

Date of Submission: 09.11.2016

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 Stock Code- NH
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Dear Sir/Madam,

Sub: Result Release and Quarterly Presentation for Q2 FY 2016-17 .

With reference to the captioned subject, please find enclosed Result Release and Quarterly Presentation for Q2 FY 2016-17 ending 30th September 2016.

Kindly take the above said information on record as per the requirement of Listing Regulations.

Thanking You,

Yours faithfully

For NARAYANA HRUDAYALAYA LIMITED



Ashish Kumar

Group Company Secretary and Compliance Officer

Encl: A/A



RESULT RELEASE

Q2FY17 Consolidated operating income at Rs 4,874 mn (y-o-y of 19.5%) with EBITDA of Rs 681 mn (y-o-y of 31.1%)

H1FY17 Consolidated operating income at Rs 9,394 mn (y-o-y of 19.4%) with EBITDA of Rs 1,240 mn (y-o-y of 38.4%)

Bengaluru, India, November 9th, 2016 – Narayana Hrudayalaya Limited, a leading healthcare service provider in India, today announced its financial results for the second quarter (Q2FY17) and six months (H1FY17) ended September 30th, 2016.

Financial Highlights for the Quarter (Q2FY17) - Prepared in accordance with Ind AS ('Indian Accounting Standards')

- Consolidated total operating income was Rs 4,874 mn for Q2FY17 as compared to Rs 4,078 mn in the corresponding period of the previous year reflecting an increase of 19.5%
- Consolidated EBITDA stood at Rs 681 mn as compared to Rs 519 mn during the corresponding period of previous year reflecting an increase of 31.1%
- Consolidated EBITDA Margin was at 14.0% for Q2FY17 as against 12.7% in Q2FY16, improved by 124 bps
- PAT after minority interest and share in associate stood at Rs 265 mn for Q2FY17 as compared to Rs 104 mn in the corresponding period of the previous year reflecting an increase of 155.0%

Financial Highlights for the Six Months (H1FY17)

- Consolidated total operating income was Rs 9,394 mn for H1FY17 as compared to Rs 7,866 mn in the corresponding period of the previous year reflecting an increase of 19.4%
- Consolidated EBITDA stood at Rs 1,240 mn as compared to Rs 896 mn during the corresponding period of previous year reflecting an increase of 38.4%
- Consolidated EBITDA Margin was at 13.2% for H1FY17 as against 11.4% in H1FY16, improved by 181 bps
- PAT after minority interest and share in associate stood at Rs 437 mn for H1FY17 as compared to Rs 104 mn in the corresponding period of the previous year reflecting an increase of 320.2%

As on September 30th, 2016, the consolidated net debt was Rs 1,876 mn representing a net debt to equity ratio of 0.20

Other Highlights during the Quarter

- Successfully achieved the milestone of conducting 130 cardiac surgeries on children from 13 neighbouring islands till date at our Cayman Islands hospital at an affordable cost through various charitable programs
- Our doctors at Mazumdar Shaw Medical Centre, Bengaluru performed a unique functional surgery to correct an anatomical abnormality of oral-pharyngeal and palatal area of a patient
- A Double Outlet Tricuspid Valve Repair case, a rare occurrence with only five more occurrences worldwide, was treated by our doctors at Jaipur hospital
- Launched platinum wing to offer best in class services with international standards of dedicated care and hospitality at MSH Bengaluru
- NICS Bengaluru awarded with the "Best Single Specialty Hospital – Cardiology" at the 6th edition of The ICICI Lombard & CNBC-TV18 India Healthcare Awards in August 2016

Management Comment

Commenting on the performance, **Dr. Ashutosh Raghuvanshi, Vice Chairman, Managing Director and Group CEO, Narayana Hrudayalaya Limited**, said *"We are happy to continue our business momentum in Q2 FY17 with steady growth in revenues across all maturity buckets coupled with significant uptick in the profitability. While our execution strategy at the current set of hospitals is playing out well, we also believe that the business environment is favorable for exploring newer opportunities aligned to our group's overall strategy and long term business interest."*

About Narayana Hrudayalaya Limited

Founded in 2000 by Dr. Devi Prasad Shetty and headquartered in Bengaluru, Narayana Hrudayalaya Limited is one of the leading healthcare service providers in India, operating a chain of multispecialty, tertiary and primary healthcare facilities. The Company has a network of 23 hospitals and 7 heart centres across India and single hospital overseas at Cayman Islands with over 5,600 operational beds across all its centres and potential to reach a capacity of over 6,700 beds.

