loan – II: 3.50% p.a. above the base rate. Bank guarantee: Commission of 2.20% and	Purpose for term loan not provided in sanction letters.	Cash credit: None provided Term loan – I: Repayable in 22 quarterly instalments. Term loan – II: Repayable in 22 quarterly instalments. Bank guarantee: Period of advance: 12 months.	Cash credit and bank guarantee: **Primary security**: First charge by way of hypothecation on the entire stocks of inventory, receivables, bills and other chargeable current assets of MMRHL, both present and future. Collateral security:

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
		e) Supplemental loan agreement dated March 21, 2013; f) Supplemental loan agreement dated June 30, 2014; g) Supplemental loan agreement dated November 24, 2014; h) Hypothecation agreement dated June 22, 2010; i) Supplemental hypothecation agreement dated March 21, 2013; j) Supplemental hypothecation agreement dated June 30, 2014; and k) Supplemental Hypothecation Agreement dated			applicable service charge.		Period of guarantee: Maximum 18 months.	Equitable mortgage of land in the name of MMRHL and a building comprising of existing Westbank hospital, at JL No-38, Mouza-Podra, PS-Sankrail, Ranihati, Howrah, West Bengal (on *pari passu* basis). Hypothecation of medical equipment, furniture/fixtures and other miscellaneous fixed assets of the existing hospital. Corporate guarantee of our Company Term loan I and term loan II: Primary security: Equitable mortgage of land and building, 1st charge on *pari passu* basis with

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
		November 24, 2014.						other term lenders over 3.0832 acres of the MMRHL's leasehold land at Andul Road, JL No-1, Mouza-Shibpur, PS-Shibpur, Howrah. 1st charge on *pari passu* basis with other term lenders over the medical equipment, furniture and other miscellaneous fixed assets of the proposed hospital. Collateral security: Equitable mortgage of land in the name of MMRHL and a building comprising of existing Westbank hospital, at JL No-38, Mouza-Podra, PS-Sankrail, Ranihati, Howrah, West Bengal (on *pari passu* basis).

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
								Hypothecation of medical equipment, furniture/fixtures and other miscellaneous fixed assets of the existing hospital. Corporate guarantee of our Company.
Loans availed by NHSHPL								
13.	GE Capital	a) Master loan agreement December 28, 2012; b) Promissory note dated December 28, 2012; c) Undated power of attorney; d) Deed of hypothecation dated December 28, 2012; e) Facility letter dated December 19, 2012; and	22.64	18.89	10.34% p.a.	To purchase equipment.	Repayable in 15 quarterly instalments.	First and exclusive charge on the equipment financed by GE Capital. Cross lateral and cross default agreement to be signed with live agreements of our Company. Full PDCs / ECS payment for entire tenor. Corporate Guarantee from our Company.

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
		f) Undated cross-collateral and cross-default agreement.						
14.	YES Bank	a) Application sum set off letter dated March 23, 2015; b) Demand promissory note dated March 23, 2015; c) Letter of continuity dated March 23, 2015; d) Deed of undertaking dated March 23, 2015; e) Facility letter dated March 19, 2015; and f) Loan agreement dated March 23, 2015.	360.00 divided as follows: (a) 350.00 as term loan with the following sub-limits: Letter of credit: (Sight) – Import: 150.00 Letter of credit: (Sight) – Inland: 150.00 Letter of credit (Usance) Import: 150.00	180.00 of the term loan	Term Loan: 0.20% p.a. above the YES Bank. base rate plus applicable interest, tax or any other statutory levy, if any. Letter of credit (Sight) – Import: Commission of 0.20% p.a. Letter of credit: (Sight) – Inland: Commission of 0.20% p.a. Letter of credit (Usance) Import: Commission of 0.25% p.a. Letter of Credit (Usance) Inland: Commission of 0.25% p.a.	Term loan: Towards capex to be incurred including addition of beds, medical equipment, refurbishment of Mysore hospital, reimbursement of costs incurred including deposit/advances placed / to be placed with various agencies/lessors as part of business operations, for long term working capital requirements, refinance of loans brought in for development of hospital. Letter of credit (Sight) – Import: purchase of medical equipment. Letter of credit: (Sight) – Inland: Purchase of medical equipment. Letter of Credit (Usance) Import: Purchase of medical equipment.	Term Loan: Tenor: Door to door tenor of 120 months (including moratorium of 36 months) from the date of first disbursement. Letter of credit (Sight) – import: Tenor: 36 months Letter of credit: (Sight) – Inland: Tenor: 36 months Letter of credit (Usance) Import: Tenor: 36 months Letter of credit: (Sight) – Inland:	Term loan and performance / financial bank guarantee: Exclusive charge on identified movable assets of our Company,. Minimum 1.1x cover on term loan and letters of credit and undertaking. Corporate guarantee of our Company. Security for letters of credit / letters of undertaking, to be secured by equipment / assets procured under the relevant facility.

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
			Letter of credit Inland (Usance): 150.00 Letter of undertaking for buyers credit: 150.00 (b) 10.00 as performance bank guarantee with a sublimit of 10.00 for financial bank guarantee		Letter of undertaking for buyers credit: commission of 0.25% p.a. Performance / financial bank guarantee: Commission: 0.25% p.a. to be collected on an annual basis.	Letter of Credit (Usance) Inland: Purchase of medical equipment. Letter of undertaking for buyers credit: Purchase of medical equipment. performance bank guarantee: To issue guarantees in favour of government agencies/PSUs and other corporates and also for counter guarantees to the extent of BG limits being taken over from other banks	Tenor: 36 months Letter of undertaking for buyers credit: Tenor: 36 months Performance bank guarantee: Tenor: 96 months.	
15.	YES Bank	a) Facility Letter dated June 12, 2014; b) Demand promissory note dated June 12, 2014; c) Letter of continuity dated June 12, 2014;	50.00 as overdraft facility with the following sublimits: 50.00 as Letter of Credit: (Sight) – Import;	35.91	Overdraft facility: 0.25% p.a. above the YES Bank base rate plus applicable interest, tax, or any other statutory levy, if any. Letter of credit:	Overdraft facility: To meet cash flow mismatches and routine expenses. Letter of credit (Sight) – Import: purchase of medical equipment. Letter of credit (Sight) – Inland:	Overdraft facility: Tenor: 12 months. Letter of credit (Sight) – import: Tenor: 36 months. Letter of credit	Overdraft facility: First *pari passu* charge on current assets (present and future) of NHSHPL. Subservient charge on movable fixed

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
		d) Deed of hypothecation dated June 12, 2014; and e) Master facility agreement dated June 12, 2014.	50.00 as Letter of Credit (Sight) – Inland; 50.00 as Letter of Credit (Usance) Import; 50.00 as Letter of Credit (Usance) Inland.		(Sight) – Import: Commission of 0.20% p.a. Letter of Credit (Sight) – Inland: Commission of 0.20% p.a. Letter of Credit (Usance) Import: Commission of 0.25% p.a. Letter of Credit (Usance) Inland: Commission of 0.25% p.a.	purchase of medical equipment and stock. Letter of credit (Usance) Import: purchase of medical equipment and stock. Letter of Credit (Usance) Inland: purchase of medical equipment and stock.	(Sight) – Inland: Tenor: 12 months Letter of credit (Usance) Import: Tenor: 12 months Letter of credit (Usance) Inland: Tenor: 12 months.	assets of NHSHPL (except those charged exclusively to any lender/equipment financier) Corporate guarantee of our Company. Letters of credit: First *pari passu* charge on current assets of the NHSHPL (present and future). Subservient charge on movable fixed assets of NHSHPL (except those charged exclusively to any lender/equipment financier).
16.	Canara Bank	Sanction letter dated July 8, 2011.	468.60 as bank guarantee.	176.43	Base rate + 1.75%	To part finance NHSHPL's upcoming multispecialty hospital at Mysore.	Repayable in 1 monthly instalment from March 31, 2015.	Leasehold rights on 9.50 acres of land at property No. CAH I, III Stage, Devanur,

S.No.	Lender	Particulars of the documentation	Amount Sanctioned (in ₹ million, unless indicated otherwise against the respective facility)	Amount outstanding for fund-based facilities (in ₹ million, unless indicated otherwise against the respective facility)	Interest rate/ commission rate (%)	Purpose	Repayment	Security
								Mysore Urban Development Authority in favour of our Company. Charge on specific equipment purchased from the sanctioned loan. Corporate guarantee provided by our Company.

(1) We have misplaced and have not been able to locate certain deeds of hypothecation entered into in connection with this facility. These are as follows: the deed of hypothecation dated January 04, 2001 and supplemental hypothecation deeds dated November 15, 2002, August 05, 2004, February 23, 2005, January 02, 2006, January 06, 2009 and November 23, 2013.

(2) Converted to ₹537.03 million.

(3) The term loan was disbursed in the following tranches (i) ₹150.00 million (repayable in 14 months); (ii) ₹87.50 million (repayable in 14 months); (iii) ₹42.50 million (repayable in 14 months); (iv) ₹ 50.00 million (repayable in 14 months); (v) ₹50.00 million (repayable in 15 months); (vi) ₹ 100.00 million (repayable in 15 months); (vii) ₹ 100.00 million (repayable in 15 months); and (viii) ₹ 95.00 million (repayable in 16 months).

(4) The deed of hypothecation dated July 09, 2014, indicates that this charge is a first charge and not a subservient charge.

(5) These terms have since been amended to provide for conversion of all OCDs held by CDC IOL prior to filing of the Red Herring Prospectus. For details see "Capital Structure" beginning on page 73.

(i) ***Brief description of the material covenants of the ₹1,657.05 million facility obtained by our Company from Canara Bank***

(a) Our Company has to maintain a margin of 10.00% till all guarantees are reversed in the books of the bank.

(b) Permission of the bank will be required if our Promoters' shareholding in our Company falls below 51.00%.

(c) Our Company requires written consent of the bank to:

1. undertake any expansion/ modernisation/ diversification programme / new line of business or manufacture other than incurring routine capital expenditure;

2. invest any funds by way of deposits or loan or in share capital of any other concern (including any Subsidiaries) so long as any money is due to the bank. Our Company is free to deposit funds by way of security, with third parties, in normal course of business;

3. change or alter in any manner its capital structure;

4. effect any scheme of amalgamation/ reconstruction;

5. declare dividend or distributable profits if any instalment(s) of the principal and/or interest remains unpaid in respect of the loan and/or in arrear for a period of three months or more;

6. undertake guarantee obligations in behalf of any partner/director/proprietor/third party; and

(d) We are required to comply with requirements as to net working capital, minimum current ratio and tangible net worth to total outside liability ratio as may be prescribed by the bank from time to time.

(e) Our Company requires the prior written permission of the bank to make any changes in the management including key-personnel.

(f) Our Company requires the prior written permission of the bank to make any changes in the memorandum / articles of association and in general, its constitution.

(g) The bank has the right to appoint a nominee director on the Board of our Company.

(ii) ***Brief description of material covenants of the ₹ 825.00 facility availed by our Company from HSBC***

(a) Any change in the capital structure which results in the shareholding of the existing Promoter and Promoter Group to fall below 51.00% of the paid up share capital of our Company will require prior permission of the bank;

(b) The bank’s prior permission is required for the following declaration of dividend in case the operating profits fall below the audited value of the previous year and/or if this results in a breach of the financial covenants;

(c) Our Company is required to comply with the following financial parameters on an on going basis:

Parameter	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Minimum tangible net worth	6,500	7,200	8,000	9,000	10,000
Maximum external debt / EBITDA	2.50x	2.50x	2.50x	2.50x	2.50x
Maximum total gearing	1.00x	1.00x	1.00x	1.00x	1.00x
Minimum debt service coverage ratio	1.35x	1.35x	1.50x	1.50x	1.50x
Minimum fixed asset cover (including collateral)	1.50x	1.50x	1.50x	1.50x	1.50x

(d) Our Company has to ensure maximum equity: debt ratio of 28:72 to be maintained at all times.

(iii) ***Brief description of material covenants of the USD 4.50 million facility availed by our Company from EXIM Bank:***

(a) Our Company shall not declare dividend for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligation to the bank.

(b) Any dilution of shareholding of Dr. Devi Prasad Shetty and his family below 51.00% of the total shareholding shall require prior permission from the bank.

(c) Any variations in the approved Overseas Investment/ Means of Finance will require prior approval from the bank. Any increase in costs shall be met by the Promoters from their own sources or they shall raise necessary funds on terms acceptable to the bank. Any change in scope of the project being funded shall require prior permission from the bank.

(d) Our Company shall not create any further charge or encumbrance of its assets without prior written consent from the bank.

(e) Our Company shall not sell, transfer or otherwise dispose off any of its assets or revenues, except for conduct of normal course of business.

(f) Our Company must provide a written intimation to the bank in the event of the following:

1. Create, incur or assume any further indebtedness of any nature whether for borrowed money or otherwise, except any indebtedness for its working capital requirement an term loans in the ordinary course of business;

2. Effect any material change in the composition of its Board of Directors or in the management set-up or ownership of its business. Such material changes should not reduce existing Promoters' shareholding below 51.00% of the paid up capital;

3. Amend its Memorandum of Association and Articles of Association or alter its capital structure or its shareholding pattern, as long as Promoter shareholding does not fall below 51.00% of the paid up capital. However, any change in the main objects of the Memorandum of Association and Articles of Association to discontinue from the Healthcare or allied services will require prior permission from the bank.

(g) Our Company has undertaken not to pledge/ dispose off shares of Narayana Cayman Holdings held by our Company, without prior approval of the bank.

(h) Our Company has undertaken not to pledge/ dispose off shares of HCCI held by Narayana Cayman Holdings, without prior approval of the bank.

(iv) ***Brief description of the material covenants of the working capital term loan of ₹ 300.00 million availed by our Company from Kotak:***

(a) The working capital facility/ies granted by the bank and other banks (if any), both secured and unsecured, shall be within the overall working capital requirements assessed by the bank.

(b) Our Company has to intimate the bank at the time of raising any further loans/ availing any facility/ies from any other bank or financial institution.

(c) Reduction/change in Promoters' shareholding below 50.00% change in Promoter directorship resulting in change in management control shall be undertaken with prior intimation of the bank.

(d) In case of a delay or default in payment of any of the facility/ies availed by our Company from the bank or any other bank or financial institution, our Company shall not allow any pay-out by way of salary to directors (other than professional directors)/ partners/ proprietors or by way of interest to other subordinate lenders or by way of dividend to Shareholders.

(v) ***Brief description of material covenants of the ₹ 18.02 million facility availed from Philips Electronics India Limited***

(a) Our Company cannot encumber or transfer the hypothecated equipment in any manner whatsoever without the written consent of Philips.

(b) Our Company must inform Philips if there is a change in the constitution or ownership of our Company, which in the opinion of Philips is adverse.

(vi) ***Brief description of material covenants of the ₹ 27.4 million facility availed from Srei Equipment Finance Limited***

(a) Our Company has to ensure that all proceeds from this facility are being used only for purchase of the asset for which the facility has been taken.

(b) Any material development that takes place, whether due to change in business environment, government policies, laws, taxes or otherwise, whereby the business, profits, assets, long term stability of our Company's business is adversely affected, gives Srei the right to repudiate the agreement to grant the facility.

(vii) ***Brief description of material covenants of the ₹ 84.00 million facility availed by our Company from Wipro GE***

(a) Wipro GE has the right to terminate the agreement in the event of breach by us of the provisions of the agreement entered into with Wipro GE and repossess the equipment provided by Wipro GE.

(viii) ***Brief description of material covenants of the ₹400.00 million overdraft facility availed by our Company from YES Bank***

(a) Our Company has to ensure that Dr. Devi Prasad Shetty and family, will always own and hold at least 51.00% share capital of our Company.

(b) Our Company is required to comply with the following financial parameters for FY 2016: Total Debt / Tangible Net Worth should be less than or equal to 1 and Total Debt / EBITDA should be less than or equal to 3.5x.

(ix) ***Brief description of material covenants of the ₹250.00 million letter of credit facility availed by our Company from YES Bank***

(a) Our Company has to ensure that the shareholding of Dr. Devi Prasad Shetty and his family in our Company does not fall below 51.00%. Any change in shareholding below this limit requires prior written consent of the bank.

(b) Our Company is required to comply with the following financial parameters for FY 2016: Total Debt / Tangible Net Worth should be less than or equal to 1 and Total Debt / EBITDA should be less than or equal to 3.5x.

(c) Our Company cannot create any encumbrance or security over assets specifically charged to the bank without prior written consent of the bank.

(x) ***Brief description of material covenants of the ₹300.00 million cash credit facility availed by our Company from HDFC***

(a) Our Company requires the bank's prior permission in writing for the following:

1. Effecting material change in ownership / management or merger or consolidation;

2. Change in our Promoters' shareholding in the Company.

(b) There must not be a material adverse change in our Company.

(c) All future borrowings by our Company must be informed to the bank.

(xi) ***Material covenants of the ₹1,000.00 million OCDs issued by our Company to CDC IOL***

(a) CDC IOL has certain management rights with respect to our Company, including the right to appoint one Director on our Board, as set out in Part II of our Articles of Association, see section "***Main Provisions of Articles of Association***" beginning on page 347. These management rights will cease upon filing of the Red Herring Prospectus, other than as set out in the section "***History and Certain Corporate Matters – Summary of Key Agreements***" on page149.

(xii) ***Material covenants of the ₹356.40 million facility availed by MMRHL from SBI***

(a) MMRHL requires the bank's prior permission in writing for the following:

1. Undertake any guarantee obligations on behalf of any other companies (including Group Companies); and

2. Change in shareholding or in the composition of the board of directors.

3. Create any charge, lien, encumbrance over its property or any part thereof in favour of any financial institutions, banks, company or person;

4. Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank; and

(b) Penal interest at the rate of 1.00% p.a. on Term Loan – I and Term Loan – II will be levied if any two of the following parameters deviate adversely by more than 20.00% of the stipulated levels: current ratio, Total Outside Liability/Tangible Net Worth and interest coverage ratio.

(xiii) ***Material covenants of the ₹22.64 million equipment loan facility availed by NHSHPL from GE Capital***

(a) NHSHPL requires prior approval of GE Capital before borrowing any money from other sources or creating any charge on any existing or future property or assets of NHSHPL, including the collateral provided under the facility.

(b) NHSHPL may be required to create additional security in the event GE Capital determinates that the security provided is insufficient or has deteriorated.

(c) Until full and final settlement of the indebtedness to the full satisfaction of GE Capital, which shall be provided in writing by GE Capital, NHSHPL shall not sell, transfer, assign, dispose off, pledge, charge, or create any collateral or in any way encumber, or effect provided to GE Capital.

(d) A default under any agreement with GE Capital will result in a default under all agreements with GE Capital which will result in all dues under all agreements with GE Capital becoming payable at the option of GE Capital.

(xiv) ***Material covenants of the ₹360.00 million term loan facility availed by NHSHPL from YES Bank***

(a) The shareholding of the Promoters (Dr. Devi Shetty and family) in our Company cannot fall below 51.00% without the prior written consent of the bank.

(b) The shareholding of our Company in NHSHPL cannot be reduced without the prior approval of the bank.

(c) NHSHPL cannot raise further debt without the prior approval of the bank.

(d) NHSHPL cannot undertake or permit any reorganisation, amalgamation, reconstruction, takeover or any other schemes of compromise or arrangement, nor amend any provision of NHSHPL's constitutive documents in such a manner that will adversely affect the bank's rights under the facilities.

(e) NHSHPL is not permitted declare dividend if there is default in payment of any principal or interest due to the bank.

(f) Shortfall in operating expenses / debt servicing of NHSHPL to be met through Promoters contribution / equity infusion.

(g) Loans/Equity infusion obtained by NHSHPL from Promoters have to be interest free and subordinate to the bank's debt. Further, such loans/equity infusion would not be repaid during the currency of the bank's facility and there shall be no dividend/interest or any other payment to Promoter from the company during the currency of the bank's facility.

(xv) ***Material covenants of the ₹50.00 million overdraft facility availed by NHSHPL from YES Bank***

(a) The shareholding of our Company in NHSHPL cannot fall below 70.00% without the prior approval of the bank. Any change in the shareholding pattern is to be intimated to the bank.

(b) Credit facilities of NHSHPL to be rated by credit rating agency(ies) by September 30, 2015, failing which additional interest / commission will be payable to the bank.

(c) NHSHPL is not permitted declare or pay dividend or make any distribution to its shareholders / members or permit withdrawal of amounts brought in unless all dues to the bank have been paid.

(d) NHSHPL is not permitted to (i) engage in any business other than the business currently engaged in; (ii) acquire ownership interest in any other entity or person; or (iii) enter into joint ventures, profit sharing arrangements or management contracts or similar arrangements whereby its business or operations are managed by any other person in such a manner that will adversely affect the bank's rights.

(xvi) ***Brief description of material covenants of the ₹468.60 term loan availed by NHSHPL from Canara Bank***

(a) Any cost escalation is to be met by the promoters from their own source of funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with the Restated Consolidated Summary Statements as of and for the years ended March 31, 2011, 2012, 2013, 2014 and 2015, prepared in accordance with the Companies Act, Indian GAAP and the SEBI ICDR Regulations, the notes and significant accounting policies thereto and the reports thereon, in the "**Financial Statements**" beginning on page 191 this Draft Red Herring Prospectus. The Financial Statements are based on Indian GAAP, which differ in certain significant respects from U.S. GAAP and IFRS. Accordingly, the degree to which the Financial Statements in this Draft Red Herring Prospectus will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian accounting practices.*

Our financial year ends on March 31 of each year, so all references to a particular Fiscal Year are to the twelve-month period ended March 31 of that year.

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the sections "**Risk Factors**" and "**Our Business**" included in this Draft Red Herring Prospectus.*

In this section, unless the context otherwise required, a reference to the "Company" is a reference to Narayana Hrudayalaya Limited and a reference to "we", "us" and "our" refers to the Company and its Subsidiaries on a consolidated basis.

OVERVIEW

We are one of the leading private healthcare service providers in India, operating a chain of multispecialty, tertiary and primary healthcare facilities. As of the date of this Draft Red Herring Prospectus, we had a network of 23 hospitals (multispecialty and superspecialty healthcare facilities which provide tertiary care), 8 heart centres (superspecialty units which are set up in a third party hospital) and 25 primary care facilities (including clinics and information centres), across a total of 32 cities, towns and villages in India, with 5,600 operational beds[41] and the potential to reach a capacity of up to 6,600 beds.[42] In FY 2015, our facilities provided care to over 1.97 million patients.[43]

We were founded in 2000 by our Promoter, Dr. Devi Prasad Shetty, who has over 30 years of medical experience, including as a cardiac surgeon. We are headquartered in Bengaluru, India, and operate a national network of hospitals in India with a particularly strong presence in the southern state of Karnataka and eastern India, as well as an emerging presence in western and central India. Our first facility was established in Bengaluru with approximately 225 operational beds and we have since grown to 57 facilities[44] with 5,600 operational beds[45] as of the date of this Draft Red Herring Prospectus, through a combination of greenfield projects and acquisitions. We believe our "Narayana Health" brand is strongly associated with our mission to deliver high quality and affordable healthcare services to the broader population by leveraging our economies of scale, skilled doctors, and an efficient business model.

We have received numerous awards which we believe are a testimony to our strong brand value, including the "*Healthcare Excellence Award for Addressing Industry Issues*" in 2012 from the Federation of Indian Chambers

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[41] *Includes facilities and beds across hospitals that are owned, operated, leased and managed, and the 101 operational beds (104 capacity beds) facility in the Cayman Islands operated by our associate company, HCCI.*

[42] *Includes facilities and beds across hospitals that are owned, operated, leased and managed, and the 101 operational beds (104 capacity beds) facility in the Cayman Islands operated by our associate company, HCCI.*

[43] *Includes inpatients, outpatients and outpatients undergoing dialysis and excludes Managed Hospitals.*

[44] *Includes 56 facilities in India and the 1 facility in the Cayman Islands operated by our associate company, HCCI.*

[45] *Includes facilities and beds across hospitals that are owned, operated, leased and managed, and the 101 operational beds and 104 capacity beds facility in the Cayman Islands operated by our associate company, HCCI.*

of Commerce and Industry, Financial Times' "*Arcelor Mittal Boldness in Business Award*" in 2013 and the "*Outstanding Achievement Award Healthcare – Social Cause*" in 2015 from Stars of the Industry.

We operate our business through a combination of the following models:

- hospitals that we own and operate;
- hospitals and heart centres that we operate and pay a revenue share to the owner of the hospital premises;
- hospitals, standalone clinics and primary care facilities that we operate on a lease or licence basis; and
- hospital management services[46] that we provide to third parties for a management fee ("**Managed Hospitals**").

This calibrated approach has allowed us to achieve an effective capital cost per bed of ₹ 2.49 million[47] as of March 31, 2015. We also conduct clinical trials for pharmaceutical and medical equipment manufacturing companies and offer certain educational and training courses to doctors and paramedics.

In aggregate, our centres provide advanced levels of care in over 30 specialties, including cardiology and cardiac surgery, cancer care, neurology and neurosurgery, orthopaedics, nephrology and urology, and gastroenterology. In FY 2015, we generated 90.72% of our revenue from our 19 hospitals offering multispecialty and superspecialty services, 7.30% of our revenue from our heart centres and the remaining approximately 1.98% of our revenue from the management fee received from our 4 Managed Hospitals, ancillary businesses and other standalone clinics and primary care facilities.

As of July 31, 2015, we had 11,478 employees and students, including 818 doctors, 5,438 nurses, 2,009 paramedical staff, and engaged the services of an additional 1,660 doctors on a consultancy basis (including visiting consultants).[48] In FY 2015 and the 3 months ended June 30, 2015, we had a daily average of 534 in-patient admissions and 4,477 out-patients, and performed a daily average of 312 surgeries and procedures (of which 39 were cardiac surgeries, 142 catheterisation laboratory procedures, and 2 kidney transplants), and 513 dialyses.[49]

We endeavour to offer best-in-class clinical services to our patients. Our hospitals and facilities are fitted with modern medical equipment and our practices and protocols are designed to offer treatment on standards that are internationally and nationally recognised and accredited. 3 of our hospitals are accredited by the JCI, USA for meeting international healthcare quality standards for patient care and organisation management (including HCCI's facility in the Cayman Islands), and 4 of our hospitals are accredited by the National Accreditation Board for Hospitals and Healthcare Providers, India ("**NABH**"). In addition, we have submitted applications for accreditation to the NABH for 8 hospitals.

We operate an efficient supply chain through focus on streamlining our administrative and clinical functions, continuous process innovation, and economies of scale. We have invested in technology both for clinical purposes as well integrating systems and processes through ERP. We have adopted technology with a view to ensure quick transmission of disease data, subsequent analysis, and prompt disease management.

Based on the Restated Consolidated Summary Statements, for the reporting date ended March 31, 2015, we generated revenue from operations of ₹ 13,638.51 million, EBITDA of ₹ 1,369.31 million, and restated profit after tax (before consolidated share of (loss)/profit from associate and minority interest) of ₹ 118.31 million. For the four fiscal years ended March 31, 2015, we achieved a CAGR of 30.00% in total revenue, 23.80% in EBITDA and our total investment in Fixed Assets amounted to ₹ 5,589.08 million.[50]

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[46] *Within this model, the scope of our services and extent of involvement may differ from case to case.*

[47] *Effective cost per bed is arrived at by the following formula: (Gross Block+ Capital Work in Progress (CWIP))/Number of Operational Beds. Data excludes HCCI and Managed Hospitals.*

[48] *Data excludes Managed Hospitals.*

[49] *Data excludes Managed Hospitals.*

[50] *Difference between the total of (i) gross block; (ii) capital work in progress; and (iii) intangible assets under development, as on March 31, 2015 and March 31, 2011.*

NOTE REGARDING PRESENTATION

The Restated Consolidated Summary Statements of the Group are prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act 2013 which has superseded section 211(3C) of the Companies Act 1956 w.e.f. September 12, 2013, other pronouncements of the Institute of Chartered Accountants of India, and the provisions of the 2013 Act to the extent notified and applicable.

The Restated Consolidated Summary Statements are prepared by applying uniform accounting policies for similar transactions and other events in similar circumstances across the Group. The accounting policies have been consistently applied by the Group. The Restated Consolidated Summary Statements are presented in Indian rupees, rounded off to the nearest millions with two decimal except for earnings/(losses) per share details and where not mentioned otherwise.

The Restated Consolidated Summary Statements have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

(a) Adjustments, if any, for audit qualification requiring corrective adjustment in the financial statements;
(b) Adjustments for the material amounts in respective years / periods to which they relate;
(c) Adjustments for previous years identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred;
(d) Adjustments, if any, to the profits or losses of the earlier years and of the year in which the change in the accounting estimates has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting estimate was followed in each of these years;
(e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited consolidated financial statements of the Group as at and for the year ended 31 March 2015 and the requirements of the SEBI Regulations;
(f) The resultant impact of deferred tax due to the aforesaid adjustments.

KEY FACTORS AFFECTING OUR FINANCIALS AND RESULTS OF OPERATIONS

Expansion of our network of healthcare facilities

The expansion of our network of healthcare facilities is one of the most important factors affecting our results of operations and financial condition. Historically, our business growth has been primarily driven by establishing new facilities on our own and as well as through partnership arrangements and acquisitions, and we expect these to continue to be the key drivers for our future growth. Each new facility that we establish increases the number of patient cases treated in our network of healthcare facilities and contributes to our continued revenue growth. Each new facility goes through an initial ramp-up period during which period the operating expenses of the centre exceeds its revenue resulting in an operating loss. If we establish additional facilities through acquisitions, our intangible assets may increase and the resulting amortisation expenses may, to a significant extent, offset the benefit of the increase in revenue generated from facilities established through acquisitions. Furthermore, the proposed expansion of our network of healthcare facilities in India and Africa (Kenya), and the Cayman Islands may, over time, increase our capital expenditure and we could become sensitive to economic conditions, foreign exchange rates, changes in the population, demographics and regulatory environment in these regions. Much of the infrastructure for a new facility must be put in place when a facility commences operations and many operating expenses, including medical consultancy charges and rent are required to be incurred regardless of patient intake. Thus, initially, operating expenses will represent a higher percentage of a centre's total revenue until patient volumes reach targeted levels.

Our ability to expand our network of healthcare facilities depends on a number of factors, such as:

- the success of our business development efforts in identifying suitable partners and executing arrangements with them to establish new facilities;
- reputation of our facilities and specialist physicians providing services at our facilities;
- our financial resources; and
- our ability to manage our growth and achieve economies of scale, as we grow our business.

In the past, we have discontinued operations of certain of facilities, and we may also discontinue operations of additional facilities and hospitals in the future. As a result of such discontinuation, we may have to write down the value of our investments in such facilities and hospitals, which could adversely impact our results of operations. During Fiscal Year 2014, we sold our erstwhile Subsidiary, Narayana Dental to Axiss Dental. Additionally, during Fiscal Year 2015, we discontinued operations out of Jodhpur, Rajasthan.

We expect to commence operations from 4 new facilities in the short to medium term. For details, including the operating model for these facilities, see section "***Our Business***" beginning on page 114. As we expand our network of healthcare facilities, we expect our operating expenses to continue to increase correspondingly in absolute terms.

The number of patient cases treated in our network of healthcare facilities

Our revenue from operations is highly dependent on the number of patients who undergo diagnosis and treatment at our network of healthcare facilities, as well as the volume of procedures performed on such patients. The number of patients registering for diagnosis and/or treatment at our network of healthcare facilities depends, among other things, on:

- the prevalence and incidence of cardiac, renal and other allied diseases and ailments in particular area;
- the degree of competition from other healthcare service providers;
- our image and brand reputation relative to our competitors;
- the cost of diagnosis and treatment;
- the type of services and the quality of care offered;
- the clinical reputation of our specialist physicians;
- the empanelment of the facility with various third party payers; and
- referral or recommendation by patients' physicians.

We focus our sales and marketing efforts on increasing referring physicians' awareness of the efficacy of treatments and the advantages of the treatment options available to their patients in our network of healthcare facilities, through various continuing medical education programmes and other programmes of clinical interest targeting such physicians. We also market our network of healthcare facilities and our capabilities directly to patients through targeted marketing initiatives, including community outreach and awareness programmes, support groups and advertisement campaigns in print, television, outdoor and digital media. We plan to continue our strategy of direct marketing to patients, which could result in a significant increase in our business promotion expenses, without necessarily resulting in a proportionate increase in our revenue.

During Fiscal Year 2015, we spent ₹ 407.24 million in business promotion expenses and advertisement expenses which comprised primarily of expenditure related to advertisement, publicity, business promotions in print, television, outdoor and digital media, continuing medical education programmes and events and conferences conducted by us.

During Fiscal Year 2015, we provided care to 1.97 million patients[51] in our network of healthcare facilities. A significant percentage of the patient registrations in our network of healthcare facilities were from NICS, MSMC and RTIICS. For the Fiscal Years 2015, 2014 and 2013, NICS, MSMC and RTIICS recorded 43.88%, 51.03% and 63.13% respectively of our network of healthcare facilities' total Out-patient volume[52] and 58.12%, 64.53% and 72.23%, respectively, to our revenue from operations for the same period. A decrease in the number of new patients registered at these facilities may reduce our total revenue. With the addition of new facilities to our network of healthcare facilities, we expect this revenue concentration to decrease over time.

Our payer mix

Our patients include patients who pay for their medical expenses themselves and patients who are beneficiaries of third party payer agreements. In the case of patients who are beneficiaries of third party payer agreements, all or part of the medical bill is payable by the third party payer as per the terms of the relevant

[51] *Includes inpatients, outpatients and outpatients undergoing dialysis and excludes Managed Hospitals.*
[52] *Total count of out-patient volume excludes Managed Hospitals*

payer agreement. Third party payers include (i) central, state and local government bodies; (ii) private and public insurers, including third party administrators acting on behalf of insurers; and (iii) corporate entities that pay for medical expenses of their employees and in certain cases, their dependents. To be eligible for reimbursement by a third party payer, our facilities and hospitals need to be empanelled by the payer, and pursuant to such empanelment, we enter into an agreement with the payer. Each third party payer agreement typically specifies the services covered, as well as any exclusion, the approved tariffs for each of the services covered and the terms of payment.

Central government payers include schemes such as the CGHS, which provides lifelong health coverage to all current and former central government employees and their dependents, State Government payers include schemes such as the Vajpayee Aarogyasri Scheme, Yeshasvini and the Rajiv Gandhi Aarogyasri Scheme, which provide coverage for patients who are considered "below the poverty line" (such term being defined in the schemes). Several insurance companies are members of GIPSA. GIPSA has negotiated special package rates with healthcare providers across India, including ourselves, for various medical services provided by us. The terms and conditions of agreements with government bodies and industry associations such as GIPSA are generally non-negotiable.

If the applicable tariffs pursuant to such third party payer agreements are revised downwards, or if the extent of coverage or limits are reduced, or if the payment terms are made longer, or if the reimbursement policies are changed in the agreements with such payers, our revenue and profitability could be adversely affected.

During Fiscal Years 2015, 2014 and 2013, we billed[53] ₹ 5,197.06 million, ₹ 4,306.66 million and ₹ 3,089.28 million, respectively to third party payers[54] which represented 40.70%, 41.25% and 38.62%, respectively of our in-patient and out-patient billed revenue. Any non-payment by such third party payers will impact our revenue and profitability. In the past, there have been delays and non-payment by third party payers. As of March 31, 2015, we had outstanding net receivables amounting to ₹ 1,429.27 million, a large portion of which was due from third party payers. We make provisions for doubtful trade receivables in our financial statements on account of the probability of not being able to collect the amounts billed to third party payers, based on our actual experience of disallowances and collection from each category of payer. Provisions for doubtful trade receivables increase our expenses and thus reduce our profitability.

Cost of consumption, i.e., purchases and changes in inventories (of medical consumables, drugs, surgical equipment)

Cost of consumption represents one of our most significant expenses. Consumption represents consumption of drugs and medical and non-medical consumable items that are utilised in the course of our operations, including for diagnosis and treatment of patients. For Fiscal Years 2015, 2014 and 2013, our cost of consumption formed a substantial part of our expenses and revenue, representing 25.38%, 26.52% and 28.36%, respectively of our total expenses (*including depreciation and finance costs*) and 24.84%, 25.17% and 27.24%, respectively of our total revenue. We try to reduce our costs of consumption through our efforts in centralising the procurement function, which allows us to maximise the utilisation of drugs and lower the overall cost of consumption, and by implementing measures to improve our operating efficiencies, including reducing our consumption quantities of disposable items and wastage.

We expect our cost of consumption to increase in absolute terms as we continue to expand our network of healthcare facilities. We expect that while prices for drugs and consumables will increase in the future, cost of drugs and consumables could potentially decrease as a percentage of our consolidated total expenses (*including depreciation and finance costs*) and revenue due to the economies of scale and greater bargaining power that comes with a larger network.

Professional fees paid to Consultant Doctors

As of July 31, 2015, our hospitals had engaged the services of 1,660 doctors on a consultancy basis (including visiting consultants). For further details, see section "***Our Business***" on page 114. Compensation paid to

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[53] *Data excludes revenues from (i) MMRHL; (ii) our facilities in Durgapur; (iii) Lansdowne clinic, Kolkata; and (iv) other ancillary business and (v) "Managed Hospitals".*

[54] *Includes patients forming part of State and Central Government. Schemes, Funds, Corporates including public sector undertakings, Insurance and, third party administrators and international patients.*

such doctors is recorded as "professional fees paid to doctors" in our financial statements. We expect professional fees paid to increase as our patient volumes and revenue from operations increase. Our expenses towards consultant doctors constituted a significant portion of our total expenses and revenue, representing 19.59%, 20.57% and 20.09%,of our total expenses (*including depreciation and finance costs*) and 19.17%, 19.53% and 19.29%,of our total revenue for Fiscal Years 2015, 2014 and 2013, respectively.

Our ability to attract and retain specialist physicians is critical to our success. However, we may not always be successful in controlling upward pressure in the amount of professional fees paid to our doctors, and we may not be successful in increasing our tariffs in proportion to the increase in such fees, as a result of which, our profitability may decline.

Upward pressure on employee benefits expense

The healthcare industry is labour intensive and employee benefits expense has generally shown an upward trend in the past. Employee benefits expense constituted a significant portion of our total expenses (*including depreciation and finance costs*) and revenue, representing 20.63%,18.71% and 19.07%, respectively of our total expenses and 20.19%, 17.76% and 18.32%, respectively of our total revenue for Fiscal Years 2015, 2014 and 2013.

In the future, we expect our employee benefits expense to increase in absolute terms, as a result of expansion of our network of healthcare facilities, growth in our business and upward pressure on salaries for healthcare professionals. Our new facilities require to be fully staffed even if patient intake has not yet reached target levels. Our employee benefits expense will represent a higher percentage of our revenue in respect of such new facilities before they reach maturity. This will decline as patient volumes and manpower utilisation rates increase at our new facilities.

Depreciation, repairs and maintenance of our medical equipment used in our network of healthcare facilities

The complex nature of the treatments and procedures we perform at our hospital networks and in particular, at our cardiac and other specialties facilities, requires us to invest in technologically sophisticated equipment. Such equipment is generally very expensive and purchases of and upgrades to such equipment form a major component of our annual capital expenditure. Medical equipment also forms a substantial part of our fixed assets, which results in significant associated depreciation cost. For Fiscal Years 2015, 2014 and 2013, depreciation and amortisation expenses represented 4.97%, 5.41% and 5.61%, respectively of our total expenses (*including depreciation and finance costs*).

We typically receive warranty on our equipment from our medical equipment vendors. If the purchase agreement with the relevant vendor does not specify a warranty period, or upon the expiry of the warranty period, repairs and maintenance are in most cases carried out pursuant to annual maintenance contracts with equipment vendors. Consequently, our repairs and maintenance expenses may increase significantly at the end of such warranty period. As we expand our network and purchase additional equipment, we expect our repairs and maintenance expenses to increase significantly in the future upon such equipment coming out of the warranty period.

In addition, because we are committed to maintaining high standards of care, we continuously upgrade and replace our medical equipment as new technologies become available. Rapid technological changes could make our existing equipment obsolete more quickly than anticipated and increase our expenses, without correspondingly increasing our revenue. Moreover, our medical equipment is manufactured outside India, we face foreign exchange risk when we purchase such equipment. However, we believe that our extensive network of healthcare facilities provides us with increased bargaining power with equipment vendors and lends us competitive advantage in terms of favourable economic terms of purchase and financing of medical equipment.

Finance costs

Our operations and proposed expansions are funded to a large extent by debt and any increase in our interest expense may have an adverse effect on our results of operations and financial condition. As of March 31, 2015, our total principal amount of indebtedness was ₹ 3620.27 million and a majority of our indebtedness entailed floating interest rates. During Fiscal Year 2015, our total finance cost was ₹ 408.90 million. Owing to our indebtedness, an increase in interest rates is likely to have a significant adverse effect on our interest expenses and consequently, our results of operations.

