

## **Narayana Hrudayalaya Limited**

(CIN: L85110KA2000PLC027497)

Registered Office: 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru-560099

Corporate Office: 261/A, 2<sup>nd</sup> Floor, Bommasandra Industrial Area, Anekal Taluk, Bengaluru-560099

Tel: +91 80 7122 2129, Website: www.narayanahealth.org, email: investorrelations@narayanahealth.org

### **NOTICE**

Notice is hereby given that the Eighteenth Annual General Meeting (AGM) of the Members of Narayana Hrudayalaya Limited (Formerly known as Narayana Hrudayalaya Private Limited) will be held at "Sathya Sai Samskruta Sadanam", No. 20, Hosur Road, Bengaluru - 560029 on Friday, the 3<sup>rd</sup> day of August 2018 at 11.30 A. M. to transact the following business:

#### **A. Ordinary Business:**

1. To receive, consider and adopt Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2018.
2. To receive, consider and adopt Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2018.
3. To receive, consider and adopt the Auditors' Report and the Report of the Board of Directors for the year ended 31<sup>st</sup> March 2018.
4. To appoint a Director in place of Mr. Viren Shetty (DIN 02144586), who retires by rotation and being eligible, offers himself for re-appointment.

#### **B. Special Business:**

5. **Ratification of remuneration payable to the Cost Auditors for the Financial Year 2018-19**

To consider and if thought fit, to pass either with or without modification(s), the following resolution as an **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 Members hereby approve and ratify the remuneration of ₹ 3,00,000 (Rupees Three Lakhs) 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 as Cost Auditors to conduct the audit of cost records for the Financial Year 2018-19.

**FURTHER RESOLVED THAT** the Board of Directors of the Company, be and are 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. **Re-appointment of Dr. Devi Prasad Shetty (DIN:00252187) as Whole-time Director of the Company for a term of five years**

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 Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the recommendation of the Nomination and Remuneration Committee and the Board of Directors and subject to such consent, approval, permission as may be required from any statutory authority, consent of the Members be and is hereby accorded to re-appoint Dr. Devi Prasad Shetty (DIN: 00252187) as Whole-time Director of the Company, liable to retire by rotation, for a period of 5 years with effect from 29<sup>th</sup> August 2018.

**FURTHER RESOLVED THAT**, pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, subject to such consent, approval, permission as may be required from any statutory authority Dr. Devi Prasad Shetty shall be paid the following revised remuneration with effect from 1<sup>st</sup> April 2018 till end of the current term of appointment as Whole-time Director being 28<sup>th</sup> August 2018 and also for the new term of re-appointment as Whole-time Director effective from 29<sup>th</sup> August 2018 till such time his remuneration is further revised:

**Consolidated Salary:** Consolidated salary upto ₹ 5,98,40,000 (Rupees Five Crores Ninety Eight Lakhs and Forty Thousand only) per annum which includes performance based pay, allowances and perquisites, with the authority to the Board to fix the salary within the said maximum limit from time to time including the various components of such salary.

**Benefits apart from consolidated salary:** Group Personal Accident Policy and Group Term Life Insurance Policy.

**FURTHER RESOLVED THAT** all other terms and conditions as per the HR policy of the company be and is hereby applicable including Earned/Privilege leave in terms of applicable provisions of the relevant statutes.

**FURTHER RESOLVED THAT** the revised remuneration as set out above be paid to Dr. Devi Prasad Shetty as minimum remuneration in the event of loss or the profits made are inadequate, subject to the provisions of Schedule V of the Companies Act, 2013.

**FURTHER RESOLVED THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

7. **Re-appointment of Dr. Ashutosh Raghuvanshi (DIN: 02775637) as Managing Director of the Company for a term of five years**

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 Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the recommendation of the Nomination and Remuneration Committee and the Board of Directors and subject to such consent, approval, permission as may be required from any statutory authority, consent

of the Members be and is hereby accorded to re-appoint Dr. Ashutosh Raghuvanshi (DIN: 02775637) as Managing Director of the Company for a period of 5 years with effect from 29<sup>th</sup> August 2018.

**FURTHER RESOLVED THAT,** pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, subject to such consent, approval, permission as may be required from any statutory authority, Dr. Ashutosh Raghuvanshi shall be paid the following revised remuneration with effect from 1<sup>st</sup> April 2018 till end of the current term of appointment as Managing Director being 28<sup>th</sup> August 2018 and the new term of re-appointment as Managing Director effective from 29<sup>th</sup> August 2018 till such time his remuneration is further revised:

**Consolidated Salary:** Dr. Ashutosh Raghuvanshi shall be paid consolidated salary upto ₹ 4,35,02,400 (Rupees Four Crores Thirty Five Lakhs Two Thousand and Four Hundred only) per annum which includes performance-based pay, allowances and perquisites, with the authority to the Board to fix the salary within the said maximum limit from time to time including the various components of such salary.

**Benefits apart from consolidated salary:** Group Mediclaim Insurance Policy, Group Personal Accident Policy, Group Term Life Insurance Policy and Group Term Life – Future Service Guarantee.

**FURTHER RESOLVED THAT** all other terms and conditions as per the HR policy of the company be and is hereby applicable including Earned/Privilege leave, Gratuity in terms of applicable provisions of the relevant statutes.