For further details, please contact: Ashish Kumar, Narayana Hrudayalaya Limited at +91 80 7122 2802



Quarterly Presentation – Q2 FY17

November 2016

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Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in the Company’s business, its competitive environment and political, economic, legal and social conditions in India.

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Clinical highlights

- Successfully achieved the milestone of conducting 130 cardiac surgeries on children from 13 neighbouring islands till date at our Cayman Islands hospital at an affordable cost through various charitable programs
- Our doctors at Mazumdar Shaw Medical Centre, Bengaluru performed a unique functional surgery to correct an anatomical abnormality of oral-pharyngeal and palatal area of a patient
- A Double Outlet Tricuspid Valve Repair case, a rare occurrence with only five more occurrences worldwide, was treated by our doctors at Jaipur hospital
- TactiCath (specialised cardiology) procedure was done at NH Health City, Bengaluru, first of its kind in Karnataka
- Electrophysiology (EP) study was done on an 8 year old girl at our Howrah hospital, first of its kind in Eastern India



Operational Performance

- NH launched a dedicated 30 bedded platinum wing in Mazumdar Shaw Medical Centre, Bengaluru to offer world-class services and comfort in line with international standards of dedicated care and hospitality
- Department of Radiation Oncology at Narayana Superspeciality Hospital, Howrah completed its 5 years; it is the only department with modern radiotherapy facilities in the Howrah-Hooghly-Midnapore belt in West Bengal
- NH has partnered with Cisco to offer affordable remote diagnostic capabilities; this digital telemedicine solution would deliver advanced specialized healthcare services remotely in various parts of the country



Awards and Honors

- Narayana Institute of Cardiac Sciences has been awarded the Best Single Specialty Hospital – Cardiology at the 6th edition of The ICICI Lombard & CNBC-TV18 India Healthcare Awards in Aug 2016
- NH won Innovative Marketing Practices award at the Express Healthcare Excellence Awards in Sep 2016
- NH, Jaipur received CSR award at the 2nd Annual Elets Healthcare Summit, Rajasthan in Sep 2016



Financial Performance

- Operating revenue of INR 4,874 mn, an increase of 19.5% YoY
- Robust 31.1% growth YoY in EBITDA to INR 681 mn, reflecting an EBITDA margin of 14.0%
- Net debt of INR 1,876 mn as on 30th Sep, 2016, reflecting net debt to equity ratio of 0.20

As on 1st Nov 2016



50 Healthcare Facilities

19	Owned / Operated hospitals ⁽¹⁾	4,429 Beds
4	Managed hospitals ⁽²⁾	720 Beds
7	Heart centres	376 Beds
19	Primary healthcare facilities ⁽³⁾	10 Beds
1	Hospital in Cayman Islands	101 Beds