PRINCIPLES OF CONSOLIDATION

The Restated Consolidated Summary Statements have been prepared based on the consolidated financial statements which have been prepared based on the following basis:

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealized gain/loss. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase/decrease in the relevant reserves of subsidiaries.

The consolidated financial statements include the share of profit / loss of the associate which has been accounted using equity method as per AS 23 'Accounting for Investments in Associates in consolidated financial statements'. Accordingly, the share of profit/ loss of the associate (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

The Company accounts for its share in the change in the net assets of the associate, post-acquisition, after eliminating unrealized profits and losses resulting from transaction between the Company and its associate to the extent of its share, through its Statement of profit and loss to the extent such change is attributable to associates' Statement of profit and loss and through its reserves for the balance, based on available information.

The excess of cost to the Company of its investment in subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investment in subsidiaries was made is recognized in the consolidated financial statements as goodwill. When the cost to the Company of its investment in subsidiaries is less than its portion of equity of the subsidiaries, at the date on which investment in the subsidiaries was made, the difference is treated as a capital reserve in the consolidated financial statements. The Company's portion of equity in the subsidiaries is determined on the basis of the net assets as per the financial statements of the subsidiaries as on the date of investment.

Minority interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company.

SIGNIFICANT ACCOUNTING POLICIES

The following descriptions set forth the significant accounting policies applicable to our Restated Consolidated Summary Statements:

1. Use of estimates

The Restated Consolidated Summary Statements is in conformity with generally accepted accounting principles in India which requires the management to make judgment estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future years.

2. Current and non-current classification

All assets and liabilities are classified into current and non – current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) It is expected to be realized in, or is intended for sale or consumption in, Our Company's normal operating cycle;
(b) It is held primarily for the purpose of being traded;
(c) It is expected to be realized within 12 months after the reporting date; or

(d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non – current financial assets.
All other assets are classified as non – current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
(a) It is expected to be settled in Our Company's normal operating cycle;
(b) It is held primarily for the purpose of being traded;
(c) It is expected to be settled within 12 months after the reporting date; or
(d) Our Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non – current financial liabilities. All other liabilities are classified as non – current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realizations in cash or cash equivalents.

3. **Inventories**

The inventories of medical consumables, drugs and surgical equipment's are valued at lower of cost or net realizable value. In the absence of any further estimated costs of completion and estimated costs necessary to make the sale, the net realizable value is the selling price. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for value added tax wherever applicable, applying the first in first out method.

4. **Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

5. **Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

6. **Fixed assets, depreciation and amortization**

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation.

The cost of fixed assets not ready for their intended use before such date, are disclosed as capital work in progress. Advances paid towards acquisition of fixed assets outstanding as of the balance sheet date are disclosed under long-term loans and advances.

Tangible fixed assets – Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/ or accumulated impairment, if any. The cost of an item of tangible fixed assets comprises its purchase price, including import duties and other non-refundable taxes or levies, freight and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Intangible fixed assets – Intangible assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.
Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Goodwill arising on consolidation represents the excess of cost to Our Company of its investment in a subsidiary company over Our Company's portion of net worth of the subsidiary.

Depreciation and amortization – Leasehold improvements are being amortized over the term of the lease, or estimated useful life of the assets, whichever is lower. Consideration paid for acquiring leasehold land is amortized over the lease term. Freehold land is not depreciated. Depreciation on additions and disposals during the year is provided on proportionate basis.
Depreciation is provided on the straight line method over the estimated useful lives of fixed assets.

Change in accounting estimate

Pursuant to the notification of Schedule II to the Companies Act 2013 effective from April 01, 2014, Our Company based on the internal technical evaluation revised the estimated useful life of office equipment (from 10 years to 5 years) and electrical installation (from 15 years to 10 years).

7. Revenue recognition

Revenue from operations

Revenue from medical and healthcare services to patients is recognized as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognized in relation to the services rendered to the patients who are undergoing treatment/observation on the balance sheet date to the extent of services rendered.

Revenue is recognized net of discounts given to the patients.

Revenue from sale of medical consumables and drugs within the hospital premises is recognized when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Our Company has entered into management agreements with certain trusts, under which, Our Company has a right over the management, operation and utilization of hospital facilities owned by the trusts. As a consideration towards the aforesaid arrangement, Our Company is obligated to offer discounts to patients nominated by the trusts at free of cost/concession as per the terms of the agreement. The discounts thus offered have been recognized as revenue with a corresponding charge to rent expense.

'Unbilled revenue' represents value of medical and healthcare services rendered in excess of amounts billed to the patients as at the consolidated balance sheet date.

'Unearned revenue' comprises billings in excess of earnings.

Interest

Interest on the deployment of funds is recognized using the time-proportion method, based on underlying interest rates.

Dividend

Dividend income is recognized when the Company's right to receive dividend is established.

Learning and development income

Revenue is recognized on pro-rata basis on the completion of such services over the duration of the program.

8. **Government grants**

Government grants available to our Company are recognized:
(i) where there is reasonable assurance that our Company will comply with the conditions attached to them; and
(ii) where such benefits have been earned by our Company and it is reasonably certain that the ultimate collection will be made.

Government grants related to the acquisition or construction of fixed assets are shown as a deduction from the gross value of respective fixed assets.

9. **Borrowing cost**

Borrowing costs are interest and other costs incurred by our Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily takes a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are accounted as an expense in the period in which they are incurred.

10. **Investments**

Long term investments are carried at cost. Provision is made, wherever necessary, for any diminution, other than temporary, in value of investments. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is determined separately for each individual investment.

11. Income tax

The Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Minimum Alternative Tax ("MAT") paid in accordance with the tax laws which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that Our Company will pay normal tax in subsequent years. MAT credit entitlement can be carried forward and utilized for a period of ten years from the year in which the same is availed. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to Our Company and the asset can be measured reliably.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.
Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.
Assets and liabilities representing current tax and deferred tax are disclosed on a net basis where there is a legally enforceable right to set off and where the management intends to settle the asset and liability on a net basis.

12. Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving services are classified as short-term employee benefits. These benefits include salary and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by the employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. Our Company makes specified obligations towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. Our Company contribution is recognized as an expense in the Restated Consolidated Summary Statements during the period in which the employee renders the related service.

Defined benefit plans

Our Company's gratuity benefit scheme is a defined benefit plan. Our Company net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned and returned for services in the current and prior periods; that benefit is discounted to determine its present value. The calculation of Our Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

Our Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Restated Consolidated Summary Statements. All expenses related to defined benefit plans are recognized in employee benefit expense in the Restated Consolidated Summary Statements. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in the Restated Consolidated Summary Statement on a straight-line basis over the average period until the benefits become vested. Our Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the employee has unconditional right to avail the leave, the benefit is classified as a short term employee benefit. Our Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

13. Earnings per share

The basic earnings/(losses) per share is computed by dividing the restated consolidated net profit/ loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings/(losses) per share is computed by dividing the restated net profit/ (loss) attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share or increase the net loss per share from continuing ordinary operations.

14. Foreign exchange transactions and translations

Foreign exchange transactions are recorded at the rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the restated consolidated summary statement of profit and loss for the year except for exchange difference arising on settlement of long- term foreign currency monetary items (i.e. an asset or liability which is expressed in a foreign currency and has a term of 12 months or more at the date of the origination of the asset or liability) relating to acquisition of depreciable capital asset at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are added or deducted from the cost of the asset and shall be depreciated over the remaining life of the asset

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date; the resultant exchange differences are recognized in the restated consolidated summary statement of profit and loss except for exchange difference arising on reporting of long-term foreign currency monetary items (i.e. an asset or liability which is expressed in a foreign currency and has a term of 12 months or more at the date of the origination of the asset or liability) relating to acquisition of depreciable capital asset at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are added or deducted from the cost of the asset and shall be depreciated over the remaining life of the asset.

Integral and non integral foreign operations

The financial statements of the non integral foreign subsidiaries and associate are translated into Indian rupees as follows:

(a) All assets and liabilities, both monetary and non-monetary (excluding share capital and reserves and surplus) are translated using the year end exchange rates.
(b) Share capital and opening reserves and surplus are carried at historical cost.
(c) Items in the statement of profit and loss are translated at the respective yearly average exchange rates.
(d) The resulting net exchange difference is credited or debited to the foreign currency translation reserve.
(e) Contingent liabilities are translated at the closing exchange rate.

Exchange differences which have been deferred in the foreign currency translation reserve are not recognized as income or expenses until the disposal of that entity.

15. Leases

Leases under which Our Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

Lease payments under operating lease are recognized as an expense in the restated consolidated summary statement of profit and loss on a straight line basis over the lease term. Lease term is the non-cancellable period for which Our Company has agreed to lease the asset together with any further periods for which Our Company has the option to continue the lease and at the inception of the lease it is reasonably certain that Our Company will exercise such an option.

Our Company has entered into management agreements with certain trusts, under which, Our Company has a right over the management, operation and utilization of hospital facilities owned by the trusts. As a consideration towards the aforesaid arrangement, Our Company is obligated to offer discounts to patients nominated by the trusts at free of cost/concession as per the terms of the agreement. The discounts thus offered have been recognized as revenue with a corresponding charge to rent expense.

16. Provisions and contingencies

Provision is recognized when, as a result of obligating events, there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

No provision or disclosure is made when, as a result of obligating events, there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

17. Impairment of assets

Our Company assesses at each consolidated balance sheet date using external and internal sources, whether there is any indication that an asset or group of assets including goodwill comprising a cash-generating unit may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. If any such indication exists, our Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the restated consolidated summary statement of profit and loss. If at the consolidated balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognized.

18. **Share issue expenses**

Share issue expenses are adjusted against the securities premium account as permissible under Section 52 of the 2013 Act, to the extent any balance is available for utilization in the securities premium account. The balance of share issue expenses in excess of the balance in the securities premium account is expensed in the consolidated statement of profit and loss.

19. Measurement of Profit/Earnings before Interest, Tax, Depreciation and Amortization

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (which is considered to be applicable even in the context of schedule III to the Companies Act, 2013) Our Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the restated consolidated summary statement of profit and loss. In its measurement of EBITDA, Our Company includes other income but does not include depreciation and amortization expense, finance costs and tax expense

See also, "***Financial Statements – Annexure 4: Summary of Significant Accounting Policies and Notes to Accounts***" beginning on page F-11 of this Draft Red Herring Prospectus.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

The following descriptions set forth information with respect to the key components of our Restated Consolidated Summary Statements.

Revenue

Revenue from operations

Our revenue from operations comprises income from medical services and healthcare services, sale of medical consumables and drugs and other operating revenues. Income from medical and healthcare services comprises income from the delivery of medical and healthcare services at our hospitals and clinics. Income from sale of medical consumables and drugs includes income from consumption of drugs and other medical consumables by patients during the course of treatment. Other operating revenues primarily comprise learning and development income, teleradiology income and revenue share income.

Other income

Other income comprises of interest income on bank deposits and others, donations received, net foreign exchange gain, profit on sale of non-current investment, profit on sale of fixed asset, guarantee commission and miscellaneous income.

Expenses

The primary categories of our expenses include cost of consumption, employee benefits expense, finance cost, depreciation and amortisation expense and other expenses.

Cost of consumption, i.e., purchases and change in inventories (of medical consumables, drugs, surgical equipment)

Cost of consumption is one of our most significant expenses. Cost of consumption represents consumption of drugs and medical and non-medical consumable items that are utilised in the course of our operations, including for diagnosis and treatment of patients. See also, "***Factors Affecting our Financial Results – Cost of Consumption***" on page 217 of this Draft Red Herring Prospectus.

Employee benefits expense

Employee benefits expense consists primarily of salaries and bonus payments, statutory gratuities, leave encashment, contributions to the statutory provident and other funds, staff welfare expenses.

Finance costs

Finance costs consist primarily of interest expenses on borrowings, and other bank charges.

Depreciation and amortisation expense

Depreciation consists of depreciation on buildings, medical equipment, furniture and fixtures, motor vehicles, computers and office equipment. Amortisation consists of amortisation of intangible assets such as software.

Other expenses

The largest component of other expenses is medical consultancy charges, which comprises professional fees paid to our medical consultants, who act as independent contractors, and revenue share paid to our partners at various facilities. Apart from this, other significant components of our other expenses include repairs and maintenances expenses, rental expenses, power, fuel, business promotion expenses, housekeeping expenses and provision for doubtful trade receivables and loans and advances.

CHANGES IN ACCOUNTING ESTIMATE

Pursuant to the Schedule II of the Companies Act, 2013, during the year ended 31 March 2015 (effective 01 April 2014), our Company based on the internal technical evaluation revised the estimated useful life of certain tangible fixed assets (office equipment and electrical installation).

Due to such revised lower useful life, depreciation charge in the audited statutory financials for the year ended March 31, 2015 is higher by ₹ 54.08 million of which ₹ 6.69 (net of deferred tax) was adjusted through surplus (profit and loss balance).

Though the change in accounting estimate affects period beginning 01 April 2014, for the purposes of Restated Consolidated Summary Statements, excess depreciation charge in the audited statutory financials of 31 March 2015 has been adjusted in the five years and earlier by considering the revised useful life from the year beginning 01 April 2010 and the surplus in the statement of profit and loss as at 01 April 2010 has been restated for depreciation pertaining to the periods before the fiscal year 2011. On account of such adjustment, surplus (profit and loss balance) in the Restated Consolidated Summary Statement as compared to the surplus (profit and loss balance) in the audited statutory financials as at 31 March 2015 is lower by ₹ 33.64 million. The revision in the useful life will result in higher depreciation in the statutory financials in the coming years.

RESULTS OF OPERATIONS

The following table sets forth certain items derived from our Restated Consolidated Summary Statements for FY 2015, FY 2014 and FY 2013, and also expressed as a percentage of total revenue for the periods presented.

Particulars	**For the years ended March 31,**					
	2015		**2014**		**2013**	
	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue
INCOME						
Revenue from operations	13,638.51	99.44	10,951.17	98.00	8,392.88	98.23
Other Income	77.36	0.56	223.91	2.00	151.58	1.77
Total revenue	**13,715.87**	**100.00**	**11,175.08**	**100.00**	**8,544.46**	**100.00**
EXPENSES						
Purchases of medical consumables,	3,426.57	24.98	2,931.94	26.24	2,431.66	28.46

Particulars	For the years ended March 31, 2015		2014		2013	
drugs and surgical equipment						
Changes in inventories of medical consumables, drugs and surgical equipment	(19.67)	(0.14)	(119.12)	(1.07)	(103.92)	(1.22)
Employee benefits expense	2,769.33	20.19	1,984.93	17.76	1,565.37	18.32
Other expenses	6,170.33	44.99	4,952.53	44.32	3,687.17	43.15
Total expenses	**12,346.56**	**90.02**	**9,750.28**	**87.25**	**7,580.28**	**88.72**
Profit before interest, tax, depreciation and amortization	**1369.31**	**9.98**	**1,424.80**	**12.75**	**964.18**	**11.28**
Finance costs	408.90	2.98	283.55	2.54	166.11	1.94
Deprecation and amortization	666.90	4.86	574.43	5.14	460.07	5.38
Profit/(Loss) before tax	**293.51**	**2.14**	**566.82**	**5.07**	**338.00**	**3.96**
TAX EXPENSE						
Current tax expense	137.05	1.00	152.33	1.36	84.32	0.99
Minimum Alternative Tax credit entitlement	0.00		0.00		0.00	
Deferred tax	38.15	0.28	61.15	0.55	15.33	0.18
Total tax expense	**175.20**	**1.28**	**213.48**	**1.91**	**99.65**	**1.17**
Restated PAT before consolidated share of profit/ (loss) from associate and minority interest	**118.31**	**0.86**	**353.34**	**3.16**	**238.35**	**2.79**
Share in (loss)/profit of associate	(251.31)	(1.83)	(58.51)	(0.52)	2.31	0.03
Share of loss attributable to minority interest	24.39	0.18	22.25	0.20	7.30	0.09
Profit / (Loss) for the year, as restated	**(108.61)**	**(0.79)**	**317.08**	**2.84**	**247.96**	**2.90**

Fiscal Year 2015 Compared to Fiscal Year 2014

Revenue

Our total revenue increased by ₹ 2,540.79 million, or by 22.74%, from ₹ 11,175.08 million in Fiscal Year 2014 to ₹ 13,715.87 million in Fiscal Year 2015. This increase was primarily due to increase in our revenue from operations.

Revenue from operations

Revenue from operations increased by ₹ 2,687.34 million, or by 24.54%, from ₹ 10,951.17 million in Fiscal Year 2014 to ₹ 13,638.51 million in Fiscal Year 2015. This was primarily due to a ₹ 2419.64 million increase in revenue from operations of existing facilities and full year of operations in Fiscal year 2015 as compared to Fiscal Year 2014 in our facilities at (i) HSR Layout, Bengaluru, Karnataka, (ii) Whitefield, Bengaluru, Karnataka, (iii) Guwahati, Assam; and (iv) Barasat and Berhampore in West Bengal. Also, increase in revenue amounting to ₹ 267.69 million was from the facility in Durgapur, West Bengal and acquisition of MMRHL in November 2014. Revenue increased mainly due to a 24.05% increase in our in-patient registrations in our network of healthcare facilities during Fiscal Year 2015. Break-up of our revenue from operations is stated below:

In ₹ in millions

Particulars	For the year ended 31 March, 2014	2015
Revenue from operations		
Income from medical and healthcare services	10,601.62	13,060.41
Sale of medical consumables, drugs and surgical equipment	318.17	528.92
Other operating revenue-		
Learning and development income	23.46	29.96
Teleradiology income	3.63	9.92

Revenue share income	4.29	9.30
TOTAL	**10,951.17**	**13,638.51**

Other income

Other income in Fiscal Year 2014 was ₹ 223.91 million, of which, ₹ 166.74 million was due to a non-recurring transaction of profit on sale of non-current investments in our erstwhile Subsidiary, Narayana Dental and the balance amount of ₹ 57.17 million in Fiscal Year 2014 primarily relate to foreign exchange gain, interest income on bank deposits, donations received and other miscellaneous receipts. Other income in Fiscal Year 2015 is ₹ 77.36 million.

Expenses

Total expenses (*excluding depreciation and finance cash*) increased by ₹ 2,596.28 million, or by 26.63%, from ₹ 9,750.28 million in Fiscal Year 2014 to ₹ 12,346.56 million in Fiscal Year 2015. This increase was primarily due to an increase in our cost of consumption and other expenses.

Cost of consumption, i.e., purchases and change in inventories (of medical consumables, drugs, surgical equipment)

Cost of consumption related to purchase of drugs, medical consumable items and surgical equipment increased by ₹ 594.08 million, or by 21.12%, from ₹ 2,812.82 million in Fiscal Year 2014 to ₹ 3,406.90 million in Fiscal Year 2015. This is due to increase in the level of operations in Fiscal Year 2015 on account of existing and new facilities.

Cost of consumption as a percentage of our revenue from operations decreased from 25.69% in Fiscal Year 2014 to 24.98% in Fiscal Year 2015. This was primarily due to continued operational efficiencies.

Employee benefit expenses

Employee benefits expense increased by ₹ 784.40 million, or by 39.52%, from ₹ 1,984.93 million in Fiscal Year 2014 to ₹ 2,769.33 million in Fiscal Year 2015. This was largely due to an increase in the salaries paid to our employees and also due to additions in headcount. Also, the increase in cost was due to full year of operations of some of our facilities in Fiscal Year 2015 as compared to partial year of operations in Fiscal Year 2014.

Finance costs

Finance costs increased by ₹ 125.35 million, or by 44.21%, from ₹ 283.55 million in Fiscal Year 2014 to ₹ 408.90 million in Fiscal Year 2015. This was due to additional borrowing of ₹ 2,769.41 million during the Fiscal Year 2015, comprising long-term and short-term borrowings to fund additional capital expenditure (including change in overdraft) and working capital requirements and on which interest cost was incurred for a substantial part of the year.

The increase in interest owing to additional borrowings was partially offset by a decrease in our average cost of borrowing as a result of reduction of interest rates by our primary lenders and pre-payment of few of borrowings during the year i.e. ₹ 2023.94 million and ₹ 223.14 million pre-payment in December 2014 and March 2015 respectively.

Total borrowing at the end of Fiscal Year 2015 and 2014 was at ₹ 3,620.27 million ₹ 3,330.14 million respectively.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by ₹ 92.47 million, or by 16.10%, from ₹ 574.43 million in Fiscal Year 2014 to ₹ 666.90 million in Fiscal Year 2015. This was primarily due to increase in our gross fixed assets by ₹ 1,134.14 million on account of acquisition of assets in MMRHL and also additions made to gross block in our existing facilities to the extent of ₹ 848.87million predominantly for purchase of new medical equipment.

Other expenses

Other expenses increased by ₹ 1,217.80 million, or by 24.59%, from ₹ 4,952.53 million in Fiscal Year 2014 to ₹ 6,170.33 million in Fiscal Year 2015. This was owing to increases in professional fees to doctors, patient welfare expenses, rent, hospital management fees, repairs and maintenance expenses, advertisement and publicity and business promotion expenses, power and fuel expenses, housekeeping expenses, and bad debts written off, which were partially offset by a decrease in legal and professional fees and reversal of provision for bad debts.

Professional fees to doctors working on consultancy basis, increased by ₹ 447.13 million, or by 20.49%, from ₹ 2,182.37 million in Fiscal Year 2014 to ₹ 2,629.50 million in Fiscal Year 2015 primarily due to upward revisions in remunerations to doctors as per the contracts and additions in headcount made in this category. Professional fees to doctors represented 19.17% and 19.53% of our total revenue in Fiscal Years 2015 and 2014, respectively.

Power and fuel charges increased by ₹ 69.20 million, or by 19.80%, from ₹ 349.41 million in Fiscal Year 2014 to ₹ 418.61 million in Fiscal Year 2015. This was primarily due to an increase in the usage of power in our facilities in line with the increase in the level of operations at existing facilities and due to introduction of new facilities.

Housekeeping expenses increased by ₹ 66.14 million, or by 27.84%, from ₹ 237.61 million in Fiscal Year 2014 to ₹ 303.75 million in Fiscal Year 2015 due to addition in housekeeping resources in some of our existing facilities and an increase in housekeeping charges pursuant to our housekeeping contracts being revised on account of revisions in minimum wages. Also, the increase was on account of addition of new facilities and full year operations in some key facilities in Fiscal Year 2015 as compared to Fiscal Year 2014, when they were operational only for partial year.

Patient welfare expenses increased by ₹ 87.18 million, or by 58.46%, from ₹ 149.13 million in Fiscal Year 2014 to ₹ 236.31 million in Fiscal Year 2015 primarily due to increase in the level of operations and also upward revisions in the rate contracts to avail improved services. Patient welfare expenses primarily comprises of patient food expenses.

Rent and hospital management fees increased by ₹ 89.16 million, or by 29.41%, from ₹ 303.17 million in Fiscal Year 2014 to ₹ 392.33 million in Fiscal Year 2015 on account of increase in revenue from operations, annual increment in the value of existing contracts and also due to new agreement for bailment of equipment to the extent of ₹ 25.00 million for the oncology block at NH Health City.

Repairs and maintenance expenses of Hospital equipment increased by ₹ 86.33 million, or by 47.40%, from ₹ 182.13 million in Fiscal Year 2014 to ₹ 268.46 million in Fiscal Year 2015 as a result of ageing of assets and expiry of warranty on the existing assets.

Advertisement and publicity expenses and business promotion expense increased by ₹ 104.74 million, or by 34.62%, from ₹ 302.50 million in Fiscal Year 2014 to ₹ 407.24 million in Fiscal Year 2015 primarily due to newspaper, magazine and radio advertisements, especially in the newer facilities.

In Fiscal Year 2015, we had written off bad debts amounting to ₹ 183.73 million as against ₹ 137.08 million in Fiscal Year 2014 based on norms adopted by the Company.

Increase in other expenses was partially offset by a reversal in our provision for doubtful trade receivables and legal and professional fees by ₹ 45.49 million and ₹ 21.78 million respectively.

Profit/ (Loss) before tax

As a result of the foregoing, our profit before tax items was ₹ 293.51 million in Fiscal Year 2015 as compared to a profit before tax amounting to ₹ 566.82 million in Fiscal Year 2014, or 2.14% in Fiscal year 2015 as compared to 5.07% in Fiscal Year 2014 of total revenue and the reduction in primarily due to increase in employee benefits, other expenses and finance costs. Also, reduction of other income to the extent of ₹ 146.55 million in Fiscal Year 2015 caused the drop in our profit before tax.

Tax Expense

Our net tax expense was ₹ 175.20 million in Fiscal Year 2015 as compared to ₹ 213.48 million in Fiscal year 2014. We recorded a deferred tax expense amounting to ₹ 38.15 million in Fiscal Year 2015 and ₹ 61.15 million in Fiscal Year 2014.

Restated Profit/ (Loss) after tax before share of profit/ (loss) in minority interest and share of Profit/(Loss) from associate

Our PAT before share of profit/(loss) of minority interest and share of profit/(loss) from associate decreased by ₹ 235.03 million or 66.52% from ₹ 353.34 million in Fiscal Year 2014 to ₹ 118.31 million in Fiscal Year 2015.

Share of loss in associate and minority interest was ₹ 226.92 million in Fiscal Year 2015 as compared to a loss of ₹ 36.26 million in Fiscal Year 2014 due to our holding of a 28.60% shareholding in HCCI (held indirectly through our wholly-owned Subsidiary, Narayana Cayman Holdings) and minority interest of IDECK to the extent of 26.00% shareholding in NHSHPL.

Fiscal Year 2014 Compared to Fiscal Year 2013

Revenue

Our total revenue increased by ₹ 2,630.62 million, or by 30.79%, from ₹ 8,544.46 million in Fiscal Year 2013 to ₹ 11,175.08 million in Fiscal Year 2014. This increase was primarily due to an increase in our revenue from operations.

Revenue from operations

Our revenue from operations increased by ₹ 2,558.29 million, or by 30.48%, from ₹ 8,392.88 million in Fiscal Year 2013 to ₹ 10,951.17 million in Fiscal Year 2014. This increase was contributed by new facilities that were commenced in Fiscal Year 2014 and also due to increase in the level of operations in the existing facilities. New facilities that were commenced in Fiscal Year 2014 include multispecialty hospitals at (i) HSR Layout, Bengaluru, Karnataka; (ii) Whitefield, Bengaluru, Karnataka, (iii) Guwahati, Assam; and (iv) Barasat and Berhampore in West Bengal, and heart centres at Bengaluru, Karnataka, Kuppam, Andhra Pradesh[55] and Howrah, Kolkata, West Bengal which contributed to ₹272.32 million increase in revenue. Also, increase in the level of operations at our existing hospitals led to an increase in revenue amounting to ₹ 2285.97 million. Also, revenue increased primarily due to an increase in inpatient registrations by 32.56% in our network from 116,963 in Fiscal Year 2013 to 155,052 in Fiscal Year 2014.

In ₹ in millions

Particulars	For the year ended 31 March, 2013	2014
Revenue from operations		
Income from medical and healthcare services	8,172.42	10,601.62
Sale of medical consumables , drugs and surgical equipment	211.74	318.17
Other operating revenue-		
Learning and development income	2.03	23.46
Teleradiology income	0.00	3.63
Revenue share income	6.69	4.29
TOTAL	**8,392.88**	**10,951.17**

Other income

Other income increased by ₹ 72.33 million, or by 47.72%, from ₹ 151.58 million in Fiscal Year 2013 to ₹ 223.91 million in Fiscal Year 2014. This increase was primarily on account of ₹ 166.74 million due to a non-recurring transaction of profit on sale of non-current investments, our holding in Narayana Dental, in Fiscal Year 2014.

Expenses

[55] *Kuppam started operating for a period of one month in the year ended March 2013, however, complete year of operation was in the year ended March 2014.*

Total expenses (*excluding depreciation and finance cost*) increased by ₹ 2,170.00 million, or by 28.63%, from ₹ 7,580.28 million in Fiscal Year 2013 to ₹ 9,750.28 million in Fiscal Year 2014. This increase was primarily due increase in the cost of consumption of medical and non-medical drugs and consumables, employee benefit and other expenses.

Cost of consumption, i.e., purchases and change in inventories (of medical consumables, drugs, surgical equipment)

Cost of consumption related to purchase of drugs, medical consumable items and surgical equipment increased by ₹ 485.08 million, or by 20.84%, from ₹ 2,327.74 million in Fiscal Year 2013 to ₹ 2,812.82 million in Fiscal Year 2014. Cost of consumption comprises our expenses related to consumption of stock-in-trade relating to drugs and medical and non-medical consumables.

Cost of consumption as a percentage of revenue from operations decreased from 27.73% in Fiscal Year 2013 to 25.69% in Fiscal Year 2014. This was majorly due to a reduction in our expenses due to the centralisation of our procurement functions and continuous operational efficiency initiatives.

Employee benefits expense

Employee benefits expense increased by ₹ 419.56 million, or by 26.80%, from ₹ 1,565.37 million in Fiscal Year 2013 to ₹ 1,984.93 million in Fiscal Year 2014. This was primarily due to an increase in the salaries paid to our employees and also additions to headcount to support the increased level of operations in the new facilities and existing facilities.

Finance costs

Finance costs increased by ₹ 117.44 million, or by 70.70%, from ₹ 166.11 million in Fiscal Year 2013 to ₹ 283.55 million in Fiscal Year 2014. This was primarily due to an increase in our total borrowings, comprising long-term and short-term borrowings, from ₹ 2,558.96 million in Fiscal Year 2013 to ₹ 3,330.14 million in Fiscal Year 2014 to fund additional capital expenditure and working capital requirements.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by ₹ 114.36 million, or by 24.86%, from ₹ 460.07 million in Fiscal Year 2013 to ₹ 574.43 million in Fiscal Year 2014. This was primarily due to an increase in our gross fixed assets by ₹ 1,715.11 million (*including acquisition and net of all deletions*) primarily on account of purchase of new medical equipment.

Other expenses

Other expenses increased by ₹ 1,265.36 million, or by 34.32%, from ₹ 3,687.17 million in Fiscal Year 2013 to ₹ 4,952.53 million in Fiscal Year 2014. This was primarily due to increases in professional fees to doctors, rent and hospital management fees, repairs and maintenance expenses, advertisement and publicity business promotion expenses, power and fuel expenses, housekeeping expenses, legal and professional fee and bad debts written off, which were partially offset by a decrease provision for bad debts.

Professional fees to doctors working on consultancy basis, increased by ₹ 533.79 million, or by 32.38%, from ₹ 1,648.58 million in Fiscal Year 2013 to ₹ 2,182.37 million in Fiscal Year 2014 to support the increased level of operations in our existing facilities and also to due to recruitment of doctors in the new facilities commenced in Fiscal Year 2014. Professional fees to doctors represented 19.53% and 19.29% of our total revenue in Fiscal Years 2014 and 2013, respectively.

Power and fuel charges increased by ₹ 64.90 million, or by 22.81%, from ₹ 284.51 million in Fiscal Year 2013 to ₹ 349.41 million in Fiscal Year 2014. This was primarily due to an increase in the usage of power in some of our centres and also due to increase in cost due to commencement of new facilities in Fiscal year 2014.

Housekeeping expenses increased by ₹ 50.51 million, or by 27.00%, from ₹ 187.10 million in Fiscal Year 2013 to ₹ 237.61 million in Fiscal Year 2014 due to addition of housekeeping resources in some of our existing centres and an increase in housekeeping charges pursuant to the revision of our housekeeping contracts in line with the revisions in minimum wages. Also, increase was mainly due to addition of facilities in Fiscal Year 2014.

Rent and hospital management fees expenses increased by ₹ 92.62 million, or by 43.99%, from ₹ 210.55 million in Fiscal Year 2013 to ₹ 303.17 million in Fiscal Year 2014 due to new facilities commenced and also due to upward revisions in the agreements and increase in revenue in the existing facilities with respect to managed facilities.

Repair and maintenance expenses of hospital equipment increased by ₹ 46.68 million, or by 34.46%, from ₹ 135.45 million in Fiscal Year 2013 to ₹ 182.13 million in Fiscal Year 2014 primarily due to ageing of assets and also due to expiry of warranty on assets.

Advertisement and publicity expenses and business promotion expenses increased by ₹ 173.96 million, or by 135.34%, from ₹ 128.54 million in Fiscal Year 2013 to ₹ 302.50 million in Fiscal Year 2014 primarily due to an increase in expenses related to advertising in print and television media and other sales promotional activities specially in the new facilities commenced in Fiscal Year 2014.

Legal and professional fee increased by ₹ 106.72 million, or by 172.21%, from ₹ 61.97 million in Fiscal Year 2013 to ₹ 168.69 million in Fiscal Year 2014. The increase was mainly because of a one-time initiative adopted by the Company through engagement of consultants to increase the operational efficiency in Fiscal Year 2014.

In Fiscal Year 2014, we had written off bad debts amounting to ₹ 137.08 million as against nil amount in Fiscal year 2013 as per the norms of the Company.

Increase in other expenses was partially offset by a decrease in provision for doubtful debts by ₹ 97.45 million.

Profit/ (Loss) before tax

As a result of the foregoing, our profit before tax was ₹ 566.82 million in Fiscal Year 2014 as compared to a profit before tax amounting to ₹ 338.00 million in Fiscal Year 2013, or 5.07% in Fiscal year 2014 as compared to 3.96% in Fiscal year 2013 of total revenue.

Tax expense

Our net tax expense was ₹ 213.48 million in Fiscal Year 2014 as compared to ₹ 99.65 million in Fiscal year 2013. We recorded a deferred tax expense amounting to ₹ 61.15 million in Fiscal Year 2014 and ₹ 15.33 million in Fiscal Year 2013.

Profit/ (Loss) after tax before share of profit/ (loss) of minority interest and share of Profit/(Loss) of associate

As a result of the foregoing, our PAT before share of profit/(loss) of minority interest and share of Profit/(Loss) of associate was ₹ 353.34 million in Fiscal Year 2014 as compared to a PAT before share of profit (loss) of minority interest and share of profit/ (loss) of associate amounting to ₹ 238.35 million in Fiscal Year 2014.

Share of profit/ (loss) of associates and minority interest

Associate and minority's share of loss was ₹ 36.26 million in Fiscal Year 2014 on account of holding 28.60% shareholding in HCCI (through our Subsidiary, Narayana Cayman Holdings) and minority interest of IDECK to the extent of 26.00% shareholding in NHSHPL as compared to profit of ₹ 9.61 million in Fiscal Year 2013.

Net profit/ (loss) for the year

As a result of the foregoing, our net profit for the year was ₹ 317.08 million in Fiscal Year 2014, as compared to a net profit amounting to ₹ 247.96 million in Fiscal Year 2013.

MAJOR COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES

Assets

In ₹ in millions

Particulars	For the year ended March 31, 2015	2014	2013
Non-current assets			
(a) Fixed assets			
- Tangible assets	8,403.19	7,304.35	6,151.89
- Intangible assets	31.07	70.57	50.78
- Capital work-in-progress (*including intangible assets under development*)	204.52	197.16	444.57
(b) Goodwill	642.17	8.73	-
(c) Non-current investments	521.81	514.21	67.91
(e) Long-term loans and advances	1225.54	1059.87	1142.16
(f) Other non-current assets	10.85	13.97	13.40
Total A	**11039.15**	**9168.86**	**7870.71**
Current assets			
(a) Current investments	0.38	-	-
(b) Inventories	512.24	492.57	383.74
(c) Trade receivables	1429.27	1341.84	914.76
(d) Cash and bank balances	295.20	280.59	254.31
(e) Short-term loans and advances	260.27	141.21	133.71
(f) Other current assets	112.50	131.82	74.82
Total B	**2609.86**	**2388.03**	**1761.34**
TOTAL (A+B)	**13649.01**	**11556.89**	**9632.05**

We had fixed assets comprising tangible assets, intangible assets and capital work-in-progress (including intangibles under development) of ₹ 8,638.78 million, ₹ 7572.08 million and ₹ 6647.24 million as at the end of Fiscal Year 2015, 2014 and 2013 respectively. Our tangible assets primarily consist of medical equipment, buildings, land, leasehold improvements, furniture and fixtures, office and other equipment, and vehicles. Our intangible assets mainly consist of software like Oracle, SAP etc. Our capital work in progress include intangible asset under development.

We had goodwill amounting to ₹ 642.17 million and ₹ 8.73 million as at the end of Fiscal Years 2015 and 2014. We had no goodwill in our books of accounts as of the end of Fiscal Year 2013. Our goodwill primarily comprises the difference between the amounts paid for equity less the net assets taken over on the acquisitions of our Subsidiaries, AHDL and MMRHL.

We had outstanding trade receivables of ₹ 1429.27 million, ₹ 1341.84 million and ₹ 914.76 million as at the end of Fiscal Year 2015, 2014 and 2013 respectively. We made provisions for doubtful trade receivables amounting to ₹ 191.38 million, ₹ 193.30 million and ₹ 161.42 million as at the end of Fiscal Years 2015, 2014 and 2013, respectively. Our trade receivables comprise receivables from government payers, corporate bodies, insurers and patients who pay directly to us.

We had long-term loans and advances amount to ₹ 1225.54 million, ₹ 1059.87 million and ₹ 1142.16 million as at the end of Fiscal Year 2015, 2014 and 2013. Our long-term loans and advances primarily comprised of capital advances, security deposit, prepaid expense, share application pending allotment and advance income tax (net of provision for tax).

We had non-current investment amounting to ₹ 521.81 million, ₹ 514.21 million and ₹ 67.91 million as at the end of Fiscal Year 2015, 2014 and 2013. Our investment primary comprises of our holdings in HCCI and TriMedX.

In ₹ in millions

Particulars	2015	For the year ended March 31, 2014 (*₹ in millions*)	2013

Particulars	For the year ended March 31, 2015	2014 (₹ in millions)	2013
I. Long-term loans and advances			
(a) Capital advances	106.74	126.76	86.04
(b) Security deposits	168.80	188.49	135.24
(c) Loans and advances to related parties	373.03	229.36	437.51
(d) Other Loans and advances	3.55	21.21	25.61
(e) Prepaid expenses	221.73	236.29	248.12
(f) Advance income tax (Net) (*including income tax paid under protest*)	351.64	224.56	146.08
(g) MAT credit entitlement	0.05	33.20	63.56
Total long-term loans and advances (A)	**1,225.54**	**1,059.87**	**1,142.16**
II. Short-term loans and advances			
Loans and advances to related parties	22.21	20.40	16.91
Security deposits	31.45	25.14	20.68
Other Loans and advances	162.55	48.02	68.91
Prepaid expenses	39.62	38.97	27.21
Balances due from government authorities	4.44	8.68	-
Total short-term loans and advances (B)	**260.27**	**141.21**	**133.71**

Liabilities

The following table sets forth the principal components of our liabilities as of March 31, 2015, March 31, 2014 and March 31, 2013 as per Restated Consolidated Summary Statements:

In ₹ in millions

Particulars		For the year ended March 31, 2015	2014	2013
Non-current liabilities				
(a) Long-term borrowings		2065.78	2272.26	1873.38
(b) Deferred tax liabilities (net)		339.42	252.05	190.36
(c) Other long-term liabilities		47.55	20.86	19.22
(d) Long-term provisions		106.28	62.34	55.06
Total	**A**	**2559.03**	**2607.51**	**2138.02**
Current liabilities				
(a) Short-term borrowings		985.27	522.17	313.06
(b) Trade payables		1370.42	1529.14	771.33
(c) Other current liabilities		1001.67	1025.96	862.99
(d) Short-term provisions		78.13	40.33	26.35
Total	**B**	**3435.49**	**3117.60**	**1973.73**
TOTAL (A+B)		**5994.52**	**5725.11**	**4111.75**

A significant portion of our liabilities comprised long-term borrowings. We had long term borrowings of ₹ 2065.78 million, ₹ 2272.26 million and ₹ 1873.38 million as at the end of Fiscal Year 2015, 2014 and 2013 respectively.

We had outstanding trade payables of ₹ 1370.42 million, ₹ 1529.14 million and ₹ 771.33 million as at the end of Fiscal Year 2015, 2014 and 2013, respectively. These mainly comprised of payables towards purchase of drugs, consumables, various services including medical consultancy charges,

We had other current liabilities of ₹ 1001.67 million, ₹ 1025.96 million and ₹ 862.99 million as at the end of Fiscal Years 2015, 2014 and 2013 respectively. These mainly comprised of current maturities of long term debts of ₹ 569.22 million, ₹ 535.71 million and ₹ 372.52 million respectively for Fiscal year 2015, 2014 and 2013 and payables on purchase of fixed assets of ₹ 83.49 million, ₹ 171.96 million and ₹ 65.32 million respectively for Fiscal Years 2015, 2014 and 2013.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2015, we had cash and cash equivalents of ₹ 208.45 million. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Our primary liquidity requirements have been to fund short-term operational and working capital requirements. Historically, we have funded these requirements through (i) cash from operations and (ii) debt financing through bank loans.

