

Narayana Hrudayalaya Limited

CIN- L85110KA2000PLC027497

Registered Office: 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru - 562 158

Corporate Office: 261/A, 2nd Floor, Bommasandra Industrial Area, Anekal Taluk, Bengaluru - 560 099

Tel: +91 80 7122 2222, **Fax:** +91 80 2783 2648. **Website:** www.narayanahealth.org. **E-mail:** investorrelations@nhhospitals.org

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of M/s. Narayana Hrudayalaya Limited (Formerly known as Narayana Hrudayalaya Private Limited) will be held at "White Feather", No. 40/41-1, Hobli-Begur, Opposite to Metro Whole-sale and PES College, NICE Tollgate, Electronic City, Phase - I, Hosur Main Road, Bengaluru-560100 on Friday, the 29th day of July, 2016 at 10. 30 A. M. to transact following businesses:

A. Ordinary Business:

1. To receive, consider and adopt Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2016, the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Devi Prasad Shetty (DIN 00252187), who retires by rotation and being eligible, offers himself for re - appointment.
3. To appoint Auditors and in this regard to consider and if thought fit, to pass with or without modification(s), following resolution as **Ordinary Resolution**:

"RESOLVED THAT in terms of the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the resolution passed by the shareholders in the 15th Annual General Meeting held on 8th August, 2015, the re-appointment of M/s. B S R & Co. LLP (having Firm Registration Number: 101248W/W-100022), as statutory auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the 17th Annual General Meeting (AGM) of the Company, be and is hereby ratified."

"RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to fix the remuneration of auditors in consultation with them on a progressive billing basis in commensurate with the schedule of work executed by them."

B. Special Business:

4. Approval of remuneration payable to the Cost Auditors for the financial year 2016-17:

To consider and if thought fit, to pass either with or without modification/s the following resolution, as **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all the other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification/s or re-enactments thereof for the time being in force), the Company hereby ratifies the remuneration of Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousands only) per annum plus applicable taxes and out of pocket expenses payable to M/s. PSV & Associates, Cost Accountants, Bengaluru (Firm Registration Number 000304) who are appointed by the Board of Directors of the Company to conduct the audit of cost records for the financial year 2016-17."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

5. Increase in the limits for borrowings under Section 180(1)(c) of the Companies Act, 2013:

To consider and if thought fit, to pass either with or without modification/s the following resolution, as a **Special Resolution**:

"RESOLVED THAT in supersession of all the earlier resolutions passed and pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modifications or re-enactments thereof, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow money, as and when

required, from banks and/or financial institution/s and/or foreign lender/s and/or any body corporate/s entity/entities and/or authority/authorities and/ or through suppliers credit, or any other instruments either in Indian rupees or in such other foreign currencies as may be permitted by law from time to time, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserve not set apart for any specific purpose) provided that the total amount so borrowed by the Board shall not at any time exceed of Rs.1000 Crores (Rupees One thousand Crores only) or limits so prescribed under Section 180(1)(c) (as may be amended from time to time), whichever is higher.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

6. Appointment of Dr. Anesh Shetty for office or place of profit in an Associate Company:

To consider and if thought fit to pass, either with or without modification/s the following resolution, as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 188(1)(f) read with Rule 15(3)(b) of Companies (Meetings of Board and Its Powers) Rules 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification/s or re-enactment/s thereof for the time being in force, the consent of the Company be and is hereby accorded for the appointment of Dr. Anesh Shetty, who is a relative of Dr. Devi Prasad Shetty, Chairman & Whole-time Director & Mr. Viren Shetty, Whole-Time Director on secondment basis in its Associate Company M/s. Health City Cayman Islands Limited, (i.e. to hold an office or place of profit under the Company), with such designation as may be decided from time to time, on a monthly remuneration of USD 8000/- to be paid by the Associate Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things, as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

7. Amendment in the Liability Clause of the Memorandum of Association of the Company:

To consider and if thought fit, to pass either with or without modification/s, the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 consent of Company be and is hereby accorded to alter the liability clause of the Memorandum of Association of the Company by substituting the existing Clause IV with the following:

Clause IV. “The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company or Company Secretary, be and are hereby authorized to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the resolution including carrying on such modifications, insertions, deletions, if any, as may be required from time to time.”

