

BHAKTI B. SHAH

Chartered Accountant

Registered Valuer - Securities or Financial Assets

IBBI Registration No.: IBBI/RV/06/2018/10072

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STRICTLY PRIVATE & CONFIDENTIAL

29 November 2024

To,
The Board of Directors,
Narayana Hrudayalaya Limited
No. 258/A, Bommasandra Industrial Area,
Anekal Taluk, Bengaluru - 560099,
Karnataka, India.

To,
The Board of Directors,
Meridian Medical Research & Hospital Limited
Westbank Hospital, Andul Road,
Howrah, West Bengal - 711109, India.

Dear Sir(s)/ Madam(s),

Sub: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Meridian Medical Research & Hospital Limited with Narayana Hrudayalaya Limited.

I refer to the engagement letter dated 11 October 2024 whereby I, Bhakti B. Shah (hereinafter referred to as 'BS' or 'Registered Valuer' or 'Valuer' or 'I') have been appointed by Narayana Hrudayalaya Limited (hereinafter referred to as 'NHL' or the 'Transferee Company') and Meridian Medical Research & Hospital Limited (hereinafter referred to as 'MMRHL' or the 'Transferor Company'), to issue a report containing recommendation of fair equity share exchange ratio for the proposed amalgamation of MMRHL with NHL ('hereinafter referred to as the 'Proposed Amalgamation').

NHL and MMRHL are hereinafter collectively referred to as the 'Companies' or the 'Clients'.

1. SCOPE AND PURPOSE OF THIS REPORT

- 1.1 I have been informed by the management of NHL and of MMRHL (hereinafter collectively referred to as the 'Management') that they are considering a proposal for amalgamation of MMRHL with NHL, pursuant to a scheme of amalgamation under sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as the 'Scheme').

Subject to necessary approvals, MMRHL would be amalgamated with NHL with effect from 01 April 2024. ('Appointed Date').



- 1.2 In consideration of the proposed amalgamation of MMRHL with NHL, equity shares of NHL would be issued to the equity shareholders of MMRHL. I have been informed by the Management that pursuant to the Scheme of Amalgamation, equity shares held by NHL in MMRHL shall stand cancelled and extinguished and there will be no issue of equity shares by NHL to the extent of the number of equity shares held by NHL in MMRHL.
- 1.3 In this regard, I have been appointed by the Companies to carry out the relative valuation of equity shares of NHL and of MMRHL to recommend the fair equity share exchange ratio for the Proposed Amalgamation.
- 1.4 For the purpose of this valuation, the bases of value is 'Relative Value' and the valuation is based on 'Going Concern' premise.
- 1.5 My deliverable for this engagement would be a report recommending fair equity share exchange ratio for the Proposed Amalgamation ('Report'). For the purpose of this valuation, 28 November 2024 has been considered as the 'Valuation Date'.
- 1.6 The Report sets out my recommendation of the fair equity share exchange ratio and discusses the approaches and methodologies considered for arriving at relative value of the equity shares of the Companies for the purpose of recommendation of fair equity share exchange ratio.

2. BRIEF BACKGROUND

2.1. NARAYANA HRUDAYALAYA LIMITED

NHL, incorporated on 19 July 2000, has its registered office located at No. 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru - 560099, Karnataka, India.

NHL alongwith its subsidiaries operate a network of multi-speciality hospitals. The company offers cardiac surgery, cardiology, diabetes and endocrinology, gastroenterology, general surgery, neuroscience, facial surgery, nephrology, obstetrics and gynaecology, orthopaedics, oncology, pediatrics, transplant, and urology services. NHL has a network of 40 healthcare facilities in India, including 19 owned/operated hospitals in India and 1 hospital in Cayman Islands, 2 heart centres and 18 clinics and dialysis centres with 6260 bed capacity and 5789 operational beds.

NHL has recently forayed into the health insurance business through its wholly owned subsidiary viz. Narayana Health Insurance Limited ('NHIL'). NHIL was granted license by the Insurance Regulatory and Development Authority of India ('IRDAI') on 03 January



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2024 to exclusively carry on health insurance business. NHL commenced its business operations recently in June 2024.