CASH FLOWS as per Restated Consolidated Summary Statements

In ₹ in millions

	For the year ended March 31,		
	2015	**2014**	**2013**
Net cash flow generated by operating activities	767.24	1,099.89	446.18
Net cash flow (used in) investing activities	(2,215.67)	(1,681.63)	(1,466.77)
Net cash flow provided by financing activities	1,402.71	569.05	1,081.09
Cash and cash equivalents at the end of the period	208.45	234.96	241.01

Cash flow generated by operating activities

For Fiscal Year 2015, we had a restated net profit before tax of ₹ 293.51 million. Our operating cash flow before working capital changes was ₹ 1,384.20 million primarily as a result of adjustments to restated net profit before tax for depreciation and amortisation expense of ₹ 666.90 million, finance costs of ₹ 408.90 million, loss on sale of fixed assets primarily on account of sale by Narayana Malaysia of its operating assets and capital work in progress amounting to ₹ 20.68 million, interest income of ₹ 8.04 million and foreign exchange unrealised net loss ₹ 2.25 million. Our net cash generated from operations was ₹ 767.24 million as a result of working capital adjustments, including an increase in operating assets (primarily comprising of an increase in trade receivables) of ₹ 102.20 million and a ₹ 291.72 million decrease in liabilities and provisions. We also paid ₹ 223.04 million in income taxes.

For Fiscal Year 2014, we had a restated net profit before tax of ₹ 566.82 million. Our operating cash flow before working capital changes was ₹ 1,234.02 million primarily as a result of adjustments to restated net profit before tax for depreciation and amortisation expense of ₹ 574.43 million, finance costs of ₹ 283.55 million, profit on sale of non-current investment in Narayan Dental and fixed assets ₹ 165.73 million, interest income of ₹ 5.22 million and foreign exchange unrealised net gain ₹ 19.83 million. Our net cash generated from operations was ₹ 1,099.89 million as a result of working capital adjustments, including an increase in operating assets (primarily comprising of an increase in trade receivables) of ₹ 642.77 million and a ₹ 709.08 million increase in trade payables. We also paid ₹ 200.44 million in income taxes.

For Fiscal Year 2013, we had a restated net profit before taxation of ₹ 338.00 million. Our operating cash flow before working capital changes was ₹ 839.48 million primarily as a result of adjustments to restated net profit before tax for depreciation and amortisation expenses of ₹ 460.07 million, finance costs of ₹ 166.11 million, profit on sale of fixed assets ₹ 128.54 mainly on sale of land to HCCI by Narayana Cayman Holdings, interest income of ₹ 4.20 million and foreign exchange unrealised net loss ₹ 8.04 million. Our net cash generated from operations was ₹ 446.18 million as a result of working capital adjustments, including an increase in operating assets (primarily comprising of an increase in trade receivables) of ₹ 463.06 million and a ₹ 242.88 million increase in trade payables. We also paid ₹ 173.12 million in income taxes.

Cash flow generated (used in) investing activities

For Fiscal Year 2015, our net cash flow used in investing activities was ₹ 2,215.67 million. This reflected capital expenditure on fixed assets of ₹ 981.50 million primarily relating to purchase of equipment, expenditure on land and buildings and leasehold improvements and capital work-in-progress, acquisition of long term investments of ₹ 883.95 million, primarily relating to investment in MMRHL, share application money paid towards investment in subsidiaries and associates of ₹ 384.57 million and net investment in bank deposit / mutual fund ₹ 40.29 million. This was partially offset by sale of fixed assets and capital work in progress of ₹ 66.46 million, primarily involving sale by Narayana Malaysia of its operating assets on account of discontinuation of proposed operations and interest received amounting to ₹ 8.18 million.

In Fiscal Year 2014, our net cash flow used in investing activities was ₹ 1,681.63 million. This reflected capital expenditure on fixed assets of ₹ 1,290.96 million primarily relating to purchase of equipment, expenditure on land and buildings and leasehold improvements and capital work-in-progress, acquisition of long term investments and assets on slump sale of ₹ 443.57 million primarily relating to investments in AHDL and acquisition of the Jubilant Kalpataru Hospital in Barasat, West Bengal, share application money paid towards investment in subsidiaries and associates of ₹ 260.50 million and net investment in bank deposit of ₹ 33.34 million. This was partially offset by sale of fixed assets and capital work in progress of ₹ 3.16 million, sale of non-current investments of ₹ 168.75 million in Narayana Dental, grant received from government amounting to ₹ 170 million and interest received amounting to ₹ 4.83 million.

In Fiscal Year 2013, our net cash flow used in investing activities was ₹ 1,466.77 million. This reflected capital expenditure on fixed assets of ₹ 1,301.14 million primarily relating to purchase of equipment, expenditure on land and buildings and leasehold improvements and capital work-in-progress, share application money paid towards investment in subsidiaries and associates of ₹ 362.78 million and net investment in bank deposit ₹ 15.25 million. This was partially offset by sale of fixed assets of ₹ 159.51 million mainly sale of land to HCCI by Narayana Cayman Holdings, grant received from government amounting to ₹ 50.00 million and interest received amounting to ₹ 2.89 million.

Cash flow generated from/(used in) financing activities

For Fiscal Year 2015, our net cash generated from financing activities was ₹ 1,402.71 million. This reflected mainly proceeds from long-term borrowing amounting to ₹ 1,277.95 million, proceeds from short-term borrowings amounting to ₹ 491.46 million and proceeds amounting to ₹ 3,000.06 million from issues of equity shares and debentures to CDC Group and CDC IOL. This was partially offset by repayment of long-term borrowings amounting to ₹ 2,854.14 million, repayment of short term borrowings of ₹ 50 million, expenses incurred in relation to issue of shares and debentures ₹ 73.03 million and interest / borrowing cost of ₹ 389.59 million.

In Fiscal Year 2014, our net cash generated from financing activities was ₹ 569.05 million. This reflected mainly proceeds from long-term borrowing amounting to ₹ 1,225.00 million and proceeds from short-term borrowings amounting to ₹ 453.95 million. This was partially offset by repayment of long-term borrowings amounting to ₹ 604.10 million, repayment of short term borrowings of ₹ 224.84 million and interest / borrowing cost of ₹ 280.96 million.

In Fiscal Year 2013, our net cash generated from financing activities was ₹ 1,081.09 million. This reflected mainly proceeds from long-term borrowing amounting to ₹ 1,049.90 million, proceeds from short-term borrowings amounting to ₹ 308.03 million and proceeds amounting to ₹ 98.04 million issue of shares to minorities (NHSHPL to IDECK). This was partially offset by repayment of long-term borrowings amounting to ₹ 210.34 million and interest / borrowing cost of ₹ 164.54 million.

CAPITAL EXPENDITURE

We have invested and capitalised, in aggregate, ₹ 1053.39 million, ₹ 1581.22 million and ₹ 2195.48 million on capital expenditure (excluding acquisitions and slump sale) in Fiscal Year 2015, Fiscal Year 2014, Fiscal Year 2013, respectively. The following table sets out details of the same for Fiscal years 2015, 2014 and 2013.

In ₹ in millions

	For the year ended March 31,		
	2015	**2014**	**2013**
Plant and equipment (*including medical equipment, office equipment and other equipment including air conditioner*)	498.66	898.91	636.80
Land and Building (*including freehold land and leasehold land*)	170.71	121.95	785.83
Intangible assets	7.81	55.71	72.87
Leasehold improvements	59.04	37.81	15.20
Other fixed assets (*including furniture and fixtures, computers, vehicles and electric installations*)	112.65	269.68	240.21
Total Capitalised (A)	848.87	1,384.06	1,750.91
Capital work-in-progress including Intangible assets under development (B)	204.52	197.16	444.57
TOTAL INVESTED AND CAPITALISED (A+B)	**1,053.39**	**1,581.22**	**2,195.48**

INDEBTEDNESS

To fund our working capital and capital expenditure requirements, we have entered into various loan and facility agreements with various financial institutions. As of March 31, 2015, we had ₹ 3,620.27 millions of indebtedness outstanding. All of our outstanding indebtedness as of March 31, 2015 was denominated in Indian Rupees except for ₹ 253.49 million outstanding loans from EXIM Bank, which were denominated in U.S. dollars. The interest rates that apply to a majority of our indebtedness as of March 31, 2015 were either floating or subject to review by the lender on a periodic basis. The maturity dates of the outstanding amount are up to March 25, 2025, except indebtedness repaid post March 31, 2015, details of which are set out in "***Financial Indebtedness***" beginning on page 192. In addition, the majority of our indebtedness was secured, primarily by our fixed assets, receivables and certain land and buildings. For further details, see section "***Financial Indebtedness***" beginning on page 192.

Although a portion of the proceeds from this Offering will help repay a portion of our existing loans and general corporate purposes, we may incur additional indebtedness in the future to help finance our expansion plans, which would increase our finance costs.

The following table sets forth our consolidated secured and unsecured borrowings position as of March 31, 2015, March 31, 2014 and March 31, 2013:

In ₹in millions

Particulars	As of the Fiscal Year ended March 31,		
	2015	**2014**	**2013**
Secured loans			
Term loans from banks	1,576.64	2,137.19	1,581.76
Term loans from others	58.36	670.78	664.14
Working capital loans (*including bank over draft and short term loan from bank*)	985.27	522.17	313.06
Total secured loans	**2,620.27**	**3,330.14**	**2,558.96**
Unsecured loans			
Debentures	1,000.00	Nil	Nil
Total unsecured loans	1,000.00	-	-
Total borrowings	**3,620.27**	**3,330.14**	**2,558.96**
Total borrowings represented by:			
Long-term borrowings	2,065.78	2,272.26	1,873.38
Short-term borrowings	985.27	522.17	313.06
Current maturities of long-term borrowings (included in other-current	569.22	535.71	372.52
TOTAL	**3,620.27**	**3,330.14**	**2,558.96**

CONTRACTUAL OBLIGATIONS

The following table sets forth our contractual obligations and commitments to make future payments as of March 31, 2015:

In ₹in millions

Contractual obligations and commitments	Payment due by period			
	Less than 1 year	**1-5 years**	**More than 5 years**	**Total**
Borrowings (*excluding bank ODs and OCDs*)	819.22	881.32	184.46	1,885.00
Trade payables	1,370.42			1,370.42
Non-cancellable operating lease obligations	57.59	236.69	682.90	977.18
TOTAL	**2,251.82**	**1,113.42**	**867.36**	**4,232.60**

Our total capital commitments as of March 31, 2015 were ₹ 36.44 million, which are due either in stages or on a milestone basis.

CONTINGENT LIABILITIES

Apart from the contingent liabilities set out in our financial statements, we do not have any other contingent liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

Except for our contingent liabilities set out in our financial statements, we do not have any off-balance sheet arrangements, derivative contracts, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, see "***Financial Statements***" beginning on page 191 of this Draft Red Herring Prospectus.

QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Interest rate risk

Our exposure to interest rate risk relates primarily to our debt. Our long-term rupee-denominated debts, which bear interest at floating rates linked with base rate of the respective lenders, as determined from time to time, are subject to fluctuations in interest rates, which could increase the amount of interest payable by us under our debt obligations and could make it difficult for us to procure new debt on attractive terms.

Credit risk

Credit risk is the risk of a financial loss to us if a payer fails to meet its contractual obligations. Our exposure to credit risk arises principally from our receivables from payers. Our management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on major payers requiring credit over a certain amount. We do not grant credit to patients who pay directly to us, without prior approval by appropriate authority. Patients who pay directly to us are generally requested to place an initial deposit at the time of admission to our facilities and hospitals. An additional deposit is requested from such patients when the charges exceed a certain level.

Liquidity risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. Our exposure to liquidity risk arises principally from our various payables, loans and borrowings. We maintain a level of cash and cash equivalents and bank facilities deemed adequate by our management to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they fall due.

Foreign exchange risk

Substantially all of our revenue and our expenditure are denominated in Indian Rupees. However, the price of medical equipment that we purchase from foreign manufacturers is denominated in U.S. dollars. We pay for such equipment either in Indian Rupees through our banks by converting the amount into U.S. dollars or using export proceeds. As a result, fluctuations in the exchange rate between the U.S. dollar and Indian Rupees will affect the cost of such medical equipment to us and will affect our financial condition. The Indian Rupees' exchange rate with the U.S. dollar and other currencies is affected by, among other things, changes in India's political and economic conditions. Any significant revaluation of the Indian Rupees may materially and adversely affect our cash flows, revenue, earnings and financial position, and the value of, and any dividends payable in U.S. dollars. Our company and our Indian Subsidiaries have determined their functional currencies to be Indian Rupees. We use Indian Rupees as our reporting currency.

Inflation

In recent years, India has experienced fluctuations in inflation rates. Inflation has had an impact on our business and results of operations, primarily on our cost of medical equipment and drugs and consumables.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2015, THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

No circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus, which may materially and adversely affect or are likely to affect, our revenue and profitability, or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE

Significant economic changes that materially affected or are likely to affect income from continuing operations

Except as stated in the section "***Risk Factors***" beginning on page 17, and "***Industry Overview***", there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Material increases in net revenues and sales:

As described in detail under *Results of Operations – Fiscal Year 2015 Compared to Fiscal Year 2014* and *Fiscal Year 2014 Compared to Fiscal Year 2013*, on pages228, material increase in revenues is primarily on account of expansion of our healthcare facilities and increased operations.

Unusual or infrequent events or transactions:

Other than (i) the acquisition of AHDL (in FY 2014), MMRHL (in FY 2015) and the Jubilant Kalpataru Hospital, Barasat, West Bengal (in FY 2014); (ii) the sale of NHDC (in FY 2014); and (iii) the discontinuation of Narayana Malaysia's proposed hospital business (in FY 2015), there have been no unusual or infrequent events or transactions materially impacting our financial statements.

Total turnover of each major industry segment in which the issuer operated

Our sole business segment is "Healthcare Services", and our Company does not have any publicly available data for the total turnover of healthcare services.

Status of any publicly announced new products or business segment

We have not publicly announced any new products or business segments.

Known trends or uncertainties:

Other than as disclosed in the section "***Risk Factors***" and "***Our Business***", beginning on pages 17 and 114 respectively, there are no known trends or uncertainties which may materially impact our financial statements.

Extent to which business is seasonal

Our business is not seasonal.

Future relationships between costs and income:

Other than as disclosed in the section "***Risk Factors***" and "***Our Business***", beginning on pages 17 and 114, respectively, we do not expect the future relationship between our costs and income to change materially.

Competitive conditions:

We are continually affected by the competitive conditions we operate in. For an overview of the industry we operate in, see "***Industry Overview***" beginning on page 99. For a description of our competitive constraints, and its impact on our financial condition, see "***Risk Factors***" beginning on page 17.

Significant dependence on suppliers or customers:

We rely on third-party suppliers and manufacturers for our equipment and drugs, and we have limited control over these suppliers and manufacturers and may not be able to obtain quality products on a timely basis or in sufficient quantity. Further, any discontinuation or recall of existing equipment and drugs by the manufacturers could materially and adversely affect our business, financial condition, results of operations and cash flows, see section "***Risk Factors***" beginning on page 17. We are dependant on a small set of equipment manufacturers for our high-end medical and diagnostic equipment needs. For details, see section "***Risk Factors***" beginning on page 17.

We are not significantly dependant on any one or more patients in particular visiting our healthcare facilities. However, as a revenue stream, we are entirely dependent on patient footfall increasing across out network of facilities to be able to maintain our growth levels.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) material litigation, in each case involving our Company, our Subsidiary(ies), our Promoter(s), our Directors, or our Group Company(ies); (iv) any litigation involving our Company, Promoters, Directors, Subsidiaries or Group Companies or any other person whose outcome could have a material adverse effect on the position of our Company; (v) outstanding claims involving our Company, Subsidiaries, Directors, or Promoters for any direct and indirect tax liabilities; (vi) outstanding dues to creditors of our Company as determined to be material by the Company's Board in accordance with the SEBI ICDR Regulations; and (vii) dues to small scale undertakings and other creditors.

For the purpose of material litigation in (iii) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in the Draft Red Herring Prospectus:

(a) ***Pre-litigation notices****: Notices received by the Company, its Subsidiary(ies) / Directors / Promoters, / Group Companies, as the case may be ("****Relevant Parties****"), from third parties (excluding statutory / regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum;*

(b) ***Criminal proceedings and actions by statutory / regulatory authorities****: All criminal proceedings, and actions by statutory / regulatory authorities involving the Relevant Parties shall be deemed to be material;*

(c) ***De minimis monetary threshold for civil litigation****: Civil litigation against any of the Relevant Parties or having any bearing on the Company or any its Subsidiaries before any judicial forum and having a monetary impact not exceeding 0.5% of the consolidated net worth of the Company and the Subsidiaries as of March 31, 2015, as restated for the purpose of the SEBI ICDR Regulations (amounting to ₹38.23 million), shall not be considered material. However, in the event of civil litigation wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation has a bearing on the operations or performance of the Company or any of its Subsidiaries.*

Further, except as stated in this section, there are no (i) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company or Subsidiaries; (ii) fines imposed, or compounding of offences against our Company or Subsidiaries (in each case (i) and (ii) in the preceding 5 years prior to the date of this Draft Red Herring Prospectus); (iii) material frauds committed against our Company; (iv) proceedings initiated against our Company for economic offences,(v) defaults in respect of dues payable; and (vi) litigation or legal actions against our Promoters by any ministry or government department or statutory authority during the last five years immediately preceeding this Draft Red Herring Prospectus.

Unless otherwise stated, all proceedings are pending as of the date of this Draft Red Herring Prospectus.

Litigation involving our Company

Litigation against our Company

Criminal Proceedings

(a) Our Company received a notice dated April 15, 2006, from the KSPCB alleging that a number of non-compliances under the Water Act and Air Act were found during an inspection conducted by the KSPCB at NICS. The KSPCB also alleged that our Company had commenced certain development activity, including raising new construction within NH Health City without the approval of KSPCB and without obtaining prior environmental clearance. Our Company was required to cease further developmental activity in the absence of approval of the KSPCB and the Ministry of Environment and Forests, Government of India. Pursuant to this, another inspection was conducted by the KSPCB at NH Health City on July 25, 2006, in connection with our application to the KSPCB for expansion of the facility. The inspection report noted that a nursing college within NH Health City was constructed without KSPCB's approval. The inspection report also noted that a sewage treatment plant had already been constructed by our Company without the approval of the KSPCB. The KSPCB, by way of a memo dated December 15, 2006, directed the Deputy Environmental Officer, KSPCB to initiate criminal proceedings against our Company for contravention of Section 25, read with Section 44 of the Water Act for expansion of NH Health City without the prior approval of the KSPCB. Another inspection of NH Health City was undertaken by the KSPCB on February 13, 2007, which noted that we had constructed new blocks and expanded NICS by commissioning a new combined effluent treatment plant without obtaining consent for establishment from the KSPCB in violation of Section 25, read with Section 44 of the Water Act. For the foregoing reasons, the KSPCB filed a criminal complaint numbered PCR No. 21 of 2007 on the file of the Additional Chief Judicial Magistrate, Bengaluru, against our Company and Dr. Devi Prasad Shetty under Sections 25 and 26, read with Section 44 of the Water Act, for the alleged failure to obtain the approval of the KSPCB for expansion activities and failure to comply with the notice dated April 15, 2006, issued by the KSPCB. Our Company and Dr. Devi Prasad Shetty have been served with summons in this case. Our Company and Dr. Devi Prasad Shetty filed a petition numbered C.P. No. 2526 of 2007, before the Karnataka High Court for quashing the summons issued in PCR No. 21 of 2007. The Karnataka High Court, by its order dated January 21, 2009, found that the Additional Civil Judge (Junior Division) & Judicial Magistrate (First Class), Anekal ought not to have issued process without taking cognizance of the complaint filed by the KSPCB, and consequently set aside the order issuing summons to our Company and Dr. Devi Prasad Shetty, and remanded the matter to the Additional Civil Judge (Junior Division) & Judicial Magistrate (First Class), Anekal for fresh consideration from the stage of its presentation.

(b) The cyber crime police of Hyderabad has registered a FIR in Crime No. 11 of 2012 against certain individuals for offences under Section 66, 66C, 66D of the Information Technology Act, 2008 and Section 419 and 420 of the IPC, stating that certain persons had impersonated three officers of the Aarogyasri Health Care Trust, Hyderabad, and approved transactions of approximately ₹ 3.33 million in respect of reimbursements payable to a number of hospitals. Our Company is alleged to have received an amount of ₹ 0.65 million as a result of the alleged offence. Our Company has filed a petition in CP No. 5410 of 2013 before the Andhra Pradesh High Court seeking to quash the complaint on the ground that our Company has not committed any offence.

(c) A case of medical negligence and cheating has been filed by Subir Chowdhury in Crime No. 5332 of 2009 against RTIICS, Dr. S Lilha and Dr. Rakesh Varma, doctors at RTIICS, before the Assistant Chief Judicial Magistrate, Alipore. Subir Chowdhury claimed that he had undergone surgery at RTIICS and that a bill of ₹ 0.09 million was raised, which was paid by the insurer of Subir Chowdhury. Subir Chowdhury claimed that he was required thereafter to return to RTIICS on numerous occasions to undergo tests, the costs of which were not be covered by his insurance. He claimed that upon asking for the break-up cost of the bill submitted to him by RTIICS, it was observed that the actual bill amount was ₹ 0.08 million. On further diagnosis, Subir Chowdhury claimed that he was informed that he would require a double chamber pace maker instead of the single chamber pace maker that had been implanted during his surgery. Subir Chowdhury claimed that he again got himself admitted at RTIICS in July 2009, despite which no double chamber pacemaker or proper medical treatment was provided to him. Subir Chowdhury sought that the court issue process under Sections 420 and 334 of the IPC against all the accused.

(d) A case of medical negligence has been filed in P.S. Case No. 185 of 2009 against Dr. S. Lilha, doctor at RTIICS, before the Assistant Chief Judicial Magistrate, Alipore, by Subrata Siddharta, alleging commission of offences by Dr. S. Lilha under Sections 304A of the IPC. Subrata Siddharta lodged a complaint with the Purba Jadavpur police station on December 07, 2009 alleging foul play and intentional negligence by Dr. S. Lilha in the treatment of his brother in law, Narayan Basu. Subrata Siddharta claimed that Narayan Basu was admitted to RTIICS on December 03, 2009 under the care of Dr. S. Lilha and that despite Narayan Basu having no significant medical history, he expired on December 07, 2009 and therefore requested an investigation into his death.

(e) A case of medical negligence and cheating has been filed in Crime No. 148 of 2012 (PCR No. 1927/ 2012) against our Company and certain doctors at RTIICS, before the Assistant Chief Judicial Magistrate, Alipore, by Dr. Utpal Ganguly. The complainant claimed that he had admitted his son to RTIICS on May 13, 2011 at 8:00 A.M., where he was diagnosed with acute oedematous pancreatitis. The complainant claimed that despite the diagnosis, his son was not shifted out of the OPD till 8:45

P.M on the same day. The complainant claimed that RTIICS records however noted that his son was shifted out of the OPD at an earlier time and that this act of RTIICS amounted to cheating under Section 420 of the IPC. The complainant alleged that no specialised doctors attended to his son and treatment was provided without adequate diagnosis of the patient.

(f) A case of medical negligence has been filed in P.C. Case No. 52 of 2013 before the Sub-Divisional Judicial Magistrate, at Sareikella, by Sanjay Kumar Jain against the director and Dr. Bimalendu Kumar, a doctor of Brahmananda Narayana Hrudayalaya Hospital, Jamshedpur, Jharkhand alleging medical negligence and inflation of bills with respect to the treatment provided to Shyam Lal Jain, the complainant's father. Sanjay Kumar Jain sought both the accused persons to be punished under Sections 269, 271, 304A, 465, 460 and 420 read with Section 34 of the IPC. The jurisdictional police station filed a closure report dated November 30, 2013, on account of mistake of fact. Following this, Sanjay Kumar Jain filed a protest petition in P.C. Case No. 88/2014 before the Sub-Divisional Judicial Magistrate, Sareikella. The Sub-Divisional Judicial Magistrate, Sareikella, by way of an order dated July 17, 2014, held that a *prima facie* case was made out under Sections 465, 468, 420, read with Section 34 and Section 304A of the IPC. The order also held that no *prima facie* case could be made against the director or doctor of Brahmananda Narayana Hrudayalaya Hospital under Sections 269 and 271 of the IPC. The director and doctor of Brahmananda Narayana Hrudayalaya Hospital filed a petition in Cr.M.P. No. 247 of 2015 against the State of Jharkhand and Sanjay Kumar Jain before the Jharkhand High Court seeking that the proceedings in P.C. Case No. 88/2014 and the order dated July 17, 2014 be quashed. Dr. Bimalendu Kumar also filed an application for anticipatory bail in A.B.P. No. 53 of 2015, before the Principal District & Sessions Judge, Sareikella, which was rejected by an order dated March 21, 2015. Subsequently, Dr. Bimalendu Kumar was granted anticipatory bail by an order of the High Court of Jharkhand in A.B.A No. 1787 of 2015 dated June 09, 2015.

(g) Tekmal Thirupathi Reddy filed a complaint with the Toopran police station on October 06, 2013 against Dr. Anjani Kumar and Dr. Ganga Shankar, doctors at Narayana Hrudayalaya Malla Reddy Hospital with respect to offences alleged to have been committed under Section 304-A of the IPC. Tekmal Reddy claimed that his father, Jaya Rami Reddy had been admitted to the Narayana Hurdayalaya Malla Reddy Hospital on account of injuries sustained in a road accident and that due to the negligence of the management and doctors of the hospital, Jaya Rami Reddy passed away on October 06, 2013. Subsequently, a case in Cr. No. 277/2013 has been registered against the two doctors and investigation was initiated.

(h) Shibnarayan Das filed a complaint with the officer-in-charge of the East Jadavpur police station, Kolkata, in FIR No. 150/2012, alleging negligence and carelessness in treatment of his mother, Radha Rani Das, a patient at RTIICS. Shibnarayan Das alleged that Radha Rani Das had been admitted to RTIICS on August 01, 2012, and had expired on August 02, 2012, due to the actions of the doctors. Shibnarayan Das requested the police to lodge an FIR in the matter and investigate the same. RTIICS subsequently received a notice dated August 15, 2012 under Section 91 of the Code of Criminal Procedure, 1973 from the officer-in-charge, Purba Jadavpur police station, Kolkata in relation to investigation. The police have seized certain documents in connection with this FIR.

(i) Our Company received a notice from the station house office, Pratap Nagar police station, Jaipur in connection with a complaint bearing No. 501 dated July 02, 2015 filed by Manoj Poddar. Manoj Poddar alleged that our Company had inflated the amounts mentioned in the bill provided to him upon discharge and that the bill contained certain medicines that had never been administered to him. Manoj Poddar also alleged certain other irregularities concerning the bill. Manoj Poddar claimed that he was denied access to his medical reports and was restrained within a doctors' room till late at night. Manoj Poddar has claimed that he suffered economic, mental and physical loss on account of the actions of our Company. Our Company responded to the notice through a reply dated July 22, 2015, stating that no excess money had been sought from him. Our Company also denied restraining Manoj Poddar within the hospital.

(j) The West Bengal State Electricity Board lodged a complaint against our employee, Chandan Sinha and Sukhendra Shukla alleging unauthorised use of electricity at the facility in Barasat, West Bengal. An FIR was lodged by the Barasat police station bearing No. 445 of 2008. The Additional District & Sessions Judge, 4th Court, Barasat by way of an order dated February 17, 2014 framed charges against Chandan Sinha and Sukhendra Shukla for the offence of consuming electric energy in a dishonest manner, thereby causing an offence under Section 135(1)(e) of the Indian Electricity Act, 2001. Our Company has not been named as an accused in these proceedings.

Civil Proceedings

(a) A writ petition in W.P. No. 1554 of 2015 has been filed by Arup Bose against the head of RTIICS and others, alleging medical negligence by a doctor at RTIICS. The petitioner has sought a direction from the State of West Bengal, the West Bengal Medical Council and the Medical Council of India to take necessary steps against our Company for alleged medical negligence and for creation of incorrect case history. The petitioner has also sought the matter be handed over to an independent body for investigation. The petitioner has also sought compensation of ₹ 7 million from our Company.

(b) Certain land and building was donated by the Tolaram Bafna Artificial Limb and Caliper Centre to the Government of Assam under a memorandum of understanding entered in the year 2007 for setting up a district hospital in Kamrup, Assam. The Government of Assam and our Company subsequently entered into a memorandum of understanding dated June 11, 2012, in terms of which our Company was entitled to operate a super specialty hospital on the premises donated by the Tolaram Bafna Artificial Limb and Caliper Centre. The land over which our Company's facility in Assam is situated is covered under the terms of the memorandum of understanding entered into between Tolaram Bafna Artificial Limb and Caliper Centre and the Government of Assam. A writ petition was filed before the Guwahati High Court alleging that the donation was made to the Government of Assam by the Tolaram Bafna Artificial Limb and Caliper Centre with a view to provide free treatment to people and not to permit a for-profit organisation such as our Company to operate from the premises. The petitioners also contended that the donation was for the purpose of setting up of a district hospital and the grant of the property to our Company for running a super specialty hospital was contrary to the memorandum of understanding entered into in the year 2007 between the petitioners and the Government of Assam. A Single Judge of the Guwahati High Court held that the Government of Assam was not correct in allotting the hospital for the purpose of running a multispecialty hospital and allowed the writ petition. The memorandum of understanding entered into between our Company and the Government of Assam dated June 11, 2012 was quashed, and the request for proposal dated February 03, 2012, further to which our Company was awarded this project was also set aside. Our Company has filed an appeal against the order of the Single Judge before a Division Bench of the Guwahati High Court in Writ Appeal Nos. 55/2014 and 56/2014. The matter is currently pending. By a deed of agreement dated May 12, 2015, entered into between our Company, Tolaram Bafna Artificial Limb and Caliper Centre, Premchand Tolaram Bafna Charitable Trust, Acharya Tulsi Orthopedic Hospital, Subhkaran Jain and the State of Assam, we have settled the dispute. The terms of the settlement require that subject to certain conditions, we are entitled to continue to operate a superspecialty hospital from this premises and preserves the memorandum of understanding dated June 11, 2012, entered into between our Company and the Government of Assam. The Division Bench is however yet to dispose off the writ appeal in terms of the settlement.

(c) Savita Murarka filed a suit against Dr. Binod S. Agarwal and others in Money Suit No. 28/2014 before the Court of the Civil Judge, Senior Division, Jamshedpur, Jharkhand. The defendants in the instant case were doctors working with Brahmananda Narayana Multispeciality Hospital, Jamshedpur. Savita Murarka had alleged medical negligence and overcharging of fees on the part of the doctors of our Company. Savita Murarka has claimed that Dr. Binod S. Agarwal and other doctors of our Company provided her with incorrect diagnosis, treatment, medicine and conducted 3 operations without necessary cause resulting in the removal of the ovary from her body without her consent or knowledge. Savita Murarka has claimed an amount of ₹ 50 million from the Brahmananda Narayana Multispeciality Hospital, Jamshedpur along with a demand for security being furnished for such amount by the hospital with the court. The defendants responded to the claims made by Savita Murarka, stating that the suit was not maintainable in law or facts. The defendants denied conducting any operation without the consent and knowledge of Savita Murarka and denied all claims of wrong diagnosis and negligence. The defendants sought that the suit be dismissed with costs.

Labour Proceedings

(a) C.T. Varghese filed an application bearing E.S.I. Application No. 2 of 2014 under Section 75(1)(e) and Section 75(1)(g) of the ESI Act before the Employees' Insurance Court, Bengaluru (Rural) against our Company, our managing director, Dr. Ashutosh Raghuvanshi and the Employees' State Insurance

Corporation. The application was in respect of payments due to the daughter of the applicant, Late Smitha Varghese in connection with alleged (i) failure by our Company to report accidental death caused to his daughter during the course of her employment; (ii) failure by our Company to make contributions to the Employees' State Insurance Corporation; and (iii) failure by our Company to provide compensation. We filed an objection statement against the claims raised by the applicant and argued that the application was invalid since the death of the deceased had not occurred out of or in the course of employment. Our Company and Dr. Ashutosh Raghuvanshi received a notice dated May 03, 2013 from C.T. Varghese claiming that his daughter had died due to electrocution at the Narayana Hrudayalaya Hospital Hostel, run by our Company. C.T. Varghese claimed that despite several requests being made with our Company, no compensation was paid towards the death of his daughter. C.T. Varghese also claimed that certain unauthorised deductions had been made by our Company from the salary of his daughter and that our Company had failed to remit amounts towards the employer's contribution. It was also alleged that our Company had not completed the registration process of Late Smita Varghese under the ESI Act and hence compensation ought to be paid by our Company. C.T. Varghese demanded a sum of ₹ 2.5 million along with interest.

(b) Mousumi Maity Das filed an application under Section 10 of the ID Act before the Directorate of Industrial Tribunals, Government of West Bengal, on May 15, 2014 against West Bank Hospital alleging illegal termination of her services. Mousumi claimed that she was appointed on April 01, 2009 and was subsequently issued a letter of termination with effect from November 29, 2013 along with one months' compensatory salary. In view of this termination, Mousumi Maity Das claimed that she approached the Deputy Labour Commissioner for conciliation, which did not materialise allegedly on account of the conduct of the management of West Bank Hospital. Mousumi Maity Das alleged that the termination was illegal and unjustified and claimed reinstatement with full back wages and other consequential relief. West Bank Hospital filed a written statement objecting to the maintainability of the application filed by Mousumi Maity Das and attributed the termination to misconduct, unauthorised leave, unsatisfactory performance and insubordination on her part. West Bank Hospital therefore sought that the Tribunal dismiss the application as being non-maintainable.

(c) Rajesh Harishankar Sharma and S.K. Kazi filed an application on behalf of 27 contract labourers belonging to the Sahkar Workers Union filed case ref No. PWAPP LC/302/2014 before the Labour Court, Ahmedabad, against "Narayan Hridayalaya Hospital" alleging non-payment of wages, dues on account of leave, overtime wages, unemployment compensation, gratuity and illegal termination amongst other things by Transcend Design Services Private Limited (their immediate employer). The applicants have claimed a total sum of ₹ 0.81 million from our Company. Our Company received a notice from the Labour Court in Ahmedabad dated June 10, 2014 requiring our Company to be present before the court on July 10, 2014.

(d) RNN received a letter dated December 20, 2012 from the Calcutta Shops and Commercial Establishment Workers Union intimating RNN of the resignation of a large number of workers of RNN and Narayana Hrudayalaya Hospital from the I.T. Sector Security & Contractual Labour Union and their joining membership with the Indian National Trade Union Congress affiliated union. RNN was also provided with a charter of demands and a request for holding a meeting to negotiate the demands. Pursuant to this, RNN participated in a personal hearing before the Deputy Labour Commissioner, West Bengal, and letters dated June 20, 2014 and July 07, 2014 were addressed, informing the Deputy Labour Commissioner of compliance with the statutory benefits provided to contract workers and compliance with minimum wages, provident fund and Employee State Insurance ("**ESI**") benefits. RNN requested the Deputy Labour Commissioner to close the matter. Further, pursuant to a memo of the Assistant Labour Commissioner, West Bengal, dated July 17, 2014, RNN reconfirmed their compliance with all benefits and payments stipulated under law through a letter dated August 26, 2014. RNN also affirmed that they would not accede to the demands made by the Calcutta Shops and Commercial Establishment Workers Union. RNN also sent a letter dated September 02, 2014, subsequently to the Deputy Labour Commissioner requesting her to dispose off the matter.

(e) Our Company received a notice dated June 30, 2015 from the regional office of the Employees' State Insurance Corporation, Raipur, stating that our Company had failed to pay an amount of ₹ 0.18 million towards ESI contribution for the period between August 01, 2011 and March 31, 2013. The notice provided the Company a period of 15 days to raise any objections to the claims made by the Employees' State Insurance Corporation failing which, recovery proceedings were threatened against our Company.

(f) Our Company received a notice dated June 30, 2015 from the regional office of the Employees' State Insurance Corporation, Raipur, stating that our Company had failed to pay an amount of ₹ 0.54 million towards ESI contribution for the period between August 01, 2011 and March 31, 2013. The notice provided the Company a period of 15 days to raise any objections to the claims made by the Employees' State Insurance Corporation failing which, recovery proceedings were threatened against our Company.

(g) By an order dated December 17, 2014, in Civil Pr. No. 64/PW Act/2012, the Labour Court, Raipur, directed Dr. Devi Prasad Shetty, as the employer of Heera Lal Burad within the meaning of the PWA, to pay an amount of ₹ 0.002 million as compensation to Heera Lal Burad under Section 15(3) of the PWA for failure to pay wages on time. Our Company has paid this amount.

(h) By an order dated October 01, 2014, bearing proceeding No. KN/SRO-BMS/PD/34066/2024/2014-15, the Regional Provident Fund Commissioner, Bommasandra, Bengaluru, directed our Company to pay an amount of ₹ 507 towards damages on delayed remittances under the EPF Act. An amount of ₹ 0.001 million was also ordered to be paid as interest under Section 7Q of the EPF Act. Our Company has made payment to the provident fund organisation.

(i) By an order dated January 22, 2015, bearing proceeding No. A/045/WB/48790/Damages/1/R.O/(Kal)/981, the Regional Provident Fund Commissioner, Kolkata directed our Company to pay an amount of ₹ 1,878 towards damages on delayed payment of statutory dues under the EPF Act. An amount of ₹ 4,506 was also ordered to be paid as interest under Section 7Q of the EPF Act. Our Company has made the payment with the provident fund organisation.

(j) RTIICS was party to a proceeding under Section 7A of the EPF Act in respect of failure to obtain registration under the EPF Act and non-payment of provided fund dues payable to contract workers. The Regional Provident Fund Commissioner by way of an order dated February 26, 2014, levied an amount of ₹ 5.53 million, payable by RTIICS. Our Company has made payment of the amount demanded.

(k) First Trust Health Care Limited, Kolkata received a notice dated February 26, 2014 from the Employees' Provident Fund Organisation with respect to levy of damages of ₹ 0.14 million for delayed remittance of provident fund contributions for the period August, 2007 to August, 2013, to employees of Jubilant Kalpataru Hospital. As the acquirer of the Jubilant Kalpataru Hospital, our Company has assumed this liability and has made payment of the amount demanded.

Regulatory Proceedings

(a) Our Company and certain doctors working with us received a show cause notice dated March 11, 2014, from the Karnataka Medical Council under Section 16 of the Karnataka Medical Registration Act, 1961, alleging medical negligence with respect to providing treatment to Devandrappa's wife, Kamalamma, and threatening disciplinary action against our Company and the doctors. A complaint has been registered by the Karnataka Medical Council against us and certain doctors in KMC/ENQ/25/2014. This proceeding is consequent to the Rural and Urban Ist Additional District Consumer Disputes Redressal Forum, Bengaluru Urban District, referring Complaint No. 7 of 2013, filed by Devandrappa alleging medical negligence against us to the Karnataka Medical Council for medical opinion. The Karnataka Medical Council through a notice dated March 11, 2014, observed that a *prima facie* case of medical negligence was made out against our Company. Our Company has denied these allegations and has sought the complaint to be dismissed.

(b) Our Company received a notice dated March 16, 2015, from the Rajasthan Medical Council enclosing a complaint dated October 28, 2014, from Puneet Chaturvedi alleging medical negligence by the doctors of our Company in the treatment provided to Puneet Chaturvedi's wife, Mandavi Chaturvedi, and seeking a reply within fifteen days of the notice. Dr. Usha Agarwal, a consultant gynaecologist at the Narayana Multispeciality Hospital, Jaipur responded to this notice through a reply dated May 16, 2015 stating that while Mandavi Chaturvedi had consulted her, there had been no follow-up on the patient's part. Dr. Mala Airun, the senior medical superintendent at the hospital also responded to the show cause notice through a reply dated April 03, 2015 stating that all standard protocols had been followed and there was never a danger to the life of Mandavi Chaturvedi.

(c) Our Company received a notice dated April 07, 2015, from the KSPCB alleging that upon inspection of the effluent released from the facility in HSR Layout, Bengaluru, Karnataka on February 26, 2015, the parameters pH, BOD, Turbidity and bio assay did not meet the stipulated standards under the Water Act and required us to take corrective measures and report the action taken within 7 days of the notice. Our Company, by its letter dated April 09, 2015, communicated the remedial action adopted to the KSPCB. Our Company has not received any subsequent correspondence from the KSPCB in this regard.

Legal Notices

(a) Our Company was allotted lands situated in Plot No. 1125 (part), Khata No. 517, Dumduma, Bhubaneshwar by the Government of Odisha under a lease deed dated October 31, 2009. Our Company was required to complete construction of the hospital within a period of 36 months of the lease commencement date. Our Company cited the global economic downturn and liquidity concerns, and obtained an extension of two years for the completion of construction, which was granted by the Government of Odisha by its letter dated November 14, 2012. Our Company has not complied with the requirements under the lease deed dated October 31, 2009 to date. A subsequent show cause notice dated December 27, 2014, was issued by the Government of Odisha to our Company threatening cancellation of the lease. Our Company responded by letters dated January 08, 2015 and July 18, 2015, seeking further time of one year to commence construction of the hospital.