6,707 Capacity Beds

5,636 Operational Beds

2.60 mn ⁽⁴⁾ Average effective capital cost per operational bed



30+ Specialities

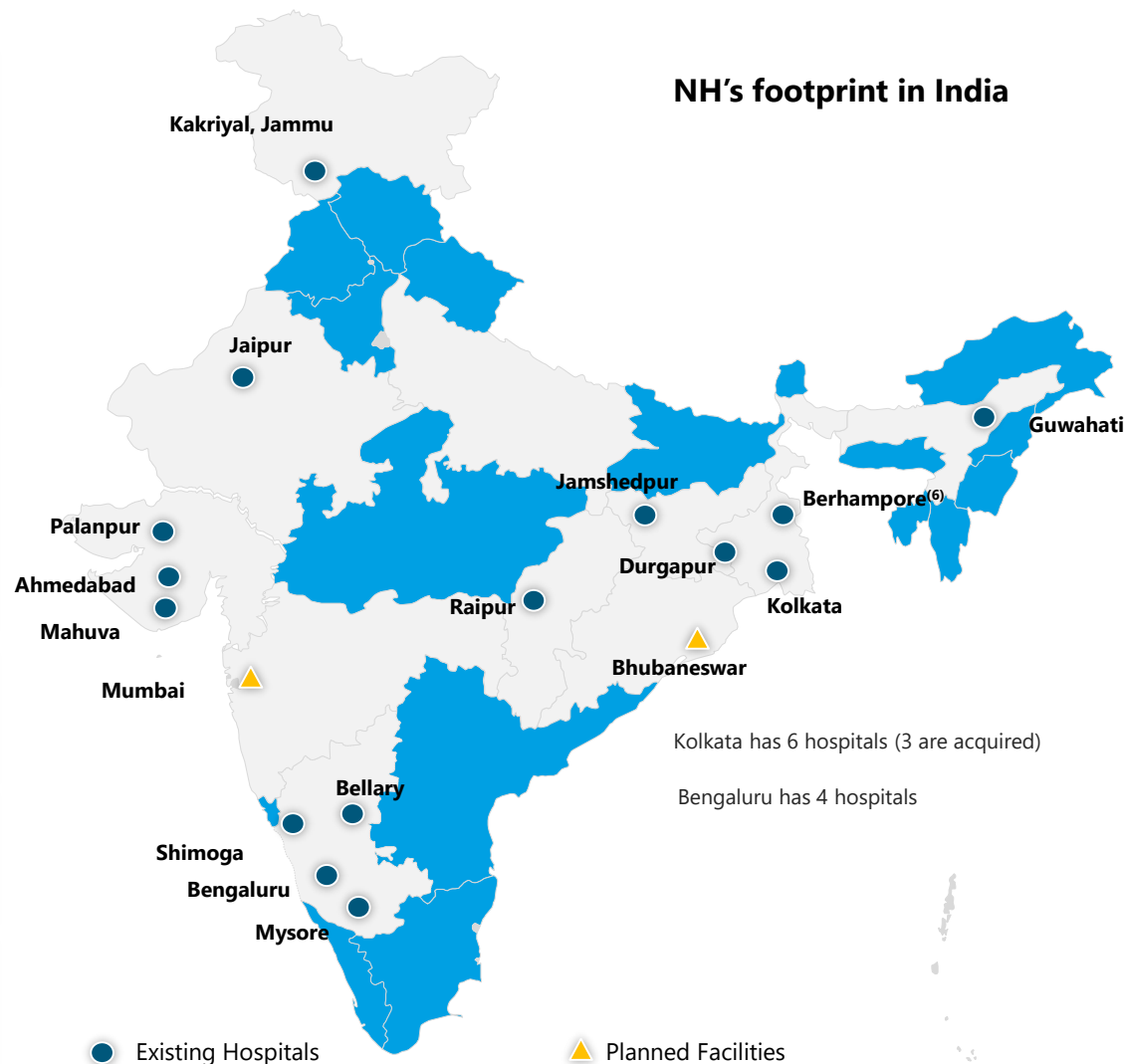


364 ⁽⁵⁾ Daily Average Surgeries and Procedures



14,211 Full-time employees and associates with 2,812 doctors

NH's footprint in India



⁽¹⁾ NH owns the P&L responsibility

⁽²⁾ NH manages 3rd party hospitals for Management Fees

⁽³⁾ Includes clinics, information centres, etc

⁽⁴⁾ Based on (Gross Block for Fixed Assets (adjusted for non-cash government grant provision) + Capital Work in Progress (CWIP)) / Number of operational beds as of 30 Sep 2016. Excludes Managed Hospitals and Cayman facility

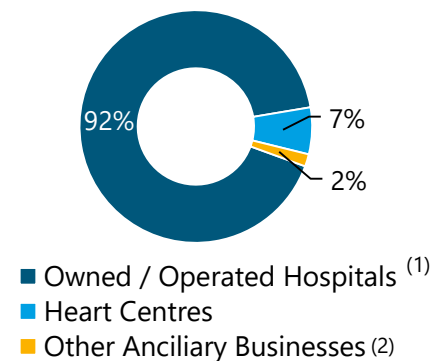
⁽⁵⁾ Daily average calculated on a 92 days basis for Q2 FY17; excludes Jammu unit