8. Alteration of Articles of Association:

To consider and if thought fit to pass either with or without modification/s the following resolution, as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of the Section 14, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014, consent of the shareholders of the Company be and is hereby accorded to alter Article 59 of the Articles of Association of the Company by substituting with the following:

Article 59:

“At the Annual General Meeting of the Company held every year, one third of such of the Directors as are liable to retire by rotation for the time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office and they will be eligible for re-election. Provided nevertheless that the Managing Director and Director(s) appointed as Independent Directors under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of the Directors of one third Directors who are liable to retire by rotation from office under this Article.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company or Company Secretary, be and are hereby authorized to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the resolution including carrying on such modifications, insertions, deletions, if any, as may be required from time to time.”

By the order of the Board of Directors
For **Narayana Hrudayalaya Limited**

Ashish Kumar
Group Company Secretary & Compliance Officer

Place: Bengaluru

Date: 30th May, 2016

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself/herself, and a proxy need not be a Member of the Company.
2. The instrument appointing the proxy, duly completed, must be deposited at the Registered Office of the Company not less than forty eight (48) hours (on or before 27th July, 2016) before the commencement of the meeting.
3. A person can act as a proxy on behalf of Members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company.
4. A Member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy. However, such person shall not act as a proxy for any other person or shareholder.
5. A Member is entitled to inspect proxies lodged at any time before 24 hours of the time fixed for commencement of the meeting till the conclusion of the meeting, provided that not less than three days' notice in writing is given to the Company.
6. The register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the registers of contracts or arrangements in which the Directors are interested maintained under Section 189 of the Companies, 2013 will be available for inspection by the Members at the AGM.
7. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
8. All the documents referred to in the notice and explanatory Statement shall be open for inspection at the Registered Office of the Company on all working days during business hours up to the date of the meeting.
9. Details as required in sub regulation (3) of Regulation 36 of Listing Regulations in respect of the Director seeking appointment/reappointment at the Annual General Meeting, forms an integral part of the notice. The Director has furnished consent/declaration for his re-appointment as required under the Companies Act, 2013 and rules made thereunder.
10. In line with the measures of green initiatives, the Companies Act, 2013 provides for sending notice of the meeting and other Member correspondence through electronic mode. Members holding shares in physical mode are requested to register their e-mail ids with the Company / RTA. Members holding shares in demat mode are requested to register their email id's with their respective DPs. If there is any change in the email id already registered with the Company / RTA, Members are requested to immediately notify the same to the Company.

11. For the convenience of Members and for the proper conduct of the meeting, entry to the place of meeting will be regulated by an attendance slip, which is annexed to the proxy Form, Members/Proxies attending the meeting are kindly requested to complete the enclosed attendance slip, affix their signature at the place provided thereon and hand it over at the entrance.
12. A corporate member entitled to attend the meeting shall along with their authorised representative(s) send a certified true copy of a resolution passed by the board of directors and vote on their behalf at the meeting.
13. Members are requested to bring Annual Report 2015- 16 along with them to the Annual General Meeting, as extra copies will not be supplied at the Meeting.
14. Notice is being sent to all the Members (electronic or physical copy), whose names appear in the register of members as on Friday, the 24th day of June, 2016. The notice of the meeting is also posted on the website of the Company i.e., www.narayanahealth.org.
15. The Security and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

Electronic Voting:

16. The businesses as set out in the notice will be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by Companies (Management and Administration) Amendment Rules, 2015 (“Amended Rules 2015”) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on general meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be considered at the 16th Annual General Meeting (AGM) by electronic means and the businesses may be transacted through e-voting services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Karvy Computershare Private Limited (“Karvy”).
17. The facility of Insta Voting shall be made available at the venue of the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through insta voting.
18. The voting through electronic means will commence on Tuesday, 26th July, 2016 at 10.00 A.M. and will end on Thursday, 28th July, 2016 at 5.00 P.M. During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd July 2016 may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholders, the shareholders shall not be allowed to change it subsequently.
19. The Members who have cast their votes before the AGM can also attend the meeting but shall not be entitled to cast their votes again.
20. A person who is not a Member as on cut-off date should treat this notice for information purpose only.
21. Instructions for voting through electronic means are as under:
 - A. In case a Member receives an email from KARVY [for Members whose email IDs are registered with the Company/ depository participants(s)] :
 - (i) Open email and open PDF file viz; “remote e-voting.pdf” with your client ID or folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.karvy.com>
 - (iii) Click on shareholder - Login
 - (iv) Put user ID and password/PIN as initial password/PIN noted in step (i) above. Click Login.