The equity shares of NHL are listed on National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE'). The issued and paid-up equity share capital of NHL as on the Valuation Date is INR 204.36 crores comprising of 20,43,60,804 equity shares of INR 10 each fully paid up.

The shareholding pattern of NHL as on 30 September 2024 is given below:

Particulars	No. of equity shares	% shareholding
Promoter & Promoter Group	13,04,85,730	63.85%
Public	7,26,14,105	35.53%
Non Promoter - Non Public	12,60,969	0.62%
Total (Face Value INR 10 each)	20,43,60,804	100.00%

As on date, NHL directly / indirectly holds investments in the following subsidiaries / associates:

Name	Relation	% stake held
Narayana Hrudayalaya Surgical Hospital Private Limited	Wholly Owned Subsidiary	100%
Meridian Medical Research & Hospital Limited	Subsidiary	99.13%
Narayana Vaishno Devi Speciality Hospitals Private Limited	Wholly Owned Subsidiary	100%
Narayana Hospitals Private Limited ¹	Wholly Owned Subsidiary	100%
Athma Healthtech Private Limited	Wholly Owned Subsidiary	100%
NH Integrated Care Private Limited	Wholly Owned Subsidiary	100%
Samyat Healthcare Private Limited	Wholly Owned Subsidiary	100%
Narayana Health Insurance Limited	Wholly Owned Subsidiary	100%
Medha AI Private Limited	Wholly Owned Subsidiary	100%
NH Health Bangladesh Private Limited ¹	Step-down subsidiary	99.99%
Narayana Holdings Private Limited, Mauritius ¹	Step-down subsidiary	100%
Narayana Health North America LLC ¹	Subsidiary	100%
Health City Cayman Islands Limited	Wholly Owned Subsidiary	100%
Cayman Integrated Healthcare Limited	Step-down subsidiary	100%
ENT in Cayman Limited	Step down subsidiary	100%
Reya Health Inc ²	Associate	43.58%

¹ These subsidiaries do not have any business operations.

² Investments in Reya Health Inc has been written off in the financial statements of NHL.



2.2. MERIDIAN MEDICAL RESEARCH & HOSPITAL LIMITED

MMRHL, incorporated on 08 May 1995, has its registered office located at, Westbank Hospital, Andul Road, Howrah, West Bengal - 711109, India.

MMRHL is engaged in the business of operation of hospitals, clinics, health centers, and other related activities. MMRHL operates two hospitals in Howrah, West Bengal offering multispecialty and super-specialty healthcare services which include nephrology, urology, neurology, neurosurgery, etc. NHL holds 99.13% stake in the equity shares of MMRHL.

The issued and paid-up equity share capital of MMRHL as on the Valuation Date is INR 29.28 crores comprising of 2,92,78,820 equity shares of INR 10 each fully paid up.

The shareholding pattern of MMRHL as on 30 September 2024 is given below:

Particulars	No. of equity shares	% shareholding
Promoter & Promoter Group	2,90,24,967	99.13%
Others	2,53,853	0.87%
Total (Face Value INR 10 each)	2,92,78,820	100.00%

3. REGISTERED VALUER – BHAKTI B. SHAH

I, Bhakti B. Shah, am located at D-1204/5/6, Ashok Towers, Dr. B. Ambedkar Road, Parel, Mumbai – 400 012, Maharashtra.

I am a Registered Valuer registered with the Insolvency and Bankruptcy Board of India ('IBBI') for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV/06/2018/10072. I am also a practicing Chartered Accountant registered with Institute of Chartered Accountants of India ('ICAI') vide MRN 108523 and a sole proprietor of Bhakti Shah & Associates, Chartered Accountants (FRN 161309W).

4. SOURCES OF INFORMATION

For the purpose of this valuation exercise, I have relied upon the following information as provided to me by the Management and on the information available in the public domain:

- Audited financial statements of NHL and MMRHL for the financial year ('FY') 2023-24.
- Audited consolidated financial statements of NHL for six months period ended 30 September 2024.