⁽⁶⁾ The board has approved exit of operations at Berhampore on 9th Nov 2016

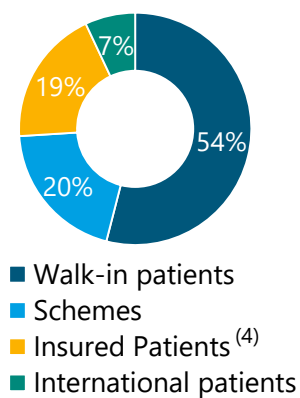
Operating Revenue



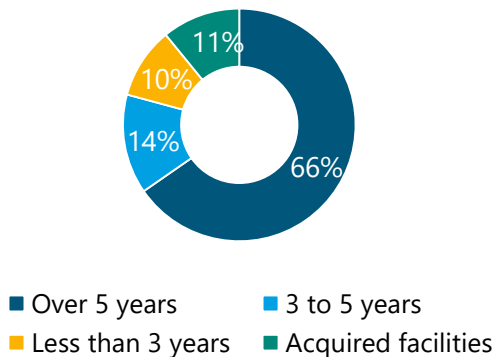
Business Mix⁽⁸⁾



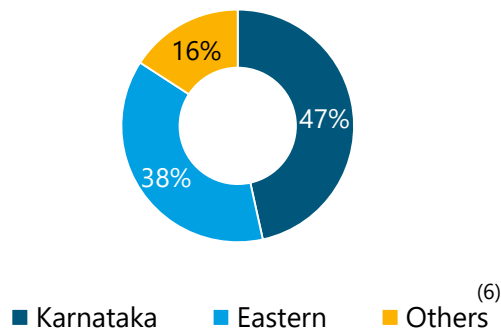
Payee-Profile⁽³⁾



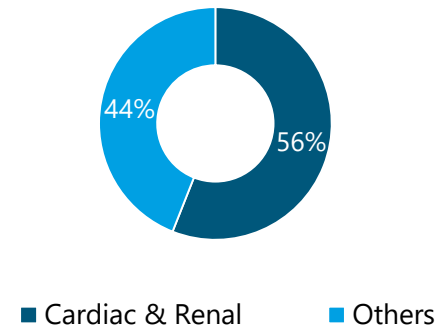
Maturity-Wise^(5,8)



Cluster-Wise^(5,8)



Speciality-Profile⁽⁷⁾



(1) NH owns the P&L responsibility

(2) Includes managed hospitals, clinics, learning and development, teleradiology, etc

(3) As percentage of IP and OP revenue excluding Kakriyal (Jammu) unit: Schemes include CGHS, ESIS, other state government schemes.

(4) Includes Insurance-covered patients, corporate patients (including public sector undertakings)

(5) Calculated on operating revenue of owned / operated hospitals

(6) Others include hospitals at Jaipur, Raipur, Ahmedabad and newly commissioned facility at Kakriyal, Jammu

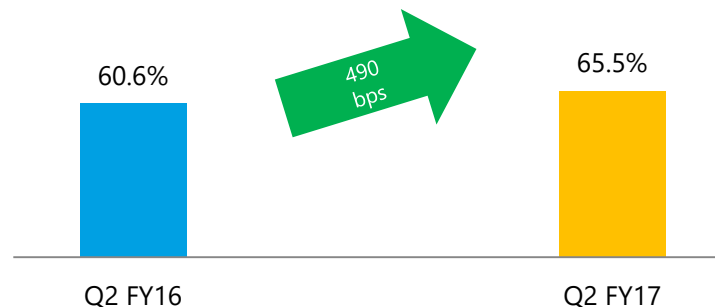
(7) Calculated on IP revenue; 6 core specialities (cardiac sciences, renal sciences, oncology, neurosciences, gastroenterology and orthopaedics) account for ~86% of IP revenue in Q2 FY17 (excludes Jammu unit)

(8) Percentages might not add up to 100% due to rounding off

Operational Beds

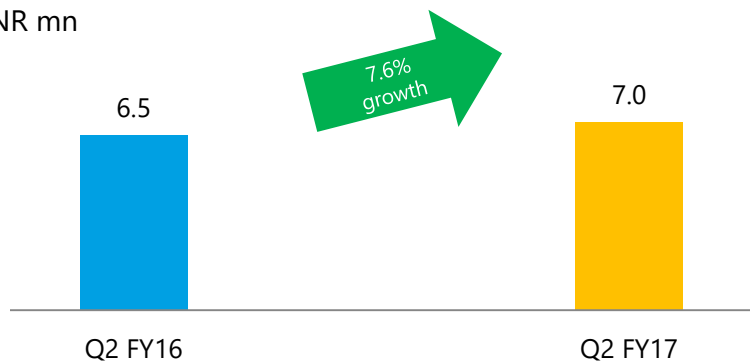


Improvement in Occupancy Rate^(1,2)