(b) Our Company received a notice dated January 14, 2015 from the Karnataka Medical Council alleging violation of the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 ("**Ethics Regulations**"), and requiring our Company to provide suitable explanation in relation to the training programs imparted to AYUSH doctors. Our Company received a notice dated February 02, 2015 stating that the training program initiated by our Company for AYUSH doctors was in violation of Section 1.1.3 and Section 7.10 of the Ethics Regulations and in violation of the decision of the Supreme Court of India in *Dr. Mukhtiar Chand & Others v. State of Punjab & Others*. The notice also required our Company to appear before the Karnataka Medical Council on February 28, 2015 to show cause against the alleged violation. Our Company requested the Karnataka Medical Council through a letter dated February 24, 2015 to grant it a period of 30 days to respond to the show cause notice. Our Company is currently in discussion with the Karnataka Medical Council.

(c) Our Company received a notice from the Office of Assistant Drug Controller and Licensing Authority Jaipur dated March 26, 2014 claiming that pursuant to an inspection carried out at the premises of our Company on March 19, 2014, it was observed that in-patient issue slips used by our Company to provide medicines to admitted patients did not contain the name of the drug, the name and address of the drug licence holder, nor the drug licence number. The notice also claimed that our Company was charging patients for the stents which was higher than the price of procurement. The Notice also asked us to submit purchase invoice of cardiac stents used on patients and the final bill containing the price charged to patients for the stents pertaining to the period March 01, 2014 to March 19, 2014. Lastly, the notice claimed that our Company failed to provide details pertaining to the source of procuring medicine, its sale and distribution, display requirements and drug licence in the name of 'Narayana Multispeciality Hospital'. Therefore, the notice alleged that our Company had violated Section 18(c), Section 18(a)(vi) and Section 22(1)(cca) of the Drugs Act and provided our Company 7 days time to reply to the notice. Our Company has denied these claims through a reply dated April 03, 2014. Our Company provided certain clarifications on the prices of procurement and has denied being in violation of the Drugs Act.

(d) Our Company received a show cause notice from the Office of the Assistant Drug Controller and Licensing Authority, Jaipur dated March 28, 2014 claiming that pursuant to an inspection carried out at the premises of our Company on March 19, 2014, it was observed that our Company was using the name "Narayana Multi-Speciality Hospital" instead of Narayana Hrudayalaya Private Limited on the bills. The Notice also claimed that apart from registered pharmacists, other individuals were also found to be distributing Schedule H drugs to patients, and the injection Monocef 1 gm was sold without bill. The notice also claimed that photocopy of issued bills were not maintained. Therefore, the notice alleged that our Company had violated Rule 65(4)(3)(i), 65(2), 65(3), 65(4)(3)(ii), 65(3)(1) of the Drugs and Cosmetics Rules, 1945 and Section 18(c), 18(a)(vi) of the Drugs Act and that our Company was in violation of the condition of the licence that had been granted. Our Company was provided 7 days' time to submit a response, failing which cancellation of the licence was threatened. As on the date of filing of the Draft Red Herring Prospectus, our Company is yet to respond to the notice, and the matter is currently pending.

(e) Our Company received a show cause notice from the Office of the Assistant Drug Controller and Licensing Authority, Jaipur dated March 28, 2014 claiming that pursuant to an inspection carried out at the premises of our Company on March 19, 2014 it was observed that our Company did not indicate the name and address of the licence holder, drug licence number and signature of pharmacist in the stock issue documents. The Notice also claimed that Our Company did not indicate the name and address of the licence holder, drug licence number and signature of the pharmacist in the inpatient Issue slip. The notice alleged that our Company had violated Rule 65(3)(1), Rule 65(4)(3)(i) of the Drugs and Cosmetics Rules, 1945 read with Section 18(c), Section 18(a)(vi) of the Drugs Act, and that our Company was in violation of the conditions of the licence that had been granted. Our Company was provided 7 days time to submit a response, failing which cancellation of the licence was threatened. Our Company did not submit any response and the matter is currently pending.

(f) Our Company received a show cause notice from the Office of the Assistant Drug Controller and Licensing Authority, Jaipur dated March 28, 2014 claiming that pursuant to an inspection carried out at the premises of our Company on March 19, 2014 it was observed that our Company did not indicate the name and address of the licence holder, drug licence number and pharmacist's signature on the issue slips. The Notice also claimed that Our Company did not produce the purchase and sales invoices for certain drugs. Therefore, the notice alleged that our Company had violated Rule 65(4)(3), 65(4)(4), 65(3)(1) of the Drugs and Cosmetics Rules, 1945 read with Section 18(c), 18(a)(vi) of the Drugs Act and that our Company was in violation of the conditions of the licence that had been granted. Our Company was provided 7 days time to submit a response, failing which cancellation of the licence was threatened. Our Company did not submit any response and the matter is currently pending.

(g) Our Company received a notice dated August 05, 2014 from the Department of Commercial Taxes, Government of Karnataka stating that our Company had failed to furnish returns under Section 5(1) of the Karnataka Tax on Luxuries Act, 1979 for the year 2010-2011 to 2011-2012. The Assistant Commissioner of Commercial Taxes (Luxury Tax) provided our Company a period of 7 days to appear before him and submit certain books of accounts and documents pertaining to luxuries provided by our Company.As on the date of filing of the Draft Red Herring Prospectus, our Company is yet to respond to the notice, and the matter is currently pending.

(h) Our Company entered into the MMRHL SAPA and undertook acquisition of shares from certain individual doctors to acquire, in the aggregate, 15,141,135 equity shares of MMRHL constituting 89.22% of MMRHL's share capital. These shares were acquired from Ramuk Scan Investment Private Limited ("**Ramuk Scan**"), an erstwhile shareholder in MMRHL. For further details, see section "***Share and Asset Purchase Agreement dated November 07, 2014, entered into between us, MMRHL, Ramuk AB, Ramuk Scan Investments Private Limited, Ramuk Enterprises Private Limited and Carolina Food and Industries Private Limited ("MMRHL SAPA")***" on page 250. Pursuant to the MMRHL SAPA, of the agreed total consideration of approximately ₹ 572.93 million, an amount ₹ 30.15 million was to be paid by our Company to Ramuk Scan based on certain calculations, assessment of liabilities, realisation of sundry debtors and other conditions mentioned in the MMRHL SAPA. Our Company received a legal notice dated September 18, 2015 from Ramuk Scan. Among other things, Ramuk Scan has alleged that of the balance consideration payable to Ramuk Scan, our Company had made payments to the municipal corporation, and made deductions, provision or otherwise withheld payments without providing necessary details to Ramuk Scan. In addition, Ramuk Scan has alleged that the balance consideration has been expended by our Company in an irresponsible manner, that our Company has not challenged any payments that were bad and erroneous, and that our Company has consequently not acted in good faith and acted in breach of trust. As on the date of filing of the Draft Red Herring Prospectus, our Company is yet to respond to the legal notice.

Material frauds committed against our Company

There have been no material frauds committed against our Company in the last five years.

Litigation involving our Subsidiaries

Criminal Litigation

There are no litigations pending either against or by our Subsidiary.

Civil Litigation

(a) Shubh Agro Farms and Properties Private Limited ("**Shubh Agro Farms**"), filed a suit for permanent injunction under Section 88 of the Rajasthan Tenancy Act, 1955 before the court of the Sub-Divisional Officer (II), Jaipur against Narayana Hospitals alleging that Narayana Hospitals had been interfering with the occupation by Shubh Agro Farms of land adjoining Narayana Hospitals' facility, and that Narayana Hospitals had tried to take possession of the same. Shubh Agro Farms claimed that Narayana Hospitals through its manager had encroached upon its property on September 09, 2009 and subsequent to this, the matter had been reported to the jurisdictional police station. Shubh Agro Farms claimed that since no action was taken, a suit for permanent injunction had been filed seeking to restrain Narayana Hospitals from interfering and dispossessing Shubh Agro Farms from their use of the land. Shubh Agro Farms also sought an ad-interim *ex parte* injunction in their favour against Narayana Hospitals. Narayana Hospitals replied to the application made by Shubh Agro Farms stating that they had no interest in nor had they interfered with the land belonging to the plaintiff and therefore sought that the matter be dismissed. Shubh Agro Farms filed application No. 112/09 under Section 212 of the Rajasthan Tenancy Act, 1955 for a temporary injunction before the court of the Sub-Divisional Officer (II), Jaipur. The Sub-Divisional Officer by way of an order dated September 29, 2009 issued an interim temporary injunction against Narayana Hospitals requiring Narayana Hospitals to maintain the *status quo* in relation to the land forming part of the dispute.

Regulatory Proceedings

(a) Our Subsidiary, Narayana Hospitals received a show cause notice dated November 02, 2011, from the Gujarat Pollution Control Board alleging that the facility in Ahmedabad, Gujarat, was operated without a valid consent to operate under the Air Act and the Water Act. Narayana Hospitals was also instructed to submit the required copies in the event the details provided differed. Our Subsidiary responded to the notice by way of a reply dated November 19, 2011, stating that it had not commenced any operations and that an application for consent to operate had been filed with the Gujarat Pollution Control Board. The Gujarat Pollution Control Board has not taken any further action against our Subsidiary.

Public Interest Litigation

(a) A public interest litigation has been initiated by P.N. Mandola, before the Rajasthan High Court in W.P. No. 9497 of 2007, alleging that the course of the Amanishah *nala* located in Jaipur had been diverted by parties holding adjacent lands for their benefit and sought a writ of mandamus or other such order directing the removal of illegal construction and directing the withdrawal and nullification of modifications made by the Jaipur Development Authority to the Master Development Plan, 2011 of Jaipur with respect to permitting the multistorey construction in the 5,000 square meter land in the Amanisha *nala* bed. The land forming part of Narayana Hospital's facility located in Jaipur, Rajasthan is also part of this litigation. By an order dated February 04, 2013, the Rajasthan High Court appointed Suresh Parekh and R.P. Garg as site commissioners and directed them to inspect the Amanisha *nala* and submit a report of their inspection. The site commissioners through their report reported that a large number of encroachments had affected the flow of the Amanisha *nala*. The report further stated that the entire land on which Narayana Hospitals' facility was situated was part of the *nala*’s course and that the RHB should not have allotted the land to us. The report also specifically stated that the wall constructed adjacent to our facility must be demolished in order to provide for free flow of the water. Subsequently, by an order dated December 18, 2013 the Rajasthan High Court directed the site commissioners to make recommendations to restore the Amanisha *nala* to its original state.

Legal Notices

(a) The Government of Gujarat has alleged, by way of a notice dated December 22, 2010, that our Subsidiary, Narayana Hospitals, has failed to comply with the terms of a memorandum of understanding dated January 13, 2009, entered into between Narayana Hospitals and the Government of Gujarat to establish the "Narayana Health City", a 5,000-bed hospital in Ahmedabad, Gujarat. Our Subsidiary has not taken any remedial action with respect to the aforementioned breach.

Inquiries, inspections or investigations under the Companies Act

Other than as disclosed in this Section, there are no inquiries, inspections or investigations initiated or conducted against our Company and our Subsidiaries under the Companies Act, 2013 or any previous company law in the last five years. Further, except as stated in this section, there are no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last five years involving our Company and our Subsidiaries.

Fines imposed or compounding of offences against our Company and Subsidiaries

Compounding Proceedings

(a) Our Company filed an application dated June 30, 2015 pursuant to Section 621A of the Companies Act, 1956 before the Company Law Board, Southern Region Bench, Chennai, for compounding the offence of extending inter-corporate loans of ₹ 20 million to our wholly-owned Subsidiary and making investments in equity shares of the wholly-owned Subsidiary without passing a Board resolution to give effect to the same. The application was also filed on behalf of Dr. Devi Prasad Shetty, Ashutosh Raghuvanshi and Viren Shetty who were at the time of commission of the offence, Directors of our Company.

(b) NHSHPL made an application dated December 27, 2014 pursuant to Section 621A of the Companies Act, 1956 before the Company Law Board, Southern Region Bench, Chennai, for compounding the offence of entering into related party transactions for purchase of goods during the period between December 2012 to March 2014 from Amaryallis (of which Viren Shetty is a Director), without the prior approval of the Central Government under Section 297 of the Companies Act, 1956. The Company Law Board, Chennai Bench by way of an order dated September 03, 2015 held that an amount of ₹ 0.1 million was payable by NHSHPL and the other applicants within 15 days of the order. This amount was deposited by NHSHPL on September 14, 2015.

(c) MMRHL made an application dated March 01, 2011 pursuant to Section 621A of the Companies Act, 1956 before the Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata in connection with the compounding of the offence of entering into related party transactions during FY 2005 and 2006 without approval from the Central Government under Section 297 of the Companies Act, 1956. MMRHL sought that the offence be compounded. The Regional Director passed an order dated April 29, 2011 compounding the offence for a fee of ₹ 0.008 million (including fee payable by the whole-time director and company secretary of MMRHL). This amount was deposited by MMRHL on April 22, 2011.

Litigation involving our Promoters

Except as disclosed below there are no outstanding litigation proceedings involving our Promoters.

1. **Dr. Devi Prasad Shetty**:

Criminal Proceedings

(a) See page 243 of this section "***Outstanding Litigation and Material Developments***" for the proceedings initiated in PCR No. 21 of 2007 by the KSPCB for alleged violation by Dr. Devi Prasad Shetty of the provisions of the Water Act.

Civil Proceedings

(a) Dr. Devi Prasad Shetty has been named as a defendant in O.S. No. 102/2015 before the Court of Civil Judge, Moodabidri by Suresh Shetty. Suresh Shetty claimed that he was the owner of a property which was located near the property of Dr. Devi Prasad Shetty and other defendants, whereby an access road connected the property of Suresh Shetty to the main road. Suresh Shetty claimed that the blocking of the road way would result in his property being landlocked and therefore the access road was a right of easement. In March, 2015, Suresh

Shetty claimed that the defendants had encroached upon his property and had undertaken certain construction activities which resulted in the access road being blocked. Suresh Shetty claimed that pursuant to discussion with the defendants, and conducting a survey, it was observed that 0.29 Acres of his property had been encroached by the defendants. Suresh Shetty claimed that despite allegedly having agreed to part with the encroached property, the defendants refused to remove the blockade and refused to hand over the encroached land, stating that the portion belonged to them. Suresh Shetty further claimed that the defendants coerced him into selling his property. Suresh Shetty sought a mandatory injunction directing the defendants to vacate the property to the extent of the encroached area and to remove the blockade preventing him from accessing the main road.

Litigation or legal action against our Promoters taken by any Ministry, Department of Government or any statutory authority

Other than as disclosed in this Section, there is no litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last five years immediately preceding the year of the issue of this Draft Red Herring Prospectus.

Litigation involving our Directors

Except as disclosed below there are no outstanding litigation proceedings involving our Directors.

1. **Dr. Devi Prasad Shetty**

Criminal Proceedings

(a) See page 243 of this section "***Outstanding Litigation and Material Developments***" for the proceedings initiated in PCR No. 21 of 2007 by the KSPCB for alleged violation by Dr. Devi Prasad Shetty of the provisions of the Water Act.

Civil Proceedings

(a) See page 252 of this section "***Outstanding Litigation and Material Developments***" for the proceedings initiated in O.S. No. 102/2015 by Suresh Shetty before the Court of Civil Judge, Moodabidri.

2. **Dr. Ashutosh Raghuvanshi:**

Labour Proceedings

(a) Dr. Ashutosh Raghuvanshi has been named as a respondent in E.S.I. Application No. 2 of 2014, filed by C.T. Varghese before the Employees' Insurance Court, Bangalore (Rural), seeking prompt action against our Company and compensation from our Company for the accidental death of the deceased, see paragraph I of this section for further information with respect to this proceeding.

3. **Kiran Mazumdar Shaw**:

Criminal Proceedings

(a) Sujit Kumar, a drug inspector at Ranchi filed a criminal complaint on September 13, 2013 before the Additional Chief Judicial Magistrate, Ranchi ("**ACJM**") against Kiran Mazumdar Shaw and others alleging that a product manufactured by Biocon Limited was a "drug" and not a "neutraceutical" and that Biocon Limited was manufacturing the product without a manufacturing licence in contravention of the Drugs and Cosmetics Act, 1940. The ACJM subsequently took cognizance of the offence through an order dated September 16, 2013. Kiran Mazumdar Shaw filed an application before the Jharkhand High Court seeking the quashing of the criminal complaint and the order of the ACJM.

Civil Proceedings

(a) Add Food Services GmbH and Johannes de Bie @ Hans de Bie ("**Plaintiffs**") filed a civil suit on February 17, 2014 before the Civil Judge (Senior Division) at Anekal against Biocon Limited, Kiran Mazumdar Shaw and Novozyme South Asia Private Limited ("**Novozyme**"), alleging that the Plaintiffs had provided three strains of micro organisms with the development package to Biocon for it to commercially exploit the strains and upon successful commercial production, Johannes de Bie @ Hans de Bie would be appointed the agent for sale of the products arising out of the strains and would be paid commission and royalty. It was further alleged that Biocon and Kiran Mazumdar Shaw later sold the entire enzyme business, along with the aforesaid strains and development package, to Novozyme. The Plaintiffs sought that Biocon, Kiran Mazumdar Shaw and Novozyme jointly and severally pay an amount of ₹ 347.70 million along with interest at the rate of 18.00% p.a. from October 2007 till the date of payment on account of the value of the aforesaid strains provided by the Plaintiffs to Biocon and Kiran Mazumdar Shaw. Biocon and Kiran Mazumdar Shaw have filed their written statements denying these allegations and the matter is currently pending. Additionally, Biocon has filed a money recovery suit before the regional court in Germany in relation to this matter. The regional court through its order dated September 12, 2011 suspended all proceedings till the ruling of the matter by the Civil Judge (Senior Division) at Anekal.

(b) V. Munireddy filed a plaint on September 04, 2002 before the Principal Civil Judge (Senior Division) at Anekal against Kiran Mazumdar Shaw and subsequently against Biocon Limited wherein he alleged that he was the lawful owner of agricultural land bearing serial number 45/1A measuring 1 acres 2 guntas at Hebbagodi village, Anekal Taluk and that the defendants have no right over the property. Kiran Mazumdar Shaw in her written statement denied the allegations of the plaintiff.

Regulatory Proceedings

(a) Kiran Mazumdar Shaw received a show cause notice dated June 05, 2014 from the Enforcement Directorate, Government of India ("**ED**") in relation to delayed filing of annual performance reports for Biocon Limited's overseas joint ventures / wholly owned subsidiaries. The Assistant Director of Enforcement through its order dated June 25, 2014 imposed a penalty of ₹ 0.02 million on Kiran Mazumdar Shaw.

(b) Kiran Mazumdar Shaw received a show cause notice dated June 05, 2014 from the ED in relation to non filing of annual performance reports for certain of its overseas joint ventures / wholly owned subsidiaries. The Assistant Director of Enforcement through its order dated June 25, 2014 imposed a penalty of ₹ 0.02 million on its managing director.

4. Muthuraman Balasubramanian

Criminal Proceedings

(a) Muthuraman Balasubramanian is subject to a pending prosecution initiated in C/2 Case No. 414/2010 before the Chief Judicial Magistrate, Jamshedpur, further to Sections 29 and 32 of the IDA for alleged failure to comply with an award passed by the Labour Court against Tata Steel Limited. Tata Steel Limited challenged the award before the High Court of Jharkhand and in W.P.(L) No. 1903 of 2009, and the award was stayed by an order dated January 06, 2010. Prosecution was initiated by the state and cognisance was taken by the Chief Judicial Magistrate, Jamshedpur in spite of the award having been stayed by the High Court of Jharkhand. Tata Steel Limited and Muthuraman Balasubramanian filed Cr M.P. No. 383 of 2011 before the High Court of Jharkhand, seeking to quash the complaint. The High Court of Jharkhand passed an interim order in I.A. No. 2711 of 2013, staying proceedings in C/2 414/2010 before the magistrate.

(b) Muthuraman Balasubramanian has been named as an accused in FIR No. 493/2008 filed at the Mandu police station in Ramgarh district, Jharkhand, for alleged offences under Section 468 of the IPC, Rule 9 of the Jharkhand Mineral Transit Challan Regulation, 2005, Rule 52 of Mineral Concession Rules, 1960 and Rules 21 and 23 of Mines & Mineral (Development & Regulation) Act, 1957. It is alleged that during an inspection by the Assistant Mining Officer, Ramgarh on December 20, 2008, 4 trucks carrying coal, which were loaded at the Ghato colliery belonging to Tata Steel Limited were found not to have been carrying transit permits required under Form D of the Jharkhand Mineral Transit Challan Regulation, 2005. A petition before the High Court of Jharkhand was filed seeking to quash the FIR filed against Muthuraman Balasubramanian, which was allowed by an order dated April 16, 2009. The State of Jharkhand filed a special leave petition before the Supreme Court of India against the H. By an order dated February 25, 2011, the Supreme Court set aside the order of the High Court and remanded the matter to the High Court for fresh consideration. On reconsideration, the High Court of Jharkhand, by an order dated May 22, 2015, dismissed the prayer of the petitioners to quash the FIR. Muthuraman Balasubramanian filed a special leave petition bearing S.L.P. (Crl.) No. 6984 of 2015 before the Supreme Court of India, against the order of the High Court of Jharkhand. The Supreme Court by way of an order dated August 31, 2015 dismissed the special leave petition of Muthuraman Balasubramanian holding that all contentions could be raised upon completion of the investigation. The prosecution is currently pending.

(c) Muthuraman Balasubramanian is subject to a prosecution initiated before the Court of the Chief Judicial Magistrate, Howrah, bearing reference Bally P.S. 210/02. Ram Kumar Jaiswal has alleged breach of contract for alleged failure by Tata Steel Limited to deliver to him articles in terms of an auction for scrap and dismantled coke oven battery scrap, despite having received large sums of money for the same. The Bally police station initiated a case against Muthuraman Balasubramanian and the others in case No. 210 of 2002 under Sections 120B, 406, 411 and 420 of the IPC. Muthuraman Balasubramanian filed an application for anticipatory bail before the Court of the District and Sessions Judge at Howrah in Crl. Misc Case No. 159/2003 which was granted by the court by an order dated January 24, 2003. Muthuraman Balasubramanian also filed a petition in CRR No. 226 of 2003 before the High Court of Calcutta. By way of an interim order dated May 12, 2003, the High Court allowed the police to continue with their investigation, while preventing the police from arresting Muthuraman Balasubramanian. The interim order will have force till the disposal of the matter.

(d) Muthuraman Balasubramanian received a letter dated November 25, 2003, from the Labour Enforcement Officer (Central), Dhanbad-II, Dhanbad police station under the Contract Labour (Regulation and Abolition) Act, 1970 ("**Contract Labour Act**") requiring Muthuraman Balasubramanian to rectify irregularities that had been discovered by the Labour Enforcement Officer, upon inspection of Tata Iron and Steel Company Limited ("**TISCO**") at New Incline, Jamadoba. The inspection report of the Labour Enforcement Officer, noted that Muthuraman Balasubramanian had engaged 24 contract labourers in violation of notification S.O. No. 2063 issued by the Government of India on June 21, 1988. The Labour Enforcement Officer subsequently filed a complaint petition on February 04, 2004 in the court of the Chief Judicial Magistrate, Dhanbad in CLA case No. 45 of 2004 against Muthuraman Balasubramanian alleging contravention of Section 10(1) of the Contract Labour (Regulation and Abolition) Act, 1970. By way of a letter dated October, 25, 2004 to the Chief Labour Commissioner (Central), Muthuraman Balasubramanian sought the present case be withdrawn. The Chief Judicial Magistrate, Dhanbad by way of an order dated February 02, 2004 took cognisance of the offence under Section 23 of the Contract Labour (Regulation and Abolition) Act, 1970. Muthuraman Balasubramanian filed a Cr.M.P. No. 109 of 2006 before the High Court of Jharkhand under Section 482 of the Criminal Procedure Code. Muthuraman Balasubramanian has claimed that there was no violation of the notification issued by the Government of India and that he was not the principal employer upon whom liability could be affixed under the Contract Labour Act. He also sought that the High Court of Jharkhand, quash the entire criminal proceedings initiated against him and / or issue an order of stay on all proceedings pending before the Judicial Magistrate First Class, Dhanbad until the final hearing of the application by the High Court.

5. Manohar D. Chatlani

Criminal Proceedings

(a) Manohar Chatlani is named as an accused in CC No. 2767 of 2001 pending before the 17th Assistant Chief Metropolitan Magistrate, Bengaluru. He is alleged to have been part of a criminal conspiracy to falsify documents, with a view to cheat the Government of India, resulting in evasion of central excise duty amounting to ₹ 2.4 million. The High Court of Karnataka by way of an order dated January 10, 2014 has stayed the proceedings in CC No. 2767 of 2001.

(b) Manohar Chatlani claimed that he was legally in possession of 4 deer along with the antlers shredded by these deer and had filed a complaint with the Hosahalli police station in relation to the escape of one of these deer from his enclosure. During investigation, deer antlers were seized by the Range Forest Officer, Doddaballapur range, Bangalore Rural. The Range Forest Officer lodged a complaint with the Karnataka Forest Department against Manohar Chatlani on January 20, 2012 and an FIR was lodged under Form No. 17 of the Karnataka Forest Manual for the illegal possession of 15 deer antlers. A complaint bearing case No. FOC/WL-28/11-12 was subsequently filed with the Additional Civil Judge (Junior Division) and the Judicial Magistrate First Class, Doddaballapur under Section 200 of the CrPC read with Section 55 of the Wildlife (Protection) Act, 1972. By way of an order dated March 14, 2012, the court directed the respondent to investigate and produce a report on the matter. The respondents submitted the report to the court on August 21, 2012. By way of an order dated September 20, 2012, the court registered C.C. No. 618/2012 against Manohar Chatlani under Sections 9, 39, 50, 51 and 55 of the Wildlife (Protection) Act, 1972. Manohar Chatlani filed a petition before the High Court of Karnataka seeking the court to quash all proceedings in connection with this matter. Further, an application under Section 482 of the CrPC was filed by Manohar Chatlani seeking a stay on proceedings before the Court of the Civil Judge (Junior Division) and Judicial Magistrate First Class. The High Court of Karnataka by way of an order dated January 09, 2013, stayed the proceedings before the lower court until disposal of the petition filed by Manohar Chatlani.

Litigation against our Group Companies

There are no outstanding litigation proceedings involving our Group Companies.

Tax proceedings

A summary of tax proceedings involving our Company, our Subsidiary(ies), our Promoter(s), our Directors, or our Group Company(ies) is set out below:

In ₹ in millions

Nature of case	Number of cases	Amount involved
Company		
Direct Tax	7	14.43
Indirect Tax	9(1)	3.49
Subsidiaries		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Group Companies		
Direct Tax	2	3.64
Indirect Tax	1	2.23

(1) The number of proceedings is inclusive of two proceedings under the Karnataka Special Tax on Entry of Certain Goods Act, 2004 which was struck down by the High Court of Karnataka by way of an order dated March 29, 2007 in Bharat Earth Movers Limited & Others v. State of Karnataka & Others.

In addition to the claims set out above, we and our Group Companies may be subjected to interest, damages and penalties which are not quantifiable in the absence of a final, non-appealable orders that may be passed in these proceedings.

Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

Defaults in respect of dues payable

Other than as disclosed in this Section, our Company has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures (including interest thereon) or dues in respect of deposits (including interest thereon) or any defaults in repayment of loans from any bank or financial institution (including interest thereon).

Material Developments

Except as stated in section titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 215, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

Contingent liabilities

In addition to the litigation set out above, we also have a number of contingent liabilities, see section "***Financial Statements***" on page 191 for contingent liabilities provided for in our financial statements, and "***Risk Factors***" on page 17, for contingent liabilities not included in our financial statements.

Litigation by our Company

Civil Proceedings

(a) Our Company filed a civil suit before the Calcutta High Court in C.S No. 277 of 2012, seeking to restrain Shib Narayan Das & Silicon Projects India Limited, from making statements pertaining to the demise of Radha Rani Das while undergoing treatment at RTIICS and our Company in general which were allegedly defamatory in nature in their publication "Bhorer Barta". We have also sought damages amounting to ₹ 50 million from the defendants and a decree to destroy certain issues of "Bhorer Barta" carrying the defamatory statements.

Criminal Proceedings

(a) Our Company filed a complaint on June 17, 2015, with the Hebbagodi Police Station, Bengaluru Rural District, against unknown persons alleging that our Company's website, http://www.narayanahealth.org, was hacked on June 04, 2015 and that an offence under Section 43 of the Information Technology Act, 2000 had been committed against our Company. The complaint is pending investigation.

(b) Ujjal Kesh, a representative of West Bank Hospital, Howrah, filed a complaint with the Howrah police station, Sankrail, on February 20, 2009 against Manas Bose. Ujjal Kesh claimed that Manas Bose led a mob of over 150 persons into the West Bank Hospital, Howrah, West Bengal after the death of Abdul Rahaman Mallick who was a patient in the hospital. Ujjal Kesh claimed that the mob ransacked the hospital property resulting in a loss estimated at ₹ 0.15 million and causing fear and apprehension amongst the staff and other patients. Ujjal Kesh also claimed that the bills of the patient were not cleared and the mob forced the hospital into providing them with the death certificate of the deceased patient. On the basis of this FIR, a criminal case and investigation was launched by the State of West Bengal.

Outstanding dues to creditors

For the purpose of material creditors to be disclosed in the Draft Red Herring Prospectus our Board has considered and adopted the following policy:

De minimis monetary threshold for creditors: *Creditors of the Company (excluding banks and financial institutions from whom the Company has availed of financing facilities, and disclosures in respect of which have been made in the Company's Restated Consolidated Financial Statements) having a monetary value not exceeding 2% of the total liabilities of the Company and its Subsidiaries as per the Restated Consolidated Financial Statements as at March 31, 2015 (amounting to ₹60 million).*

As per the above policy, there is no material creditor in the Company.

As on March 31, 2015, our Company had the following dues to small scale undertakings and other creditors:

In ₹ in millions

Creditors	Number of cases	Amount involved
Small scale undertakings	Nil	Nil
Other Creditors	2,760	648.25

The details pertaining to net outstanding dues towards our creditors will be available at www.narayanahealth.org/creditorslist. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website www.narayanahealth.org, would be doing so at their own risk.

GOVERNMENT APPROVALS

Except as mentioned below, our Company and Subsidiaries have received the necessary consents, licences, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/ or regulatory authorities, required for carrying out its present business, and no further material approvals are required by our Company or Subsidiaries for carrying out its existing businesses. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

Approvals relating to our Company

A. ***Incorporation Details***

1. Certificate of incorporation dated July 19, 2000 issued to Narayana Hridayalaya Private Limited by the RoC to our Company;

2. Fresh certificate of incorporation dated January 11, 2008 issued by the RoC to our Company consequent upon change of name to Narayana Hrudayalaya Private Limited;

3. Fresh certificate of incorporation dated August 29, 2015 issued by the RoC to our Company consequent upon conversion of our Company to a public company;

4. Our Company was allotted corporate identification number U85110KA2000PLC027497; and

5. Letter dated August 21, 2015 issued by the KIADB permitting conversion of our Company from a private limited company to a limited company.

B. ***Approvals in relation to our business***

We operate hospital facilities and clinics on a variety of models, see section "***Our Business – Overview***" on page 114.

Depending on the model a particular facility, our Company and Subsidiaries are required to obtain various approvals in relation to our business. The registrations and approvals obtained by our Company and Subsidiaries for operating multispecialty / superspecialty hospitals and heart centres, include the following:

(i) Registrations under applicable state / central legislations regulating private medical establishments;

(ii) Consents to operate our facilities under Air Act and the Water Act;

(iii) Licences under the Drugs Rules to sell, stock and exhibit drugs by retail from our facilities;

(iv) Registrations / licences under the Drugs Rules, to operate blood banks;

(v) Certificate of registration under the Transplantation Act;

(vi) Certificate of registration under the PNDT Act;

(vii) Tax registration certificates under various local, state and central statutes;

(viii) Approval under Central Electricity Authority (Measures Relating to Safety and Electricity Supply) Regulations, 2010, for operation of diesel generator sets;

(ix) Building plan sanctions and occupancy certificates for construction and occupation of buildings;

(x) Environmental clearance under the EPA;

(xi) Fire licences / no-objection certificates from local fire safety authorities;

(xii) Approvals from the AERB with respect to the installation and operation of x-ray and other radiation installations;

(xiii) Licences for use and disposal of radiation generating substances and associated practices;

(xiv) Registration of ethics committee for clinical trials under the Drugs Rules; and

(xv) Authorisation for generation/collection/storage/dismantling/recycling of e-waste under the E-waste Rules, 2011.

Our clinics typically require a smaller set of approvals involving approvals and licences related to the buildings, such as occupancy certificates and fire safety related approvals, while regulatory approvals involved are limited to registering the clinic under state legislation regulating private medical establishments, obtaining trade licence from local municipal corporations, wherever applicable, and drug licences for storing and retail sale of drugs. The requirement for other licences and approvals is procedure-specific, and is also dependant on the quantum of storage of drugs or spirits.

Our information centres, which are non-clinical, marketing and promotional locations typically require registrations under local shops and establishments registration, fire safety related approvals, trade licence from the local municipal authorities and occupancy certificates to operate, wherever applicable.

We have filed 18 trade mark applications with the Registrar of Trade Marks, Chennai.

Other than as identified below, our Company has applied for and obtained applicable registrations and approvals with respect to its facilities:

<u>HOSPITALS</u>

NICS

A. The following permits have expired in the ordinary course, for which we have made applications for renewal:

1. Registration under state legislation regulating medical establishments

2. Licence to operate a blood bank under the Drugs Act

3. VAT registration certificate

4. Registration as "other service provider" with the Department of Telecom, Government of India

MSMC

A. The following permits have expired in the ordinary course, for which we have made applications for renewal:

1. Registration under state legislation regulating medical establishments

RTIICS

A. We have applied for the following licences and approvals, which we are yet to obtain:

1. Occupancy certificate

B. The following permits have expired in the ordinary course, for which we have made applications for renewal:

1. Authorisation for disposal of radioactive waste from medical practice and tracer applications under the Safe Disposal Rules

2. Authorisation for handling hazardous wastes under the Hazardous Waste Rules

C. **Following is a list of permits that have not been obtained:**

1. Environmental clearance under the EIA Notification

NARAYANA MULTISPECIALITY HOSPITAL, JAIPUR, RAJASTHAN:

A. **We have in the past held the following permits which have since expired in the ordinary course:**

1. Approval for appointment of radiology safety officer under the Radiation Surveillance Procedures for Medical Applications of Radiation, 1989
2. Certificate of registration under the PNDT Act
3. Registration as "other service provider" with the Department of Telecom, Government of India
4. Consent to operate under the Air Act
5. Consent to operate under the Water Act
6. Authorisation for handling bio-medical waste under the Bio-Waste Rules

B. **Following is a list of permits that have not been obtained:**

1. Authorisation for handling hazardous wastes under the Hazardous Waste Rules
2. Certificate of registration for operating x-ray and other radiology equipment under the Radiation Rules
3. Licence for possession and use of denatured or rectified spirits under state excise legislation

MMI NARAYANA MULTISPECIALITY HOSPITAL, RAIPUR, CHHATISGARH:

A. **We have in the past held the following permits which have since expired in the ordinary course:**

1. Registration under state legislation regulating medical establishments
2. Authorisation for handling bio-medical waste under the Bio-Waste Rules
3. Consent to operate under the Air Act
4. Consent to operate under the Water Act
5. Authorisation for handling hazardous wastes under the Hazardous Waste Rules

BRAHMANANDA NARAYANA MULTISPECIALITY HOSPITAL, JAMSHEDPUR, JHARKHAND:

B. **We have in the past held the following permits which have since expired in the ordinary course:**

1. Consent to operate under the Air Act
2. Consent to operate under the Water Act

MALLA REDDY NARAYANA MULTISPECIALITY HOSPITAL, HYDERABAD, TELANGANA:

A. **We have in the past held the following permits which have since expired in the ordinary course:**

1. Consent to operate under the Air Act
2. Consent to operate under the Water Act
3. Authorisation for handling hazardous wastes under the Hazardous Waste Rules

B. Following is a list of permits that have not been obtained:

1. Environmental clearance under the EIA Notification

2. Trade licence from local municipal corporation

3. Occupancy certificate

SAHYADRI NARAYANA MULTISPECIALITY HOSPITAL, SHIMOGA, KARNATAKA:

D. We have applied for the following licences and approvals, which we are yet to obtain:

1. VAT registration certificate

NARAYANA MULTISPECIALITY HOSPITAL, MYSORE, KARNATAKA:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Authorisation for handling hazardous wastes under the Hazardous Waste Rules

NARAYANA MULTISPECIALITY HOSPITAL, WHITEFIELD, BENGALURU, KARNATAKA:

A. We have applied for the following licences and approvals, which we are yet to obtain:

1. VAT registration certificate

NARAYANA SUPERSPECIALITY HOSPITAL, GUWAHATI, ASSAM:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Registration under state legislation regulating medical establishments

2. Licence under the NDPS Act for possession and sale of drugs

3. Authorisation for handling hazardous wastes under the Hazardous Waste Rules

NARAYANA MULTISPECIALITY HOSPITAL, HSR LAYOUT, BENGALURU, KARNATAKA:

A. We have applied for the following licences and approvals, which we are yet to obtain:

1. VAT registration certificate

B. We have in the past held the following permits which have since expired in the ordinary course:

1. Consent to operate under Air Act

2. Consent to operate under Water Act

NARAYANA MULTISPECIALITY HOSPITAL, BARASAT, WEST BENGAL:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Commissioning approvals for diesel generator set

2. Authorisation for handling hazardous wastes under the Hazardous Waste Rules

RABINDRANATH THAKUR DIAGNOSTIC AND MEDICAL CARE CENTRE, BERHAMPORE, WEST BENGAL:

A. We have applied for the following licences and approvals, which we are yet to obtain:

1. Approval for appointment of radiology safety officer under the Radiation Surveillance Procedures for Medical Applications of Radiation, 1989

2. Certificate of registration for operating x-ray and other radiology equipment under the Radiation Rules

B. We have in the past held the following permits which have since expired in the ordinary course:

1. NOC for occupancy under the applicable state fire and rescue services authority

2. Commissioning approvals for diesel generator sets

3. Registration under state legislation regulating medical establishments

C. Following is a list of permits that have not been obtained:

4. Occupancy certificate

NARAYANA MULTISPECIALITY HOSPITAL, HOWRAH, WEST BENGAL:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Approval for appointment of radiology safety officer under the Radiation Surveillance Procedures for Medical Applications of Radiation, 1989

2. Authorisation for handling hazardous wastes under the Hazardous Waste Rules

3. Occupancy certificate

B. Following is a list of permits that have not been obtained:

1. Commissioning approvals for diesel generator sets

NARAYANA SUPERSPECIALITY HOSPITAL, HOWRAH, WEST BENGAL:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Commissioning approvals for diesel generator sets

2. Authorisation for handling hazardous wastes under the Hazardous Waste Rules

RNN:

A. We have applied for the following licences and approvals, which we are yet to obtain:

1. Commissioning approvals for diesel generator sets

B. We have in the past held the following permits which have since expired in the ordinary course:

1. Registration under the state legislation governing operation of lifts

2. Authorisation for handling hazardous wastes under the Hazardous Waste Rules

ST. MARTHAS HOSPITAL, BENGALURU, KARNATAKA:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Authorisation for handing bio-medical waste under Bio-Waste Rules

2. Licence under the NDPS Act for possession and sale of drugs

B. Following is a list of permits that have not been obtained:

1. NOC for occupancy under the applicable state fire and rescue services authority

2. Registration under the state legislation governing operation of lifts

RTSC:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Registration under the MTP Act

2. Commissioning approvals for diesel generator sets

3. Authorisation for handling hazardous wastes under the Hazardous Waste Rules

4. Registration under the state legislation governing operation of lift

B. Following is a list of permits that have not been obtained:

1. Occupancy certificate

SDM NARAYANA HEART CENTRE, DHARWAD, KARNATAKA:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Authorisation for handling bio-medical waste under the Bio-Waste Rules

B. Following is a list of permits that have not been obtained:

1. Occupancy certificate

<u>HEART CENTRES:</u>

R.L.JALAPPA NARAYANA HRUDAYALAYA HEART CENTRE, KOLAR, KARNATAKA:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Authorisation for handling bio-medical waste under the Bio-Waste Rules

B. Following is a list of permits that have not been obtained:

1. Certificate of registration for operating x-ray and other radiology equipment under the Radiation Rules

2. Occupancy certificate

CHINMAYA NARAYANA HRUDAYALAYA HEART CENTRE, BENGALURU, KARNATAKA:

A. Following is a list of permits that have not been obtained:

1. Approval of the layout drawing of x-ray / radiology equipment installed rooms under the Radiation Rules

2. Occupancy certificate

3. NOC for occupancy under the applicable state fire and rescue services authority

SUGUNA NARAYANA HEART CENTRE, BENGALURU, KARNATAKA:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Licence under the NDPS Act for possession and sale of drugs

2. Licence to operate a blood bank under the Drugs Act

B. Following is a list of permits that have not been obtained:

1. NOC for occupancy under the applicable state fire and rescue services authority

2. Occupancy certificate

MS RAMAIAH NARAYANA HEART CENTRE, BENGALURU, KARNATAKA:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Registration under state legislation regulating medical establishments

2. Authorisation for handling bio-medical waste under the Bio-Waste Rules

B. Following is a list of permits that have not been obtained:

1. Environmental clearance under the EIA Notification

2. Occupancy certificate

SS NARAYANA HEART CENTRE, DAVENGERE, KARNATAKA:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Authorisation for handling bio-medical waste under the Bio-Waste Rules

B. Following is a list of permits that have not been obtained:

1. Occupancy certificate

DURGAPUR, WEST BENGAL:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Licence under the NDPS Act for possession and sale of drugs

B. Following is a list of permits that have not been obtained:

1. Environmental clearance under the EIA Notification

<u>CLINICS</u>

HSR BDA CLINIC, BENGALURU, KARNATAKA:

A. We have in the past held the following permits which have since expired in the ordinary course:

1. Certificate of registration for operating x-ray and other radiology equipment under the Radiation Rules

2. Registration under state legislation regulating medical establishments

3. Authorisation for handling bio-medical waste under the Bio-Waste Rules

AVATHI CLINIC, MYSORE, KARNATAKA:

A. Following is a list of permits that have not been obtained:

1. Approval for appointment of radiology safety officer under the Radiation Surveillance Procedures for Medical Applications of Radiation, 1989

2. Occupancy certificate

DUM DUM EYE CLINIC, WEST BENGAL:

A. We have applied for the following licences and approvals, which we are yet to obtain:

1. Consent to operate under the Air Act

2. Consent to operate under the Water Act

3. Authorisation for handling bio-medical waste under the Bio-Waste Rules

ELECTRONIC CITY (1), BENGALURU, KARNATAKA:

A. We have applied for the following licences and approvals, which we are yet to obtain:

1. VAT registration certificate

ELECTRONIC CITY (2), BENGALURU, KARNATAKA:

B. We have applied for the following licences and approvals, which we are yet to obtain:

1. VAT registration certificate

LANSDOWNE, KOLKATA, WEST BENGAL:

A. Following is a list of permits that have not been obtained:

1. Occupancy certificate

BNH SAKCHI CLINIC, JHARKHAND:

A. Following is a list of permits that have not been obtained:

2. Registration under the CERR Act

3. Occupancy certificate

HOSUR, TAMIL NADU:

A. We have in the past held the following permits which have since expired in the ordinary course:

4. Registration under state legislation regulating medical establishments

B. Following is a list of permits that have not been obtained:

5. Commissioning approvals for diesel generator sets

<u>**CSR CLINICS**</u>

KRISHNAGIRI CSR, TAMIL NADU:

A. Following is a list of permits that have not been obtained:

6. Registration under state legislation regulating medical establishments

7. Occupancy certificate

RANNEBENNUR CSR CLINIC, KARNATAKA:

A. We have in the past held the following permits which have since expired in the ordinary course:

8. Registration under state legislation regulating medical establishments

GANGAVATI CSR CLINIC, KARNATAKA:

A. We have in the past held the following permits which have since expired in the ordinary course:

9. Registration under state legislation regulating medical establishments

B. Following is a list of permits that have not been obtained:

10. Occupancy certificate

UTTARPARA CSR CLINIC, WEST BENGAL:

A. Following is a list of permits that have not been obtained:

11. Occupancy certificate

PYRADANGA, WEST BENGAL

A. The following permits have expired in the ordinary course, for which we have made applications for renewal:

12. Registration under state legislation regulating medical establishments

GHATSILA CSR CLINIC, JHARKHAND:

A. Following is a list of permits that have not been obtained:

13. Registration under state legislation regulating medical establishments

<u>INFORMATION CENTRES</u>

JODHPUR, RAJASTHAN:

A. Following is a list of permits that have not been obtained:

14. Registration under relevant shops and establishment state legislation

BELLARY, KARNATAKA:

A. Following is a list of permits that have not been obtained:

15. Registration under relevant shops and establishment state legislation

We have applied for or undertake to apply for renewal of government approvals, licences and registrations which have expired in the ordinary course.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at their meeting held on September 19, 2015.