**FURTHER RESOLVED THAT** the revised remuneration as set out above be paid to Dr. Ashutosh Raghuvanshi as minimum remuneration, in the event of loss or the profits made are inadequate, subject to the provisions of Schedule V of the Companies Act, 2013.

**FURTHER RESOLVED THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

8. **Re-appointment of Mr. Viren Shetty (DIN:02144586), as Whole-time Director of the Company for a term of five years**

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 Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the recommendation of the Nomination and Remuneration Committee and the Board of Directors and subject to such consent, approval, permission as may be required from any statutory authority, consent of the Members be and is hereby accorded to re-appoint Mr. Viren Shetty (DIN:02144586), as Whole-time Director of the Company, liable to retire by rotation, for a period of 5 years with effect from 29<sup>th</sup> August 2018.

**FURTHER RESOLVED THAT**, pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, subject to such consent, approval, permission as may be required from any statutory authority, Mr. Viren Shetty shall be paid the following revised remuneration with effect from 1<sup>st</sup> April 2018 till end of the current term of appointment as Whole-time Director being 28<sup>th</sup> August 2018 and also the new term of re-appointment as Whole-time Director effective from 29<sup>th</sup> August 2018 till such time his remuneration is further revised:

**Consolidated Salary:** Mr. Viren Shetty shall be paid consolidated salary upto ₹ 1,23,12,000 (Rupees One Crore Twenty Three Lakhs and Twelve Thousand only) per annum which includes performance-based pay, allowances and perquisites, with the authority to the Board to fix the salary within the said maximum limit from time to time including the various components of such salary.

**Benefits apart from consolidated salary:** Group Mediclaim Insurance Policy, Group Personal Accident Policy, Group Term Life Insurance Policy and Group Term Life – Future Service Guarantee.

**FURTHER RESOLVED THAT** all other terms and conditions as per the HR policy of the company be and is hereby applicable including Earned/Privilege leave, Gratuity in terms of applicable provisions of the relevant statutes.

**FURTHER RESOLVED THAT** the revised remuneration as set out above be paid to Mr. Viren Shetty as minimum remuneration, in the event of loss or the profits made are inadequate, subject to the provisions of Schedule V of the Companies Act, 2013.

**FURTHER RESOLVED THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

9. **Re-appointment of Mr. Dinesh Krishna Swamy (DIN: 00041553) as an Independent Director of the Company for a second term of five consecutive years**

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 Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Dinesh Krishna Swamy (DIN:00041553), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years from 8<sup>th</sup> August 2018 to 7<sup>th</sup> August 2023 and whose office shall not be liable to determination by retirement of Directors by rotation.

**FURTHER RESOLVED THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

10. **Re-appointment of Mr. Muthuraman Balasubramanian (DIN:00004757) as an Independent Director of the Company for a second term of five consecutive years**

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 Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Muthuraman Balasubramanian (DIN:00004757), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years from 8<sup>th</sup> August 2018 to 7<sup>th</sup> August 2023, and whose office shall not be liable to determination by retirement of directors by rotation.

**FURTHER RESOLVED THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

11. **Re-appointment of Mr. Arun Seth (DIN:00204434) as an Independent Director of the Company for a second term of five consecutive years**

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 Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Arun Seth (DIN:00204434),

Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years from 8<sup>th</sup> August 2018 to 7<sup>th</sup> August 2023 and whose office shall not be liable to determination by retirement of directors by rotation.

**FURTHER RESOLVED THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

12. **Re-appointment of Mr. B.N. Subramanya (DIN:00483654) as an Independent Director of the Company for a second term of five consecutive years**

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 Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. B.N. Subramanya (DIN:00483654), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years from 8<sup>th</sup> August 2018 to 7<sup>th</sup> August 2023, and whose office shall not be liable to determination by retirement of directors by rotation.

**FURTHER RESOLVED THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary,

proper, expedient or incidental for giving effect to this resolution as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

13. **Re-appointment of Mr. Manohar D Chatlani (DIN:00101591) as an Independent Director of the Company for a second term of five consecutive years**

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 Sections 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Manohar D Chatlani (DIN: 00101591), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years from 11<sup>th</sup> September 2018 to 10<sup>th</sup> September 2023 and whose office shall not be liable to determination by retirement of directors by rotation.

**FURTHER RESOLVED THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.

14. **Increase in borrowing powers of Board of Directors 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**, 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), the Articles of Association of the Company and in supersession of all the earlier resolutions passed in this regard, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" and which term shall be deemed to include any Committee of the Board already constituted or to be constituted pursuant to this resolution or any Director(s) or Person(s) authorized by the Board) to borrow any sum or sums of moneys from time to time, for the purpose of business of the Company in rupee currency and / or foreign currency from, including but not limited to, any one or more banks, financial institutions, persons, firms, companies and bodies corporates, notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business), may exceed aggregate of its paid-up share capital and free reserves, provided however, the total amount so borrowed shall not exceed ₹ 1500 crores (Rupees Fifteen Hundred Crores only) and the Board is authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

**RESOLVED FURTHER THAT** the Board 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 as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

15. **Increase in provision for security in connection with the borrowings under Section 180(1)(a) 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 in this regard and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or re-enactments thereof), and the Articles of Association of the Company, consent

of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" and which term shall be deemed to include any Committee of the Board already constituted or to be constituted pursuant to this resolution or any Director(s) or Person(s) authorized by the Board) to pledge, mortgage, hypothecate, and/or to create charge / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine on all or any of the assets of the company whether immovable or movable, tangible or intangible both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of any lenders or trustees to secure the amount borrowed by the Company and / or its subsidiaries, associates and joint ventures from time to time for the due payment of the principal together with interest, charges, costs, expenses and all other monies payable by the Company or the subsidiaries, associates and joint ventures in respect of such borrowings.