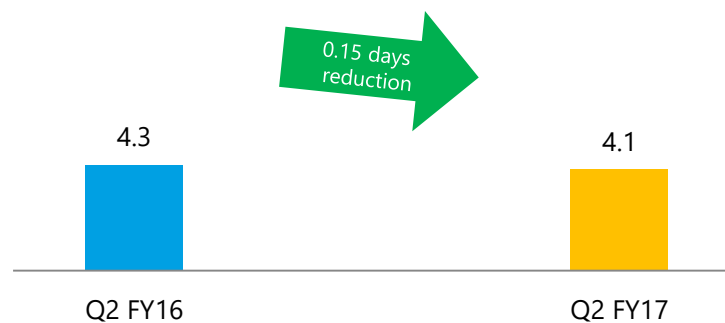
Improvement in ARPOB⁽¹⁾

INR mn



Reduction in ALOS⁽¹⁾

Days



(1) Excludes Managed Hospitals & Cayman facility for Q2 FY17 and also excludes MMRHL for Q2 FY16

(2) Occupancy rate is calculated on total Census beds (Census beds exclude recovery, pre operative, dialysis, emergency, day care, etc); Occupancy of 56.4% on total operational beds in Q2 FY 17 as against 52.3% in Q2 FY 16

Regional Cluster	Hospitals ⁽¹⁾	% of Hospital Operating Revenue ^(2,5)	% of Hospital Operational Beds ⁽¹⁾	Operational Parameters ⁽²⁾	
Karnataka Cluster	7 ⁽³⁾	47% YoY Growth 18%	42%	ARPOB (INR mn) 7.0	Occupancy ⁽⁴⁾ 66%
Eastern Cluster	10 ⁽³⁾	38% 21%	38%	6.8	74%
Others	6 ⁽³⁾	16% 35%⁽⁶⁾	20%	6.5	60%

(1) Includes Managed hospitals and excludes Cayman facility

(2) Excludes Managed hospitals and Cayman facility

(3) Karnataka and Eastern clusters include 1 managed hospital each while Others include 2 managed hospitals

(4) Occupancy is calculated on Census beds; Occupancy of 58% for Karnataka cluster, 62% for Eastern cluster and 49% for Others respectively on total operational beds

(5) Percentages in pie might not add up to 100% due to rounding off

(6) Does not include Hyderabad hospital data as NH exited from it in April 2016

Maturity ⁽¹⁾	Hospitals ⁽²⁾	% of Hospital Operating Revenue ^(3,6)	% of Hospital Operational Beds ⁽²⁾	Key Performance Indicators ⁽³⁾		
			YoY Growth		ARPOB (INR mn)	Occupancy ⁽⁵⁾ EBITDAR Margin ⁽⁴⁾
Over 5 years	7	66%	13%	50%	7.5	70% 25.2%
3 to 5 Years	4	14%	26%	16%	5.3	64% 9.0%
Less than 3 years	8	10%	79%	23%	7.8	55% 6.2%
Acquired Facilities	4	11%	44%	11%	5.3	73% 11.1%

(1) Maturity determined as on 31st March '16 except Jammu, commissioned on 8th April '16

(2) Includes Managed hospitals and excludes Cayman facility

(3) Excludes Managed hospitals and Cayman facility

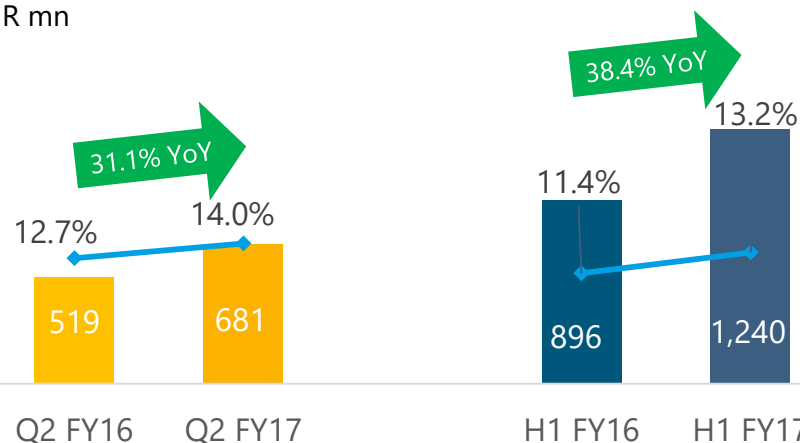
(4) EBITDA before rental/revenue share and before allocation of any corporate expenses