In terms of the SEBI ICDR Regulations, the Equity Shares being offered and sold by the Selling Shareholders in the Offer for Sale as eligible to be offered for sale under regulation 26(6) of the SEBI ICDR Regulations.

The Offer for Sale has been authorised by Board of Directors of JPM, Ashoka Holdings and Ambadevi vide their resolutions dated September 28, 2015, September 17, 2015 and September 17, 2015, respectively and authorised by each of our Promoter Selling Shareholders by way of their consent and transmittal letters, both dated September 27, 2015.

Each Selling Shareholder has severally and not jointly confirmed on its own behalf and not on behalf of any other Selling Shareholder that the Equity Shares proposed to be offered by each Selling Shareholder in the Offer, have been held by such Selling Shareholder for a period of at least one year in accordance with applicable law prior to the filing of this Draft Red Herring Prospectus with SEBI or were issued under a bonus issue (out of the free reserves and/or share premium existing at the end of previous Financial Year and were not issued by utilization of revaluation reserves or unrealized profits of our Company) on Equity Shares held for more than one year prior to the date of the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer, in terms of Regulation 26(6) of the SEBI ICDR Regulations, and further that such Equity Shares are free from any lien, charge, encumbrance or contractual transfer restrictions. Each Selling Shareholder has severally and not jointly also confirmed on its own behalf and not on behalf of any other Selling Shareholder that it is the legal and beneficial owners of the Equity Shares being offered by such Selling Shareholder under the Offer, and that it has not been prohibited from dealings in securities market.

Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [•] and [•], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the Group Companies, the persons in control of our Company have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. There are no violations of securities laws committed by the Company in the past or are pending against it. The Selling Shareholders have not been prohibited from accessing and operating in capital markets.

The companies with which our Promoters, Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors or the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI. There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoters or directors.

Prohibition by RBI

"Based on a search of suit-filed accounts (willful defaulters) of ₹ 2.50 million and above as on September 26, 2015, conducted on the website of the Credit Investment Bureau (India) Limited at https://suit.cibil.com/suitFiledAccountSearchAction, the name of Manohar Shetty (a Promoter Group member), appears as a director of SSJV Projects Limited, for the periods mentioned below:

Category of bank/FI	Name of bank/ FI	Branch	State	S.No.	Name of party	Registered address	Suit	Name of other banks/ FIS	Direct or	DIN
Nationalised	Canara	Prime	Karnataka	706	SSJV	25/2,S.N.	5400	Alla	Manohar	-

Category of bank/FI	Name of bank/ FI	Branch	State	S.No.	Name of party	Registered address	Suit	Name of other banks/ FIS	Direct or	DIN
bank	Bank	Corporate branch, Bengal			Projects P Ltd	Towers, 12th floor, M.G. Road, Bangalore	suit	BK, ICICI, Axis, IDBI, SBI, Vijaya Bank	Shetty	

Except as stated above, neither our Company, nor any of our Promoters, members of Promoter Group, Group Companies, nor our Directors, nor the relatives (as per the Companies Act) of our Promoters or Selling Shareholders are identified as a wilful defaulter by the RBI or any other governmental authority.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the restated financial information prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- Our Company had net tangible assets of at least ₹ 30 million in each of the preceding three full years financial years (i.e., Financial Years ended March 31, 2013, March 31, 2014 and March 31, 2015), of which not more than 50.00% are held in monetary assets;

- Our Company has a minimum average pre-tax operating profit of ₹ 150 million calculated on a restated consolidated basis, during the three most profitable years (i.e., Financial Years ended March 31, 2012, March 31, 2014 and March 31, 2015) out of the immediately preceding five Financial Years (i.e., Financial Years ended March 31, 2011, March 31, 2012, March 31, 2013 March 31, 2014 and March 31, 2015);

- Our Company has a net worth of at least ₹ 10 million in each of the preceding three full financial years (i.e., financial years ended March 31, 2013, March 31, 2014 and March 31, 2015);

- The aggregate size of the proposed Offer and all previous issues made in the previous financial years is not expected to exceed five times the pre-Offer net worth as per the audited balance sheet of the Company for the year ended March 31, 2015 and

- The name of our Company was changed from Narayana Hrudayalaya Private Limited to Narayana Hrudayalaya Limited on August 29, 2015. However, there has been no change in the business activities of the Company pursuant to the name change.

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets derived from the restated financial information included in this Draft Red Herring Prospectus as at, and for the last five years ended March 31, 2015 are set forth below:

In ₹ million

Particulars	Financial Year ended March 31,				
	2011	2012	2013	2014	2015
Net tangible assets, as restated(i)	5,990.07	6,607.12	7,829.22	9,079.40	11,040.69
Monetary assets, as restated(ii)	173.16	139.30	245.28	239.15	247.15
Monetary assets, as restated as a % of net tangible assets, as restated	2.89%	2.11%	3.13%	2.63%	2.24%
Pre-tax operating profit, as restated(iii)	235.26	449.90	352.53	626.46	625.05
Net worth, as restated(iv)	4,860.64	5,150.47	5,334.92	5,696.75	7,912.99

Source: Audited financial statements, summary balance sheet, as restated and statement of profit and loss, as restated of our Company for the respective periods.

(i) Net tangible assets are defined as the sum of total assets excluding intangible assets as defined in

Accounting Standard 26 prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and deferred tax assets deducted by total non-current liabilities and current liabilities excluding deferred tax liabilities, long-term borrowings, short-term borrowings and current maturities of long-term borrowings.

(ii) Monetary assets include cash and bank balances including non-current portion of fixed deposits with banks, margin money deposits with banks and interest accrued but not due thereon.

(iii) 'Pre-tax operating profit', has been calculated as restated net profit before tax excluding finance costs and other income.

(iv) Net worth for Restated Standalone Summary Statements includes Equity Share capital and reserves and surplus, as restated including capital reserves, securities premium account, debenture redemption reserve and surplus (balance in statement of profit and loss).

Financial Years 2013, 2014 and 2015 are the three most profitable years out of the immediately preceding five Financial Years in term of our Restated Summary Statements.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMs, AXIS CAPITAL LIMITED, IDFC SECURITIES LIMITED AND JEFFERIES INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS ARE RESPONSIBLE ONLY FOR STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN RELATION TO THE EQUITY SHARES OFFERED BY WAY OF AN OFFER FOR SALE IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs, AXIS CAPITAL LIMITED, IDFC SECURITIES LIMITED AND JEFFERIES INDIA PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 28, 2015, WHICH READS AS FOLLOWS:

WE, THE BRLMs TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;**

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI (ICDR) REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - <u>NOTED FOR COMPLIANCE</u>

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS' DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ICDR) REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER – NOT APPLICABLE.

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE

FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION, EXCEPT AS DISCLOSED IN THE SECTION "RISK FACTORS" BEGINNING ON PAGE 17 OF THIS DRAFT RED HERRING PROSPECTUS. - COMPLIED WITH TO THE EXTENT APPLICABLE

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY, AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
    (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – COMPLIED WITH AND NOTED FOR COMPLIANCE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BRLMs (WHO ARE RESPONSIBLE FOR PRICING THE OFFER), AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED R J M J & ASSOCIATES, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NO. 015106S) BY THE CERTIFICATE DATED SEPTEMBER 26, 2015.**

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013 or from the requirement of obtaining such statutory and/ or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve the Selling Shareholders from any liability to the extent of the statements made by it in respect of the Equity Shares offered by it under the Offer for Sale, under Section 34 and 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholders and the BRLMs

Our Company, the Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.narayanahealth.org or the respective websites of our Subsidiary or associates or Group Companies, would be doing so at his or her own risk.

None of the Selling Shareholders or their respective directors, affiliates, associates and officers accepts or undertakes any responsibility for any statements made in this DRHP other than those expressly made by such Selling Shareholder in relation to itself and the Equity Shares sold by it in the Offer. The Selling Shareholders shall not be responsible any statements made by or in relation to the Company or other Selling Shareholders or by any expert or other person in this Draft Red Herring Prospectus.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India, including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in shares, Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted Non-Residents including FIIs, FPIs and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru, Karnataka , India only. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations.

The Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Bank from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("Securities Act") and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at [Corporate Finance Department, Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai, India 400 051].

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies, 'E' Wing, 2nd Floor, Kendriya Sadana, Koramangala, Bengaluru 560 034, Karnataka, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in reliance of the Red Herring Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within 12 Working Days of the Bid/Offer Closing Date. If our Company does not Allot Equity Shares pursuant to the Offer within 12 Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the applicants at the rate of 15.00% p.a.for the delayed period or such interest as prescribed under applicable Laws.

Each Selling Shareholder severally and not jointly undertakes to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges. Other than listing fees, which will be paid by our Company, all expenses with respect to the Offer will be shared between the Selling Shareholders and our Company, in proportion to the Equity Shares contributed to the Offer. Further, the Selling Shareholders shall reimburse our Company for any interest paid by it, in proportion to the Equity Shares offered for sale by the Selling Shareholders in the Offer, in so far as any delays pertain to the Equity Shares offered for sale by such Selling Shareholders. Subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay unless such delay has been caused solely by such Selling Shareholder.

Price information of past issues handled by the BRLMs

A. Axis

1. Price information of past issues handled by Axis

S.No.	Issue Name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (closing)
1.	Pennar Engineered Building Systems Limited	1,561.87	178	September 10, 2015	177.95	169.90	(4.55)%	7788.10	163.00	7977.10	-	-	-	-
2.	Navkar Corporation Limited	6,000	155	Septembre 09, 2015	152.00	167.95	8.35%	7818.60	163.55	7981.90	-	-	-	-
3.	Syngene International Limited	5,500	250	August 11, 2015	295.00	310.55	24.22%	8462.35	338.85	8372.75	327.95	7971.30	340.00	7818.60
4.	UFO Moviez India Limited	6,000	625	May 14, 2015	600.00	597.30	(4.43)%	8224.20	591.40	8370.25	562.25	8236.45	552.00	7982.90
5.	Inox Wind Limited(1)	10,205.27	325	April 15, 2015	400.00	438.40	34.89%	8,778.30	450.70	8448.10	429.65	8285.60	417.75	8191.50
6.	Monte Carlo Fashions Limited	3,504.30	645	December 19, 2014	584.00	567.30	(12.05)%	8,225.20	526.55	8246.30	511.35	8234.60	476.00	8550.70

Source: www.nseindia.com

(1) Price for retail individual bidders and eligible employees was ₹ 310.00 per equity share

Notes:

a. The CNX NIFTY is considered as the Benchmark Index.

b. Price on NSE is considered for all of the above calculations.

c. In case 10th/20th/30th day is not a trading day, closing price on NSE of the next trading day has been considered.

d. Since the listing date of Navkar Corporation Limited and Pennar Engineered Building Systems Limited was September 09, 2015 and September 10, 2015 respectively, information relating to closing price and benchmark index as on 20th calendar day and 30th calendar day from listing date is not available.

2. Summary statement of price information of past issues handled by Axis

Financial Year	Total no. of IPOs	Total funds raised (₹ in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-2016*	5	29,267.14	0	0	1	0	1	2	0	0	1	0	2	0
2014-2015	1	3,504.30	0	0	1	0	0	0	0	1	0	0	0	0
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

Note:
Since the listing date of Navkar Corporation Limited and Pennar Engineered Building Systems Limited was September 09, 2015 and September 10, 2015 respectively, information relating to number of IPOs trading at discount and / or premium as on the 30th calendar day from listing date is not available

B. IDFC

1. Price information of past public issues during current Financial Year and two Financial Years preceding the current Financial Year handled by IDFC

S.No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
1.	PNC Infratech Limited	4,884.41	378.00	May 26, 2015	387.00	360.50	(4.63%)	8,339.35	384.80	8,130.65	379.90	8,013.90	379.20	8,360.85
2.	MEP Infrastructure Developers Limited	3,240.00	63.00	May 06, 2015	65.00	58.40	(7.30%)	8,097.00	59.15	8,262.35	59.50	8,370.25	53.10	8,130.65
3.	Sharda Cropchem	3,518.60	156.00	September 23, 2014	260.00	230.95	48.04%	8,017.55	258.10	7,852.40	255.15	7,884.25	251.25	7,995.90

S.No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day (₹)	Benchmark index as on 20th calendar day from listing day (closing)	Closing price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar day from listing day (closing)
	Limited													
4.	Repco Home Finance Limited	2,701.01	172.00	April 01, 2013	159.95	161.80	(5.93%)	5,704.40	171.65	5,558.70	168.75	5,834.40	170.90	5930.20

Source: www.nseindia.com for the price information and prospectus for issue details.

Notes:

a. *In case of reporting dates falling on a holiday, values for the trading day immediately following the holiday have been considered.*
b. *Price information and benchmark index values have been shown only for designated stock exchange for the issues listed as item 1, 2,3 and 4 in the above table.*
c. *NSE was the designated stock exchange for the issues listed as item 1, 2,3 and 4 in the above table. NIFTY has been used as the benchmark index.*

2. Summary statement of price information of past public issues during current financial year and two financial years preceding the current financial year handled by IDFC is as follows:

Financial year	Total no. of IPOs(1)	Total funds raised (in ₹ million)	Nos. of IPOs trading at discount on listing date based on closing price			Nos. of IPOs trading at premium on listing date based on closing price			Nos. of IPOs trading at discount as on 30th calendar day from listing day based on closing price			Nos. of IPOs trading at premium as on 30th calendar day from listing day based on closing price		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
April 01, 2015 till September 28, 2015	2	8,124.41	-	-	2	-	-	-	-	-	1	-	-	1
2014-2015	1	3,518.60	-	-	-	-	1	-	-	-	-	1	-	-
2013-2014	1	2,701.01	-	-	1	-	-	-	-	-	1	-	-	-

(1) Based on the date of listing.

C. Jefferies

1. Price information of past issues handled by Jefferies

S.No.	Issue Name	Issue Size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar days from listing day (Closing)
1.	Syngene International limited	5,500	250.00	August 11, 2015	295.00	310.55	24.22%	8,462.35	338.85	8,372.75	327.95	7,971.30	340.00	7,818.60

Source: www.nseindia.com for the price information and prospectus for issue details.

Notes:

a. *The CNX NIFTY is considered as the Benchmark Index.*
b. *The price on NSE is considered for all the above calculations.*
c. *In case 10th/20th/30th day is not a trading day, closing price on NSE of the next trading day has been considered.*

2. Summary statement of price information of past issues handled by Jefferies

Financial Year	Total No. of IPOs	Total funds raised (₹ Million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016	1	5,500	NA	NA	NA	NA.	NA	1	NA	N.A	NA	NA	1	NA

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs as set forth in the table below:

S.No	Name of the BRLMs	Website

S.No	Name of the BRLMs	Website
1.	Axis	www.axiscapital.co.in
2.	IDFC	www.idfc.com/capital/investment-banking/track-record.aspx
3.	Jefferies	www.jefferies.com

Consents

Consent of the Selling Shareholders, the Directors, the BRLMs, Promoter Selling Shareholders, the Syndicate Members*, Indian Legal Counsel to our Company, Indian Legal Counsel to the BRLMs, Indian Legal Counsel to the Selling Shareholders, Registrar to the Offer, Statutory Auditors, Escrow Collection Bank(s)*, Refund Bank*, Bankers to our Company, Company Secretary and Compliance Officer, CFO to act in their respective capacities, have been/ will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.
(** the aforesaid shall be appointed prior to filing of the Red Herring Prospectus with the RoC and their consents shall be obtained prior to filing of the Red Herring Prospectus with the RoC*)

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, B S R & Co. LLP, Chartered Accountants, have given their written consent dated September 23, 2015, for inclusion of their Examination Report dated September 19, 2015 on the Restated Consolidated Summary Statements and Restated Standalone Summary Statements of our Company and Statement of Possible Special Tax Benefits to the Company and its Shareholders dated September 23, 2015 in the form and context, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, B S R & Co. LLP, Chartered Accountants, to include its name as an expert under Section 26 and Section 2(38) of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the Examination Report dated September 19, 2015, on the Restated Consolidated Summary Statements and Restated Standalone Summary Statements of our Company of our Company and the Statement of Possible Special Tax Benefits to the Company and its Shareholders dated September 23, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Offer Expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Offer expenses, see section "***Objects of the Offer***" on page 91.

The listing fees in relation to the Offer shall be borne by the Company and all other expenses shall be borne by each of the Selling Shareholders in proportion to the Equity Shares contributed to the Offer. **Fees Payable to the Syndicate**

The total fees payable to the Syndicate (including underwriting commission, selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement dated [●] with the BRLMs, a copy of which is available for inspection at the Registered Office.

Commission payable to the Registered Brokers

For details of the commission payable to the Registered Brokers, see section "***Objects of the Offer***" on page 91.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice/ CAN/ refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated [●] entered into, between our Company, the Selling Shareholders and the Registrar to the Offer a copy of which is available for inspection at the Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the section "***Capital Structure***" on page 73, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public offer of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Group Companies, Subsidiary and Associates of our Company

Our Company does not have any listed Group Companies, Subsidiary or Associates which have undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of our Company and/ or listed Group Companies, Subsidiary and Associates of our Company

Neither our Company nor any of our Company's listed Group Companies, Subsidiary or Associates have undertaken any previous public or rights issue, including in the last ten years preceding the date of this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

Other than 10,000,000 OCDs of ₹ 100 each, held by CDC IOL, and commercial paper issued by our Company there are no outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Redeemable Preference Shares and other instruments

There are no outstanding Redeemable Preference Shares and other instruments as on the date of this Draft Red Herring Prospectus.

Partly Paid-up Equity Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders dated [●] provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, amount paid on application, date of Bid cum Application Form and the name and address of the Syndicate Member or the Registered Broker where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Brokers with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Brokers at the Broker Centres where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/ information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee comprising B. Muthuraman, B. N. Subramanya, Dr. Ashutosh Raghuvanshi and Viren Shetty, as members. For details, see section "***Our Management***" on page 153.

Our Company has also appointed Ashish Kumar, Company Secretary of our Company as the Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

2nd Floor, No. 261/A,
Bommasandra Industrial Area, Hosur Road,
Bengaluru 562 158,
Karnataka, India
Tel: +91 80 7122 2802 / +91 80 7122 2129
Fax: +91 80 7122 2611
Email: ashish.kumar@nhhospitals.org

Changes in Auditors in the last three years

Since our Financial Year commencing April 01, 2014, our Company's statutory auditors were changed from B S R R & Co, to B S R & Co., LLP on account of B S R & Co. expressing their unwillingnesss to continue as the

Auditors.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the section "***Capital Structure***" on page 73.

Revaluation of Assets

Our Company has not re-valued its assets since its incorporation.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

[The Equity Shares being transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, abridged prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue and transfer of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/ or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/ or any other authorities while granting its approval for the Offer.]

Offer for Sale

The Offer comprises an Offer for Sale by the Selling Shareholders. All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be paid by and shared between our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company on behalf of the Selling Shareholders, and the Selling Shareholders agree that they will reimburse our Company all such expenses.

Ranking of the Equity Shares

[The Equity Shares being transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see section "***Main Provisions of Articles of Association***" on page 347.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders of our Company in accordance with the provisions of Companies Act, the Memorandum and Articles of Association and provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges. For further details in relation to dividends, see "***Dividend Policy***" and "***Main Provisions of the Articles of Association***" on pages 190 and 347, respectively. In relation to the Offer for Sale, the dividend for the entire year shall be payable to the transferee.

Face Value and Offer Price

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ [•] per Equity Share and at the higher end of the Price Band is ₹ [•] per Equity Share. The Anchor Investor Offer Price is ₹ [•] per Equity Share.

The Price Band, the Retail Discount and the minimum Bid Lot size for the Offer will be decided by the Selling Shareholders in consultation with the BRLMs and advertised in [•] edition of the English national newspaper [•], [•] edition of the Hindi national newspaper [•] and the Kannada newspaper [•], each with wide circulation, at least five Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Equity Listing Agreements with the Stock Exchange(s) and the and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, see section "***Main Provisions of Articles of Association***" on page 347.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be transferred only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated September 06, 2013, amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated August 31, 2015 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/ authorities in Bengaluru, India.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("**Securities Act**") and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

(a) to register himself or herself as the holder of the Equity Shares; or

(b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

The requirement for 90% minimum subscription in terms of Regulation 14 of the ICDR Regulations is not applicable to the Offer. However, in terms of Rule 19(2)(b)(iii) of the SCRR, our Company is required to Allot Equity Shares constituting at least 10% of the post-Offer share capital of our Company. If such minimum Allotment is not made, the entire subscription amount shall be refunded. Further, pursuant to Regulation 26(4) of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 1,000.

Period of operation of subscription list

For further details, see section "***Offer Structure – Bid/ Offer Programme***" on page 292

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, Promoters' minimum contribution except for Equity Shares forming part of Offer for Sale and the Anchor Investor lock-in as provided in the section "***Capital Structure***" on page 73 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/ debentures and on their consolidation/ splitting, except as provided in the Articles of Association. For details see section "***Main Provisions of the Articles of Association***" on page 347.

Option to Receive Securities in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

The public issue of up to 20,436,081 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [•] each, aggregating ₹ [•] million comprising of an Offer for Sale of up to 6,287,978 Equity Shares by Ashoka Investment Holdings Limited, up to 1,886,455 Equity Shares by Ambadevi Mauritius Holding Limited, up to 8,174,432 Equity Shares by JPMorgan Mauritius Holdings IV Limited, up to 2,043,608 Equity Shares by Dr. Devi Prasad Shetty and up to 2,043,608 Equity Shares by Shakuntala Shetty aggregating to ₹ [•] million, in terms of the Red Herring Prospectus. The Offer will constitute atleast 10% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs[(1)]	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation [(2)]	102,18,039 Equity Shares	3,065,413 Equity Shares	7,152,629 Equity Shares
Percentage of Offer Size available for Allotment/ allocation	50% of the Offer Size being available for allocation to QIBs. However, up to 5 % of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs (excluding Anchor Investors)	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) 204,361 Equity Shares shall be available for allocated on a proportionate basis to Mutual Funds only; and (b) 3,882,855 Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	In the event, the Bids received from Retail Individual Investors exceeds 7,152,629 Equity Shares, then the maximum number of Retail Individual Investors who can be allocated/ Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/ Allotment to Retail Individual Investors by the minimum Bid Lot ("**Maximum RIB Allottees**"). The allocation/ Allotment to Retail Individual Investors will then be made in the following manner: • In the event the number of Retail Individual Investors who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) Retail Individual Investors shall be allocated the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be allocated on a proportionate basis to the Retail Individual Investors who have received allocation as per (i) above for less than

Particulars	QIBs[(1)]	Non Institutional Bidders	Retail Individual Bidders
			the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot) • In the event the number of Retail Individual Investors who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the Retail Individual Investors (in that category) who will then be allocated minimum Bid Lot shall be determined on draw of lots basis For details, see section "***Offer Procedure***" on page 295
Mode of Bidding	ASBA only	ASBA only	ASBA and non-ASBA
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter	[•] Equity Shares and in multiples of [•] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Bid Lot	[•] Equity Shares and in multiples of [•] Equity Shares thereafter	[•] Equity Shares and in multiples of [•] Equity Shares thereafter	[•] Equity Shares and in multiples of [•] Equity Shares thereafter
Allotment Lot	[•] Equity Shares and in multiples of one Equity Share thereafter	[•] Equity Shares and in multiples of one Equity Share thereafter	[•] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Portion
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can apply[(3)(4)]	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts,	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	QIBs[1]	Non Institutional Bidders	Retail Individual Bidders
	India		
Terms of Payment	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form (including Anchor Investors)[4][5]	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form	Full Bid Amount shall be payable at the time of submission of the Bid cum Application[5]

(1) *Our Company and the Selling Shareholders may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see section "**Offer Structure**" on page 290.*

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b)(iii) of the SCRR and under the SEBI ICDR Regulations. This Offer will be made through the Book Building Process wherein at least 50% of the Offer will be Allotted on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding the Anchor Investor Portion), shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer will be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *The entire Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within the two Working Days of the Bid/ Offer Closing Date.*

(5) *In case of ASBA Bidders, the SCSBs shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.*

Under subscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of the Selling Shareholders in consultation with the Company, the BRLMs and the Designated Stock Exchange.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Offer at any time after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the date of receipt of such notification. Our Company shall also inform the Stock Exchanges on which Equity Shares are proposed to be listed.

If our Company and the Selling Shareholders withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with an issue/ offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within 12 Working Days of the Bid/ Offer Closing Date, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/ Offer Programme

BID/ OFFER OPENS ON	[●][1]
BID/ OFFER CLOSES ON	[●][2]

(1) *Our Company may, in consultation with the Selling Shareholders and the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.*

(2) *Our Company may, in consultation with the Selling Shareholders and the BRLMs, consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of refunds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchanges	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/ Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend all reasonable co-operation required by our Companyand the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by the Selling Shareholders in the Offer for Sale) at all Stock Exchanges within 12 Working Days from the Bid/ Offer Closing Date.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** IST during the Bid/ Offer Period (except the Bid/ Offer Closing Date) at the bidding centres and the Designated Branches mentioned on the Bid cum Application Form.

On the Bid/ Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. IST and shall be uploaded until (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors, and (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only on Business Days i.e. Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

On Bid/ Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask for rectified data.

The Selling Shareholders in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the

Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate Members.

OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under the section ***"Part B – General Information Document***”*, which highlights the key rules, processes and procedures applicable to public offers in general and in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations including reference to the SEBI FPI Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public offer. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, there have been certain changes in the offer procedure for initial public offerings including making ASBA process mandatory for all investors (except for Anchor Investors), allowing registrar, share transfer agents, depository participants and stock brokers to accept application forms. These changes are applicable for public issues which open on or after January 01, 2016. In the event that the Bid/Offer Opening Date for this Offer is proposed to be on or after January 01, 2016, and changes in the issue procedure are effective, we will have to make appropriate changes to the "Offer Procedure" section and other sections of the Draft Red Herring Prospectus and Red Herring Prospectus prior to filing with SEBI and RoC respectively.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein at least 50% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories (including the Employee Reservation Portion), at the discretion of the Selling Shareholders in consultation with the Company, the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB category will not be allowed to be met with spill-over from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Please note that there is a common Bid cum Application Form for ASBA Bidders as well as for non-ASBA Bidders. Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Syndicate Members, the Registered Brokers, the SCSBs and the Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the SCSBs, the NSE (www.nseindia.com), the BSE (www.bseindia.com) and the terminals of the Registered Brokers. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.

QIBs (other than Anchor Investors) and Non-Institutional Investors shall mandatorily participate in the Offer only through the ASBA process. Retail Individual Investors can participate in the Offer through the ASBA process as well as the non-ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected. In relation to non-ASBA Bidders, the bank account details shall be available from the depository account on the basis of the DP ID, Client ID and PAN provided by the non-ASBA Bidders in their Bid cum Application Form.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a Syndicate Member or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form[1]
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non resident including Eligible NRIs, FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis (ASBA and Non-ASBA)	Blue
Anchor Investors[2]	White

(1) *Excluding electronic Bid cum Application Form*
(2) *Bid cum Application forms for Anchor Investors will be made available at the office of the BRLMs*

Who can Bid?

In addition to the category of Bidders set forth under the section "***General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Offer***" on page 312, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investors;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in this Offer under the laws, rules, regulations, guidelines and policies applicable to them.

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs (other than the mutual fund entities related to the BRLMs) or the Promoters and the Promoter Group cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLMs, the Syndicate Members, the Registered Brokers and the SCSBs. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs (applying on a non-repatriation basis) should make payments by inward remittance in foreign exchange through normal banking channels or out of funds held in Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") accounts, or out of a Non-Resident Ordinary ("**NRO**") account, or Non-Resident (Special) Rupee account/ Non-Resident Non-Repatriable Term Deposit account. NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

Eligible NRIs intending to make payment through freely convertible foreign exchange and Bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their NRE Account or FCNR Account, maintained with banks authorised by the RBI to deal in foreign exchange. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE Account or FCNR Account, as the case may be. Payment for Bids by non-resident Bidders Bidding on a repatriation basis will not be accepted out of NRO Accounts.

Non-ASBA Bids by NRIs shall be submitted only in the locations specified in the Bid cum Application Form

Bids by FPIs and FIIs

On January 07, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely 'foreign institutional investors' and 'qualified foreign investors' will be subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. On March 13, 2014, the RBI amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investors and unregulated broad based funds, which are classified as Category II foreign portfolio investors by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further offer or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Bids by Anchor Investors

Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI ICDR Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below:

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.
5. The Selling Shareholders in consultation with the Company and the BRLMs will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

    (a) maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million;
    (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
    (c) minimum of five and maximum of 25 Anchor Investors, where the allocation under the

Anchor Investor Portion is more than ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor.

6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. If the Offer Price is greater than the Anchor Investor Offer Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors within two Working Days from the Bid/ Offer Closing Date. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
9. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
10. The BRLMs, our Promoter, Promoter Group, Group Companies or any person related to them (other than the mutual fund entities related to the BRLMs) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.
11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
12. For more information, see section "***Offer Procedure - Part B: General Information Document for Investing in Public Issues - Section 7: Allotment Procedure and Basis of Allotment - Allotment to Anchor Investor***" on page 337.
13. Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than $1/3^{rd}$ of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI ICDR Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular dated July 01, 2014 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended are broadly set forth below:

(a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not less than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector to which the investee company belongs: not less than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (a), (b) and (c) above, as the case may be.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/ or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of a Bid by way of ASBA pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Bid cum Application Form.

Our Company, the Selling Shareholders and the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company, the Selling Shareholders and the BRLMs may deem fit.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of the Syndicate Member or the Registered Broker or a SCSB (except in case of electronic forms);

6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholders or the Registrar to the Offer;

7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. QIBs (other than Anchor Investors) and the Non-Institutional Investors should submit their Bids through the ASBA process only;

9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

10. Ensure that you request for and receive a TRS for all your Bid options;

11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);

12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;

13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;

14. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;

15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.;

17. Ensure that the demographic details are updated, true and correct in all respects;

18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms.

20. Ensure that the name(s) given in the Bid cum Application Form is/ are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

21. Ensure that the category and sub-category is indicated;

22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

24. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding of the Stock Exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;

25. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the Syndicate Members, the SCSBs or the Registered Brokers, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

26. Ensure that you tick the correct investor category, as applicable, in the Bid cum Application Form to

ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;

27. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/ or relevant SCSB and/ or the Designated Branch and/ or the Registered Broker at the Broker Centres (except in case of electronic forms);

28. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;

29. ASBA Bidders Bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). ASBA Bidders Bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;

30. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

31. Ensure that the entire Bid Amount is paid at the time of submission of the Bid or in relation to the ASBA Bids, ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form;

32. In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form; and

33. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs, FIIs, FPIs, QFIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs and QFIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;

4. Do not pay the Bid Amount in cash, by money order or by postal order or by stock invest;

5. If you are an ASBA Bidder, the payment of the Bid Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted under the ASBA process;

6. Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Registered Brokers only;

7. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such

bank is not a SCSB), our Company, the Selling Shareholders or the Registrar to the Offer;

8. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;

9. Anchor Investors should not Bid through the ASBA process;

10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

11. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Investors;

12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

13. In case you are an ASBA Bidder, do not instruct your respective banks to release the funds blocked in your ASBA Account;

14. Do not submit the General Index Register number instead of the PAN;

15. In case you are a Bidder other than an ASBA Bidder, do not submit the Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;

16. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

17. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

18. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

19. If you are a QIB, do not submit your Bid after 3.00 pm on the Bid/ Offer Closing Date for QIBs;

20. If you are a Non-Institutional Investor or Retail Individual Investor, do not submit your Bid after 3.00 pm on the Bid/ Offer Closing Date;

21. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per demographic details provided by the Depository);

22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

23. In case of ASBA Bidders, do not submit more than five Bid cum Application Forms per ASBA Account;

24. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;

25. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/ list/5/33/0/0/Recognised-Intermediaries); and

26. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that

location for the Registered Broker to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment instructions

In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS cheques are processed in three CTS centres in a separate clearing session. This separate clearing session will operate once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Offer Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment.

INVESTORS ARE CAUTIONED THAT BID CUM APPLICATION FORMS ACCOMPANIED BY NON-CTS CHEQUES ARE LIABLE TO BE REJECTED DUE TO ANY DELAY IN CLEARING BEYOND SIX WORKING DAYS FROM THE BID/ OFFER CLOSING DATE.
PLEASE NOTE THAT IN THE EVENT OF A DELAY BEYOND SIX WORKING DAYS FROM THE BID/ OFFER CLOSING DATE IN CLEARING THE CHEQUES ACCOMPANYING THE BID CUM APPLICATION FORMS, FOR ANY REASON WHATSOEVER, SUCH BID CUM APPLICATION FORMS WILL BE LIABLE TO BE REJECTED.

Payment into Escrow Account for non-ASBA Bidders

The payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident Retail Individual Investors: "[●]"

(b) In case of Non-Resident Retail Individual Investors: "[●]"

The Selling Shareholders in consultation with the Company and the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors.

For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Banks and the Registrar to the Offer to facilitate collections from the Bidders.

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] edition of English national newspaper [●]; (ii) [●] edition of Hindi national newspaper [●]; and (iii) [●] edition of Kannada newspaper [●], each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the

RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Changes proposed by the Board of SEBI in Offer Procedure

SEBI, in its Board meeting held on June 23, 2015, has approved certain changes in the offer procedure for initial public offerings including reducing the time period for listing of securities from the existing requirement of 12 working days from the offer closing date to 6 working days from the offer closing date, making ASBA process mandatory for all investors, allowing registrar and share transfer agents and depository participants to accept application forms (both physical as well as online) and make bids on the stock exchange platform. These changes will be applicable for public issues which open on or after January 1, 2016. In the event that the Bid/ Offer Opening Date for this Offer is proposed to be on or after January 1, 2016, then we will have to undertake suitable changes to the "Offer Procedure" section and other sections of the Red Herring Prospectus prior to filing with SEBI and the RoC based on the mechanism and guidelines provided by SEBI in this regard.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/ Offer Closing Date the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- if our Company and the Selling Shareholders withdraw the Offer after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company and/ or the Selling Shareholders subsequently decides to proceed with the Offer;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/ Offer Closing Date;

- the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- the Allotment letters will be issued or the application money will be refunded within 15 days from the

Bid/ Offer Closing Date or such lesser time as specified by SEBI or the application money will be refunded to the Bidders forthwith, failing which interest will be due to be paid to the Bidders at the rate of 15% p.a.for the delayed period;

- where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 Days from the Bid/ Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund failing which interest shall be due to the applicants at the rate of 15% p.a.for the delayed period;

- the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;

- no further Offer of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc.; and

- adequate arrangements shall be made to collect all Bid cum Application Forms by ASBA Bidders and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment.

- that it shall comply with such disclosure and account norms specified by SEBI from time to time.

Undertakings by the Selling Shareholders

Each of the Selling Shareholders undertakes that:

- the Equity Shares being sold by it pursuant to the Offer have been held by it for a minimum period as specified under Regulation 26(6) of the SEB ICDR Regulations and are fully paid-up and are in dematerialised form;

- it is the legal and beneficial owner of, and has full clear and marketable title to, the Equity Shares being sold by it in the Offer;

- the Equity Shares being sold by it pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialised form at the time of transfer and shall be transferred to the eligible investors within the time specified under applicable law;

- it shall provide all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Offer;

- it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

- it shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within 15 days from the Bid/ Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- it shall not have recourse to the proceeds of the Offer until final approval for listing and trading of the Equity Shares from all Stock Exchanges where listing and trading is sought has been received;

Utilisation of Offer Proceeds

The Selling Shareholders declares that all monies received out of the Offer for Sale shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The Selling Shareholders shall not have recourse to the proceeds of the Offer until the final listing and trading approvals from all the Stock Exchanges have been obtained.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/ Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/ Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/ Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/ Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI Regulations**").

Bidders/ Applicants should note that investment in equity and equity related securities involves risk and Bidder/ Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/ or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**")/ Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/ Applicants should carefully read the entire RHP/ Prospectus and the Bid cum Application Form/ Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/ or overlap between the disclosure included in this document and the RHP/ Prospectus, the disclosures in the RHP/ Prospectus shall prevail. The RHP/ Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalised terms and abbreviations used herein Bidders/ Applicants may refer to section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/ FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is, *inter alia*, required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/ Applicants may refer to the RHP/ Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is, *inter alia*, required to comply with the eligibility requirements in terms of Regulation 26/ 27 of the SEBI Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/ Applicants may refer to the RHP/ Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI Regulations, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013)*,* the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/ Applicants may refer to the RHP/ Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI Regulations, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-Offer advertisement was given at least five Working Days before the Bid/ Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/ Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/ Applicants should refer to the RHP/ Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 OFFER PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/ Applicants) and not more than ten Working Days. Bidders/ Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Bid/ Offer Period. Details of Bid/ Offer Period are also available on the website of Stock Exchange(s).

