

B S R & Co. LLP

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Review Report to The Board of Directors of Narayana Hrudayalaya Limited

We have reviewed the accompanying statement of unaudited standalone financial results ('Statement') of Narayana Hrudayalaya Limited ('the Company'), for the quarter ended 30 June 2016 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations'). We draw attention to note 2 to the Statement, which states that the Company got listed in the month of January 2016 and that the Statement was drawn up in accordance with the SEBI Regulations for the first time for the quarter and the nine months ended 31 December 2015. Therefore, the figures for the quarter ended 30 June 2015 were neither subjected to limited review nor subjected to audit and are as prepared by the Company's Management. Further, attention is drawn to the fact that the figures for the quarter ended 31 March 2016 as reported in the Statement are balancing figures for audited figures in respect of the full previous financial year and the published unaudited year to date figures up to the third quarter of the previous financial year.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on this Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022



Amit Somani

Partner

Membership Number: 060154

Place: Bengaluru

Date: 29 July 2016

Narayana Hrudayalaya Limited

Registered office : No. 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 562 158, Karnataka, India
Corporate office : 2nd Floor, No. 261/A, Bommasandra Industrial Area, Hosur Road, Bengaluru 562 158, Karnataka, India
CIN : L85110KA2000PLC027497, Website : www.narayanahealth.org, Email: investorrelations@nhhospitals.org

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2016

(₹ in lacs, except per share data)					
Sl. No.	Particulars	Quarter ended			Year ended
		30-Jun-16	31-Mar-16	30-Jun-15	31-Mar-16
		(Unaudited)	(Audited) (refer note 2)	(Unaudited) (refer note 2)	(Audited)
1.	Income from operations				
	(a) Net sales / Income from operations	39,644.11	38,224.99	34,710.80	145,693.58
	(b) Other operating income	400.30	417.91	296.35	1,309.00
	Total income from operations (net)	40,044.41	38,642.90	35,007.15	147,002.58
2.	Expenses				
	(a) Purchases of medical consumables, drugs and surgical equipments	9,755.45	8,888.46	8,237.38	35,039.33
	(b) Changes in inventories of medical consumables, drugs and surgical equipments	(94.39)	466.45	275.96	435.12
	(c) Employee benefits expense	8,099.38	7,923.84	7,304.22	30,633.10
	(d) Professional fees to doctors	7,868.41	7,460.93	6,771.81	28,411.30
	(e) Other expenses	9,386.75	9,137.54	8,731.33	35,465.40
	Total expenses	35,015.60	33,877.22	31,320.70	129,984.25
3.	Earnings before other income, depreciation and amortisation, finance costs and exceptional items (1-2)	5,028.81	4,765.68	3,686.45	17,018.33
4.	Other income	265.73	346.92	283.44	1,208.41
5.	Earnings before depreciation and amortisation, finance costs and exceptional items (3 +4) (EBITDA) (refer note 7)	5,294.54	5,112.60	3,969.89	18,226.74
6.	Depreciation and amortisation expense	1,561.52	1,752.28	1,550.17	6,512.49
7.	Earnings from ordinary activities before finance costs and exceptional items (5 -6)	3,733.02	3,360.32	2,419.72	11,714.25
8.	Finance costs	288.74	375.10	722.54	1,982.85
9.	Earnings from ordinary activities after finance costs but before exceptional items (7-8)	3,444.28	2,985.22	1,697.18	9,731.40
10.	Exceptional items (refer note 4)	-	959.86	-	1,084.59
11.	Earnings from ordinary activities before tax (9-10)	3,444.28	2,025.36	1,697.18	8,646.81
12.	Tax expense	1,179.16	763.66	441.64	2,978.47
13.	Net profit from ordinary activities after tax (11-12)	2,265.12	1,261.70	1,255.54	5,668.34
14.	Extraordinary items	-	-	-	-
15.	Net profit for the period/year (13-14)	2,265.12	1,261.70	1,255.54	5,668.34
16.	Other comprehensive income	80.55	(80.76)	(1.14)	(57.14)
17.	Total comprehensive income, net of tax (15+16)	2,345.67	1,180.94	1,254.40	5,611.20
18.	Paid-up equity share capital (Face value of ₹ 10 each)	20,232.08	20,232.08	20,000.00	20,232.08
19.	Reserve excluding revaluation reserves as per balance sheet of previous accounting year (Refer note 3)	-	-	-	-
20.	i. Earnings per share (before extraordinary items) (of ₹ 10 each) (not annualised):				
	(a) Basic	1.12	0.62	0.63	2.84
	(b) Diluted (refer note 6)	1.12	0.62	0.63	2.84
	ii. Earnings per share (after extraordinary items) (of ₹ 10 each) (not annualised):				
	(a) Basic	1.12	0.62	0.63	2.84
	(b) Diluted (refer note 6)	1.12	0.62	0.63	2.84
	See accompanying notes to the financial results				



Notes :

1 The statement of unaudited standalone financial results ('the Statement') of Narayana Hrudayalaya Limited ('the Company') for the quarter ended 30 June 2016 has been reviewed by the Audit, Risk and Compliance Committee and approved by the Board of Directors on 29 July 2016.