**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 as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

16. **Approval of Related Party Transaction for appointment of Dr. Anesh Shetty as Senior Manager- Operations**

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 188 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, the consent of the Members be and is hereby accorded for the appointment of Dr. Anesh Shetty, a relative of Dr. Devi Prasad Shetty, Chairman & Whole-time Director and Mr. Viren Shetty,

Whole-time Director of the Company, as a Senior Manager-Operations for providing services at a remuneration of ₹ 31,61,000 (Rupees Thirty One Lakhs and Sixty One Thousand only) per annum effective from 1<sup>st</sup> April 2018.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to revise the remuneration payable to Dr. Anesh Shetty from time to time upto a period of 3 years, i.e. upto the Financial Year 2020-21 not exceeding ₹ 42,00,000 (Rupees Forty Two Lakhs only) per annum basis the scope of service, the pay of similarly placed professional in the industry and such other factors as deemed appropriate by the Board without seeking any further approval from the Members.

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

17. **Approval for Related Party Transaction for appointment of Dr. Varun Shetty as Consultant Surgeon**

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 188 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, the consent of the Members be and is hereby accorded for appointment of Dr. Varun Shetty, a relative of Dr. Devi Prasad Shetty, Chairman & Whole-time Director and Mr. Viren Shetty, Whole-time Director of the Company, as a Consultant Surgeon for providing services in Cardiac Surgery at a remuneration of ₹ 52,32,000 (Rupees Fifty Two Lakhs and Thirty Two Thousand only) per annum effective from 1<sup>st</sup> April 2018.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to revise the remuneration payable to Dr. Varun Shetty from time to time upto a period of 3 years, i.e. upto the Financial Year 2020-21 not exceeding ₹ 68,00,000 (Rupees Sixty Eight Lakhs only) per annum basis the scope of service, the pay of similarly placed professional in the industry and such other factors as deemed appropriate by the Board without seeking any further approval from the Members.

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

18. **Approval for Related Party Transaction for appointment of Dr. Vivek Shetty as Consultant Surgeon**

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 188 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, the consent of the Members be and is hereby accorded for appointment of Dr. Vivek Shetty, a relative of Dr. Devi Prasad Shetty, Chairman & Whole-time Director and Mr. Viren Shetty, Whole-time Director of the Company, as a Consultant Surgeon at a remuneration of ₹ 32,04,600 (Rupees Thirty Two Lakhs Four Thousand and Six Hundred only) per annum effective from 1<sup>st</sup> April 2018.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to revise the remuneration payable to Dr. Vivek Shetty from time to time upto a period of 3 years, i.e. upto the Financial Year 2020-21 not exceeding ₹ 42,00,000 (Rupees Forty Two Lakhs only) per annum basis the scope of service, the pay of similarly placed professional in the industry and such other factors as deemed appropriate by the Board without seeking any further approval from the Members.

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

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

**Sridhar S**

Group Company Secretary, Legal & Compliance Officer

Place: Bengaluru

Date: 29<sup>th</sup> June 2018

**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning business under item nos. 5 to 18 is annexed hereto.
2. Details as required in sub regulation (3) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/reappointment at the Annual General Meeting forms integral part of the Notice. The Directors has furnished details as required under this regulation for their re-appointment and also as required under the Companies Act, 2013 and Rules made thereunder.
3. A route map showing the directions to reach the venue of the Eighteenth Annual General Meeting is annexed hereto.
4. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy, to attend and vote instead of himself/herself, and a proxy need not be a Member of the Company. The instrument appointing

the proxy, duly completed, must be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting (on or before 1<sup>st</sup> August 2018). Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions/authority as applicable. A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent (10 %) of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Members.

5. 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.

6. Members are requested to bring Annual Report 2017-18 along with them to the Annual General Meeting, since extra copies will not be provided at the Meeting.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies, 2013 and the certificate from Auditors of the Company Certifying that the Narayana Hrudayalaya (Employee Stock Option Plan), 2015 are being implemented in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 will be available for inspection by the Members at the Annual General Meeting.
8. Proxies shall be made available for inspection by a Member, during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.
9. 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.
10. Notice is sent to all the Members (electronic or physical copy), whose names appears in the Register of Members as on Friday, the 29<sup>th</sup> June 2018. The Notice of the meeting is also posted on the website of the Company i.e., [www.narayanahealth.org](http://www.narayanahealth.org).
11. 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 ID with the Company/ Karvy Computershare Private Limited ("Karvy"), the Registrar and Transfer Agent. Members holding shares in demat mode are requested to register their e-mail ID with their respective Depository Participants (DP). If there is any change in the e-mail ID already registered with the Company/Karvy, Members are requested to immediately notify the same to the Company.
12. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and Karvy to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Karvy for assistance in this regard.
13. The Securities 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 DP with whom they are maintaining their Demat Accounts. Members holding shares in Physical form can submit their PAN details to Karvy.
14. 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 amended from time to time 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 18<sup>th</sup> Annual General Meeting 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 Annual General Meeting ("remote e-voting") will be provided by Karvy.
15. The facility of Insta Voting shall be made available at the venue of the Annual General Meeting 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.
16. The voting through electronic means will commence on Tuesday, 31<sup>st</sup> July, 2018 at 10.00 A.M. and will end on Thursday, 2<sup>nd</sup> August 2018 at 5.00 P.M. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, Friday, 27<sup>th</sup> July, 2018, 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 Members, the Members shall not be allowed to change it subsequently.
17. The Members who have cast their votes before the Annual General Meeting can also attend the meeting but shall not be entitled to cast their votes again.