In case of a Book Built Offer, the Issuer may close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Offer Period may be extended by at least three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/ Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/ Applicants may note that this is not applicable for Fast Track FPOs.:

(a) In case of Issue other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

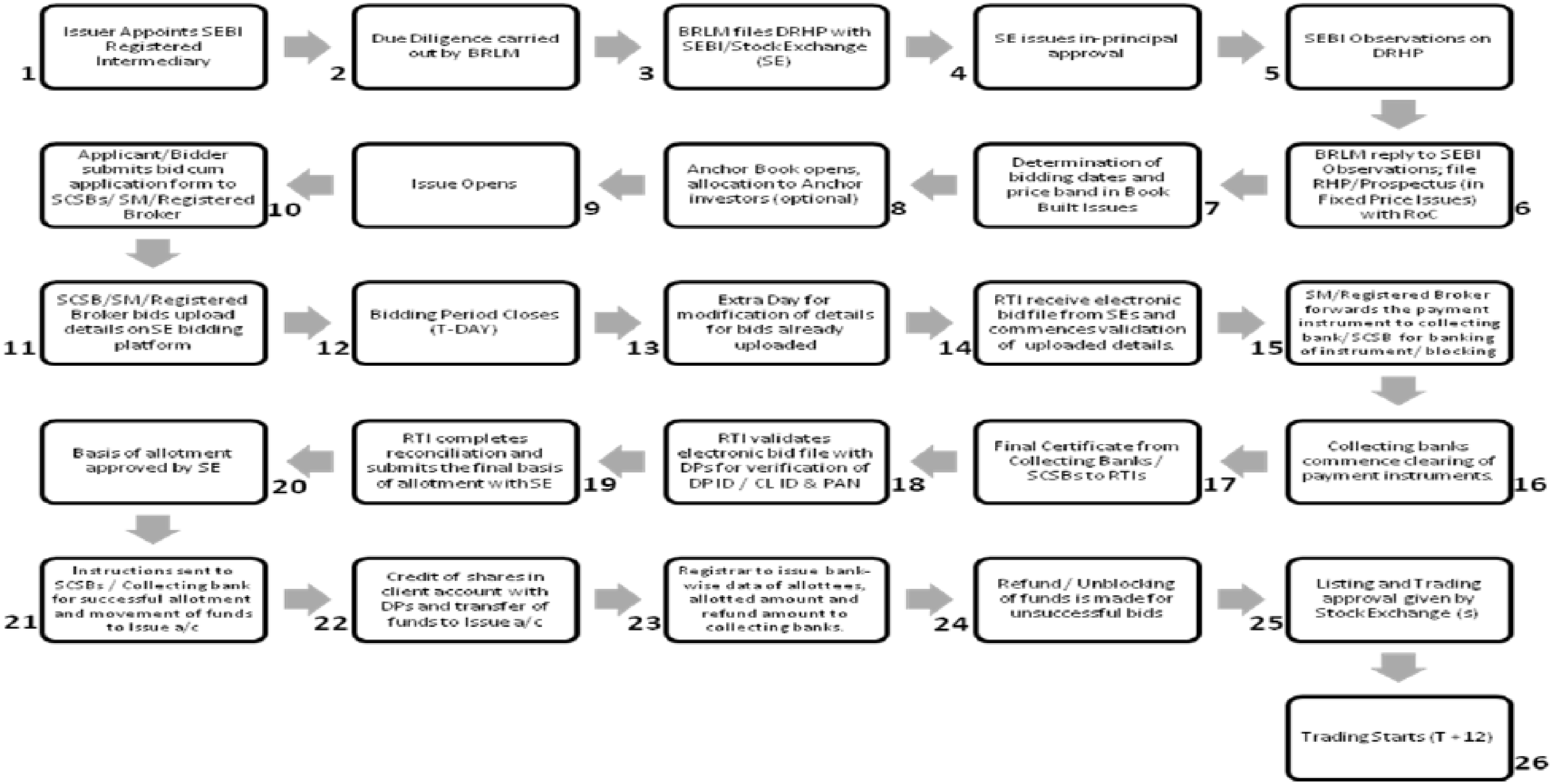
i. Step 7 : Determination of Offer Date and Price

ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.

iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform

iv. Step 12: Offer period closes

v. Step 15: Not Applicable


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchange (SE)
4 SE issues in-principal approval
5 SEBI Observations on DRHP
6 BRLM reply to SEBI Observations; file RHP/Prospectus (in Fixed Price Issues) with RoC
7 Determination of bidding dates and price band in Book Built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to SCSBs/ SM/Registered Broker
11 SCSB/SM/Registered Broker bids upload details on SE bidding platform
12 Bidding Period Closes (T-DAY)
13 Extra Day for modification of details for bids already uploaded
14 RTI receive electronic bid file from SEs and commences validation of uploaded details.
15 SM/Registered Broker forwards the payment instrument to collecting bank/SCSB for banking of instrument/ blocking
16 Collecting banks commence clearing of payment instruments.
17 Final Certificate from Collecting Banks / SCSBs to RTIs
18 RTI validates electronic bid file with DPs for verification of DP ID / CL ID & PAN
19 RTI completes reconciliation and submits the final basis of allotment with SE
20 Basis of allotment approved by SE
21 Instructions sent to SCSBs / Collecting bank for successful allotment and movement of funds to Issue a/c
22 Credit of shares in client account with DPs and transfer of funds to Issue a/c
23 Registrar to issue bank-wise data of allottees, allotted amount and refund amount to collecting banks.
24 Refund / Unblocking of funds is made for unsuccessful bids
25 Listing and Trading approval given by Stock Exchange (s)
26 Trading Starts (T + 12)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN OFFER

Each Bidder/ Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/ Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to Bid/ Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/ Applicants are requested to refer to the RHP/ Prospectus for more details.

Subject to the above, an illustrative list of Bidders/ Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);

- Bids/ Applications belonging to an account for the benefit of a minor (under guardianship);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/ Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/ Application Form as follows: "Name of sole or first Bidder/ Applicant: XYZ HUF applying through XYZ, where XYZ is the name of the *Karta*". Bids/ Applications by HUFs may be considered at par with Bids/ Applications from individuals;

- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;

- QIBs;

- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;

- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors ("**NIIs**") category;

- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;

- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;

- Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under their respective constitutions to hold and invest in equity shares;

- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and

- Any other person eligible to Bid/ Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE OFFER

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the Registered Office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Offer Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/ Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the Registered Office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/ Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/ Applicants is as follows:

Category	**Colour of the Bid cum Application Form**
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/ Applicants bidding/ applying in the reserved category	White

Securities Issued in an IPO can only be in dematerialised form in compliance with Section 29 of the Companies Act, 2013. Bidders/ Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/ Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - R

FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE

IN

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE
ESCROW BANK / SCSB BRANCH STAMP & CODE	**SUB-BROKER'S/SUB-AGENT'S STAMP & CODE**
BANK BRANCH SERIAL NO.	**REGISTRAR'S / SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. Category

☐ Retail Individual
☐ Non-Institutional
☐ QIB

6. Investor Status

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VC
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)

PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment

Amount Paid (₹ in figures) (₹ in words)

☐ (A) CHEQUE/ DEMAND DRAFT (DD)

Cheque/DD No. Dated D D M M Y Y

Drawn on (Bank Name & Branch)

☐ (B) ASBA

Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filing up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE/ FIRST APPLICANT	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)	BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date : ______ 2011	3)	

TEAR HERE

XYZ LIMITED

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Amount Paid (₹ in figures) | Bank & Branch

Cheque / DD/ASBA Bank A/c No.

Stamp & Signature of Banker

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Syndicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

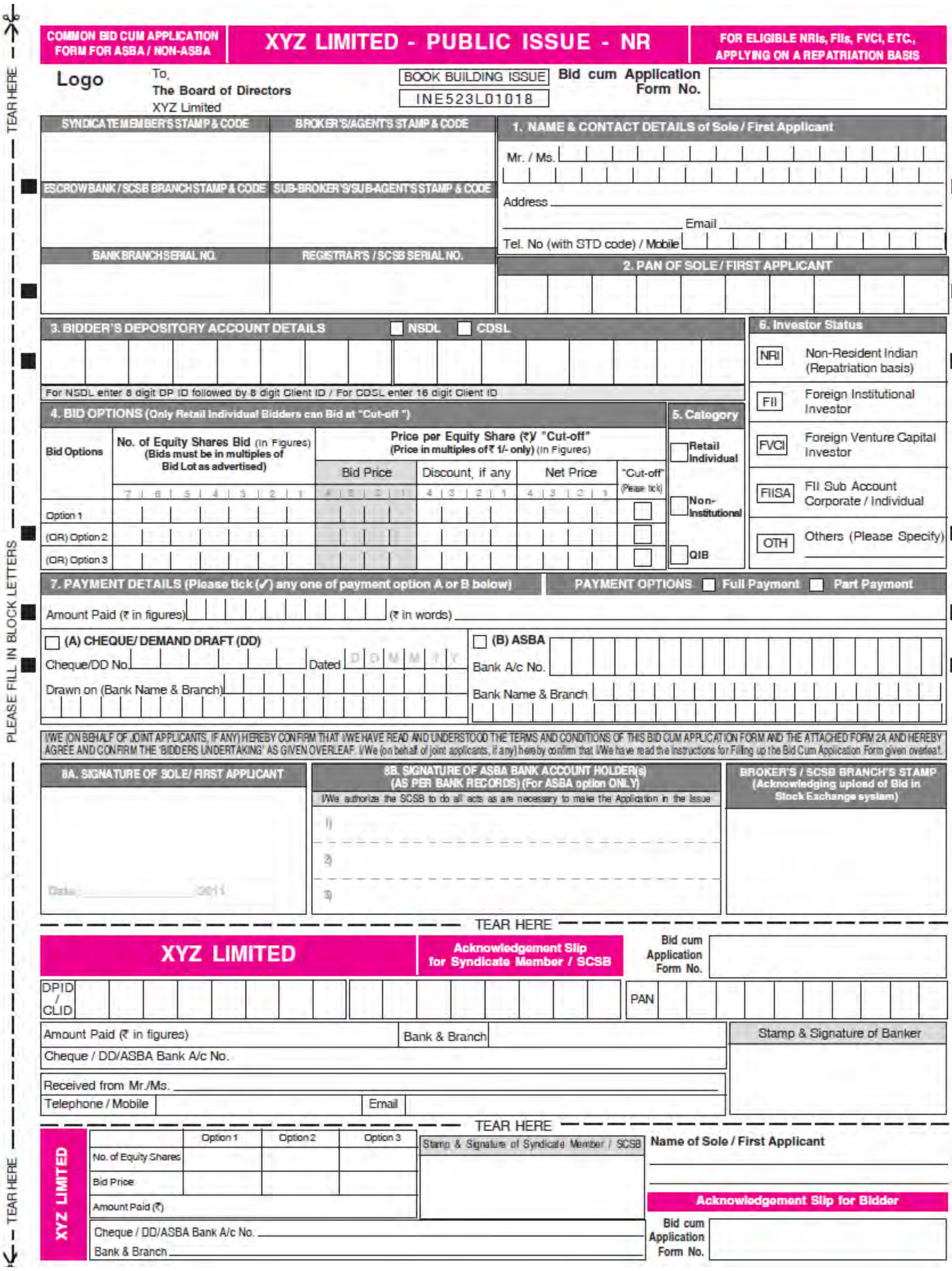
Cheque / DD/ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE


COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - NR

FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE
INE523L01018

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER'S/AGENT'S STAMP & CODE

ESCROW BANK / SCSB BRANCH STAMP & CODE | SUB-BROKER'S/SUB-AGENT'S STAMP & CODE

BANK BRANCH SERIAL NO. | REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant
Mr. / Ms.
Address
Email
Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

6. Investor Status
NRI Non-Resident Indian (Repatriation basis)
FII Foreign Institutional Investor
FVCI Foreign Venture Capital Investor
FIISA FII Sub Account Corporate / Individual
OTH Others (Please Specify)

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	7 6 5 4 3 2 1	Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. Category
☐ Retail Individual
☐ Non-Institutional
☐ QIB

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)
PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment
Amount Paid (₹ in figures) (₹ in words)
☐ (A) CHEQUE/ DEMAND DRAFT (DD)
Cheque/DD No. Dated D D M M Y Y
Drawn on (Bank Name & Branch)
☐ (B) ASBA
Bank A/c No.
Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the instructions for Filling up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE/ FIRST APPLICANT
Date: 2011

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)
I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue
1)
2)
3)

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED | Acknowledgement Slip for Syndicate Member / SCSB | Bid cum Application Form No.
DPID / CLID
PAN
Amount Paid (₹ in figures) | Bank & Branch
Cheque / DD/ASBA Bank A/c No.
Received from Mr./Ms.
Telephone / Mobile | Email
Stamp & Signature of Banker

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Cheque / DD/ASBA Bank A/c No.
Bank & Branch
Stamp & Signature of Syndicate Member / SCSB
Name of Sole / First Applicant
Acknowledgement Slip for Bidder
Bid cum Application Form No.

TEAR HERE — PLEASE FILL IN BLOCK LETTERS — TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER/ APPLICANT**

(a) Bidders/ Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/ Applicants should note that the name and address fields are compulsory and Email and/ or telephone number/ mobile number fields are optional. Bidders/ Applicants should note that the contact details mentioned in the Bid-cum Application Form/ Application Form may be used to dispatch communications(including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/ Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(c) **Joint Bids/ Applications**: In the case of Joint Bids/ Applications, the Bids/ Applications should be made in the name of the Bidder/ Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/ Applicant would be required in the Bid cum Application Form/ Application Form and such first Bidder/ Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder/ Applicant whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder/ Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/ Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/ Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/ Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/ FIRST BIDDER/ APPLICANT

(a) PAN (of the sole/ first Bidder/ Applicant) provided in the Bid cum Application Form/ Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/ Applications on behalf of the Central or State Government, Bids/ Applications by officials appointed by the courts and Bids/ Applications by Bidders/ Applicants residing in Sikkim ("PAN Exempted Bidders/ Applicants"). Consequently, all Bidders/ Applicants, other than the PAN Exempted Bidders/ Applicants, are required to disclose their PAN in the Bid cum Application Form/ Application Form, irrespective of the Bid/ Application Amount. A Bid cum Application Form/ Application Form without PAN, except in case of Exempted Bidders/ Applicants, is liable to be rejected. Bids/ Applications by the Bidders/ Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/ Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms/ Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/ Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/ MRD/ DP/ 22/ 2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/ APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/ Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/ Application Form. The DP ID and Client ID provided in the Bid cum Application Form/ Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/ Application Form is liable to be rejected.**

(b) Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/ Application Form is active.

(c) Bidders/ Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/ Application Form, the Bidder/ Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/ Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Offer. Please note that refunds on account of our Company not receiving the minimum subscription of 90% of the Offer shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

(d) Bidders/ Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/ Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/ RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Offer Opening Date in case of an IPO, and at least one Working Day before Bid/ Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/ FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/ Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/ Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalisation of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Offer size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5 : CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI Regulations, for the purpose of Bidding, allocation and allotment in the Offer are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with the SEBI Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/ Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/ Applicants as permitted under the SEBI Regulations. For details of any reservations made in the Offer, Bidders/

Applicants may refer to the RHP/ Prospectus.

(d) The SEBI Regulations, specify the allocation or allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/ Applicant may refer to the RHP/ Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/ Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/ Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/ Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/ Applicants are requested to refer to the RHP/ Prospectus for more details.

(c) Bidders/ Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/ Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/ Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.

(c) QIBs and NIIs can participate in the Offer only through the ASBA mechanism.

(d) RIIs and/ or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").

(e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for non-ASBA Bidders:**

(a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.

(b) **For Bids made through a member of the Syndicate**: The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/ Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.

(c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/ Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.

(d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favouring the Escrow Account, the Bid is liable to be rejected.

(e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/ bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.

(g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) ASBA Bidders may submit the Bid cum Application Form either:
  i. in physical mode to the Designated Branch of an SCSB where the Bidders/ Applicants have ASBA Account, or
  ii. in electronic mode through the internet banking facility offered by an SCSB authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  iii. in physical mode to a member of the Syndicate at the Specified Locations, or
  iv. Registered Brokers of the Stock Exchange.

(b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http:/ / www.sebi.gov.in/ sebiweb/ home/ list/ 5/ 33/ 0/ 0/ Recognised-Intermediaries).

(g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.

(h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/ Offer Closing Date.

4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/ Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/ Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/ Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/ Applicant., then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Bids/ Applications, signature has to be correctly affixed in the authorisation/ undertaking box in the Bid cum Application Form/ Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/ Application Form.

(d) Bidders/ Applicants must note that Bid cum Application Form/ Application Form without signature of Bidder/ Applicant and / or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.

(b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.

(c) All communications in connection with Bids/ Applications made in the Offer should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/ Applicants should contact the Registrar to the Offer.
ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/ Applicants should contact the relevant Designated Branch of the SCSB.
iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/ Applicants should contact the relevant Syndicate Member.
iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/ Applicants should contact the relevant Registered Broker.
v. Bidder/ Applicant may contact the Company Secretary and Compliance Officer or the BRLM(s) in case of any other complaints in relation to the Offer.

(d) The following details (as applicable) should be quoted while making any queries –

i. full name of the sole or First Bidder/ Applicant, Bid cum Application Form number, Applicants'/ Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or

iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof

iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/ Applicant may refer to the RHP/ Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

(a) During the Bid/ Offer Period, any Bidder/ Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalisation of allotment.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/ Applicant can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders/ Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/ Applicant had placed the original Bid. Bidders/ Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA | **XYZ LIMITED - PUBLIC ISSUE - R** | FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE
INE523L01018

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER'S/AGENT'S STAMP & CODE
ESCROW BANK/SCSB BRANCH STAMP & CODE | SUB-BROKER'S/SUB-AGENT'S STAMP & CODE
BANK BRANCH SERIAL NO. | REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant
Mr. / Ms.
Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (as per last Bid or Revision)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	
Option 1					☐
(OR) Option 2	OLD BID				☐
(OR) Option 3					☐

Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

5. TO (Revised Bid)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	
Option 1					☐
(OR) Option 2	REVISED BID				☐
(OR) Option 3					☐

Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) | PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment

Additional Amount Paid (₹ in figures) (₹ in words)

☐ (A) CHEQUE/ DEMAND DRAFT (DD)
Cheque/DD No. Dated D D M M Y Y
Drawn on (Bank Name & Branch)

☐ (B) ASBA
Bank A/c No.
Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid revision Form given overleaf.

7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)
Date: ________ 201)

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)
I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue
1)
2)
3)

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED BID REVISION FORM | Acknowledgement Slip for Syndicate Member / SCSB | Bid cum Application Form No.

DPID / CLID | PAN

Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of Banker
Cheque / DD/ASBA Bank A/c No.
REVISED BID
Received from Mr./Ms.
Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED BID REVISION FORM

	Option 1	Option 2	Option 3
No. of Equity Shares		REVISED BID	
Bid Price			
Additional Amount Paid (₹)			

Cheque / DD/ASBA Bank A/c No.
Bank & Branch

Acknowledgement of Syndicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE — PLEASE FILL IN BLOCK LETTERS — TEAR HERE

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER/ APPLICANT, PAN OF SOLE/ FIRST BIDDER/ APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/ APPLICANT

Bidders/ Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/ Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/ Applicant has Bid for three options in the Bid cum Application Form and such Bidder/ Applicant is changing only one of the options in the Revision Form, the Bidder/ Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/ Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/ Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/ Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) With respect to the Bids, other than Bids submitted by ASBA Bidders/ Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.

(b) All Bidders/ Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/ Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(c) In case of Bids submitted by ASBA Bidder/ Applicant, Bidder/ Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/ Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/ Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(d) In case of Bids, other than ASBA Bids, Bidder/ Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/ Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate/ Registered Broker to whom the original Bid was submitted.

(e) In case the total amount (i.e., original Bid Amount less Discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/ Prospectus. If, however, the Bidder/ Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/ Applicant and the Bidder/ Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/ Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/ Applicant.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/ Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN OFFERS MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER/ APPLICANT, PAN OF SOLE/ FIRST BIDDER/ APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/ APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(i) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(ii) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(iii) Applications by RIIs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

(iv) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(v) An application cannot be submitted for more than the Offer size.

(vi) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(vii) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(viii) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the

Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/ Applicant and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(ix) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.
ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI Regulations for the purpose of Bidding, allocation and allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI Regulations specify the allocation or allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.

(b) RIIs and/ or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").

(c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 **Instructions for non-ASBA Applicants:**

(a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).

(b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).

(c) If the cheque or demand draft accompanying the Application Form is not made favouring the Escrow Account, the form is liable to be rejected.

(d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/ bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.

(f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 **Payment instructions for ASBA Applicants**

(a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.

(b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder.

(d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorised the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Offer Closing Date.

4.3.5.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 **SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/ APPLICATION FORM**

4.4.1 **Bidders/ Applicants may submit completed Bid-cum-application form/ Revision Form in the following manner:-**

Mode of Application		Submission of Bid cum Application Form
Non-ASBA Application	1)	To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form
	2)	To Registered Brokers
ASBA Application	(a)	To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres
	(b)	To the Designated branches of the SCSBs where the ASBA Account is maintained

(a) Bidders/ Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.

(b) Bidders/ Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/ Applicant had placed the original Bid.

(c) Upon submission of the Bid-cum-Application Form, the Bidder/ Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/ Applicant.

(d) Upon determination of the Offer Price and filing of the Prospectus with the Registrar of Companies (RoC) the Bid-cum-Application Form will be considered as the application form.

SECTION 5: OFFER PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of the SEBI Regulations. The Offer Price is finalised after the Bid/ Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/ Offer Period, ASBA Bidders/ Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/ Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.

(b) Non-ASBA Bidders/ Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/ demand draft for the Bid Amount less Discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.

(c) In case of ASBA Bidders/ Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/ Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable). ASBA Bidders/ Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.

(d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/ Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/ Offer Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/ Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/ Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/ Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until finalisation of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) In case a RII wishes to withdraw the Bid after the Bid/ Offer Period, the same can be done by submitting a withdrawal request to the Registrar to the Offer until finalisation of Basis of Allotment. The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The members of the Syndicate, the Registered Broker and/ or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to

i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
iv. With respect to Bids by ASBA Bidders/ Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/ Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/ Applicants are advised to note that the Bids/ Applications are liable to be rejected, *inter alia*, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/ Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/ Applications by OCBs; and

(c) In case of partnership firms, Bid/ Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids/ Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/ Application Form;

(e) Bids/ Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/ Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) DP ID and Client ID not mentioned in the Bid cum Application Form/ Application Form;

(h) PAN not mentioned in the Bid cum Application Form/ Application Form except for Bids/ Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(j) Bids/ Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(k) Bids/ Applications at a price less than the Floor Price & Bids/ Applications at a price more than the Cap Price;

(l) Bids/ Applications at Cut-off Price by NIIs and QIBs;

(m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/ Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/ Application Form does not tally with the amount payable for the value of the Equity Shares Bid/ Applied for;

(n) Bids/ Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(o) In relation to ASBA Bids/ Applications, submission of more than five Bid cum Application Forms/ Application Form as per ASBA Account;

(p) Bids/ Applications for a Bid/ Application Amount of more than ₹200,000 by RIIs by applying through non-ASBA process;

(q) Bids/ Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(r) Multiple Bids/ Applications as defined in this GID and the RHP/ Prospectus;

(s) Bid cum Application Forms/ Application Forms are not delivered by the Bidders/ Applicants within the time prescribed as per the Bid cum Application Forms/ Application Form, Bid/ Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(t) With respect to ASBA Bids/ Applications, inadequate funds in the bank account to block the Bid/ Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/ Application Amount in the bank account;

(u) Bids/ Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

(v) With respect to ASBA Bids/ Applications, where no confirmation is received from SCSB for blocking of funds;

(w) Bids/ Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/ Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);

(x) ASBA Bids/ Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/ Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;

(y) Bids/ Applications not uploaded on the terminals of the Stock Exchanges;

(z) Bids/ Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/ Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI Regulations specify the allocation or Allotment that may be made to various categories of Bidders/ Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/ Prospectus. For details in relation to allocation, the Bidder/ Applicant may refer to the RHP/ Prospectus.

(b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI Regulations. Unsubscribed portion in QIB category is not available for subscription to other categories.

(c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/ Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should *note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid quantity	Bid amount (₹)	Cumulative quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/ Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/ or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: OFFER PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.

As the Offer Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/ SCSB and/ or Bankers to the Offer or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/ Offer Opening Date.

In a fixed price Issue, allocation in the net issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/ Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/ Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/ Applicants may refer to RHP/ Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/ Applicants may refer to the SEBI Regulations or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer subject to compliance with the following requirements:

i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 250 crores subject to minimum allotment of ₹5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED OFFER

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorised according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/ Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/ Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/ Applicants Depository Account will be completed within 12 Working Days of the Bid/ Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/ Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/

Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/ list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/ Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/ Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/ Applicants in pursuance of the RHP/ Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/ Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/ Offer Closing Date, the Issuer may forthwith, but not later than 70 days from the Bid/ Offer Closing Date, without interest refund the entire subscription amount received. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be liable to repay the money, with interest at the rate of 15% p.a. in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI Regulations comes for an Offer under Regulation 26(2) of SEBI Regulations but fails to allot at least 75% of the Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids/ Applications:** Within 12 Working Days of the Bid/ Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/ Application and also for any excess amount blocked on Bidding/ Application.

(b) **In case of Non-ASBA Bid/ Applications:** Within 12 Working Days of the Bid/ Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Bidders/ Applicants and also for any excess amount paid on Bidding/

Application, after adjusting for allocation/ allotment to Bidders/ Applicants.

(c) In case of non-ASBA Bidders/ Applicants, the Registrar to the Offer may obtain from the depositories the Bidders/ Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/ Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/ Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/ Applicants' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/ Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds on account of our Company not receiving the minimum subscription of 90% of the Offer, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

(d) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/ Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/ Applicants other than ASBA Bidders/ Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

(a) **NECS**—Payment of refund may be done through NECS for Bidders/ Applicants having an account at any of the centres specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/ Applicant as obtained from the Depository;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/ Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/ Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/ Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit**—Bidders/ Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(d) **RTGS**—Bidders/ Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

(e) For all the other Bidders/ Applicants, including Bidders/ Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

Please note that refunds on account of our Company not receiving the minimum subscription of 90% of the Offer, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres etc. Bidders/ Applicants may refer to RHP/ Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/ Applicants

In case of ASBA Bidders/ Applicants, the Registrar to the Offer may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Offer.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% p.a. if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to Bidders/ Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/ Offer Closing Date.

The Issuer may pay interest at 15% p.a.for any delay beyond 15 days from the Bid/ Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/ Applicants
Allottee	An Bidder/ Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/ Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ ASBA	An application, whether physical or electronic, used by Bidders/ Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/ Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/ Applicant	Prospective Bidders/ Applicants in the Offer who Bid/ apply through ASBA
Banker(s) to the Offer/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Offer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/ Applicants under the Offer
Bid	An indication to make an offer during the Bid/ Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application

Term	Description
Bid/ Offer Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/ bidders may refer to the RHP/ Prospectus for the Bid/ Offer Closing Date
Bid/ Offer Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/ bidders may refer to the RHP/ Prospectus for the Bid/ Offer Opening Date
Bid/ Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date inclusive of both days and during which prospective Bidders/ Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Offer Period for QIBs one working day prior to the Bid/ Offer Closing Date in accordance with the SEBI Regulations. Applicants/ bidders may refer to the RHP/ Prospectus for the Bid/ Offer Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/ Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/ Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/ Applicant	Any prospective investor (including an ASBA Bidder/ Applicant) who makes a Bid pursuant to the terms of the RHP/ Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/ Applicant should be construed to mean an Bidder/ Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under the SEBI Regulations, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/ Applicants can submit the Bid cum Application Forms/ Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/ Lead Manager/ LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/ Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/ Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/ Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/ Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/ Applicants including the Bidder/ Applicant's address, name of the Applicant's father/ husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/ Applicants applying through the ASBA and a list of which is available on http:/ / www.sebi.gov.in/ cms/ sebi_data/ attachdocs/ 1316087201341.html

Term	Description
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/ Applicants in the Offer may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/ Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/ Applicants in accordance with the SEBI Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the Promoters and immediate relatives of the Promoter. For further details Bidder/ Applicant may refer to the RHP/ Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/ Applicants (excluding the ASBA Bidders/ Applicants) may issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/ Applicants (excluding the ASBA Bidders/ Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/ Applicant	The Bidder/ Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/ Fixed Price Process/ Fixed Price Method	The Fixed Price process as provided under the SEBI Regulations, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
Book Running Lead Managers	The Book Running Lead Manager to the Offer as disclosed in the RHP/ Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
IPO	Initial public offering
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/ further public offering as applicable
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RIB Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/ Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account

Term	Description
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/ Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Non-Institutional Investors or NIIs	All Bidders/ Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors registered with SEBI, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/ Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs registered with SEBI
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/ Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the IT Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least two working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price ,the size of the Offer and certain other information
Public Issue Account	An account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under the SEBI Regulations
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/ Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/ Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/ RTI	The Registrar to the Offer as disclosed in the RHP/ Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/ bidding under reservation portion

Term	Description
Reservation Portion	The portion of the Offer reserved for category of eligible Bidders/ Applicants as provided under the SEBI Regulations
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹200,000
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/ or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http:/ / www.sebi.gov.in/ cms/ sebi_data/ attachdocs/ 1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Offer (excluding Bids from ASBA Bidders/ Applicants)
Syndicate Member(s)/ SM	The Syndicate Member(s) as disclosed in the RHP/ Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/ Offer Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FEMA. Under the FEMA, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the FIPB and the RBI.

The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DIPP, Ministry of Commerce and Industry, Government of India ("**DIPP**"), issued Consolidated FDI Policy, which with effect from May 12, 2015, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 12, 2015. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, the Consolidated FDI Policy of 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act ("Regulation S") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

The above information is given for the benefit of the Bidders. Our Company, the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company comprise of two parts, Part I and Part II, which parts shall, unless the context otherwise requires, co-exist with each other. It is clarified that the rights of the Investors under Part II are in addition to all other rights that the Investors have as shareholders under these Articles. In case of inconsistency between Part I and Part II, the provisions of Part II shall be applicable. However, Part II shall automatically terminate and cease to have any force and effect from the date of commencement of trading of the Equity Shares of Narayana Hrudayalaya Limited on a Recognised Stock Exchange (as defined below) in India pursuant to an IPO (as defined below) without any further action by the Company or by the Shareholders.

SHARE CAPITAL

Article 4 provides that:

(a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time and the Company may sub-divide, consolidate and increase the Share Capital from time to time and upon the sub-division of Equity Shares, apportion the right to participate in profits in any manner as between the Equity Shares resulting from the sub-division.

(b) The Company has power, from time to time, to increase or reduce its authorised or issued and Paid up Share Capital, in accordance with the Act, applicable Laws and these Articles.

(c) The Share Capital of the Company may be classified into Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.

(d) Subject to Article 4(d), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

(e) The Board may, subject to the relevant provisions of the Act, allot and issue Equity Shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or in respect of an acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any Equity Shares which may be so allotted may be issued as fully/partly Paid-up Equity Shares and if so issued shall be deemed as fully/partly Paid-up Equity Shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.

(f) The amount payable on application on each Equity Share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.

(g) Nothing herein contained shall prevent the Directors from issuing fully Paid-up Equity Shares at par or at premium, either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(h) Except so far as otherwise provided by the conditions of issue or by these presents, any Share Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Share Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(i) All of the provisions of these Articles shall apply to the Shareholders.

(j) Any application signed by or on behalf of an applicant for Equity Shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of Equity Shares within the meaning of these Articles and every person who thus or otherwise accepts any Equity Shares and whose name is on the Register of Members, shall for the purposes of these Articles, be a Shareholder.

(k) The money, (if any), which the Board shall, on the allotment of any Equity Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Equity Shares allotted by them, shall immediately on the insertion of the name of the Allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the Allottee thereof, and shall be paid by him accordingly.

Alteration of Share Capital

Article 10 provides that:

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

(a) increase its Share Capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares:

Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

(c) convert all or any of its fully Paid up shares into stock, and reconvert that stock into fully Paid up shares of any denomination;

(d) sub-divide its existing Equity Shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(e) cancel its Equity Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital within the meaning of the Act.

Reduction of Share Capital

Article 11 provides that:

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorised by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

Power to modify rights

Article 13 provides that:

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may be varied, subject to the provisions of Section 106 and 107 of the Companies Act, 1956 and applicable Laws, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is affected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class.

Shares and Share Certificates

Article 15 provides that:

(a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(b) A duplicate certificate of shares may be issued, if such certificate:

(i) is proved to have been lost or destroyed; or

(ii) has been defaced, mutilated or torn; and is surrendered to the Company.

(c) The Company shall be entitled to dematerialise its existing Equity Shares, rematerialise its Equity Shares held in the depository and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, and the rules framed there under, if any.

(d) A certificate, issued under the common seal of the Company, specifying the Equity Shares held by any Person shall be *prima facie* evidence of the title of the Person to such Equity Shares. Where the Equity Shares are held in depository form, the record of Depository shall be the *prima facie* evidence of the interest of the beneficial owner.

(e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding rupees fifty for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.

(f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.

(g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

(h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.

(i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine–numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorise for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.

(k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

(l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(m) If any Equity Shares stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of such Equity Shares shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such Equity Shares, and for all incidents thereof according to these Articles.

(n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such Equity Shares or whose name appears as the beneficial owner of such Equity Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Equity Shares on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Equity Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

Investor's tag along

Article 17 provides that:

(a) The Promoters of the Company agree with the Investors for the following:

(i) before transferring or disposing of any of their respective Equity Shares, whether directly or indirectly, to any Person other than the other Promoter or any Promoter Connected Person ("**Purchaser**"), the transferring Promoter ("**Seller**") shall give a written notice to each of the Investors ("**Promoter Transfer Notice**") that specifies:

(A) the number of Shares (the "**Sale Shares**") that a Purchaser has indicated that it wishes to acquire; and

(B) details of the offer to purchase the Sale Shares received from the Purchaser including the name of the Purchaser, the price per Share offered by the Purchaser for the Sale Shares (including, where such price comprises non-cash consideration, the Seller's certification of the cash value thereof) (the "**Purchase Price**") and the other terms of the transfer (including payment terms);

(ii) the Seller shall not be entitled to transfer any Sale Shares to the Purchaser unless the Purchaser's offer is on bona fide arms length terms and the Seller complies with, and procures that the Purchaser complies with, the following provisions:

(A) Each Investor shall have the option, exercisable by notice in writing to the Seller and the other Investors within twenty (20) business days of the date of receipt of the Investor Transfer Notice, to transfer in the sale to the Purchaser, as part of the total number of Sale Shares, at the Purchase Price, up to a maximum number of Shares as is equal to the Investor Tag-along Shares ("**Investor Tag-along Notice**"). For the purposes of these Articles, the "**Investor Tag-along Shares**" means, subject to Articles 17 (a)(ii)(D) and 17(b):

(I) where only one Investor serves an Investor Tag-along Notice, such number of Equity Shares held by the Investor and its Affiliates as is obtained by multiplying the total number of Equity Shares held by the Investor and its Affiliates at the date of the Investor Tag-along Notice by a fraction equal to (x) the numerator, which shall be the number of Sale Shares divided by (y) the denominator, which shall be the total number of Equity Shares less (1) the Mazumdar Shaw Equity Shares, (2) the Shares held by Narayana Health Academy Private Limited ("**NHAPL**") and (3) the number of Equity Shares held by the remaining Investors and their respective Affiliates; or

(II) where two Investors serve an Investor Tag Along Notice, up to such number of the Equity Shares held by the Investors and their respective Affiliates as is obtained by multiplying the total number of Equity Shares held by the Investors and their respective Affiliates by a fraction equal to (x) the numerator, which shall be the number of Sale Shares divided by (y) the denominator, which shall be sum of the total number of Shares less (1) the Mazumdar Shaw Equity Shares (2) the Equity Shares held by NHAPL and (3) the number of Equity Shares held by the Investor that has not delivered the Investor Tag Along Notice; each Investor shall thereafter be entitled to transfer its Relevant Proportion of the above number of Equity Shares vis a vis the other Investor;

(III) Where all the Investors serve an Investor Tag Along Notice, up to such number of the Equity Shares held by the Investors and their respective Affiliates as is obtained by multiplying the total number of Equity Shares held by the Investors and their respective Affiliates by a fraction equal to (x) the numerator, which shall be the number of Sale Shares divided by (y) the denominator, which shall be sum of the total number of Equity Shares less the Mazumdar Shaw Equity Shares and less the Equity Shares held by NHAPL; each Investor shall thereafter be entitled to transfer its Relevant Proportion of the above number of Equity Shares vis a vis the other Investors in the Company.

(B) Any Investor Tag-along Notice delivered in accordance with Article 17(a)(ii)(A) must specify:

(I) the maximum number of Equity Shares the Investor is entitled to transfer calculated in accordance with Articles 17(a)(ii)(A)(I), (II) and (III); and

(II) the actual number of Equity Shares the Investor wishes to transfer in each case (being the "**Investor Elected Shares**" which number shall, for the avoidance of doubt, not exceed the maximum number of Equity Shares calculated pursuant to the relevant Article),

and shall constitute an irrevocable offer to sell the applicable number of the Investor Tag-along Shares to the Purchaser at the Purchase Price.

(C) If an Investor delivers an Investor Tag-along Notice within twenty (20) Business Days of the date of receipt of the Promoter Transfer Notice, the number of Sale Shares the Seller shall be entitled to transfer to the Purchaser shall be reduced by the sum of the number of the Investor Elected Shares (if any) and the number of Investor Residue Shares (as defined in Article 17(a)(ii)(D) below)(if any), such reduced number of Equity Shares being the "**Seller Original Shares**". Further, the Seller shall not be entitled to transfer any Seller Original Shares to the Purchaser unless the Purchaser also concurrently completes the purchase of the Investor Elected Shares and Residue Shares (if any). Any transfer of any Seller Original Shares without a concurrent purchase by the Purchaser of the applicable number of Investor Elected Shares and Residue Shares (if any) in accordance with the immediately preceding sentence shall be deemed to be void ab initio.

(D) In the event that more than one Investor serves an Investor Tag-Along Notice and with respect of an Investor, if the Investor Elected Shares are less than the Investor Tag Along Shares of that Investor ("**Investor Unelected Shares**") then, the Seller shall, within two (2) Business days of receipt of the last Investor Tag Along Notice, give a written notice to each of the remaining Investors that have already elected to transfer their entire Investor Tag Along Shares, that they are entitled to transfer an additional number of Equity Shares to the Purchaser in addition to their respective Investor Elected Shares already notified in the Investor Tag-along notice (such notice being the "**Residue Equity Shares Notice**" and such additional number of Equity Shares being the "**Residue Equity Shares**") and states the number of Residue

Shares. The Residue Shares in respect of each remaining Investor shall be calculated as follows:

RS = IUS x IS / (SH-USI)

where,

RS =	the Residue Equity Shares;
IUS =	the Investor Unelected Equity Shares;
IS =	the total number of Equity Shares held by the Investor receiving the Residue Equity Share Notice and its Affiliates;
SH =	the total number of Equity Shares less the Mazumdar Shaw Equity Shares and less the Equity Shares held by NHAPL; and
USI =	the total number of Equity Shares held by the Investor and its Affiliates whose Investor Elected Equity Shares is less than the Investor Tag Along Shares with respect to it.

The Investors receiving a Residue Equity Shares Notice shall have the option, exercisable by notice in writing to the Seller and the other Investors, within five (5) Business Days of the date of receipt of the Residue Equity Shares Notice to transfer in the sale to the Purchaser such number of Equity Shares in addition to the Investor Elected Shares as is equal to the Residue Equity Shares. Such notice (the "**Residue Election Notice**") shall specify the number of Residue Equity Shares such Investor wishes to transfer (the "**Elected Residue Equity Shares**"). The Residue Election Notice shall constitute an irrevocable offer to sell the Elected Residue Equity Shares to the Purchaser at the Purchase Price.

(b) In the event prior to completion of the transfer of the Sale Shares in accordance with this Article 17, the Purchaser notifies the Seller that it wishes to either increase or decrease the number of Sale Shares it is prepared to acquire from the Seller (such number of Equity Shares being the "**Revised Shares**"), any Promoter Transfer Notice, Investor Tag-along Notice, Residue Equity Shares Notice, Residue Election Notice served in respect of the original number of Sale Shares shall be immediately disregarded and have no further effect, and if the Seller wishes to transfer all or some of the Revised Shares to the Purchaser, the Seller shall be required to send a new Promoter Transfer notice in respect of the Revised Shares it is prepared to transfer. In such event the procedure following the issue of a Promoter Transfer Notice detailed in Articles 17(a) and 17(b) shall be followed in respect of the Revised Shares the Seller is prepared to transfer.

