

6th November 2017

To Secretary Listing Department BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Scrip Code - 539551	To Secretary Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai - 400 050 Scrip Code- NH
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Dear Sir/Madam,

Sub: Definitive agreement entered to buyback 71.4% shareholding in Health City Cayman Islands Ltd. currently held by Ascension Health Ventures LLC to make it a 100% step-down subsidiary of Narayana Hrudayalaya Ltd.

Ref: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Health City Cayman Islands Ltd. (HCCI) is a company registered in the Cayman Islands and operating a Hospital in the Cayman Islands. Narayana Hrudayalaya Limited (NHL) holds 28.6% equity shares in HCCI through its wholly owned subsidiary Narayana Cayman Holdings Ltd. (NCHL), a company registered in the Cayman Islands. The balance 71.4% equity in HCCI is held by Ascension Health Ventures LLC, USA (AHV), an affiliate of Ascension Health Alliance, USA (AHA).

NHL, HCCI, NCHL, AHA and AHV have entered into a definitive agreement whereby HCCI will buyback 71.4% stake, for a consideration of USD 32.26 Million, from AHV. Consequent to this buyback, HCCI will become a 100% step-down subsidiary of NHL.

In this regard, as per Circular Number CIR/CFD/CMD/4/2015 dated September 09, 2015 pertaining to continuous disclosure requirements for Listed Entities under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annexure 1 for your records.

We request you to kindly take the above on record.

Thanking You,
Yours faithfully,
For Narayana Hrudayalaya Limited


Sridhar S
Group Company Secretary, Legal & Compliance Officer

**Narayana Hrudayalaya Limited**

(Previously Narayana Hrudayalaya Pvt. Ltd.) CIN: L85110KA2000PLC027497

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

Corporate Office: 261/A, 2nd Floor, Bommasandra Industrial Area, Anekal Taluk, Bangalore 560099

Tel: +91 80 7122 2222 Fax: +91 80 2783 2648. www.narayanahealth.org

ANNXURE 1

SL. NO.	PARTICULARS	DETAILS
1	Name of the target entity, details in brief such as size, turnover etc.;	Health City Cayman Islands Ltd. (HCCI) 105 bedded multispecialty hospital which was commissioned in April, 2014. For the 6 months ended 30th September, 2017, the hospital reported a revenue of US\$ 21.3 mn with an EBITDA of US\$ 2.6 mn reflecting EBITDA margin of 12.0%.
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length";	Yes. Narayana Hrudayalaya Limited (NH) through its wholly-owned subsidiary holds 28.6% stake in HCCI. HCCI proposes to buy-back its 71.4% outstanding shares held by Ascension Health Ventures LLC, USA (AHV), and thereby increasing NH's effective shareholding to 100% in HCCI. Yes, this is an arms-length transaction.
3	Industry to which the entity being acquired belongs;	Healthcare
4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	Objective of this transaction is to leverage on the vibrant footprints and reputation created by the Hospital and have complete control and ownership of the Hospital.
5	Brief details of any governmental or regulatory approvals required for the acquisition;	NA
6	Indicative time period for completion of the acquisition;	By 15 th Jan, 2018.
7	Nature of consideration - whether cash consideration or share swap and details of the same;	Share buy-back against cash
8	Cost of acquisition or the price at which the shares are acquired;	Enterprise value: USD 70 mn
9	Percentage of shareholding / control acquired and / or number of shares acquired;	71.4%
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	HCCI is a 105 bedded multispecialty hospital located in Cayman Islands. It is a Joint Venture wherein NHL through its wholly owned subsidiary owns 28.6% stake and the balance 71.4% stake is owned by AHV (affiliate of Ascension Health Alliance). Through this transaction, HCCI will become a 100% step-down subsidiary of NHL.

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