18. A person who ceases to be a Member after the cut-off date should treat this notice for information purpose only.
19. Instructions for Voting through electronic means are as under:
- A. In case a Member receives an email from Karvy [for Members whose e-mail IDs are registered with the Company/Depository Participant(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](mailto:sudhindraksfcs@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
- (xiv) The e-voting portal will remain open for voting from Tuesday, 31<sup>st</sup> July, 2018 at 10.00 A.M. and will end on Thursday, 2<sup>nd</sup> August 2018 at 5.00 P.M (both days inclusive).
- B. In case a Member receives physical copy of the Notice of Annual General Meeting for Members whose e-mail IDs are not registered with the Company/Depository Participant(s) or requesting physical copy:
- (i) EVEN, User ID & Initial Password is provided at the bottom of the attendance slip.
  - (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](http://www.evoting.karvy.com) or call on toll free no. 1-800-3454-001 for any query.
- C. General Instructions:
- (i) 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](http://www.evoting.karvy.com) or contact Karvy at the following toll free no. 1-800-3454-001.
  - (ii) 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).
  - (iii) 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 on Friday, 27<sup>th</sup> July 2018.
  - (iv) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares

as of the cut-off date i. e., Friday, 27<sup>th</sup> day of July 2018 may obtain the login ID and password by sending a request at [evoting@karvy.com](mailto:evoting@karvy.com).

- (v) 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 Annual General Meeting through insta poll.
- (vi) 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.
- (vii) The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of insta poll facility for all those Members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- (viii) The Scrutinizer shall, immediately after the conclusion of voting at the Annual 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 from the conclusion of the meeting i.e., on or before 5<sup>th</sup> August 2018, 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.

- (ix) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.narayanahealth.org](http://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 results 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 Order of the Board of Directors  
For **Narayana Hrudayalaya Limited**

**Sridhar S**

Group Company Secretary, Legal & Compliance Officer

Place: Bengaluru

Date: 29<sup>th</sup> June 2018

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

### **Item No. 5**

#### **Ratification of Remuneration payable to the Cost Auditors for the Financial Year 2018-19**

The Board, on the recommendations of Audit, Risk and Compliance Committee, has approved the re-appointment of M/s. PSV and Associates, Cost Accountants, Bengaluru, as Cost Auditors for the Financial Year ending 31<sup>st</sup> March 2019, at a remuneration of ₹ 3,00,000 (Rupees Three Lakhs) per annum plus applicable taxes and out of pocket expenses payable to the Cost Auditors.

In accordance with Section 148 (3) 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 Members of the Company. Accordingly, consent of the Members is sought for passing an ordinary resolution as set out at Item No. 5 of the Notice of the AGM for ratification of remuneration payable to the Cost Auditors for the Financial Year ending 31<sup>st</sup> March 2019.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, either directly or indirectly in the proposed resolution.

The Board recommends the passing of the said resolution as set out at Item No. 5 in the Notice for approval by the Members as an ordinary resolution.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Item No. 6**

#### **Re-appointment of Dr. Devi Prasad Shetty (DIN:00252187) as Whole-time Director of the Company for a term of five years**

The Members of the Company at the EGM held on 12<sup>th</sup> September 2015 had approved the appointment of Dr. Devi Prasad Shetty as a whole-time Director for a term of 3 years from 29<sup>th</sup> August 2015 upto 28<sup>th</sup> August 2018. The term of appointment of Dr. Devi Prasad Shetty will expire on 28<sup>th</sup> August 2018.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 29<sup>th</sup> May 2018 have approved and recommended the re-appointment and revision in remuneration of Dr. Devi Prasad Shetty, as Whole-time Director of the Company, with effect from 29<sup>th</sup> August 2018 for a term of five years.

Dr. Devi Prasad Shetty shall be paid remuneration as set out in Item No. 6 during his tenure as Whole-time Director.

Approval of the Members is sought pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof). Remuneration currently drawn by Dr. Devi Prasad Shetty is ₹ 5,25,19,364 (Rupees Five Crores Twenty Five Lakhs Nineteen Thousand Three Hundred and Sixty Four only) per annum.

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

Profile of Dr. Devi Prasad Shetty has been provided in the Annual Report for Financial Year 2017-18.

Further details of Dr. Devi Prasad Shetty, as required under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and SEBI Regulations pertaining to the re-appointment of Dr. Devi Prasad Shetty has been Annexed to this Notice.