(c) Notwithstanding anything else contained in these Articles but subject to Article 17 (d) and without prejudice to the following:

(i) the Promoters shall hold and maintain the legal and beneficial right, title and interest in and to not less than an aggregate of fifty one (51) per cent of the Equity Shares and voting rights of the Company and an aggregate shareholding percentage of not less than fifty one (51) per cent;

(ii) neither of the Promoters shall create or permit to subsist any Encumbrance, over all or any part of the Promoters' interest in his/ her respective Equity Shares that would result in the un-Encumbered aggregate shareholding percentage of the Promoters falling below fifty one (51) per cent;

(iii) without prejudice to the provisions of Article 17(c)(i) and Article 17(c)(ii), disposal of Equity Shares by the Promoters shall be subject to the respective tag-along rights of the each of the Investors as set out in Article 17; and

(iv) subject to Article 17(c) above, the Promoters shall be entitled to Encumber only such number of their Equity Shares that when taken together with other previously Encumbered Shares of the Promoters will not result in the aggregate shareholding percentage of the Promoters, such shareholding percentage calculated on the basis of Equity Shares of the Promoters which are not Encumbered, falling below the shareholding percentage threshold specified in Article 17(c)(i).

if, as a result of the completion of any transaction disclosed in an Investor Transfer Notice (but not as a result of an IPO), the aggregate shareholding percentage of the Promoters will fall below fifty one (51) per cent, each Investor shall each have the right (but not the obligation) to sell up to a maximum of their entire shareholding to the relevant Purchaser in accordance with the terms of Article 17(a) and Article 17(b) respectively and, to the extent an Investor elects to exercise such right, the Promoters shall procure that, at the same time as the relevant Purchaser acquires the Seller's Equity Shares, the relevant Purchaser purchases such number of the relevant Investor's Equity Shares as notified by the relevant Investor to the Promoters in writing. Any transfer of any Seller's Equity Shares without a concurrent purchase by the Purchaser of the applicable number of Investor's Shares in accordance with the immediately preceding sentence shall be deemed to be void ab initio.

(d) The threshold referred to in Article 17 (c) shall not apply in the event that the aggregate shareholding percentage of the Promoters falls below fifty one (51) per cent as a result of an IPO.

Underwriting and Brokerage

Article 18 provides that:

(a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

Calls

Article 19 provides that:

(a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by instalments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

(b) 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

(c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

(d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

(e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

(f) If any Shareholder or Allottee fails to pay the whole or any part of any call or instalment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.

(g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by instalments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

(h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

(i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

(j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon; provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.

(l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

Company's Lien

Article 20 provides that:

A. On shares:

(a) The Company shall have a first and paramount lien:

   (i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

   (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company;

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the shares, (not being a fully paid share), shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

(c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares (not being a fully paid share). The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.

(d) For the purpose of enforcing such lien, the Board may sell such partly Paid-up shares, subject thereto in such manner as the Board shall think fit, and for that purpose may cause to be issued, a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to said shares be affected by any irregularity or invalidity in the proceedings in reference to the sale of such shares;

Provided that no sale of such shares shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

(e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

B. On Debentures:

(a) The Company shall have a first and paramount lien:

(i) on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;

(ii) on all Debentures (not being fully paid Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the Debentures (not being a fully paid Debenture), shall extend to all interest and premium payable in respect of such Debentures.

(c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures (not being a fully paid Debenture). The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

(d) For the purpose of enforcing such lien, the Board may sell such partly paid Debentures, subject thereto in such manner as the Board shall think fit, and for that purpose may cause to be issued, a duplicate certificate in respect of such Debentures and may authorise the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to said Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale of such Debentures.

Provided that no sale of such Debentures shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

(e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

Forfeiture of Shares

Article 21 provides that:

(a) If any Shareholder fails to pay any call or instalment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to such Shareholder or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or instalment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or instalment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, instalments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.

(d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

(e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

(f) Any Shareholder whose shares have been forfeited shall, cease to be a shareholder of the Company and notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

(g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

(h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.

(i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

(k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Transfer and Transmission of Shares

Article 23 provides that:

(a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share, Debenture or other Security held in a material form.

(b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialised form, the provisions of the Depositories Act shall apply.

(c) (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

(e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

(f) Subject to the provisions of Sections 58 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

(g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

(h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

(i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognised by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.

(j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognised by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognise such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 23(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

(k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.

(l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

(m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

(n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorised by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

(o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

(p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

(q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

(r) There shall be a common form of transfer in accordance with the Act and Rules.

(s) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

Dematerialisation of Securities

Article 24 provides that:

(a) Dematerialisation:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing Securities, rematerialise its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialise, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

(c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialised, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause its promoters to direct their respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for Transfer in contravention of these Articles.

(d) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the Allottee as the Beneficial Owner of the Securities.

(e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialised and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialised and dematerialised forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

Borrowing Powers

Article 29 provides that:

(a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(i) accept or renew deposits from Shareholders;

(ii) borrow money by way of issuance of Debentures;

(iii) borrow money otherwise than on Debentures;

(iv) accept deposits from Shareholders either in advance of calls or otherwise; and

(v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

(b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

(c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

(d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorise the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

(e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

(f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

(g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

Conversion of Shares into stock and Reconversion

Article 31 provides that:

(a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

(b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Annual General Meeting

Article 32 provides that:

In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall elapse between the date of one Annual General Meeting and that of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

Venue, Day and Time for holding Annual General Meeting

Article 34 provides that:

(a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

(b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the Registrar, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

Notice of General Meetings

Article 35 provides that:

(a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) per cent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

(i) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,

(ii) Auditor or Auditors of the Company, and

(iii) all Directors.

(b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

(c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

(d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

(e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

(f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

(g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

Questions at General Meetings how decided

Article 40 provides that:

(a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided voting in the manner set out in the Act. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

(b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

(c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

(d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

(e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

(f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

(g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

(h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

Passing resolutions by Postal Ballot

Article 41 provides that:

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

Votes of Members

Article 42 provides that:

(a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

(b) No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

(c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

(d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

(e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

(f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

(g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

(h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

(i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

(j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

(k) A Shareholder present by proxy shall be entitled to vote only on a poll.

(l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.

(m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.

(n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

(p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

(q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

(i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

(iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.

(vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

(vii) Any such Minutes shall be evidence of the proceedings recorded therein.

(viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

(ix) The Company shall cause minutes to be duly entered in books provided for the purpose of:-

a) the names of the Directors and Alternate Directors present at each General Meeting;

b) all Resolutions and proceedings of General Meeting.

(r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.

(s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

(t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.

(u) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

(v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

(w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the Listing Agreement or any other Law, if applicable to the Company.

Directors

Article 43 provides that:

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). However, the Company may at any time appoint more than 15 (fifteen) directors after passing special resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Agreement. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

Proceedings of the Board of Directors

Article 70 provides that:

(a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings.

(b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

(c) The Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.

(d) The Board may meet either at the Office of the Company, or at any other location in India or outside India, as the Chairman may determine.

(e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or email depending upon the circumstances.

(f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

Quorum for Board Meeting

Article 71 provides that:

(a) <u>Quorum for Board Meetings</u>

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

(b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

Dividend Policy

Article 97 provides that:

(a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

(b) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

(c) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Actor out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -

  (i) if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and

  (ii) if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Actor against both.

(d) The declaration of the Board as to the amount of the net profits shall be conclusive.

(e) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.

(f) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

  (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.

  (ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.

(iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

(g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.

(h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

(i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

(j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

(k) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.

(l) No unpaid Dividend shall bear interest as against the Company.

(m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.

(n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

(o) The Company may pay dividends on shares in proportion to the amount paid-up on each Equity Share in accordance with Section 51 of the Act.

Unpaid or Unclaimed Dividend

Article 98 provides that:

(a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the “Unpaid Dividend of [●]”.

(b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. “Investors Education and Protection Fund”.

(c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

Capitalization of Profits

Article 99 provides that:

The Company in General Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the Company’s profit and loss account or otherwise, as available for distribution, and

(b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

(c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

    (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

    (ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or

    (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

(d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

Distribution of Assets in Specie or Kind upon Winding Up

Article 101 provides that:

(a) If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act divide amongst the Shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.

Director's and other's rights to Indemnity

Article 102 provides that:

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the Company all costs, losses and expenses which any Director, Manager, officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings, whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all the claims."

Part II

The Articles of Association of the Company comprises of two parts, Part I and Part II. Part II of these Articles includes the rights and obligations of the parties to the Agreements (as defined below) all dated December 22, 2014.

Until the date of listing of the Equity Shares on BSE Limited and the National Stock Exchange of India Limited, subsequent to an initial public offering of the Equity Shares, Part II of the these Articles shall prevail and Part I shall not have any force and effect. Further, on the date of listing of the Equity Shares on BSE Limited and the National Stock Exchange of India Limited, subsequent to an initial public offering of the Equity Shares, Part II shall automatically terminate and cease to have any force and effect and Part I shall prevail without any further action by the Company or by the Shareholders.

It is clarified that, if listing of the Equity Shares of the Company on the National Stock Exchange of India Limited and BSE Limited is not completed on or before December 31, 2015, the Promoters and the Company undertake to take all such actions, and do all such things, necessary to ensure that the Investors are placed in the same position and possesses the same right as if these Articles had not been amended, approved and implemented except the procedural changes as required under the Companies Act and rules made thereunder, which are not prejudicial to the Investors in any manner whatsoever. However, the Investors may give consent for such procedural changes subject to their rights under the Articles of the Company.

The regulations contained in Table F of the First Schedule to the Companies Act, 2013 (hereinafter referred to as Table "F") shall apply in the same manner as if all such regulations of Table 'F' are specifically contained in these Articles so far and only as they are not inconsistent with any of the provisions contained in Part II of these Articles. In the event of any inconsistency or contradiction between the provisions of Part II of these Articles and the provisions of Table F, the provisions of Part II of these Articles shall override and prevail over Table F.

1. **Definitions and Interpretation**

1.1 Definitions

Words and expressions used in the Investment Agreement shall have the same meaning in these Articles save as otherwise defined herein. In these Articles, the following words and expressions shall have the following meanings unless the context otherwise requires:

1.1.1. Affiliate of any specified Person means, with respect to:

(a) a specified person that is not an individual, any other Person controlling or controlled by or under common control with such specified Person, and with respect to any specified investment fund, any other investment funds owned, and / or sponsored and managed, and / or sponsored and advised by the same Person that owns and / or sponsors and manages and / or sponsors and advises such specified investment fund;

(b) DS, any body corporate or entity that is wholly-owned by DS; and

(c) SS, any body corporate or entity that is wholly-owned by SS; and

(d) Sponsors, any body corporate or entity that is wholly owned by SS and DS together;

provided that neither the Company nor any Group Company shall be considered as the Affiliate of any Shareholder. For the purposes of this definition, **control** when used with respect to any Person means the power to direct the management and policies of such Person whether through the ownership of voting securities or rights, by contract, or otherwise; and the terms **controlling** and **controlled** shall be construed, accordingly. For the avoidance of doubt, (i) an Affiliate of the PineBridge Investors shall be deemed to include PineBridge Investments Asia Limited and its Affiliates, (ii) an Affiliate of the JPM Investor shall be deemed to include JPMorgan Special Situations Asia Corporation and its Affiliates, and (iii) an Affiliate of CDC shall be deemed to include all direct and indirect wholly owned subsidiaries of CDC Group;

1.1.2. Agreement means the amended and restated shareholders' agreement dated December 22, 2014, between the Company, the Sponsors, the PineBridge Investors, the JPM Investor, CDC and NHAPL;

1.1.3. Alternate Price has the meaning given to it in Article 10.4(a)(vi);

1.1.4. Articles means these articles of association of the Company in force from time to time;

1.1.5. Assets has the meaning given to it in the Investment Agreement;

1.1.6. Associated Company and Associated Companies has the meanings given to them in the Investment Agreement;

1.1.7. Associated Company Board means the board of directors of the relevant Associated Company for the time being;

1.1.8. Associated Company Director means in relation to an Associated Company, a director for the time being of such Associated Company;

1.1.9. Associated Company Investor Director means PineBridge Associated Company Investor Director, JPM Associated Company Investor Director and CDC Associated Company Investor Director;

1.1.10. Board means the board of directors of the Company for the time being;

1.1.11. Business has the meaning given to it in Article 3.1(a);

1.1.12. Business Day means a day (other than a Saturday or Sunday) on which banks are generally open in Mumbai, Bengaluru, Mauritius and Hong Kong for normal business;

1.1.13. CDC means collectively, CDC Group, CDC India Opportunities and any Affiliate of CDC that acquires any Company Securities in accordance with the terms of the Agreement and these Articles;

1.1.14. CDC Associated Company Investor Director means any Associated Company Director nominated by CDC under Article 4.2(d)(ii)(B);

1.1.15. CDC Completion Date means the Completion Date as defined in the Securities Subscription Agreement;

1.1.16. CDC Group means CDC Group Plc, a company established under the laws of England, and having its registered office at 123 Victoria Street, London, UK SW1E 6DE;

1.1.17. CDC Investor Director has the meaning given to it in Article 4.2(d)(i);

1.1.18. CDC Securities means the Subscription Securities, provided that if the Optionally Convertible Debentures ("OCDs") are redeemed, then the CDC Securities shall be deemed to refer only to the Equity Shares forming part of the Subscription Securities, and if the OCDs are converted, the Equity Shares issued on such conversion shall be deemed to form part of the Subscription Securities;

1.1.19. Chairman means the Chairman of the Board for the time being;

1.1.20. Companies Act means the Companies Act, 2013 of India and the Companies Act, 1956 of India (each as amended and to the extent in force from time to time);

1.1.21. Company means Narayana Hrudayalaya Limited, a company established under the laws of the Republic of India and having its registered office at Plot No. 258-A, Bommasandra Industrial Area Anekal Taluk, Bengaluru 560 099;

1.1.22. Company Notice has the meaning given to it in Article 2.1(a)(i);

1.1.23. Company Secretary means the company secretary for the time being of the Company;

1.1.24. Company Securities means (i) Equity Shares; (ii) equity or equity-linked securities or securities convertible into or exchangeable for Equity Shares or options, warrants, convertible bonds or other rights to purchase or subscribe for either Equity Shares, equity or equity-linked securities convertible or exchangeable for Equity Shares and for the avoidance of doubt does not include any instrument(s) that are not convertible or exchangeable into Equity Shares;

1.1.25. Competitor means an entity which is primarily engaged in the Business in India or outside India;

1.1.26. Completion has the meaning given to it in the Investment Agreement;

1.1.27. Completion Date has the meaning given to it in the Investment Agreement;

1.1.28. Confidential Information has the meaning given to it in Article 15.1(a);

1.1.29. DS means Dr. Devi Shetty, residing at Narayana, 393 Cross lane, 3rd block, 13th Main, Koramangala, Bengaluru 560 034;

1.1.30. Deed of Accession means a deed of accession in the form set out in Schedule 5 of the Agreement;

1.1.31. Depositories Act means the Depositories Act, 1996 or any statutory modification or re-enactment thereof;

1.1.32. Director means a director of the Company for the time being;

1.1.33. Encumbrance means any encumbrance including without limitation any mortgage, pledge, charge, lien, deposit or assignment by way of security, bill of sale, option or right of pre-emption, entitlement to beneficial ownership and any interest or right held, or claim that could be raised, by a third party or any other encumbrance or security interest of any kind;

1.1.34. Equity Shares means the ordinary equity shares of the Company bearing a face value of Rs. 10/- (Rupees Ten only) each;

1.1.35. Excluded Matters means the matters listed at paragraphs (i), (ii), (iii), (v), (vi), and (x) of Article 6.5(a), paragraphs (ii), (iii), (vi), (vii), (ix) and (xi) of Article 6.5(b), paragraphs (i), (ii), (iii), (v), (vi), and (x) of Article 7.3(a) and paragraphs (ii), (iii), (vi), (vii), (ix) and (xi) of Article 7.3(b);

1.1.36. Existing SHA means the shareholders agreement dated January 28, 2008 between the PineBridge Investors, the JPM Investor, the Sponsors and the Company (as amended by the parties thereto on February 1, 2008);

1.1.37. Group Company means any body corporate controlled by the Company or any of the Owned Entities. For the purposes of this definition, control means the power to direct the management and policies of such body corporate whether through the ownership of voting securities or rights, by contract, or otherwise; and the terms controlling and controlled shall be construed, accordingly;

1.1.38. Group Company Board means the board of directors of the relevant Group Company for the time being;

1.1.39. Group Company Investor Directors means a director on the Group Company Board who is a nominee of the Investors appointed in accordance with Article 4.2 and the term Group Company Investor Director shall be construed accordingly;

1.1.40. Group Companies has the meaning given to it in the Investment Agreement;

1.1.41. INR or Indian Rupees means the lawful currency of India;

1.1.42. Independent Directors means the Directors who are appointed or designated as Independent Directors pursuant to Article 4.2(a) and Article 4.3;

1.1.43. India means the Republic of India and any state, district, municipal or other political subdivision thereof;

1.1.44. Indication of Interest has the meaning given to it in Article 10.4(a)(ii);

1.1.45. Investment Agreement means the investment agreement dated January 28, 2008 between the Company, the PineBridge Investors, the JPM Investor and the Sponsors (as amended by the parties thereto on February 1, 2008);

1.1.46. Investor Directors means (i) the PineBridge Investor Director or the PineBridge Investor Director's alternate, (ii) the JPM Investor Director or the JPM Investor Director's alternate and (iii) the CDC Investor Director;

1.1.47. Investor Elected Shares has the meaning given to it in Article 10.3(A)(ii)(b)(II);

1.1.48. Investor Tag-along Notice has the meaning given to it in Article 10.3(A)(ii)(a);

1.1.49. Investor Tag along Shares has the meaning given to it in Article 10.3(A)(ii)(a);

1.1.50. Investors mean the PineBridge Investors, the JPM Investor and CDC collectively and the term Investor shall be construed accordingly;

1.1.51. Investors' Shares means the PineBridge Investors' Shares, the JPM Investor's Shares and the CDC Securities;

1.1.52. Investors' Transfer Notice has the meaning given to it in Article 10.4(a)(i);

1.1.53. Investors' Transfer Shares has the meaning given to it in Article 10.4(a);

1.1.54. IPO means admission to trading of the Equity Shares on any Recognised Stock Exchange;

1.1.55. JPM Associated Company Investor Director means any Associated Company Director nominated by the JPM Investor under Article 4.2(c)(ii)(B);

1.1.56. JPM Investor means JPMorgan Mauritius Holdings IV Limited, a company established under the laws of Mauritius, and having its registered office at 10, Frere Felix de Valois St., Port Louis, Mauritius;

1.1.57. JPM Investor Director has the meaning given to it in Article 4.2(c)(i);

1.1.58. JPM Investor's Shares has the meaning given to it in the Investment Agreement;

1.1.59. Mazumdar Shaw Group means any one or more of (i) Kiran Mazumdar Shaw, wife of J.M.M. Shaw, aged about 54 years, residing at 'Glenmore', Survey #58, Gollimangala Village, Sarjapura Hobli, Anekal Taluk, Bengaluru, (ii) J.M.M. Shaw, son of John Shaw, aged about 58 years, residing at 'Glenmore', Survey #58, Gollimangala Village, Sarjapura Hobli, Anekal Taluk, Bengaluru and, (iii) the respective heirs, legal representatives, or successors of Kiran Mazumdar Shaw or J.M.M. Shaw, including any trusts that receive testamentary bequests of any Shares held by the Mazumdar Shaw Group;

1.1.60. Mazumdar Shaw Equity Shares means issued and fully paid-up 8,135 Equity Shares of the Company, to be acquired from the Sponsors free from all Encumbrances by one or more members of the Mazumdar Shaw Group, or their Affiliates;

1.1.61. Mazumdar Shaw Director means Ms. Kiran Mazumdar Shaw or a nominee of the Mazumdar Shaw Group (acting jointly) acceptable to the Sponsors and appointed on the Board of the Company;

1.1.62. New Securities means any new or additional Company Securities to be issued by the Company from time to time but, for the avoidance of doubt, excluding any issue of Company Securities pursuant to the Investment Agreement or the Securities Subscription Agreement and the term New Security shall be construed accordingly;

1.1.63. New Securities Pre-emptive Right has the meaning given to it in Article 2.1(a)(ii);

1.1.64. NH means Narayana Health, the hospital owned and operated by the Company located at Plot No. 258-A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560099;

1.1.65. NHAPL means Narayana Health Academy Private Limited, a company incorporated under the laws of the Republic of India and having its registered office at Plot No. 258-A, Bommasandra Industrial Area Anekal Taluk, Bengaluru 560099;

1.1.66. NHL means Narayana Hospitals Private Limited a company incorporated under the laws of India and having its registered office at Plot No. 258-A, Bommasandra Industrial Area Anekal Taluk, Bengaluru-560099;

1.1.67. NIARPL means Narayana Institute of Advance Research Private Limited a company incorporated under the laws of India and having its registered office at Plot No. 258-A, Bommasandra Industrial Area Anekal Taluk, Bengaluru 560099;

1.1.68. Offer Price has the meaning given to it in Article 10.4(a)(ii);

1.1.69. Party means any of the parties to the Agreement and (in the case of the Investors) their successors and permitted assigns, and any Person that has duly entered into a Deed of Accession, and Parties means all of them;

1.1.70. Party Shareholders means each of, the PineBridge Investors, the JPM Investor, NHAPL, CDC and the Sponsors, and such other person in whose name Shares are registered in the Company's register of members and who becomes a Party to the Agreement in accordance with the terms of these Articles and the Agreement and a Party Shareholder means any of them;

1.1.71. Person has the meaning given to it in the Investment Agreement;

1.1.72. PineBridge Associated Company Investor Director means any Associated Company Director nominated by the PineBridge Investors under Article 4.2(b)(ii)(B);

1.1.73. PineBridge Investors means (i) Ashoka Investment Holdings Limited, a company established under the laws of Mauritius, and having its registered office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius; and (ii) Ambadevi Mauritius Holding Limited, a company established under the laws of Mauritius, and having its registered office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius, together;

1.1.74. PineBridge Investor Director has the meaning given to it in Article 4.2(b)(i)

1.1.75. PineBridge Investors' Shares means the AIG Investors' Shares (as the term is understood in the Investment Agreement);

1.1.76. Pre-Money Valuation means, for each issue of New Securities, the New Securities' subscription price for each New Security offered for subscription on a per Equity Share equivalent basis multiplied by the number of Shares before the issue of such New Securities;

1.1.77. Previous Reoffer has the meaning given to it in Article 2.1(a)(iii)(3);

1.1.78. Purchase Price has the meaning given to it in Article 10.3(A)(i)(B);

1.1.79. Purchaser has the meaning given to it in Article 10.3(A)(i);

1.1.80. Recognised Stock Exchange means:

(a) the Bombay Stock Exchange Limited; or

(b) the National Stock Exchange of India Limited; or

(c) such other Indian or international stock exchanges as may be agreed between each of the Investors and the Sponsors;

1.1.81. Relative has the meaning given to it in Article 4.9;

1.1.82. Relevant Proportion means, in the case of each Shareholder, such percentage as equates to the total number of Shares held by such Shareholder as a percentage of the total number of Shares then issued and outstanding save that if the expression “Relevant Proportion” is used in the context of some (but not all) of the Shareholders, it shall mean such percentage as equates to the total number of Shares held by such Shareholder as a percentage of the total number of Shares held by the Shareholders to whom the context refers (Relevant Shareholder);

1.1.83. Reserved Board Matters means any of the matters specified in Article 6.5 with respect to any of the Company or any Associated Company or any Group Company (as applicable);

1.1.84. Reserved Investors’ Matters means any of the matters specified in Article 7.3 with respect to any of the Company or any Associated Company or any Group Company (as applicable);

1.1.85. Residue Election Notice has the meaning given to it in Article 10.3 (A)(ii)(d);

1.1.86. Residue Formula has the meaning given to it in Article 2.1(a)(iii)(2);

1.1.87. Residue Shares has the meaning given to it in Article 10.3 (A)(ii)(d);

1.1.88. Restricted Reoffer has the meaning given to it in Article 2.1(a)(iii)(5);

1.1.89. Revised Shares has the meaning given to it in Article 10.3(B);

1.1.90. Security means such securities as may be specified under the Act or under the SEBI Act, 1992 from time to time;

1.1.91. SS means Ms. Shakuntala Shetty, residing at Narayana, 393 Cross lane, 3rd block, 13th Main, Koramangala, Bengaluru 560 034;

1.1.92. Sale Shares has the meaning given to it in Article 10.3(A)(i)(A);

1.1.93. Securities Subscription Agreement means the securities subscription agreement dated December 22, 2014, between the Company and CDC;

1.1.94. Seller has the meaning given to it in Article 10.3(A)(i);

1.1.95. Seller Original Shares has the meaning given to it in Article 10.3(A)(ii)(c);

1.1.96. Shareholder means from time to time a Person in whose name Shares are registered in the Company’s register of members and/ or register of preference shares, and Shareholders means all of them. For avoidance of doubt, a Party Shareholder shall be a Shareholder for so long as any Share is registered in the name of such Party Shareholder in the Company’s register of members/ shareholders;

1.1.97. Shareholding Percentage means, in relation to any Shareholder, the number of Equity Shares, held by such Shareholder, for which that Shareholder is registered in the Company’s register of members/ shareholders or such other relevant register, expressed as a percentage of the total number of Shares of the Company;

1.1.98. Share Transfer Committee has the meaning given to it in Article 4.8(a);

1.1.99. Shares means issued shares in the capital of the Company;

1.1.100. SOP means a stock ownership plan or stock option plan or an equivalent thereof in respect of the Company, which shall be formulated by the Remuneration Committee of the Company, chaired by Kiran Mazumdar Shaw, for such number of Equity Shares presently held by Narayana Health Academy

Private Limited, as would constitute up to 4.8% (four point eight per cent) of the equity share capital of the Company prior to the CDC Completion Date, for such categories of employees of the Group Companies as are identified by the Board, which shall be transferred to such employees by way of a secondary transfer and which shall not include any Equity Shares or other Company Securities to be issued by the Company on a primary basis;

1.1.101. Sponsor Connected Person has the meaning given to it in the Investment Agreement;

1.1.102. Sponsor Transfer Notice has the meaning given to it in Article 10.3(A)(i);

1.1.103. Sponsors means DS and SS together and the term Sponsor refers to any one of them;

1.1.104. Subscribing Shareholders has the meaning given to it in Article 2.1(a)(iii)(2);

1.1.105. Subscription Securities shall have the meaning ascribed thereto in the Securities Subscription Agreement;

1.1.106. Super-Majority Resolution means a resolution passed at a duly convened and quorate meeting of the Board approved by a majority of the Directors present and voting or such other majority as may be prescribed under the Companies Act, which majority must (a) in the case of any Excluded Matters include the PineBridge Investor Director and the JPM Investor Director and his / her respective alternate Director, and (b) in all other cases, include the PineBridge Investor Director, the JPM Investor Director and the CDC Investor Director or his/ her respective alternate Director;

1.1.107. Transferring Investor has the meaning given to it in Article 10.4(a); and

1.1.108. US Dollars or US$ means the lawful currency of the United States of America.

BOARD

4.1 Number of Directors

At all times from the Completion Date, the Company shall, subject to applicable law, have no more than eleven (11) directors on its Board on the Completion Date, including at least two (2) Independent Directors and three (3) Investor Directors (as defined below). Apart from the Investor Directors appointed in accordance with Article 4.2, the Sponsors shall appoint the other Directors on the Board.

4.2 Nomination of Directors

(a) Until completion of an IPO, the number of independent Directors (the **Independent Directors**) appointed to the Board excluding the Investor Directors shall be not less than two (2). For the purposes of these Articles, an Investor Director shall not be considered an Independent Director. The Independent Directors shall be appointed in accordance with Article 4.3.

(b) As so long as the PineBridge Investors (whether alone or together with their Affiliates) hold in the aggregate not less than forty (40) per cent of the PineBridge Investors' Shares issued to the PineBridge Investors at Completion, the PineBridge Investors shall:

(i) be entitled to nominate one (1) Director (the **PineBridge Investor Director**) on the Board;

(ii) have the right, but not the obligation, to nominate one (1) Associated Company Director being an individual nominated by the PineBridge Investors in writing to:

(A) the Associated Company Board of NHL, and the Company and the Sponsors shall cause NHL to appoint any Associated Company Director so nominated; and

(B) without prejudice to the foregoing, in the case of NIARPL, the Sponsors and the Company shall on a best efforts basis cause the appointment of an individual nominated by the PineBridge Investors in writing as an Associated Company Director on the Associated Company Board of NIARPL (the **PineBridge Associated**

Company Investor Director).

(c) As long as the JPM Investor (whether alone or together with its Affiliates) holds in the aggregate not less than forty (40) per cent of the JPM Investor's Shares issued to the JPM Investor at Completion, the JPM Investor shall:

(i) be entitled to nominate one (1) Director (the **JPM Investor Director**) on the Board;

(ii) have the right, but not the obligation, to nominate one (1) Associated Company Director being an individual nominated by the JPM Investor in writing to:

(A) the Associated Company Board of NHL, and the Company and the Sponsors shall cause NHL to appoint any Associated Company Director so nominated; and

(B) without prejudice to the foregoing, in the case of NIARPL, the Sponsors and the Company shall on a best efforts basis cause the appointment of an individual nominated by the JPM Investor in writing as an Associated Company Director on the Associated Company Board of NIARPL (**the JPM Associated Company Investor Director**).

(d) As so long as CDC (whether alone or together with its Affiliates) hold in the aggregate not less than forty (40) per cent of the CDC Securities, CDC shall:

(i) be entitled to nominate one (1) Director (the **CDC Investor Director**) on the Board; and in the absence of any CDC Investor Director, nominate an observer on the Board;

(ii) have the right, but not the obligation, to nominate one (1) Associated Company Director being an individual nominated by CDC in writing to:

(A) the Associated Company Board of NHL, and the Company and the Sponsors shall cause NHL to appoint any Associated Company Director so nominated; and

(B) without prejudice to the foregoing, in the case of NIARPL, the Sponsors and the Company shall on a best efforts basis cause the appointment of an individual nominated by the CDC Investor in writing as an Associated Company Director on the Associated Company Board of NIARPL (the **CDC Associated Company Investor Director**).

(e) If the Company has the right to appoint more than two (2) Company nominees as directors on the board of a Group Company then, the Sponsors and the Company shall cause the Group Company to appoint one (1) Group Company Investor Director. Such Group Company Investor Director shall be jointly nominated by the Investors.

(f) It is agreed that, for so long as each Investor (whether alone or together with their Affiliates) hold in aggregate not less than forty (40) per cent of the Shares issued to such Investor on Completion (or forty (40) per cent of the CDC Securities, in respect of CDC) (as applicable), such Investor may replace its Investor Directors and/ or any Associated Company Investor Director or his/her alternate Director at any time. With respect to the Group Company Investor Director, the Investors may, acting jointly, at any time, replace such Group Company Investor Director.

(g) An Investor Director may, by written notice to the Company Secretary, nominate an individual as an alternate Director to the Investor Director. The Board shall appoint each individual so nominated as alternate Director to act for the original Investor Director, at any meetings of the Board, in such manner and for such periods, as are permitted under applicable law. The Board shall, on written notice from the original Investor Director to the Company Secretary, terminate the appointment of the concerned original Investor Director's alternate and, where the said original Investor Director nominates a replacement, appoint such replacement as the alternate or unless the original Director provides prior written notice to the contrary, re-appoint the last appointed alternate, in the event that the alternate's appointment lapses under the provisions of applicable law, provided that an alternate Director shall not hold office for a period longer than that permissible to the original Investor Director in whose place the alternate has been appointed.

(h) As long as an Investor (whether alone or together with its Affiliates) holds in the aggregate not less than forty (40) per cent of the Shares issued to the Investor at Completion (or in the case of CDC, forty (40) per cent of the CDC Securities) as the case may be, the Investor Directors, Associated Company Investor Director and Group Company Investor Director appointed by such Investor shall not be required to retire by rotation.

(i) It is intended that the provisions of Article 4.2(g) and Article 4.2(h) shall apply *mutatis mutandis* in relation to each Associated Company and each Group Company as if references in Article 4.2(g) to a "Director", "the Company Secretary" and "Board" are to an "Associated Company Director", "the company secretary of the relevant Associated Company" and "relevant Associated Company Board" respectively, and an "Group Company Director", "the company secretary of the relevant Group Company" and "relevant Group Company Board" respectively, and references in Article 4.2(h) to the "Investor Director(s)" are to the "Associated Company Investor Director and to the "Group Company Investor Director(s)". Without prejudice to the foregoing, each of the Sponsors and the other Party Shareholders as well as the Company shall exercise all rights and powers available to them/ it, including the exercise of votes at Board meetings and meetings of the relevant Associated Company Board and meetings of the relevant Group Company Board as well as general meetings of the Company and the relevant Associated Company and the Group Company in order to give full effect to the provisions of this Article 4.2(i), including without limitation amending the respective articles of association of each of the Associated Companies and each of the Group Companies, to procure that full effect is given to the provisions of this Article 4.2(g).

4.3 Investor Directors

(a) The Sponsors and the Company expressly agree and undertake that the Investor Directors and any other non-executive Directors (including for the avoidance of doubt, Directors who are not in the whole time or part time employment of the Group Companies) (together, the "Non-Executive Directors") shall not be in charge of, or responsible for the day to day management of the Company and shall not be deemed to be or considered or identified as the "responsible officer", the "authorised officer", the "compliance officer", the "officer having knowledge", the "officer in charge", "officer in default" or "an employer of the employees" for the purposes of various statutory and regulatory compliances and applicable laws, including any compliances under labour law, environmental laws and the Companies Act, and shall accordingly not be liable for any default or failure of the Company in complying with the provisions of any applicable laws.

(b) Further, the Sponsors and the Company undertake to endeavour that the other Directors or suitable persons are nominated as the "responsible officer", the "authorised officer", the "compliance officer", the "officer having knowledge", the "officer in charge", "officer in default" or "an employer of the employees" for the purposes of various statutory and regulatory compliances and applicable laws, including any compliances under labour law, environmental laws and the Companies Act, failing which all the Directors nominated for appointment by the Sponsors shall be considered as the "responsible officer", the "authorised officer", the "compliance officer", the "officer having knowledge", the "officer in charge", "officer in default" or "an employer of the employees" for the purposes of various statutory and regulatory compliances and applicable laws.

4.4 Independent Directors

The Board shall, following consultation and agreement between the Investors and the Sponsors, appoint as the Independent Directors, individuals who shall have appropriate experience and qualifications to hold a position of this nature on the board of a company such as the Company. For the avoidance of doubt, the Mazumdar Shaw Director shall be regarded as an Independent Director only for the purposes of these Articles and the Agreement, and the Independent Directors shall count towards the total number of Directors as set out in Article 4.1. Any changes to the Independent Directors other than Mazumdar Shaw Director shall be effected only with the prior consultation with the Investors.

4.5 Chairman

(a) DS shall be the executive Chairman.

(b) The Chairman shall not have a second or casting vote in the event of an equality of votes at Board meetings or general meetings of the Company or the relevant Associated Company or any Group Company, as applicable. The Company shall procure that the chairman of the board of directors and general meeting of each Associated Company or any Group Company shall not have a second or casting vote in the event of an equality of votes at board meetings or general meetings of such Associated Companies or any Group Company, as the case may be.

4.6 Composition of the Board after Completion

For the avoidance of doubt, as on the date of completion of CDC Investment, the composition of board of directors of the Company are as under:

Name of Director	**Type of Director**
Dr. Devi Shetty	Executive Chairman
Ashutosh Raghuvanshi	Vice Chairman, Managing Director & Group CEO
Mr. Viren Shetty	Whole Time Director
Mrs. Kiran Mazumdar Shaw	Non Executive Director
Mr. Dinesh Krishna Swamy	Independent Director
Harjit Singh Bhatia	PineBridge Investor Director, with Ashish Kumar Agarwal as alternate Director
Mr. Arun Seth	Independent Director
Mr. B. Muthuraman	Independent Director
Mr. B.N. Subramanya	Independent Director
Mr. David Michael Easton	CDC Investor Director, with an alternate Director as notified by CDC to the Company in writing

4.7 Board meetings

Each Party Shareholder shall exercise all rights and powers available to it to ensure that the Company and the Directors adopt the following rules in relation to Board meetings:

(a) Board meetings shall be held at least once in every three (3) months and at least four (4) times every year;

(b) at least fourteen (14) calendar days' written notice shall be given to each Director of each meeting of the Board setting out the agenda for the meeting in reasonable detail and attaching the relevant papers to be discussed at the relevant meeting and all available data and information relating to matters to be discussed at the relevant meeting except as otherwise agreed in writing by all of the Directors;

(c) unless otherwise agreed by the Investors in advance in writing; or by fax, email or other written electronic communication, and after the Investors have been provided with the agenda for the relevant meeting then, without prejudice to the Investors' rights with respect to Reserved Board Matters and Reserved Investors' Matters, the quorum for any meeting of the Board shall be three (3) Directors or such higher number as may be prescribed under the Companies Act, which quorum shall always include one Investor Director or an Investor Director's alternate and one of the Directors nominated by the Sponsors and such Director's alternate;

(d) if the Investors have agreed under subparagraph (c) above that the quorum for a meeting shall not include the Investor Directors or the Investor Directors' alternate, then:

(i) no matter shall be tabled, discussed or resolved at that meeting unless such matter was specifically described in the agenda provided to the Investors prior to its agreement under subparagraph (c) above and, notwithstanding any provision in that agenda for the tabling of, discussion regarding or resolution on "other business", "other matters with the permission of the Chairman" or similar, no such other matters shall be tabled, discussed or resolved at that meeting; and

(ii) such meeting shall be deemed inquorate if any matter is tabled, discussed or resolved in contravention of subparagraph (i) above;

(e) each Director may cast one (1) vote;

(f) except for any decisions which require a Super-Majority Resolution under these Articles, or which expressly require a higher majority under applicable provisions of the Companies Act, decisions of the Board shall be made on the basis of a majority of the votes cast by Directors entitled to vote at the relevant meeting;

(g) when permitted under applicable law, any Director may upon his/ her request, participate in and vote at any meeting of the Board by means of a telephone, video conferencing or similar communications equipment which allows all persons participating in the meeting to hear each other and record the deliberations, whether or not the alternate nominated by that Director is physically attending the relevant meeting provided that where a Director is voting at a meeting of the Board by means of a telephone or video conference, the alternate nominated by that Director, shall not be entitled to vote on any matters put before the relevant meeting. Where any Director participates in a meeting of the Board by any of the means described in the preceding sentence of this Article 4.7(g), the Company shall ensure that such Director is provided with a copy of all documents referred to during such meeting of the Board before the relevant meeting commences;

(h) a circular resolution in writing, executed by or on behalf of a majority of the Directors, shall constitute a valid decision of the Board provided that a draft of such resolution was sent to all of the Directors at their usual address together with a copy of all supporting papers and provided further that unless (and only to the extent that) the resolution or decision concerned has been previously approved in writing by the Investors, no resolution concerning any Reserved Board Matters or any decision requiring a Super-Majority Resolution under these Articles, may be passed by a circular resolution;

(i) the Chairman shall cause the Company Secretary to prepare minutes of each meeting of the Board and circulate them to each Board member within fifteen (15) calendar days of the relevant meeting. Members of the Board shall make any comments on the minutes of the relevant meeting within seven (7) calendar days of receipt of the minutes. If no comments are made within the time limit set out in this Article, the relevant minutes shall be deemed to be acceptable as drafted. The relevant minutes shall be signed at the commencement of the next meeting of the Board;

(j) the Investor Directors are not entitled to be paid for acting as Directors, other than as prescribed by the Companies Act or as agreed to between a particular Director and the Company in writing, but they are entitled to be paid by the Company for all reasonable travelling, hotel and other expenses properly incurred by them in attending meetings and discharging their duties as Directors of the Company;

(k) if no quorum is present by the appointed time for any meeting of the Board, the relevant meeting shall stand adjourned to the same day in the next week at the same time and place and the quorum at such relevant adjourned meeting shall be that prescribed under the Companies Act, provided that:

(i) written notice of the adjournment was given to each Director at his or her usual address for service of notices of Board meetings not less than five (5) Business Days before the date of the relevant adjourned meeting;

(ii) if any item on the agenda for the meeting relates to a Reserved Board Matter and an Investor Director has sent in writing to the Board at least one day prior to the date of the relevant adjourned meeting (notified to the Investor Director in accordance with Article 4.7(k)(i)), a refusal to give his or her affirmative vote on the Reserved Board Matter concerned, such Reserved Board Matter shall not be taken up at the adjourned Board meeting (or any further adjournment thereof), and no resolution approving such Reserved Board Matter shall be deemed to have been passed even if taken up, provided that items other than Reserved Board Matters may be taken up and approved at such meetings with the consent of the Board; and

(iii) no items may be considered at the adjourned meeting which were not specifically set out on the agenda for the meeting which was adjourned.

(l) The Sponsors and the Company shall procure that the provisions of Articles 4.5 and 4.6 apply *mutatis mutandis* to the board proceedings in, including board meetings of NHL, and each of the Group Companies, on and from the Completion Date. In the case of NIARPL, the Sponsors and the Company shall use their best efforts to procure that the provisions of Articles 4.5, 4.6 and 4.7 apply *mutatis mutandis* to the board proceedings in, including board meetings of, NIARPL. Without prejudice to the foregoing, each of the Sponsors and the other Party Shareholders as well as the Company shall exercise all rights and powers available to them/ it, including the exercise of votes at Board meetings, meetings of the relevant Associated Company Board and meetings of the relevant Group Company as well as general meetings of the Company, the relevant Associated Company and the relevant Group Company in order to give full effect to the provisions of this Article 4.6(l), including without limitation amending the respective articles of association of each of the Associated Companies and the relevant Group Companies, to procure that full effect is given to the provisions of this Article 4.7(l).