(5) Occupancy is calculated on Census beds; Occupancy of 60% for > 5 years bucket, 55% for 3-5 years, 43% for < 3 years, 63% for acquired units respectively on total operational beds (6) Percentages in pie might not add up to 100% due to rounding off

- Over 5 years include NICS,MSMC, RTIICS, units at Jaipur, Jamshedpur and 2 other units at Kolkata viz. RTSC, RNN
 - 3-5 years include units at Raipur, Ahmedabad, Mysore, and Shimoga
 - Less than 3 years include 4 managed hospitals and 4 units at Whitefield, HSR, Guwahati and Kakriyal
 - Acquired facilities include 2 units of MMRHL, Kolkata and units at Barasat (Kolkata) and Berhampore

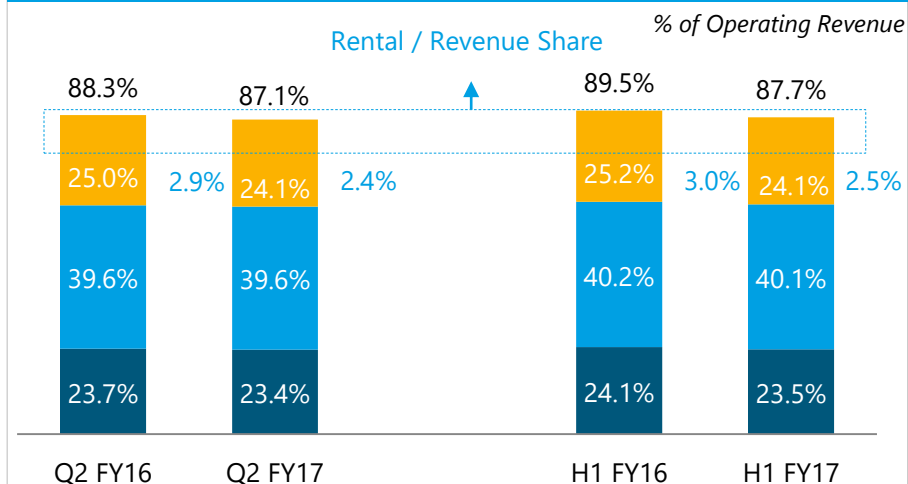
EBITDA and EBITDA Margin

INR mn



- H1 EBITDA grew by 38.4% YoY, reflecting an improvement of 181 bps in margin
- Heart centres clocked an EBITDAR margin of 19.6%⁽¹⁾ in Q2 FY17
- Hospital at Cayman Islands achieved operating revenue of USD 7.5 mn and EBITDA of USD 0.41 mn in Q2 FY17

Cost Structure⁽²⁾



- Consumable Expenses
- Employee (excluding doctors) Benefits + Doctors expenses
- Other Expenses

(1) EBITDA before rental/revenue share and before allocation of any corporate expenses

(2) Categories have been calculated as Consumable Expenses = Purchase of medical consumables, drugs and surgical equipment net of changes in inventories of medical consumables, drugs and surgical equipment; Employee (exc. Doctors) Benefits and Doctors expenses = Employee benefits + Professional fees to doctors; Others = all other expenses

Figures in INR mn, unless stated otherwise

Profit and Loss Statement

Particulars	Q2 FY17	H1 FY17
Total Operating Revenue	4,874	9,394
Purchase of medical consumables, drugs and surgical equipment- Net of change in Inventory	1,140	2,207
Employee (Excluding Doctors) benefits	961	1,876
Doctors Expenses	969	1,889
Other Admin Expenses	1,171	2,261
Total Expenses	4,241	8,232
Other Income	48	79
EBITDA	681	1,240
Depreciation and Amortization	197	387
Finance Costs	53	107
Profit Before Tax After Exceptional Items	431	746
Tax Expense	146	264
PAT before MI and share of loss of associates	285	482
Share in (loss) of associates and MI	(20)	(44)
PAT after MI and share of loss of associates	265	438
Total Comprehensive Income, net of tax	261	443

Key Balance Sheet Items

Particulars	30 th Sept 2016
Shareholder Equity	9,242
Total Debt	2,104
Long term debt including current maturities	2,017
Short term debt	87
Net Block	9,976⁽¹⁾
Goodwill	590
Non Current Investment	972
Net receivables	1,785
Cash and cash equivalents	228