Except for Dr. Devi Prasad Shetty, Mr. Viren Shetty and their relatives, none of the other Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, either directly or indirectly 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**

#### **Re-appointment of Dr. Ashutosh Raghuvanshi (DIN: 02775637) as Managing Director of the Company for a term of five years**

The Members of the Company at the EGM held on 12<sup>th</sup> September 2015 had approved the appointment of Dr. Ashutosh Raghuvanshi as Managing Director for a term of 3 years from 29<sup>th</sup> August 2015 upto 28<sup>th</sup> August 2018. The term of appointment of Dr. Ashutosh Raghuvanshi will expire on 28<sup>th</sup> August 2018.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 29<sup>th</sup> May 2018 have approved and recommended the re-appointment and revision in remuneration of Dr. Ashutosh Raghuvanshi, as Managing Director of the Company, with effect from 29<sup>th</sup> August 2018 for a term of five years.

Dr. Ashutosh Raghuvanshi shall be paid remuneration as set out in item No. 7 during his tenure as Managing Director. Approval of the Members is sought pursuant to the provisions of sections 196, 197, 198 and other applicable provisions, if any, of the

Companies Act, 2013, (including any amendment modification there of) Remuneration currently drawn by Dr. Ashutosh Raghuvanshi is ₹ 3,90,26,126 (Rupees Three Crore Ninety Lakhs Twenty Six Thousand One Hundred and Twenty Six only) per annum.

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

Profile of Dr. Ashutosh Raghuvanshi has been provided in the Annual Report for Financial Year 2017-18.

Further details of Dr. Ashutosh Raghuvanshi, as required under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and SEBI Regulations pertaining to the re-appointment of Dr. Ashutosh Raghuvanshi has been Annexed to this Notice.

Except Dr. Ashutosh Raghuvanshi, none of the other Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, directly or indirectly 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**

##### **Re-appointment of Mr. Viren Shetty (DIN:02144586), as Whole-time Director of the Company for a term of five years**

The Members of the Company at the EGM held on 12<sup>th</sup> September 2015 had approved the appointment of Mr. Viren Shetty as Whole-time Director for a term of 3 years from 29<sup>th</sup> August 2015 upto 28<sup>th</sup> August 2018. The term of appointment of Mr. Viren Shetty will expire on 28<sup>th</sup> August 2018.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 29<sup>th</sup> May 2018 have approved and recommended the re-appointment and revision in remuneration of Mr. Viren Shetty, as Whole-time Director of the Company with effect from 29<sup>th</sup> August 2018 for a term of five years.

Mr. Viren Shetty shall be paid remuneration as set out in Item No. 8 during his tenure as Whole time Director. Approval of the Members is sought pursuant to the provisions of Sections 196 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof). Remuneration currently drawn by Mr. Viren Shetty is ₹ 1,05,54,400 (Rupees One Crore Five Lakhs Fifty Four Thousand and Four Hundred only) per annum.

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

Profile of Mr. Viren Prasad Shetty has been provided in the Annual Report for Financial Year 2017-18.

Further details of Mr. Viren Shetty, as required under Secretarial Standard-2 issued under the Institute of Company Secretaries of India and SEBI Regulations pertaining to the re-appointment of Mr. Viren Shetty has been Annexed to this notice.

Except for Mr. Viren Shetty, Dr. Devi Prasad Shetty and their relatives, none of the other 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. 9**

##### **Re-appointment of Mr. Dinesh Krishna Swamy (DIN:00041553) as an Independent Director of the Company for a second term of five consecutive years.**

Mr. Dinesh Krishna Swamy is an Independent Director of the Company and Chairperson of the Corporate Social Responsibility Committee of the Board of Directors of the Company. He was appointed on the Board on 8<sup>th</sup> August 2015 as an Independent Director. Mr. Dinesh Krishna Swamy term of appointment as an Independent Director will expire on 7<sup>th</sup> August 2018.

Based on the recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and SEBI Regulations, Mr. Dinesh Krishna Swamy, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed for the second term as an Independent Director for a term of five consecutive years from 8<sup>th</sup> August 2018 upto 7<sup>th</sup> August 2023.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing a Special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Mr. Dinesh Krishna Swamy does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In the opinion of the Board, Mr. Dinesh Krishna Swamy fulfils the conditions specified under the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Dinesh Krishna Swamy as an Independent Director setting out terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Dinesh Krishna Swamy as an Independent Director.

Accordingly, the Board recommends the Special resolution as in relation to eligibility and re-appointment of Mr. Dinesh Krishna Swamy as an Independent Director for another term of five consecutive years with effect from 8<sup>th</sup> August 2018 upto 7<sup>th</sup> August 2023, for the approval by the Members of the Company.

Except Mr. Dinesh Krishna Swamy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the accompanying Notice of the AGM. Mr. Dinesh Krishnaswamy is not related to any Director of the Company.

Profile of Mr. Dinesh Krishna Swamy has been provided in the Annual Report for Financial Year 2017-18.

Further details of Mr. Dinesh Krishna Swamy, as required under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and SEBI Regulations pertaining to the re-appointment of Mr. Dinesh Krishna Swamy has been Annexed to this notice.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Item No. 10**

##### **Re-appointment of Mr. Muthuraman Balasubramanian (DIN:00004757) as an Independent Director of the Company for a second term of five consecutive years**

Mr. Muthuraman Balasubramanian is an Independent Director of the Company and Chairperson of the Stakeholders' Relationship Committee of the Board of Directors of the Company. He joined the Board of Directors of the Company on 8<sup>th</sup> August 2015. Mr. Muthuraman Balasubramanian, term of appointment as an Independent Director will expire on 7<sup>th</sup> August 2018.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing a Special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Listing Regulations, Mr. Muthuraman Balasubramanian, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed for the second term as an Independent Director for a term of five consecutive year from 8<sup>th</sup> August 2018 upto 7<sup>th</sup> August 2023.