- (c) Audited financial statements of MMRHL for six months period ended 30 September 2024.
- (d) Consolidated / Standalone Financial projections of NHL and of MMRHL for 6 months period ended 31 March 2025 and from FY 2025-26 to FY 2034-35 ('Management Projections').
- (e) Draft scheme of amalgamation.
- (f) Discussion with the Management on various matters relevant to valuation including historical performance of the Companies, prospects and outlook of the business of the Companies, expected growth and other relevant information.
- (g) Such other information and explanations as I required and which have been provided by the Management, including management representations.

5. PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this engagement, I have adopted the following procedures to carry out the valuation:

- Obtained financial and qualitative information from the Management.
- Used data available in public domain related to the Companies and its peers.
- Discussions with the Management to:
 - understand the business and fundamental factors that affect company's earning-generating capability including historical financial performance and future outlook; and
 - understand the assumptions and the basis of key assumption used by the Management in developing the Management Projections.
- Reviewed publicly available market data.
- Analysis of comparable companies / comparable transactions using information available in public domain and/ or proprietary database subscribed by me.
- Selection of well accepted valuation methodologies as considered appropriate by me.
- Arriving at the recommendation.



6. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

- 6.1. This Report is subject to the scope and limitations detailed hereinafter. As such the Report is to be read in totality, and not in parts, in conjunction with the relevant documents

referred to herein and in the context of the purpose for which it is made.

- 6.2. My Report on recommendation of fair equity share exchange ratio for the Proposed Amalgamation is in accordance with ICAI Valuation Standards 2018 issued by The Institute of Chartered Accountants of India.
- 6.3. Valuation is not a precise science and the conclusions arrived at will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. While I have provided an assessment of value by applying certain formulae which are based on the information available, others may place a different value.
- 6.4. The draft of the present Report was circulated to the Management (excluding the recommended fair equity share exchange ratio) for confirming the facts stated in the Report and to confirm that the information or facts stated are not erroneous.
- 6.5. The Report assumes that the Companies comply fully with relevant laws and regulations applicable in their areas of operation and usage unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, unless specifically stated to the contrary, this Report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the latest balance sheet of the Companies provided to me.
- 6.6. I have been informed by the Management that:
 - a) there would not be any capital variation in the Companies till the Proposed Amalgamation becomes effective, except issuance of Employee Stock Options in normal course of the business of the Companies. In the event that either of the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares before the Proposed Amalgamation becomes effective, the issue of shares pursuant to the fair equity share exchange ratio recommended in this Report shall be adjusted accordingly to take into account the effect of any such corporate actions;
 - b) till the Proposed Amalgamation becomes effective, neither Companies would declare any substantial dividends having materially different yields as compared to past few years;
 - c) there are no unusual/abnormal events in the Companies materially impacting their operations/financial position after 30 September 2024 till the Report date; and



d) there will be no significant variation between the draft Scheme and the final Scheme approved and submitted with the relevant regulatory authorities, which may have an impact on the fair equity share exchange ratio recommended by me.

I have relied on the above while arriving at the fair equity share exchange ratio for the Proposed Amalgamation.

- 6.7. This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of my engagement; (ii) the Valuation Date mentioned in the Report; (iii) audited financials of NHL and MMRHL for the year ended 31 March 2024 and for six months period ended 30 September 2024; (iv) Management Projections and other information provided from time to time by/on behalf of the Management; and (v) information obtained from public domain and/or proprietary database subscribed by me.
- 6.8. I have been informed by the Management that the business activities of the Companies have been carried out in the normal and ordinary course between 30 September 2024 and the Report date and that no material changes have occurred in their respective operations and financial position between 30 September 2024 and the Report date.
- 6.9. For the purpose of this exercise, I was provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to me by the Management / auditors / consultants of the Companies, is that of the Management. Also, with respect to explanations and information sought from the Management, I have been given to understand by the Management that they have not omitted any relevant and material information about the Companies. The Management have indicated to me that they have understood that any omissions, inaccuracies or misstatements may materially affect my valuation analysis/conclusions.
- 6.10. I have evaluated the information provided to me by the Management through broad inquiry, analysis and review. However, my work does not constitute an audit, due diligence or certification of these information referred to in this Report including information sourced from public domain. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this Report and consequential impact on the present exercise. However, nothing has come to my attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the



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Report.