- (v) Password change menu appears, change the password with new password/PIN of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select “EVEN” i.e., E-Voting Event Number of “Narayana Hrudayalaya Limited”.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.
- (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution/ authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through e-mail to sudhindraksfcs@gmail.com with a copy marked to evoting@karvy.com.
- (xiv) The e voting portal will remain open for voting from 26th July, 2016 at 10.00 AM to 28th July, 2016 upto 5.00 PM (both days inclusive).

B. In case a Member receives physical copy of the notice of AGM for Members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy] :

- (i) EVEN, user ID & initial password is provided in as below/at the bottom attendance slip for the AGM EVEN (e-voting event number) USER IDPASSWORD /PIN
- (ii) Please follow all steps from Sl. No. A (i) to Sl. No. A (xiii) above, to cast your vote.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at downloads Section of www.evoting.karvy.com or call on toll free no.: 18003454001 for any query.

General Instructions:

- a) If you are already registered with KARVY for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” option available on www.evoting.karvy.com or contact KARVY at the following toll free no.: 18003454001.
- b) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Friday, 22nd July, 2016.
- d) Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the notice and holding shares as of the cut-off date i. e., Friday, 22nd July, 2016 may obtain the login ID and password by sending a request at evoting@karvy.com.
- e) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through insta poll.
- f) The Company has appointed Mr. Sudhindra K S, Practicing Company Secretary (FCS No. 7909, CP No 8190), Bengaluru to act as Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
- g) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of insta poll facility for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- h) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM i.e., on or before 31st July, 2016, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- i) The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.narayanahealth.org and on the website of KARVY immediately after the declaration of result by the Chairman or a person authorized by him in writing. The result shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.

By the order of the Board of Directors
For **Narayana Hrudayalaya Limited**

Ashish Kumar
Group Company Secretary & Compliance Officer

Place: Bengaluru

Date: 30th May, 2016

I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

Approval of remuneration payable to the Cost Auditors for the Financial Year 2016-17:

The Board, on the recommendations of Audit, Risk and Compliance Committee, has approved the appointment of M/s. PSV and Associates, Cost Accountants, Bengaluru, as Cost Auditors for the Financial Year ending 31st March, 2017, at a remuneration of Rs. 2, 50,000/- (Rupees Two Lakh Fifty Thousand) only per annum plus applicable taxes and out of pocket expenses payable to the Cost Auditors.

In accordance with section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration so payable to the cost auditors is required to be ratified by the shareholders of the Company.

The Board accordingly recommends the passing of the said resolution as contained in the notice for approval by the Members as ordinary resolution.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the proposed resolution. This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 5:

Increase in the limits for borrowings under Section 180 (1) (c) of the Companies Act, 2013:

Under Section 180 (1) (c) of the Companies Act, 2013 ("Act"), the Board of Directors of a Company except with the consent of the shareholders in general meeting by a special resolution, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the Company.

The shareholders vide resolution passed at their Extra Ordinary General Meeting held on March 25th, 2015, had accorded their consent to the Board of Directors to borrow up to Rs. 480 Crores.

Taking into consideration, the requirements of additional funds to meet the cost of the Company's projects and other capital expenditure programmes and additional long term working capital requirements of the Company and its subsidiary(ies), it is expected that the limit of Rs. 480 Crores will not be adequate. Therefore, the consent and approval of the Shareholders is sought in accordance with the provisions of Section 180(1) (c) of the Act, to enable the Directors to borrow monies, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 1000 Crores or limits so prescribed under Section 180(1) (c) (as may be amended from time to time) whichever is higher.

The Board accordingly recommends the passing of the said resolution as contained in the notice for approval by the Members as a special resolution.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the proposed resolution. This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Item No. 6:

Appointment of Dr. Anesh Shetty for office or place of profit in an Associate Company:

The Management has deputed many employees on secondment basis to M/s. Health City Cayman Islands Limited (HCCIL) {an Associate of Narayana Hrudayalaya Limited (NHL), in which NHL through its wholly owned subsidiary holds 28.6% equity shares}. It is proposed to depute Dr. Anesh Shetty on similar terms to HCCIL, for a remuneration of USD 8,000 per month to be paid by the Associate Company.