Mr. Muthuraman Balasubramanian does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In the opinion of the Board, Mr. Muthuraman Balasubramanian fulfils the conditions specified under the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Muthuraman Balasubramanian as an Independent Director setting out terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Muthuraman Balasubramanian as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. Muthuraman Balasubramanian as an Independent Director for another term of five consecutive years with effect from 8<sup>th</sup> August 2018 upto 7<sup>th</sup> August 2023, for the approval by the Members of the Company.

Except Mr. Muthuraman Balasubramanian, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the accompanying Notice of the AGM. Mr. Muthuraman Balasubramanian is not related to any Director of the Company.

Profile of Mr. Muthuraman Balasubramanian has been provided in the Annual Report for Financial Year 2017-18.

Further details of Mr. Muthuraman Balasubramanian, as required under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and SEBI Regulations pertaining to the re-appointment of Mr. Muthuraman Balasubramanian has been Annexed to this notice.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Item No. 11**

##### **Re-appointment of Mr. Arun Seth (DIN:00204434) as an Independent Director of the Company for a second term of five consecutive years**

Mr. Arun Seth is an Independent Director of the Company and Chairperson of the Nomination and Remuneration Committee of the Board of Directors of the Company. He joined the Board of Directors of the Company on 8<sup>th</sup> August 2015. Mr. Arun Seth term of appointment as an Independent Director will expire on 7<sup>th</sup> August 2018.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing a Special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Listing Regulations, Mr. Arun Seth, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed for second term as an Independent Director for a term of five consecutive years from 8<sup>th</sup> August 2018 upto 7<sup>th</sup> August 2023.

Mr. Arun Seth does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In the opinion of the Board, Mr. Arun Seth fulfils the conditions specified under the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Regulations for his re-appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Arun Seth as an Independent Director setting out terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Arun Seth as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. Arun Seth as an Independent Director for another term of five consecutive years with effect from 8<sup>th</sup> August 2018 upto 7<sup>th</sup> August 2023, for the approval by the Members of the Company.

Except Mr. Arun Seth, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the accompanying Notice of the AGM. Mr. Arun Seth is not related to any Director of the Company.

Profile of Mr. Arun Seth has been provided in the Annual Report for Financial Year 2017-18.

Further details of Mr. Arun Seth, as required under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and SEBI Regulations pertaining to the reappointment, of Mr. Arun Seth has been Annexed to this notice.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Item No. 12

### **Re-appointment of Mr. B.N. Subramanya (DIN:00483654) as an Independent Director of the Company for a second term of five consecutive years**

Mr. B.N. Subramanya is an Independent Director of the Company and Chairperson of the Audit, Risk and Compliance Committee of the Board of Directors of the Company. He joined the Board of Directors of the Company on 8<sup>th</sup> August 2015. Mr. B.N. Subramanya term of appointment as an Independent Director will expire on 7<sup>th</sup> August 2018.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing a Special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the SEBI Regulations, Mr. B.N. Subramanya, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed for the second term as an Independent Director for a term of five consecutive years from 8<sup>th</sup> August 2018 upto 7<sup>th</sup> August 2023.

Copy of the draft letter for appointment of Mr. B.N. Subramanya as an Independent Director setting out terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. B.N. Subramanya as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. B.N. Subramanya as an Independent Director for another term of five consecutive years with effect from 8<sup>th</sup> August 2018 upto 7<sup>th</sup> August 2023, for the approval by the Members of the Company.

Except Mr. B.N. Subramanya, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the accompanying Notice of the AGM. Mr. B.N. Subramanya is not related to any Director of the Company.

Profile of Mr. B.N. Subramanya has been provided in the Annual Report for Financial Year 2017-18.

Further details of Mr. B.N. Subramanya, as required by Secretarial Standard-2 issued by the Institute of Company Secretaries of

India and SEBI Regulations pertaining to the re-appointment, of Mr. B.N. Subramanya has been Annexed to this notice.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Item No. 13**

#### **Re-appointment of Mr. Manohar D Chatlani (DIN:00101591) as an Independent Director of the Company for a second term of five consecutive years**

Mr. Manohar D Chatlani is an Independent Director of the Company. He joined the Board of Directors of the Company on 11<sup>th</sup> September 2015. Mr. Manohar D Chatlani, term of appointment as an Independent Director will expire on 10<sup>th</sup> September 2018.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall be eligible for re-appointment on passing a Special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the SEBI Regulations, Mr. Manohar D Chatlani, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed for the second term as an Independent Director for a term of five consecutive years from 11<sup>th</sup> September 2018 upto 10<sup>th</sup> September 2023.

Mr. Manohar D Chatlani does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In the opinion of the Board, Mr. Manohar D Chatlani fulfils the conditions specified under the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Regulations for his re-appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Manohar D Chatlani as an Independent Director setting out terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Manohar D Chatlani as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. Manohar D Chatlani as an Independent Director for another term of five consecutive years

with effect from 11<sup>th</sup> September 2018 upto 10<sup>th</sup> September 2023 for the approval by the Members of the Company.

Except Mr. Manohar D Chatlani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 13 of the accompanying Notice of the AGM. Mr. Manohar D Chatlani is not related to any Director of the Company.