- 6.11. The valuation is based on the estimates of future financial performance of NHL and MMRHL as projected by the management of NHL, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to commercial and financial aspects of these companies and the industry in which they operate. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved, or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that I have considered the projections in this exercise of valuation should not be construed or taken as me being associated with or a party to such projections.
- 6.12. I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where I have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
- 6.13. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. This Report is issued on the understanding that the Management has drawn my attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on my opinion, on the value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this Report may affect the Report and assumptions used in preparing it and I do not assume any obligation to update, revise or reaffirm this Report.
- 6.14. I am not aware of any contingency, commitment or material issue which could materially affect the Companies' economic environment and future performance and therefore, the equity value of the Companies.
- 6.15. The valuation analysis and the result are governed by concept of materiality.
- 6.16. I do not have any financial interest in the Companies, nor do I have any conflict of interest



in carrying out this valuation. The fee paid for my services in no way influenced the results of my analysis.

- 6.17. My Report is not, nor should it be construed as my opining or certifying the compliance with the provisions of any law including companies, competition, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Amalgamation.
- 6.18. This Report does not look into the business/ commercial reasons behind the Proposed Amalgamation nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 6.19. This Report does not in any manner address the price at which equity share of the Companies shall trade following announcement of the Proposed Amalgamation and I express no opinion or recommendation as to how the shareholders of either of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Amalgamation. My Report and opinion/valuation analysis contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities of the Companies.
- 6.20. Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/business of the Companies and/or their subsidiaries / joint ventures / associates / group companies, if any shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 6.21. The decision to carry out the Proposed Amalgamation (including consideration thereof) lies entirely with the parties concerned and my work and my finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Amalgamation.
- 6.22. My Report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to regulatory/statutory authority for obtaining requisite approvals for the Proposed Amalgamation. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the



purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall the Valuer assume any responsibility to any third party to whom the Report is disclosed or otherwise made available.

- 6.23. The Valuer nor its managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. I owe responsibility only to the Companies that have appointed me under the terms of the engagement letter. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents.

7. VALUATION APPROACH AND METHODOLOGIES

- 7.1. For the purpose of valuation, generally the following approaches can be considered, viz,
- (a) the Cost Approach;
 - (b) the Market Approach; and
 - (c) the Income Approach

Each of the aforesaid approaches proceeds on different fundamental assumptions which have greater or lesser relevance and at times even no relevance to a given situation. Thus, the approach to be adopted for a particular valuation exercise must be judiciously chosen.

7.2. COST APPROACH

- 7.2.1. The Cost Approach reflects the amount that would be required currently to replace the service capacity of an asset; often referred to as current replacement cost.

In the present case, the business of NHL and MMRHL is intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, therefore Cost Approach is not adopted for the present valuation exercise.

7.3. MARKET APPROACH

The Market Approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.



7.3.1. MARKET PRICE METHOD

The market price of an equity share, as quoted on a stock exchange, is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

In the present case, the equity shares of NHL are listed on NSE and on BSE. The equity shares of NHL are frequently traded on recognized stock exchanges. The value of equity shares of NHL under this method is determined considering the share prices of NHL on NSE over an appropriate period.

The equity shares of MMRHL are not listed on any stock exchanges and therefore this method has not been adopted in case of MMRHL.

7.3.2. COMPARABLE TRANSACTION MULTIPLE ('CTM') METHOD

Under CTM Method, the value of equity shares is determined by using multiples derived from valuations of comparable transactions. This valuation is based on the principle that transactions taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances and characteristics of the business being valued.

Based on my analysis and discussion with the Management, sufficient and reliable details of comparable transactions are not available in public domain. Therefore, CTM Method is not adopted for the present valuation exercise.

7.3.3. COMPARABLE COMPANIES' MULTIPLE ('CCM') METHOD

Under CCM Method, the value of equity shares is determined by using multiples derived from valuations of listed comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for material differences, if any.

In the present case, Enterprise Value ('EV') to Earnings before Interest Tax Depreciation and Amortization ('EBITDA') multiples of comparable listed companies are considered to arrive at EV of NHL and of MMRHL.