The above results have been subjected to limited review by the Statutory Auditors of the Company. The report of the Statutory Auditors is unqualified.

2 As the Company got listed on 6 January 2016, the Statement was drawn up in accordance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations') for the first time for the quarter and nine months ended 31 December 2015. Therefore, figures for the quarter ended 30 June 2015 are neither subjected to limited review nor subjected to audit and are as prepared by the Management. Further, the figures for the quarter ended 31 March 2016 as reported in the Statement are balancing figures for the audited figures in respect of the full previous financial year and the published unaudited year to date figures upto the third quarter of the previous financial year.

3 These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of SEBI Regulations and SEBI Circular dated 5 July 2016. The Company has not opted to avail the relaxation provided by Securities and Exchange Board of India ('SEBI') in respect of disclosure requirements for corresponding figures of earlier periods. Accordingly, the figures for the quarter ended 31 March 2016 and year ended 31 March 2016 have been presented after incorporating the applicable Ind AS adjustments in addition to the figures for the quarter ended 30 June 2015. The reserves (excluding revaluation reserves) as per balance sheet of the previous accounting year 31 March 2016, not being mandatory, has not been presented.

The Company has also prepared a reconciliation of the net profit for the corresponding periods under the previously applicable Generally Accepted Accounting Principles ('Previous GAAP') with the total comprehensive income as reported in these financial results under Ind AS. The net profit reconciliation for the quarters ended 30 June 2015, 31 March 2016 and the year ended 31 March 2016 are presented below:

Particulars	Quarter ended		Year ended
	31-Mar-16	30-Jun-15	31-Mar-16
Profit after tax (PAT) as per Previous GAAP	1,141.04	1,444.28	5,677.72
Impact due to expected credit loss provision on trade receivables	64.46	(288.38)	(101.25)
Employee benefits expense (share based payments and actuarial loss)	120.94	1.74	82.27
Impact due to fair valuation of security deposits	(16.19)	(16.19)	(64.78)
Others	(1.30)	(3.79)	(1.69)
Tax impact due to the above adjustments	(58.76)	106.37	30.03
Tax impact due to the cost indexation of the land	11.51	11.51	46.04
PAT as per IndAS	1,261.70	1,255.54	5,668.34
Other comprehensive income (OCI):			
Actuarial loss on defined benefit obligations - Gratuity, net of tax	(80.76)	(1.14)	(57.14)
Total comprehensive income	(80.76)	(1.14)	(57.14)

4 Exceptional item for the quarter ended 31 March 2016 represents loss on slump sale of Hyderabad unit aggregating ₹ 959.86 lacs which has been sold as per an agreement to sell entered into by the Company on 5 April 2016.

Exceptional item for the year ended 31 March 2016, in addition to above, also includes additional provision for bonus aggregating ₹ 124.73 lacs for the period from 1 April 2014 to 31 March 2015 pursuant to the retrospective application of 'The Payment of Bonus (Amendment) Act, 2015' effective 1 April 2014.

5 The Company's reportable segment is 'Medical and Healthcare Services'. Since the Company has a single reportable segment, disclosures pertaining to segments as per Regulation 33(1)(e) read with clause (L) of Part A of Schedule IV of the SEBI Regulations is not applicable.

6 Basic and diluted earnings per share for the quarter ended 30 June 2015 and year ended 31 March 2016 are considered same since the potential equity shares (OCD) are anti-dilutive in nature.

7 As permitted by Schedule III of the Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss in the financial statements. The same classification is also followed while presenting the Statement pursuant to the requirement of the SEBI Regulations. The Company has included other income and excluded depreciation and amortisation expense, finance costs, exceptional items, extraordinary items and tax expense for the EBITDA presentation.

for and on behalf of the Board of Directors of
Narayana Hrudayalaya Limited

Dr. Devi Prasad Shetty
Chairman



Place: Bengaluru
Date : 29 July 2016