Profile of Mr. Manohar D Chatlani has been provided in the Annual Report for Financial Year 2017-18.

Further details of Mr. Manohar D Chatlani, as required under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and SEBI Regulations pertaining to the re-appointment of Mr. Manohar D Chatlani has been Annexed to this notice.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Item No. 14**

#### **Increase in borrowing powers of Board of Directors under Section 180(1)(c) from ₹ 1000 Crores to ₹ 1500 Crores**

Under Section 180(1)(c) of the Companies Act, 2013 ("Act"), the Board of Directors of the Company except with the consent of the Members 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 Members vide resolution passed at their Annual General Meeting held on 29<sup>th</sup> July 2016, had accorded their consent to the Board of Directors to borrow up to ₹1000 Crores.

The Company's strategy and plans include expansion of its operations in India as well as abroad. Therefore, the Company is actively exploring new opportunities which would enhance Members value in the future. In this connection, while the existing borrowings of the Company as on 31<sup>st</sup> March 2018 is well within the present borrowing limits approved by the Members for an amount of ₹ 1,000 Crores, for the purpose of financing the growth plans of the Company, it is expected that the limit of ₹ 1,000 Crores will not be adequate.

Therefore, the consent and approval of the Members 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 ₹ 1,500 Crores.

The Board recommends the Resolution at Item No.14 of the Notice for approval of the Members by a Special resolution.

None of the Directors and Key managerial personnel of the Company or their respective relatives are concerned or interested in the resolution mentioned at Item No.14 of the Notice.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Item No. 15**  
**Increase in provision for security in connection with the borrowings under Section 180(1)(a) from ₹ 1000 crores up to ₹ 1500 crores**

In terms of the resolution passed by the Members of the Company vide Special resolution dated 4<sup>th</sup> August 2016, through postal ballot, the Members had accorded their consent to the Board of Directors of the Company to provide securities upto ₹ 1000 Crores, at any point of time.

In view of expected expansion in the operations of the Company, it may be necessary for the Company to borrow monies from various sources consequent to which the amount outstanding could exceed the present limit. The borrowings of the Company in general are required to be secured from time to time by creation of mortgage or charge on all or any of the movable or immovable property/assets of the Company in such form and manner as may be required by the lenders and acceptable to the Board of Directors of the Company. Mortgaging or creating charge by the Company on its assets to secure the funds borrowed from time to time within the overall limits of borrowing powers delegated to the Board of Directors, may be construed as disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013.

It is therefore considered necessary for the Members to authorize the Board to create mortgage/ charge on Company's assets in the manner proposed in the resolution to secure the funds borrowed by the Company from time to time upto an amount of ₹ 1,500 Crores.

The Board recommends passing this resolution as a Special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in this Special resolution.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Item No. 16**  
**Approval for Related Party Transaction for appointment of Dr. Anesh Shetty as Senior Manager- Operations**

The Board of Directors at their meeting held on 26<sup>th</sup> March 2018, on the recommendation of Audit, Risk and Compliance Committee of the Company, has appointed Dr. Anesh Shetty as a Senior Manager (Operations) with an Annual Remuneration of ₹ 31,61,000 (Rupees Thirty One Lakhs and Sixty One Thousand only) per annum together with other benefits, perquisites, allowances, amenities and facilities, as applicable / payable to

the other employees occupying similar position in the said job position as per the applicable rules, which is commensurate with his experience and as per prevalent industry standards.

Dr. Anesh Shetty will also be eligible for any allowances and reimbursement of expenses for any services rendered to Health City Cayman Islands Limited, Subsidiary Company of Narayana Hrudayalaya Limited as per HR Policy of the Company.

Dr. Anesh Shetty being a relative of Dr. Devi Prasad Shetty, Chairman and Whole-time Director and Mr. Viren Shetty, Whole-time Director of the Company is deemed to be holding an office or place of profit in the Company in terms of Section 188 (1)(f) of the Companies Act, 2013.

Dr. Anesh Shetty is a graduate from M.S Ramaiah Medical College. Dr. Anesh Shetty has been working in the Company since 2015. He initially completed a rotation through various functional departments as a management trainee and went on to work as the Executive Assistant to the Group CEO. Following which he is currently working as Senior Manager – Operations in the CEO's office based in Bangalore at a remuneration of ₹ 29,00,000 (Rupees Twenty Nine Lakhs only) per annum. In addition to this, he has also been involved in the overseas venture Health City Cayman Islands in a strategic and business developmental role.

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 Members 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. 17**  
**Approval for Related Party Transaction for appointment of Dr. Varun Shetty as Consultant Surgeon**

Dr. Varun Shetty was appointed as a Consultant Surgeon by the Board of Directors at their meeting held on 26<sup>th</sup> March 2018 on the recommendation of Audit, Risk and Compliance Committee of the Company with an Annual Remuneration of ₹ 52,32,000 (Rupees Fifty Two Lakhs and Thirty Two Thousand only) per annum together with other benefits, perquisites, allowances, amenities and facilities, as applicable / payable to the other employees occupying similar position in the said job position



as per the applicable rules, which is commensurate with his experience and as per prevalent industry standards.

Dr. Varun Shetty being a relative of Dr. Devi Prasad Shetty, Chairman and Whole-time Director and Mr. Viren Shetty, Whole-time Director of the Company is deemed to be holding an office or place of profit in the Company in terms of Section 188 (1)(f) of the Companies Act, 2013.