To the value so arrived, appropriate adjustments have been made for contingent liabilities, loan funds, liabilities towards business acquisition, lease liabilities, minority



interest, capital expenditure incurred upto 30 September 2024 towards future expansion, value of investments and cash and cash equivalents, after considering the tax impact, wherever applicable to arrive at the equity value.

The equity value as arrived above is divided by the outstanding number of equity shares to arrive at the value per equity share of NHL and of MMRHL.

- 7.3.4. Considering the above, I have thought appropriate to use Market Price Method and CCM Method under Market Approach for valuation of equity shares of NHL and CCM Method under Market Approach for valuation of equity shares of MMRHL.

7.4. INCOME APPROACH

- 7.4.1. Under Income Approach, equity shares of NHL and MMRHL have been valued using Discounted Cash Flow ('DCF') Method.

- 7.4.2. Under DCF method, the projected free cash flows from business operations, after considering fund requirements for projected capital expenditure and incremental working capital, are discounted at the Weighted Average Cost of Capital ('WACC'). WACC is considered as the most appropriate discount rate in the DCF Method, since it reflects both the business and the financial risk of the company. In other words, WACC is the weighted average of cost of equity and cost of debt of the company.

- 7.4.3. The free cash flows represent the cash available for distribution to both the owners and the creditors of the business. The free cash flows are determined by adding back to profit before tax (i) interest on loans, if any, (ii) depreciation and amortizations (non-cash charge) and (iii) any non-operating item. The cash flow is adjusted for outflows on account of (i) capital expenditure, (ii) incremental working capital requirements and (iii) tax. The sum of the discounted value of such free cash flows and discounted value of perpetuity is the value of the business.

- 7.4.4. To the value so arrived, appropriate adjustments have been made for contingent liabilities, loan funds, liabilities towards business acquisition, minority interest, value of investments and cash and cash equivalents, after considering the tax impact, wherever applicable to arrive at the equity value.

- 7.4.5. The value as arrived above is divided by the outstanding number of equity shares to arrive at the value per equity share of NHL and of MMRHL.



8. RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

8.1. The fair basis of amalgamation of MMRHL with NHL would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under different approaches, for the purposes of recommending a share exchange ratio it is necessary to arrive at a single value for the equity shares of NHL and of MMRHL. It is however important to note that in doing so, I am not attempting to arrive at the absolute values of the equity shares of each company. My exercise is to work out relative value of equity shares of NHL and of MMRHL to facilitate the determination of a share exchange ratio. For this purpose, it is necessary to give appropriate weightage to the values arrived at under each approach. Accordingly, I have considered a combination of Market Approach and Income Approach for arriving at the relative value per equity share of NHL and of MMRHL.

8.2. As per Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 dated 20 June 2023 issued by Securities and Exchange Board of India ('SEBI Master Circular'), the issuance of shares of listed company under schemes in case of allotment of shares only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time. Further, the 'relevant date' for the purpose of computing pricing shall be the date of the board meeting in which the scheme is approved.

As per regulation 164(1) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as the 'SEBI ICDR Regulations'), if the equity shares of the issuer have been listed on a recognised stock exchange for a period of 90 trading days or more as on the relevant date, the price of the equity shares ('Preferential Issue Price') to be allotted pursuant to the preferential issue shall be not less than higher of the following:

- the 90 trading days' volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or
- the 10 trading days' volume weighted average prices of the related equity shares quoted on a recognized stock exchange preceding the relevant date.

Based on above, the value of equity shares of NHL to be allotted pursuant to



amalgamation cannot be lower than the Preferential Issue Price of equity shares of NHL i.e. higher of 90 trading days' volume weighted average price ('VWAP') and 10 trading days' VWAP.

Weighted average value of equity shares of NHL using Income Approach and Market Approach, as presented in the table below, is higher than the Preferential Issue Price of equity shares of NHL. Hence, I have arrived at the fair equity share exchange ratio for the Proposed Amalgamation of MMRHL with NHL considering the relative value per share of NHL and MMRHL based on weighted average value per share of NHL and MMRHL under Income Approach and Market Approach.