4.8 Board Committees

(a) The Company shall constitute committees of the Board including but not limited to corporate governance committee, audit committee, compensation committee, and share transfer committee, in accordance with best corporate governance practices. Notwithstanding any provision in these Articles, all transfers or sales of Shares by any Sponsor shall require the approval of a committee of the Board (**Share Transfer Committee**), which shall include the Investor Directors. All resolutions by the Share Transfer Committee approving the transfer or sale of any such Shares, other than as per the provisions of these Articles, shall include the affirmative vote of the Investor Directors appointed to the committee. Articles 4.7(b), (c), (e), (g), (i), (j) and (k) shall apply to Share Transfer Committee meetings, where references to Directors are construed as references to members of the Share Transfer Committee.

(b) The Board shall appoint the Investor Directors on such committee(s) and sub-committee(s) of the Board and such other management committee(s) or sub-committee(s) of the Company, as may be notified by the Investors in writing to the Sponsors. For the avoidance of doubt, any decision taken at any such committee or sub-committee that relates to a Reserved Board Matter shall not be valid unless it is ratified and approved by a Super-Majority Resolution and any decision taken at any such committee or sub-committee that relates to a Reserved Investors' Matter shall not be valid unless it is approved in writing, in advance, by each of the Investors. Provided that the consent of CDC shall not be required in relation to any of the Excluded Matters.

(c) Without prejudice to the foregoing, unless otherwise agreed in writing by the Investors, all provisions of these Articles relating to the Board and its meetings shall be applicable to meetings of committees and sub-committees of the Board.

(d) The Sponsors and the Company shall procure that the provisions of this Article 4.8 shall apply *mutatis mutandis* to board of directors of each of the Associated Companies and the Group Company, on and from the Completion Date. Without prejudice to the foregoing, each of the Sponsors and the other Party Shareholders as well as the Company shall exercise all rights and powers available to them/ it, including the exercise of votes at Board meetings, meetings of the relevant Associated Company Board and meetings of the relevant Group Company as well as general meetings of the Company, the relevant Associated Company and the relevant Group Company in order to give full effect to the provisions of this Article 4.7(d), including without limitation amending the respective articles of association of each of the Associated Companies and the relevant Group Company, to procure that full effect is given to the provisions of this Article 4.8(d).

4.9 Related party transactions

Without prejudice to the Investors' rights with respect to Reserved Board Matters and Reserved Investors' Matters, and DS' rights under Article 3.1(d), all related party transactions, being transactions between any Group Company and any Shareholder or Affiliate of any Shareholder or any Sponsor Connected Person or any Relative of the Shareholder or any director of an Affiliate or of any Sponsor Connected Person or any Related Party, including but not limited to investments in and loans to such

Persons and the formation of Subsidiaries and/or Affiliates of any Group Company, shall be conducted on an arm's-length basis in accordance with the policies and procedures approved by the Board. For the purposes of this Article, the terms **Relative** and **Related Party** shall have the meanings given to such terms in the Companies Act. The Company shall, prior to December 31, 2015, procure that the Independent Directors on the Board review all transactions entered into between any Group Company and any of the Persons specified in this Article 4.9, to ensure that all transactions with such Persons have been conducted on arms' length terms.

4.10 Provisioning Review

The Company shall, prior to December 31, 2015, (a) appoint an external independent auditor to conduct a review of all provisioning policies of the Group Company and to make recommendations in relation to any changes or modifications to such provisioning policies, and (b) adopt any such recommendations made by such independent auditor.

8. GENERAL MEETINGS

8.1 The form and substance of any notices to convene general meetings of the Company or any Associated Company or Group Company at which any Reserved Board Matter or any Reserved Investors' Matter will be considered and any other notices to Shareholders of the Company or shareholders of any other Associated Company or of the Group Company relating to any Reserved Board Matter or any Reserved Investors' Matter shall be subject to prior approval by Super-Majority Resolution, and the Sponsors shall procure that no such notices shall be issued without such approval.

8.2 Each of the Sponsors and the other Party Shareholders shall exercise all rights and powers available to them, including the exercise of voting rights, to ensure that the necessary general meeting resolutions of the Company or any Associated Company or any Group Company are passed to give effect to any Reserved Board Matter which has been approved by Super-Majority Resolution and any Reserved Investors' Matter which has been approved in writing by the Investors, with respect to the Company. It is further agreed that in the case of the Company or any Associated Company or Group Company, no general meeting resolution shall be passed with respect to any Reserved Board Matter unless that Reserved Board Matter has first been approved by a Super-Majority Resolution and no general meeting resolution shall be passed with respect to any Reserved Investors' Matter unless that Reserved Investors' Matter has first been approved in writing by the Investors.

8.3 The Sponsors and other Party Shareholders hereby agree and undertake that no Party Shareholder shall vote in favour of any matter that is a Reserved Investor Matter put to vote at a general meeting of the Company unless such matter has first been approved in writing by the Investors. Provided that, for the purposes of these Articles, in relation to the Excluded Matters, the approval of CDC shall not be required.

8.4 For the purposes of this Article 8.1, Article 8.2 and Article 8.3 only, the expression "Super-Majority Resolution" (a) when used in relation to an Associated Company shall mean a resolution passed at a duly convened and quorate meeting of the relevant Associated Company Board approved by a majority of the directors of the relevant Associated Company present and voting or such other majority of such directors as may be prescribed under the Companies Act, which majority shall in each case include the Associated Company Investor Directors or their respective alternate director (as the case may be); and (b) when used in relation to an Group Company shall mean a resolution passed at a duly convened and quorate meeting of the relevant Group Company Board approved by a majority of the directors of the relevant Group Company present and voting or such other majority of such directors as may be prescribed under the Companies Act, which majority shall in each case include the Group Company Investor Director or his/ her respective alternate director (as the case may be). Provided that, in relation to the Excluded Matters, the Super-Majority Resolution shall not require the consent of the CDC Associated Company Investor Director and/or his alternate director and/or Group Company Investor Director and/or his alternate if the same are appointed by CDC.

8.5 Without prejudice to the foregoing, each of the Sponsors and the other Party Shareholders as well as the Company shall exercise all rights and powers available to each of them, including the exercise of votes at Board meetings, meetings of the relevant Associated Company Board and meetings of the relevant Group Company Board as well as at general meetings of the Company, the relevant

Associated Company and the relevant Group Company in order to give full effect to the provisions of this Article 8, including without limitation amending the respective articles of association of each of the Associated Companies and the Group Company, to procure that full effect is given to the provisions of this Article 8.

8.6 Notwithstanding anything contained in these Articles, the consent of CDC and/or the CDC Investor Director and/or the CDC Group Company Investor Director and/or the Group Company Investor Director and/or his alternate if the same are appointed by CDC, shall not be required in respect of any Excluded Matters.

EQUITY INTEREST

2.1 Increases in capital

(a) Each Party shall exercise all rights and powers available to it to procure that, without prejudice to the Investors' rights with respect to the Reserved Board Matters and Reserved Investors' Matters, in the event the Company elects to issue any New Securities or issues any New Securities for any reason whatsoever (except for any Shares allotted pursuant to an IPO, in accordance with the provisions of these Articles), such New Securities shall be offered for subscription in accordance with the following provisions of this Article 2.1(a) on such terms and conditions (including price per New Security) and based upon such valuation at that time as may be determined by the Board and the Shareholders subject always to Article 2.1(b):

(i) The Company shall, prior to the issuance of the New Securities, give written notice (the **Company Notice**) to the Shareholders thirty (30) days prior to the proposed date of issuance, stating the number of New Securities, the price per New Security, the terms of payment and all other terms and conditions on which the Company proposes to make such issuance;

(ii) Each Shareholder shall have, as hereinafter provided, the option to purchase up to the number of New Securities determined as set forth in Article 2.1(a)(iii) at the price per New Security and on the other terms stated in the Company Notice (the **New Securities Pre-emptive Right**);

(iii) the New Securities Pre-emptive Right provided for in Article 2.1(a)(ii) shall be exercisable according to the following order of priority:

(1) First, each Shareholder shall be entitled to subscribe for up to such number of the New Securities offered as determined by multiplying the aggregate number of New Securities offered by a fraction equal to (x) the numerator, which shall be the sum of (A) the number of Equity Shares held by such Shareholder and (B) the number of Equity Shares issuable (but not yet issued) upon exercise of any Company Security convertible or exchangeable for Equity Shares held by such Shareholder (other than the OCDs) divided by (y) the denominator, which shall be the sum of (A) the total number of Equity Shares then outstanding and (B) the total number of Equity Shares issuable (but not yet issued) upon exercise of any Company Security convertible or exchangeable for Equity Shares then outstanding and then held by such Shareholder (other than the OCDs). In order to make such a subscription, each Shareholder must give written notice to the Company within fifteen (15) days of the receipt of the Company Notice, stating the number of New Securities which such Shareholder desires to subscribe to;

(2) Second, if all of the New Securities offered to the Shareholders are not fully subscribed to by such Shareholders, the remaining New Securities will, subject to Article 2.1(a)(iii)(5) below, be reoffered (the Reoffer) by the Company to the Shareholders subscribing for their full allotment upon the terms set forth in this Article 2.1(a)(iii)(1) (the Subscribing Shareholders) who shall be entitled to subscribe for up to such number of the remaining New Securities as shall be determined by multiplying the remaining number of New Securities by a fraction equal to (x) the numerator, which shall be the sum of (A) the number of Equity Shares held by such Subscribing Shareholder and (B) the number of Equity Shares issuable upon exercise of any Company Security convertible or exchangeable for Equity Shares held by such Subscribing Shareholder

(other than the OCDs) divided by (y) the denominator, which shall be the sum of (A) the total number of Equity Shares held by the Subscribing Shareholders and (B) the total number of Equity Shares issuable (but not yet issued) upon exercise of any Company Security convertible or exchangeable for Equity Shares then outstanding and held by such Subscribing Shareholders (other than the OCDs) (the Residue Formula). The Subscribing Shareholders must exercise their subscription rights under this Article 2.1(a)(iii)(2) within two (2) Business Days of receipt of notice of such Reoffer;

(3) Third, if all of the remaining New Securities offered in Article 2.1(a)(iii)(2) are not fully subscribed, the further remaining New Securities will, subject to Article 2.1(a)(iii)(5), be reoffered to the Subscribing Shareholders subscribing for their full allotment upon the terms set out in Article 2.1(a)(iii)(2) who shall be entitled to subscribe for such number of the remaining New Securities as shall be determined by applying the Residue Formula mutatis mutandis to the Previous Reoffer. This process shall be repeated, subject to the thirty (30) days period referred to in Article 2.1(a)(i) above, with each Subscribing Shareholder subscribing for their full allotment in the Previous Reoffer being, subject to Article 2.1(a)(iii)(4), entitled to participate in the next Reoffer until all such New Securities are fully subscribed for or until none of the Subscribing Shareholders entitled to participate in a particular Reoffer choose to subscribe for the New Securities offered in such a Reoffer. The Subscribing Shareholders must exercise their subscription rights in respect of any Reoffer in which they are entitled to participate under this Article 2.1(a)(iii)(3) within two (2) Business Days of receipt of notice of each such Reoffer. As used herein Previous Reoffer shall mean the Reoffer of New Securities that immediately preceded the latest Reoffer;

(4) Any remaining New Securities offered in Article 2.1(a)(iii)(3) that are not subscribed for by the Subscribing Shareholders shall not be subject to any further offer to any person and the number of New Securities specified in the Company Notice shall be deemed to be reduced by the number of any New Securities not subscribed for pursuant to Articles 2.1(a)(iii)(1) to (3) above; and

(5) It is clarified that the Investors shall be entitled to acquire only such New Securities pursuant to a Reoffer under Article 2.1(a)(iii)(2) and Article 2.1(a)(iii)(3) which New Securities when taken together with the Equity Shares then held by the Investors in the Company and the total number of Equity Shares issuable but not yet issued upon exercise of any Company Security convertible into or exchangeable for Equity Shares then outstanding and held by the Investors (other than the OCDs), would result in the Investors in aggregate always constituting a lesser or equal but not higher Shareholding Percentage than the Sponsors and the Sponsor Connected Person taken together in the Company (the Restricted Reoffer) immediately after the issuance of New Securities pursuant to Article 2.1(a). It is hereby agreed between the Investors that they shall be entitled to subscribe to every Restricted Reoffer in their Relevant Proportion (vis a vis other Investors) before each issue of New Securities pursuant to Article 2.1(a).

(b) Notwithstanding anything contained in Articles 2.1(a) and 2.1(c), but subject to the Investors' rights with respect to the Reserved Board Matters and Reserved Investors' Matters and to the proviso to this Article 2.1(b) set out below, any future issue of New Securities, to any Person and the terms thereof, shall always be subject to applicable laws and the terms of these Articles and the Agreement, including without limiting the generality of the foregoing, the fulfilment of the following condition:
the Company shall not issue any New Securities to any Person at a Pre-Money Valuation below INR 25,000,000,000 (Indian Rupees twenty five billion) at any time until the date on which the Investors cease to be Shareholders or the date of an IPO (whichever is earlier) without the prior written approval of the Investors;

(c) Without prejudice to the Investors' rights with respect to the Reserved Board Matters and Reserved Investors' Matters, and without prejudice to the provisions of Article 2.1 (b) above, each of the Company and the Sponsors agrees with the Investors that except with the prior written consent of the Investors, no New Securities, except for Shares issued pursuant to an IPO, shall be issued to any Person on terms (specifically other than the Pre-Money Valuation as per the provisions of Article 2.1(b) above) that are more favourable to that Person than the terms obtained by the Investors for the Investors'

Shares under these Articles and the Investment Agreement or the Securities Subscription Agreement, as the case maybe.

(d) Without prejudice to the Investors' rights with respect to Reserved Board Matters or Reserved Investors' Matters, if any New Securities are to be offered to any Person(s), except for Equity Shares pursuant to an IPO, for any reason whatsoever on terms (other than Pre-Money Valuation referred to in Article 2.1(b) above) that are more favourable than those obtained by the Investors for the Investors' Shares under the Investment Agreement and these Articles, each of the Company and the Sponsors agree with the Investors that, subject to applicable law, the Investors' terms of investment for the Investors' Shares (including without limitation the terms and conditions of the respective Investors' Shares and the provisions of these Articles) shall be adjusted with retrospective effect so that the terms obtained by the Investors for the Investors' Shares are, in each of the above respects but without limitation, at least as favourable as those offered to such Person. Each of the Sponsors and the Company shall do all acts necessary to give effect to the provisions of this Article 2.1(d) under the legislative and regulatory framework in India.

(e) Nothing contained in this Article 2.1 shall apply to any issuance of New Securities in an IPO.

2.2 The Company, through its remuneration committee appointed by the Board, shall implement the SOP by February 28, 2015 (in a form agreed with all the Investors). If the Company fails to implement the SOP by the aforesaid date, then the Sponsors shall procure that such Shares are transferred to the JPM Investor and the PineBridge Investor, as per clause 3.2(g) of the Existing SHA.

SHARE TRANSFER RESTRICTIONS

10.1 Restrictions on transfer

(a) Any transfer or sale or any other assignment of Shares, or the granting of any Encumbrance over Shares in breach of these Articles shall be null and void *ab initio* and shall not be liable to be registered or otherwise recognised by the Company or any of the other Shareholders of the Company. Without prejudice to the generality of the foregoing, any transfer or sale or any other assignment of Shares, or the granting of any Encumbrance over any Shares by any Party Shareholder to or in favour of a Competitor (subject to the provisions of Article 13.3(a)(iv)) shall be null and void and shall not be liable to be registered or otherwise recognised by the Company or any of the other Shareholders of the Company.

(b) The Investors shall be entitled to transfer their Shares to their respective Affiliates, without any restriction on such right of transfer being imposed by the Sponsors or the Company provided that the transferor Investor and the transferee Affiliate in such case shall always be required to enter into a Deed of Accession prior to such transfer.

(c) The Sponsors shall be entitled to freely transfer any Shares held by them to any Sponsor Connected Person, and the Mazumdar Shaw Equity Shares to the Mazumdar Shaw Group in the manner contemplated under these Articles and the Investment Agreement, without any other restriction on such right of transfer being imposed by the Investors or the Company provided that (a) transferor Sponsor and the transferee Sponsor Connected Person in such case shall always be required to enter into a Deed of Accession prior to such transfer, and (b) the Sponsors shall continue to be jointly and severally liable with the transferee Sponsor Connected Person for all obligations of the Sponsors under these Articles.

(d) Except for any transfer of Shares in accordance with the SOP or clause 3.2(g) of the Existing SHA, NHAPL shall not, and the Sponsors shall procure that NHAPL shall not, (a) sell, transfer or otherwise dispose of in any manner, NHAPL's legal and/ or beneficial right, title and interest or voting rights in or to the whole or any part of its Shares, and (b) create or permit to subsist any Encumbrance, over all or any part of NHAPL's interest in its Shares.

10.2 Non-disposal undertaking from the Sponsors

The Sponsors agree and undertake that at all times from the Completion Date and until an IPO and for so long as any Investor (whether alone or together with its Affiliates) holds not less than forty (40) per cent of the Investors' Equity Shares issued to such Investor at Completion (or in the case of CDC, forty (40) per cent of the

CDC Securities):

(a) the Sponsors shall hold and maintain the legal and beneficial right, title and interest in and to not less than an aggregate of fifty one (51) per cent of the Shares and voting rights of the Company and an aggregate Shareholding Percentage of not less than fifty one (51) per cent;

(b) neither of the Sponsors shall create or permit to subsist any Encumbrance, over all or any part of the Sponsors' interest in his/ her respective Shares that would result in the un-Encumbered aggregate Shareholding Percentage of the Sponsors falling below fifty one (51) per cent;

(c) without prejudice to the provisions of Article 10.2(a) and Article 10.2(b), disposal of Shares by the Sponsors shall be subject to the respective tag-along rights of the each of the Investors as set out in Article 10.3; and

(d) subject to Article 10.2(b) above, the Sponsors shall be entitled to Encumber only such number of their Shares that when taken together with other previously Encumbered Shares of the Sponsors will not result in the aggregate Shareholding Percentage of the Sponsors, such Shareholding Percentage calculated on the basis of Shares of the Sponsors which are not Encumbered, falling below the Shareholding Percentage threshold specified in Article 10.2(a).

10.3 Investors' tag-along rights

(A) Without prejudice to Article 10.1 and Article 10.2 the Sponsors agree with the Investors as follows:

(i) before transferring or disposing of any of their respective Shares, whether directly or indirectly, to any Person other than the other Sponsor or any Sponsor Connected Person (**Purchaser**), the transferring Sponsor (**Seller**) shall give a written notice to each of the Investors (**Sponsor Transfer Notice**) that specifies:

(A) the number of Shares (the **Sale Shares**) that a Purchaser has indicated that it wishes to acquire; and

(B) details of the offer to purchase the Sale Shares received from the Purchaser including the name of the Purchaser, the price per Share offered by the Purchaser for the Sale Shares (including, where such price comprises non-cash consideration, the Seller's certification of the cash value thereof) (the **Purchase Price**) and the other terms of the transfer (including payment terms);

(ii) the Seller shall not be entitled to transfer any Sale Shares to the Purchaser unless the Purchaser's offer is on bona fide arms length terms and the Seller complies with, and procures that the Purchaser complies with, the following provisions:

(a) Each Investor shall have the option, exercisable by notice in writing to the Seller and the other Investors within twenty (20) Business Days of the date of receipt of the Investor Transfer Notice, to transfer in the sale to the Purchaser, as part of the total number of Sale Shares, at the Purchase Price, up to a maximum number of Shares as is equal to the Investor Tag-along Shares (**Investor Tag-along Notice**). For the purposes of these Articles, the **Investor Tag-along Shares** means, subject to Articles 10.3 (A)(ii)(d) and 10.3(C):

(I) where only one Investor serves an Investor Tag-along Notice, such number of the Shares held by the Investor and its Affiliates as is obtained by multiplying the total number of Shares held by the Investor and its Affiliates at the date of the Investor Tag-along Notice by a fraction equal to (x) the numerator, which shall be the number of Sale Shares divided by (y) the denominator, which shall be the total number of Shares less (1) the Mazumdar Shaw Equity Shares, (2) the Shares held by NHAPL and (3) the number of Shares held by the remaining Investors and their respective Affiliates; or

(II) where two Investors serve an Investor Tag Along Notice, up to such number of the Shares held by the Investors and their respective Affiliates as is obtained by multiplying the total number of Shares held by the Investors and their respective Affiliates by a fraction equal to (x) the numerator, which shall be the number of Sale Shares divided by (y) the denominator, which shall be sum of the total number of Shares less (1) the Mazumdar Shaw Equity Shares (2) the Shares held by NHAPL and (3) the number of Shares held by the Investor that has not delivered the Investor Tag Along Notice; each Investor shall thereafter be entitled to transfer its Relevant Proportion of the above number of Shares vis a vis the other Investor;

(III) Where all the Investors serve an Investor Tag Along Notice, up to such number of the Shares held by the Investors and their respective Affiliates as is obtained by multiplying the total number of Shares held by the Investors and their respective Affiliates by a fraction equal to (x) the numerator, which shall be the number of Sale Shares divided by (y) the denominator, which shall be sum of the total number of Shares less the Mazumdar Shaw Equity Shares and less the Shares held by NHAPL; each Investor shall thereafter be entitled to transfer its Relevant Proportion of the above number of Shares vis a vis the other Investors in the Company.

(b) Any Investor Tag-along Notice delivered in accordance with Article 10.3(A)(ii)(a) must specify:

(I) the maximum number of Shares the Investor is entitled to transfer calculated in accordance with Articles 10.3(A)(ii)(a)(I), (II) and (III); and

(II) the actual number of Shares the Investor wishes to transfer in each case (being the **Investor Elected Shares** which number shall, for the avoidance of doubt, not exceed the maximum number of Shares calculated pursuant to the relevant Article),

and shall constitute an irrevocable offer to sell the applicable number of the Investor Tag-along Shares to the Purchaser at the Purchase Price.

(c) If an Investor delivers an Investor Tag-along Notice within twenty (20) Business Days of the date of receipt of the Sponsor Transfer Notice, the number of Sale Shares the Seller shall be entitled to transfer to the Purchaser shall be reduced by the sum of the number of the Investor Elected Shares (if any) and the number of Investor Residue Shares (as defined in Article 10.3(A)(ii)(d) below)(if any), such reduced number of Shares being the **Seller Original Shares**. Further, the Seller shall not be entitled to transfer any Seller Original Shares to the Purchaser unless the Purchaser also concurrently completes the purchase of the Investor Elected Shares and Residue Shares (if any). Any transfer of any Seller Original Shares without a concurrent purchase by the Purchaser of the applicable number of Investor Elected Shares and Residue Shares (if any) in accordance with the immediately preceding sentence shall be deemed to be void ab initio.

(d) In the event that more than one Investor serves an Investor Tag-Along Notice and with respect of an Investor, if the Investor Elected Shares are less than the Investor Tag Along Shares of that Investor (**Investor Unelected Shares**) then, the Seller shall, within two (2) Business days of receipt of the last Investor Tag Along Notice, give a written notice to each of the remaining Investors that have already elected to transfer their entire Investor Tag Along Shares, that they are entitled to transfer an additional number of Shares to the Purchaser in addition to their respective Investor Elected Shares already notified in the Investor Tag-along notice (such notice being the **Residue Shares Notice** and such additional number of Shares being the **Residue Shares**) and states the number of Residue Shares. The Residue Shares in respect of each remaining Investor shall be calculated as follows:

RS = IUS x IS / (SH-USI)

where,
RS = the Residue Shares;
IUS = the Investor Unelected Shares;
IS = the total number of Shares held by the Investor receiving the Residue Share Notice and its Affiliates;
SH = the total number of Shares less the Mazumdar Shaw Equity Shares and less the Shares held by NHAPL; and
USI = the total number of Shares held by the Investor and its Affiliates whose Investor Elected Shares is less than the Investor Tag Along Shares with respect to it.

The Investors receiving a Residue Shares Notice shall have the option, exercisable by notice in writing to the Seller and the other Investors, within five (5) Business Days of the date of receipt of the Residue Shares Notice to transfer in the sale to the Purchaser such number of Shares in addition to the Investor Elected Shares as is equal to the Residue Shares. Such notice (the **Residue Election Notice**) shall specify the number of Residue Shares such Investor wishes to transfer (the **Elected Residue Shares**). The Residue Election Notice shall constitute an irrevocable offer to sell the Elected Residue Shares to the Purchaser at the Purchase Price.

(B) In the event prior to completion of the transfer of the Sale Shares in accordance with this Article 10.3, the Purchaser notifies the Seller that it wishes to either increase or decrease the number of Sale Shares it is prepared to acquire from the Seller (such number of Shares being the **Revised Shares**), any Sponsor Transfer Notice, Investor Tag-along Notice, Residue Shares Notice, Residue Election Notice served in respect of the original number of Sale Shares shall be immediately disregarded and have no further effect, and if the Seller wishes to transfer all or some of the Revised Shares to the Purchaser, the Seller shall be required to send a new Sponsor Transfer notice in respect of the Revised Shares it is prepared to transfer. In such event the procedure following the issue of a Sponsor Transfer Notice detailed in Articles 10.3(A) and 10.3(B) shall be followed in respect of the Revised Shares the Seller is prepared to transfer.

(C) Notwithstanding anything else contained in these Articles but subject to Article 10.3(D) and without prejudice to Article 10.2, if, as a result of the completion of any transaction disclosed in an Investor Transfer Notice (but not as a result of an IPO), the aggregate Shareholding Percentage of the Sponsors will fall below fifty one (51) per cent, each Investor shall each have the right (but not the obligation) to sell up to a maximum of their entire shareholding to the relevant Purchaser in accordance with the terms of Article 10.3(A) and Article 10.3(B) respectively and, to the extent an Investor elects to exercise such right, the Sponsors shall procure that, at the same time as the relevant Purchaser acquires the Seller's Shares, the relevant Purchaser purchases such number of the relevant Investor's Shares as notified by the relevant Investor to the Sponsors in writing. Any transfer of any Seller's Shares without a concurrent purchase by the Purchaser of the applicable number of Investor's Shares in accordance with the immediately preceding sentence shall be deemed to be void ab initio.

(D) The threshold referred to in Article 10.3(C) shall not apply in the event that the aggregate Shareholding Percentage of the Sponsors falls below fifty one (51) per cent as a result of an IPO conducted in accordance with these Articles.

10.4 Restrictions on Share transfers by the Investors

Subject to the provisions of Article 3.3(c)(iii), Article 10.3(B), Article 10.3(C) and Article 13, the following provisions shall apply to transfers of Shares held by the Investors and their respective Affiliates whether acting together or individually:

(a) If any Investor (**Transferring Investor**) proposes to transfer all or part of its Shares (**Investor's Transfer Shares**) to any Person other than to an Affiliate or pursuant to Article 10.1(b), Article 10.3 or Article 13 or pursuant to or in connection with an IPO:

(i) the Transferring Investor shall serve a written notice (**Investor's Transfer Notice**) on the Sponsors indicating its intention to sell the Investor's Transfer Shares;

(ii) within sixty (60) calendar days of receipt of the Investor's Transfer Notice, the Sponsors (acting jointly) shall serve a written notice on the Transferring Investor (an **Indication of Interest**) indicating whether they (acting jointly or singly) wish to purchase all (but not part) of the Investor's Transfer Shares and, if they so wish, the price (the **Offer Price**) at which they are offering to purchase all the Investor's Transfer Shares, the method of finance and the proposed date for the completion of the purchase of the Investor's Transfer Shares;

(iii) notwithstanding anything contained in Article 10.3, the Sponsors shall be entitled to assign to any Sponsor Connected Person the right to purchase such part of the Investors' Transfer Shares, as the Sponsors may require to serve and act on an Indication of Interest pursuant to the provisions of this Article 10.4(a);

(iv) if the Sponsors (acting jointly) fail to deliver an Indication of Interest within sixty (60) calendar days of receipt of the Investor's Transfer Notice, they shall be deemed to have served an Indication of Interest stating that they do not wish to purchase the Investor's Transfer Shares;

(v) if the Sponsors (acting jointly) deliver an Indication of Interest that contains an offer to purchase the Investor's Transfer Shares within sixty (60) calendar days of receipt of the Investor's Transfer Notice, then that offer shall be capable of acceptance by the Transferring Investor and shall be irrevocable and shall remain open for acceptance for a period of ninety (90) calendar days from the date of the Indication of Interest;

(vi) if the Transferring Investor does not accept the offer of the Sponsors (acting jointly) contained in the Indication of Interest, the Transferring Investor shall be permitted to sell the Investor's Transfer Shares to any Person other than a Competitor within a period of ninety (90) calendar days from the date of the delivery of the Indication of Interest at a price (**Alternate Price**) that is at least ten (10) per cent higher than the Offer Price provided that the Transferring Investor shall not disclose the Offer Price to such Person and shall communicate the Alternate Price to the Sponsors in writing within ten (10) calendar days of the receipt of Alternate Price by the Transferring Investor;

(vii) if the Sponsors (acting jointly) deliver an Indication of Interest that states that they are not offering to purchase the Investor's Transfer Shares, or they are deemed to have delivered an Indication of Interest to this effect under Article 10.4(a)(iv), then the Transferring Investor shall, subject to Article 10.4(a)(viii), be free to sell the Investor's Transfer Shares to any Person other than a Competitor at any price within a period of ninety (90) calendar days from the date of the Indication of Interest (or the date on which the Sponsors were deemed to have served an Indication of Interest), as the case may be;

(viii) however, if the Alternate Price is an amount between the Offer Price and a price that is one hundred ten (110) per cent of the Offer Price, the Transferring Investor shall notify the Sponsors of the Alternate Price and the Sponsors (acting jointly) shall be entitled to purchase the Investor's Transfer Shares at such Alternate Price within forty-five (45) calendar days from the date of such notification. For the avoidance of doubt, if the Sponsors (acting jointly) do not purchase the Investor's Transfer Shares within the aforesaid forty-five (45) calendar days period, the Transferring Investor may sell the Investor's Transfer Shares at such Alternate Price to any Person other than a Competitor provided that the terms of payment offered to such Person shall be no more favourable than the terms of payment offered to the Sponsors;

(ix) if the Alternate Price is lower than the Offer Price, the Transferring Investor may not sell the Investor's Transfer Shares to any other Person and the Sponsors shall purchase all of the Investor's Transfer Shares at the Offer Price if so requested by the Transferring Investor within forty-five (45) calendar days from the date of the indication of the Alternate Price. Provided that failing such purchase by the Sponsor, the Investors shall be free to sell the Investor's Transfer Shares to any Person other than a Competitor at any price, on the expiry of forty-five (45) calendar day period from the date of the indication of the Alternate Price; and

(x) the Sponsors and the Company shall provide all necessary support requested by the Transferring Investor, including the sharing of Confidential Information, to allow a due diligence exercise to be conducted and to facilitate the evaluation of the sale of the Investor's Transfer Shares by the Person (not being a Competitor) to which the Investors proposes to sell the Investor's Transfer Shares, subject to such Person being bound by a non-disclosure and confidentiality agreement with the Company in this regard.

(b) Subject to Article 10.4(a), each of the Investors is permitted to freely transfer the Investors' Shares along with the rights and obligations of the relevant Investor contained in these Articles. For the purposes of this sub-paragraph, the Sponsors shall, and shall procure that the Company shall, provide all reasonable support including sharing of Confidential Information, and preparation and presentation of a company information memorandum that may be required to facilitate a third party to evaluate the sale of the respective Investors' Shares by the relevant Investor, subject to such Person being bound by a non-disclosure and confidentiality agreement with the Company in this regard. For the avoidance of doubt, this Article 10.4(b) shall not be subject to Article 10.4(a) if the relevant Investor wishes to place reliance on Article 13.3 and accordingly undertake a transfer of the Investors' Shares held by it.

10.5 Share transfers

The Sponsors and Investors undertake and covenant to each other that they shall exercise all rights and powers available to them to procure that the Directors who sit on the Company's share transfer committee (or on the Board if it is making a decision as to share transfers) that are nominated by any of them under these Articles or otherwise shall approve all transfers of Shares that are in accordance with the terms of these Articles.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated September 28, 2015 between our Company, the Selling Shareholders and the BRLMs.

2. Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s).

3. Share escrow agreement dated [●] between our Company, the Selling Shareholders and the Escrow Agent.

4. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar to the Offer.

5. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.

6. Registrar Agreement dated September 28, 2015 between our Company, the Selling Shareholders and the Registrar to the Offer.

7. Tripartite agreement dated September 06, 2013, between our Company, NSDL and the Registrar to the Offer.

8. Tripartite agreement dated August 31, 2015 between our Company, CDSL and the Registrar to the Offer.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Certificate of incorporation dated July 19, 2000.

3. Fresh certificate of incorporated dated January 11, 2008, consequent upon name change from "Narayana Hridayalaya Private Limited" to "Narayana Hrudayalaya Private Limited".

4. Fresh certificate of incorporation dated August 29, 2015 issued by RoC at the time of conversion from a private limited company into a public limited company.

5. Resolutions of the Board of Directors dated September 19, 2015 in relation to the Offer and other related matters.

6. Resolutions passed by the Selling Shareholders namely, Ashoka Holdings, Ambadevi and JPM dated September 17, 2015, September 17, 2015 and September 28, 2015 respectively in relation to the Offer and other related matters.

7. Consent letters by the Promoter Selling Shareholders namely, Dr. Devi Prasad Shetty and

Shakuntala Shetty dated September 27, 2015.

8. Letters of transmittal dated September 27, 2015 by our Promoter Selling Shareholders namely, Dr. Devi Prasad Shetty and Shakuntala Shetty in relation to the Offer and other related matters.

9. Copies of the annual reports of the Company for the Financial Years ended March 31, 2011, 2012, 2013, 2014 and 2015.

10. CRISIL Report dated June, 2015.

11. The examination reports of the Statutory Auditors, on our Company's Restated Summary Statements, included in this Draft Red Herring Prospectus dated September 23, 2015.

12. The Statement of Tax Benefits dated September 23, 2015 from the Statutory Auditors.

13. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

14. Investment agreement dated January 28, 2008 executed between our Company, our Promoters, members of the Promoter Group and the investor Selling Shareholders as amended by the first amendment agreement thereto dated February 01, 2008.

15. Securities subscription agreement dated December 22, 2014, entered into between our Company, CDC Group and CDC IOL.

16. First amended and restated shareholders' agreement dated December 22, 2014, executed between our Company, our Promoters, members of the Promoter Group, the investor Selling Shareholders, CDC Group and CDC IOL, as amended by the amendment agreement dated July 16, 2015.

17. Share subscription and shareholders' agreement dated April 28, 2011, entered into between our Company, IDECK and NHSHPL.

18. Consent of the Selling Shareholders, the Directors, the BRLMs, Promoter Selling Shareholders, the Syndicate Members*, Indian Legal Counsel to our Company, Indian Legal Counsel to the BRLMs, Indian Legal Counsel to the Selling Shareholders, Registrar to the Offer, Statutory Auditors, Escrow Collection Bank(s)*, Refund Bank*, Bankers to our Company, Company Secretary and Compliance Officer, CFO as referred to in their specific capacities.
(* *the aforesaid shall be appointed prior to filing of the Red Herring Prospectus with the RoC and their consents shall be obtained prior to filing of the Red Herring Prospectus with the RoC*)

19. Due Diligence Certificate dated September 28, 2015 addressed to SEBI from the BRLMs.

20. Letter filed by our Company with the RBI dated July 30, 2015, together with the note thereto and annexures with respect to leasing activities undertaken by our Company and Subsidiaries.

21. Appointment letter dated August 02, 2012 appointing Viren Shetty as a whole-time Director of our Company.

22. Appointment letter dated April 01, 2011 appointing Ashutosh Raghuvanshi as the Managing Director and CEO of our Company.

23. Share Purchase Agreement dated March 03, 2014, entered into between us, Jubilant First Trust, Jubilant Life Sciences Limited and AHDL.

24. Business Transfer Agreement dated March 03, 2014, entered into between us, Jubilant First Trust and Jubilant Life Sciences Limited.

25. Share and Asset Purchase Agreement dated November 07,2014, entered into between us,

MMRHL, Ramuk AB, Ramuk Scan Investments Private Limited, Ramuk Enterprises Private Limited and Carolina Food and Industries Private Limited.

26. Amendment agreement dated September 25, 2015, entered into between us, CDC Group and CDC IOL.

27. Joint venture agreement dated July 25, 2012 entered into between (i) our Company and Narayana Cayman Holdings Limited; and (ii) Ascension Health Alliance and Ascension Health Ventures, LLC, as amended by the first amendment dated September 19, 2012, as supplemented by the agreements to extend the period for satisfaction of second closing conditions to Ascension Parties / Narayana Cayman Holdings joint venture agreement dated .November 30, 2012, March 13, 2013 and March 28, 2013.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

________________________	**Dr. Devi Prasad Shetty** *(Chairman & Executive Director)*
________________________	**Dr. Ashutosh Raghuvanshi** *(Managing Director & CEO)*
________________________	**Viren Shetty** *(Whole-time Director)*
________________________	**Kiran Mazumdar Shaw** *(Non-ExecutiveDirector)*
________________________	**Dinesh Krishna Swamy** *(Independent Director)*
________________________	**Muthuraman Balasubramanian** *(Independent Director)*
________________________	**Arun Seth** *(Independent Director)*
________________________	**B. N. Subramanya** (*Independent Director*)
________________________	**Harjit Singh Bhatia** (*Non- Executive Director*)
________________________	**Manohar D. Chatlani** (*Independent Director*)

SIGNED BY CHIEF FINANCIAL OFFICER

________________________	**Kesavan Venugopalan** *(Chief Financial Officer)*

Place: Bengaluru
Date: September 28, 2015

DECLARATION

Ashoka Investment Holdings Limited certifies that all statements expressly made or confirmed by it in this Draft Red Herring Prospectus about and in relation solely to itself and the Equity Shares being offered by it in the Offer for Sale, are true and correct. Ashoka Investment Holdings Limited assumes no responsibility for any other statements, including, inter-alia, any of the statements made by or relating to the Company, other Selling Shareholders, their respective businesses or by any expert or other persons in this Draft Red Herring Prospectus.

Signed on behalf of the Selling Shareholder

Name:
Designation:________________________
(Authorised Signatory)

Date: September 28, 2015
Place: Mauritius

DECLARATION

Ambadevi Mauritius Holding Limited certifies that all statements expressly made or confirmed by it in this Draft Red Herring Prospectus about and in relation solely to itself and the Equity Shares being offered by it in the Offer for Sale, are true and correct. Ambadevi Mauritius Holding Limited assumes no responsibility for any other statements, including, inter-alia, any of the statements made by or relating to the Company, other Selling Shareholders, their respective businesses or by any expert or other persons in this Draft Red Herring Prospectus.

Signed on behalf of the Selling Shareholder

Name:
Designation:________________________
(Authorised Signatory)

Date: September 28, 2015
Place: Mauritius

DECLARATION

JPMorgan Mauritius Holdings IV Limited certifies that all statements expressly made or confirmed by it in this Draft Red Herring Prospectus about and in relation solely to itself and the Equity Shares being offered by it in the Offer for Sale, are true and correct. JPMorgan Mauritius Holdings IV Limited assumes no responsibility for any other statements, including, inter-alia, any of the statements made by or relating to the Company, other Selling Shareholders, their respective businesses or by any expert or other persons in this Draft Red Herring Prospectus.

Signed on behalf of the Selling Shareholder

Name:
Designation:________________________
(Authorised Signatory)

Date: September 28, 2015
Place: Mauritius

DECLARATION

I, Dr. Devi Prasad Shetty, certify that all statements expressly made or confirmed by me in this Draft Red Herring Prospectus about myself and in relation solely to myself and the Equity Shares being offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, including, inter-alia, any of the statements made by or relating to the Company, other Selling Shareholders, their respective businesses or any expert or other persons in this Draft Red Herring Prospectus, in my capacity as a Selling Shareholder.

Signed on behalf of the Selling Shareholder

Name:
Date: September 28, 2015
Place: Bengaluru

DECLARATION

I, Shakuntala Shetty, certify that all statements expressly made or confirmed by me in this Draft Red Herring Prospectus about myself and in relation solely to myself and the Equity Shares being offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, including, inter-alia, any of the statements made by or relating to the Company, other Selling Shareholders, their respective businesses or any expert or other persons in this Draft Red Herring Prospectus, in my capacity as a Selling Shareholder.

Signed on behalf of the Selling Shareholder

Name:
Date: September 28, 2015
Place: Bengaluru