Dr. Anesh Shetty is a relative of Dr. Devi Prasad Shetty, Chairman and Whole-time director and Mr. Viren Shetty, Whole-time director of the Company and hence the transaction is considered as related party transaction under Section 188 (1)(f) of the Companies Act, 2013 read with other applicable provisions, if any.

Since the above proposed remuneration exceeds the limit prescribed under Section 188 of the Companies Act 2013, the appointment will require prior approval of the shareholder's vide a Special Resolution.

The Board accordingly recommends the passing of the said resolution as contained in the notice for approval by the Members as a Special Resolution.

Except for Dr. Devi Prasad Shetty, Mr. Viren Shetty and their relatives, none of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise in the proposed resolution. This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Item No. 7:

Amendment in the Liability Clause of the Memorandum of Association of the Company:

In order to comply with the provisions of Section 4(1)(d)(i) of the Companies Act, 2013, the Company needs to alter the Liability Clause of the Memorandum of Association. The modification in the Memorandum of Association is carried out to give effect to the provisions of the Companies Act, 2013. Hence, existing Clause IV be deleted and in its place following new clause IV be substituted:

IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them. The Board accordingly recommends the passing of the said resolution as contained in the notice for approval by the Members as a special resolution.

A copy of altered clause IV of Memorandum of Association of the Company is available for inspection of Members during business hours on working days.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the proposed resolution. This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Item No. 8:

Alteration of Articles of Association:

Pursuant to the provisions of the Section 14, 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and for the purpose of necessary compliances thereof, it is proposed to alter the existing Article 59 of the Articles of Association of the Company with the following:

“At the Annual General Meeting of the Company held every year, one third of such of the Directors as are liable to retire by rotation for the time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office and they will be eligible for re-election. Provided nevertheless that the Managing Director and Director(s) appointed as Independent Directors under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of the Directors of whom one third shall retire by rotation from office under this Article.”

The Board accordingly recommends the passing of the said resolution as contained in the notice for approval by the Members as a Special Resolution.

A Copy of altered Articles of Association is available for inspection of the Members during business hours on working days of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the proposed resolution. This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By the order of the Board of Directors
For **Narayana Hrudayalaya Limited**

Ashish Kumar
Group Company Secretary & Compliance Officer

Place: Bengaluru

Date: 30th May, 2016

II. DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS

Re-appointment of Dr. Devi Prasad Shetty:

In terms of Section 152 (6) of the Companies Act, 2013, Dr. Devi Prasad Shetty shall retire by rotation at the forthcoming AGM and being eligible offers himself for reappointment.

Dr. Devi Prasad Shetty was appointed as Chairman and Whole-time Director of the Company for a period of three years effective from 29th August, 2015. As per the terms of his appointment, re-appointment at the AGM as a director retiring by rotation would not constitute break in his appointment as Chairman and Whole-time Director.

Dr. Devi Prasad Shetty is a cardiac surgeon with around 33 years of experience. After completing his MBBS from University of Mysore in 1978, Dr. Shetty registered with the Karnataka Medical Council in 1979. Thereafter, in 1982, Dr. Shetty received a master's degree in surgery from the University of Mysore. In 2009, Dr. Shetty was granted a fellowship from the Royal College of Surgeons of England. Dr. Shetty founded our Company in the year 2000. Dr. Shetty 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. Dr. Shetty is a 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 Rajyotsava Award in 2002 conferred by the Government of Karnataka.

Except in Narayana Hrudayalaya Limited (NHL), Dr. Devi Prasad Shetty is not a Director and Committee Member in any other Listed Company. Dr. Shetty holds 33.37 % of the paid up capital of NHL.

Upon his re-appointment as a Director, Dr. Devi Prasad Shetty shall continue to hold office as Chairman and Whole-time Director. Accordingly Board recommends his re-appointment.

Except for Dr. Devi Prasad Shetty being an appointee, Mr. Viren Shetty and their relatives, none of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise in the proposed resolution. This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By the order of the Board of Directors
For **Narayana Hrudayalaya Limited**

Ashish Kumar
Group Company Secretary & Compliance Officer

Place: Bengaluru

Date: 30th May, 2016