As on September 30th, 2016, the consolidated net debt was Rs 1,876 mn representing a net debt to equity ratio of 0.20

(1) Net Block includes non-cash government grant provision

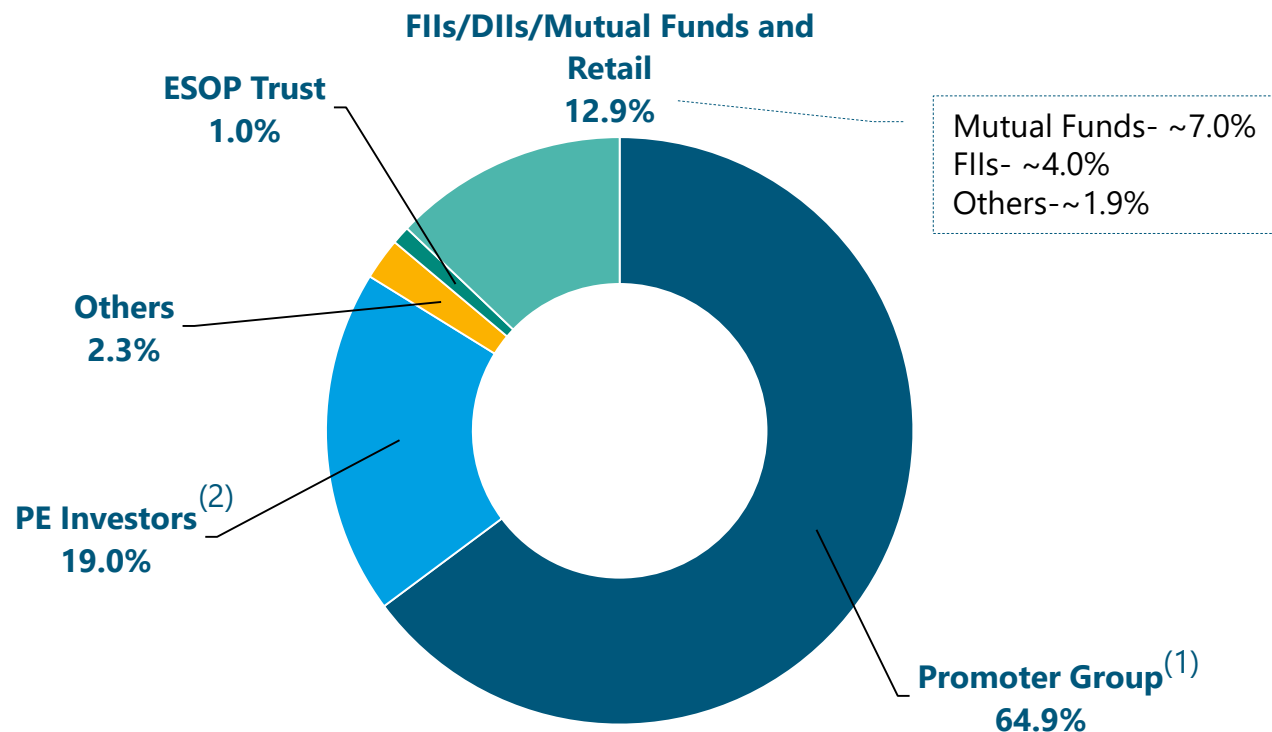
Location	Estimated time for Commencement	Type of hospital	No of beds	Type
Mumbai	Within next 5 months	Multispeciality, paediatric	297	Operations and management basis
Bhubaneshwar	NA	Multispeciality	220	Construct and operate hospital on leasehold land (Awaits Govt of Odisha's acceptance for alternate land parcel)
Kenya	Within next 48 months	Multispeciality	130	Minority equity stake and management agreement with NH

- Growth trajectory on track through the above projects as well as several projects under discussion
- Emphasis on “asset right” capital deployment model and the engagement framework which provide us the flexibility to limit our capital investments primarily to medical equipment
- Focus to maintain a balanced approach while evaluating organic and inorganic opportunities to fuel future expansion

Shareholding as on 30th September 2016 ⁽³⁾

Total Number of Shares

204,360,804



⁽¹⁾ Includes 2.8% held by NHAPL (Narayana Health Academy Private Limited)

⁽²⁾ PE investors include CDC, Asia Growth Capital and JP Morgan who have been shareholders prior to the IPO

⁽³⁾ Percentages in pie might not add up to 100% due to rounding off