Dr. Varun Shetty graduated with MBBS in 2010 and later finished his DNB in Cardiothoracic Surgery from Narayana Institute of Cardiac Sciences in 2016. He later did his FRCS In Cardiothoracic Surgery from the Joint Surgical College UK in 2018. Dr. Varun is now a Consultant Surgeon in the department of Cardiac surgery at Narayana Institute of Cardiac Sciences Bengaluru. He is currently paid remuneration of ₹ 48,00,000 (Rupees Forty Eight Lakhs Only) Per annum.

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 Members 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. 18**

##### **Approval for Related Party Transaction for appointment of Dr. Vivek Shetty as Consultant Surgeon**

Based on the recommendation of the Audit, Risk and Compliance Committee Dr. Vivek Shetty was appointed as a Consultant Surgeon by the Board of Directors at their meeting held on 26<sup>th</sup> March 2018 with an Annual Remuneration of ₹ 32,04,600 (Rupees Thirty Two Lakhs Four Thousand and Six Hundred only) per annum together with other benefits, perquisites, allowances, amenities and facilities, as applicable / payable to the other employees occupying similar position in the said job position

as per the applicable rules, which is commensurate with his experience and as per prevalent industry standards.

Dr. Vivek Shetty being a relative of Dr. Devi Prasad Shetty, Chairman and Whole-time Director and Mr. Viren Shetty, Whole-time Director of the Company is deemed to be holding an office or place of profit in the Company in terms of Section 188 (1)(f) of the Companies Act, 2013.

Dr Vivek Shetty graduated with MBBS in February 2011 and subsequently did MS in General Surgery in May 2014. He further completed Fellowship in Head and Neck Oncology from RGUHS in 2016.

Dr. Vivek Shetty underwent training in Head and Neck Surgical Oncology in June 2016 following which, he has been working as a Consultant Surgeon in the department of Head and Neck Oncology at Mazumdar Shaw Cancer Center Bengaluru. He is currently paid remuneration of ₹ 29,40,000 (Rupees Twenty Nine Lakhs and Forty Thousand Only) Per annum.

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 Members 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.

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

**Sridhar S**

Group Company Secretary, Legal & Compliance Officer

Place: Bengaluru

Date: 29<sup>th</sup> June 2018

## Details of Directors seeking appointment/re-appointment at the Annual General Meeting

Particulars	Dr. Devi Prasad Shetty	Dr. Ashutosh Raghuvanshi	Mr. Viren Prasad Shetty	Mr. Dinesh Krishna Swamy	Mr. Muthuraman Balasubramanian	Mr. Arun Seth	Mr. B N Subramanya	Mr. Manohar D Chatlani
Date of Birth (Age)	8 May 1953 (65 years)	11 August 1962 (55 years)	18 May 1984 (34 years)	06 June 1954 (64 Years)	26 September 1944 (73 Years)	19 November 1951 (66 Years)	29 April 1957 (61 Years)	07 April 1952 (66 Years)
Date of Appointment	19 July 2000	19 March 2009	10 April 2008	8 August 2015	8 August 2015	8 August 2015	8 August 2015	12 September 2015
Qualifications	MBBS, Master's Degree in Surgery	MBBS, MS (General Surgery), MCh, Cardiothoracic Surgery	Master's in Business Administration, BE in Civil Engineering.	Master's in mathematics, Honorary Doctorate in literature	Master's in business administration, Degree in metallurgical engineering	Master's in business administration, Degree in engineering	Chartered Accountant, Bachelor's degree in commerce	Bachelor's Degree in commerce
Expertise in specific functional areas	He is Renowned Cardiac Surgeon and Healthcare Entrepreneur.  Please refer to the Directors Profile section in this Annual Report for detailed profile.	He is Cardiac Surgeon with wide experience in Business Management.  Please refer to the Directors Profile section in this Annual Report for detailed profile.	He has Wide experience in supply chain management and business strategy  Please refer to the Directors Profile section in this Annual Report for detailed profile.	He has wide experience in Information Technology and Quality  Please refer to the Directors Profile section in this Annual Report for detailed profile.	He has wide experience in Business Strategy, Business Management and Leadership  Please refer to the Directors Profile section in this Annual Report for detailed profile.	He has wide experience in IT, Telecom sectors, Business Management and Strategy  Please refer to the Directors Profile section in this Annual Report for detailed profile.	He has around 30 years of experience in the field of finance, audit and taxation  Please refer to the Directors Profile section in this Annual Report for detailed profile.	He has around 40 years of experience in the retail sector, business development and leadership roles.  Please refer to the Directors Profile section in this Annual Report for detailed profile.
Number of meetings of the Board attended	7	7	7	7	6	4	7	5
Directorships held in other companies (excluding foreign companies and Section 8 companies)	7	4	9	1	3	10	6	5
Membership/ Chairmanships of Committees of other public companies (includes only Audit Committees and Stakeholders' Relationship Committee)	NIL	1	NIL	NIL	1	1	1	NIL
Number of shares held in the Company	6,47,00,571	NIL	NIL	NIL	NIL	NIL	NIL	NIL

### Note:

- Directorship held in other companies details is as on 29<sup>th</sup> May 2018
- The re-appointment of all the Independent Directors has been approved and recommended by the Board based on the evaluation of their performance as stated in the Board's Report and the performance having been found satisfactory.