8.3. The values under each of the approaches is given in the table below:

Valuation Approach		NHL		MMRHL	
		Value per share (INR)	Weight	Value per share (INR)	Weight
Cost/Asset Approach¹	(i)	NA	0%	NA	0%
Income Approach - DCF Method	(ii)	1,357.3	50%	654.6	50%
Market Approach - Market Price Method ²	(iii)	1,273.9	25%	NA	0%
- CCM Method	(iv)	1,460.8	25%	691.7	50%
Relative value per share (Weighted average of (i), (ii), (iii) and (iv))	(A)	1,362.3		673.1	
90 trading days VWAP as at 28 November 2024 (being the preceding day of the Relevant Date i.e. 29 November 2024 as informed by NHL)	(v)	1,264.9		NA	
10 trading days VWAP as at 28 November 2024 (being the preceding day of the Relevant Date i.e. 29 November 2024 as informed by NHL)	(vi)	1,265.5		NA	
Preferential Issue Price per share based on SEBI ICDR Regulations, higher of (v) or (vi)	(B)	1,265.5		NA	
Relative value per share for the purpose of share exchange ratio (higher of A or B)		1,362.3		673.1	
Fair Equity Share Exchange Ratio (rounded off)		1 : 2			

NA = Not Applied / Applicable

¹ Since the business of NHL and MMRHL are intended to be continued on a 'going concern basis' and there is no intention to dispose-off the assets, Cost/Asset Approach is not adopted for the present valuation exercise.

² Since the equity shares of MMRHL are not listed on any stock exchanges, Market Price Method under Market Approach is not adopted for valuation of equity shares of MMRHL.

8.4. The fair equity share exchange ratio has been arrived on the basis of a relative valuation of equity shares of NHL and of MMRHL based on the approaches explained herein earlier and considering various qualitative factors relevant to the Companies and the business



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dynamics and growth potential of the businesses, having regard to information base, management representation and perceptions, key underlying assumptions and limitations.

- 8.5. In light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this Report, in my opinion, the fair equity share exchange ratio for the proposed amalgamation of MMRHL with NHL is as under:

1 (One) equity share of NHL of INR 10 each fully paid up for every 2 (Two) equity shares of MMRHL of INR 10 each fully paid up.

Thanking you,
Yours faithfully,



Bhakti B. Shah
IBBI Registered Valuer No.: IBBI/RV/06/2018/10072
ICAI Membership No. 108523
UDIN: 24108523BKH XZE4364
Place: Mumbai



To
The General Manager,
Department of Corporate Services,
BSE Limited,
PJ Towers, Dalal Street,
Mumbai- 400001
Scrip Code – 539551(EQ), 975516

Dear Sir/ Madam,

Sub: Application under Regulation 37 and 59A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI LODR Regulations") for the proposed Scheme of Arrangement of Meridian Medical Research & Hospital Ltd ("Transferor Company") and Narayana Hrudayalaya Limited ("Transferee Company") and their respective shareholders and creditors ("Scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder.

With reference to the Scheme of Arrangement between Narayana Hrudayalaya Limited ("Transferee Company") and Meridian Medical Research & Hospital Ltd ("Transferor Company") and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder, we hereby confirm the following:

- a) No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with BSE and period under consideration for valuation.
- b) There have been no past defaults on the listed debt obligations of Narayana Hrudayalaya Limited as specified under Part I.A Para 2(j) of the SEBI Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.
- c) The Transferee Company or any of its Promoters or Directors have never been declared as willful defaulter as per RBI Circular Ref. No. RBI/2015-16/100 DBR.No.CID.BC.22/20.16.003/2015-16 dated July 1, 2014 (Updated up to January 7, 2015) by the Banks.
- d) The Company, its Promoters or Directors have not been directly or indirectly, debarred from accessing the capital market or have not been restrained by any regulatory authority from, directly or indirectly, acquiring the said securities.
- e) The Company, its Promoters or Directors do not have a direct or indirect relation with the companies, its promoters and whole-time directors, which are compulsorily delisted by any recognized stock exchange.

Thanking you,

Yours faithfully,
For Narayana Hrudayalaya Limited



Sridhar S.
Sridhar S.
Group Company Secretary, Legal & Compliance Officer
Membership no.: A13399

Place: Bengaluru
Date: 18 December, 2024