

## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF NARAYANA HRUDAYALAYA LIMITED

1. We have reviewed the accompanying Statement of Standalone Financial Results of **NARAYANA HRUDAYALAYA LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 Statement is 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.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



V. Balaji  
Partner  
Membership No. 203685

Place: Bengaluru  
Date: January 31, 2018



Narayana Hrudayalaya Limited

Registered office : No. 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560099, Karnataka, India  
Corporate office : 2nd Floor, No. 261/A, Bommasandra Industrial Area, Hosur Road, Bengaluru 560099, Karnataka, India  
CIN : L85110KA2000PLC027497, Website : www.narayanahealth.org, Email: investorrelations@nhhospitals.org

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2017

		(₹ in lakhs, except per share data)					
Sl. No.	Particulars	Quarter ended			Nine months ended		Previous year ended
		31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Mar-17
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	<b>Income</b>						
	(a) Revenue from operations	46,109.96	46,901.24	39,680.45	137,120.51	122,318.23	164,591.44
	(b) Other income	385.89	476.20	419.81	1,362.65	1,188.25	1,814.62
	<b>Total income</b>	<b>46,495.85</b>	<b>47,377.44</b>	<b>40,100.26</b>	<b>138,483.16</b>	<b>123,506.48</b>	<b>166,406.06</b>
2.	<b>Expenses</b>						
	(a) Purchases of medical consumables, drugs and surgical equipments	10,524.19	10,232.37	9,406.77	33,904.77	29,630.62	38,655.06
	(b) Changes in inventories of medical consumables, drugs and surgical equipments	711.06	1,192.15	(31.23)	(476.06)	(473.26)	47.35
	(c) Employee benefits expenses	8,893.25	9,326.42	8,353.25	27,459.88	24,881.75	32,982.97
	(d) Professional fees to doctors	9,871.30	9,596.79	8,035.86	28,621.92	24,105.61	32,741.68
	(e) Other expenses	11,592.32	11,547.37	9,048.09	33,609.10	28,462.21	38,925.79
	<b>Expenses before depreciation and amortisation, finance costs and exceptional items</b>	<b>41,592.12</b>	<b>41,895.10</b>	<b>34,812.74</b>	<b>123,119.61</b>	<b>106,606.93</b>	<b>143,352.85</b>
3.	<b>Earnings before depreciation and amortisation, finance costs and exceptional items (1-2) (EBITDA)</b>	<b>4,903.73</b>	<b>5,482.34</b>	<b>5,287.52</b>	<b>15,363.55</b>	<b>16,899.55</b>	<b>23,053.21</b>
4.	Finance costs	352.34	387.08	237.11	1,196.34	799.29	1,180.82
5.	Depreciation and amortisation expense	1,777.03	2,110.34	1,709.87	5,684.87	4,990.03	6,820.57
	<b>Total expenses (2+4+5)</b>	<b>43,721.49</b>	<b>44,392.52</b>	<b>36,759.72</b>	<b>130,000.82</b>	<b>112,396.25</b>	<b>151,354.24</b>
6.	<b>Profit before tax and exceptional items (3-4-5)</b>	<b>2,774.36</b>	<b>2,984.92</b>	<b>3,340.54</b>	<b>8,482.34</b>	<b>11,110.23</b>	<b>15,051.82</b>
7.	Exceptional items (refer note 2)	-	115.76	319.08	115.76	319.08	319.08
8.	<b>Profit before tax (6-7)</b>	<b>2,774.36</b>	<b>2,869.16</b>	<b>3,021.46</b>	<b>8,366.58</b>	<b>10,791.15</b>	<b>14,732.74</b>
9.	Tax expense	987.83	964.36	1,088.70	2,957.81	3,724.90	5,221.85
10.	<b>Profit for the period/ year (8-9)</b>	<b>1,786.53</b>	<b>1,904.80</b>	<b>1,932.76</b>	<b>5,408.77</b>	<b>7,066.25</b>	<b>9,510.89</b>
11.	<b>Other comprehensive income</b>						
	<i>Items that will not be reclassified subsequently to profit or loss</i>						
	(a) Re-measurement gains/(losses) on defined benefit plans	(22.23)	2.82	(18.52)	10.42	88.19	57.63
	(b) Income tax effect	7.69	(1.04)	6.41	(3.61)	(30.52)	(19.62)
	<b>Other comprehensive income, net of taxes</b>	<b>(14.54)</b>	<b>1.78</b>	<b>(12.11)</b>	<b>6.81</b>	<b>57.67</b>	<b>38.01</b>
12.	<b>Total comprehensive income (10+11)</b>	<b>1,771.99</b>	<b>1,906.58</b>	<b>1,920.65</b>	<b>5,415.58</b>	<b>7,123.92</b>	<b>9,548.90</b>
13.	Paid-up equity share capital (Face value of ₹ 10 each)	20,436.08	20,436.08	20,436.08	20,436.08	20,436.08	20,436.08
14.	Reserve excluding revaluation reserves i.e. 'Other Equity' as per balance sheet of previous accounting year.	-	-	-	-	-	85,411.10
15.	Earnings per share (of ₹ 10 each) :	not annualised	not annualised	not annualised	not annualised	not annualised	annualised
	(a) Basic	0.88	0.94	0.95	2.67	3.49	4.70
	(b) Diluted	0.88	0.94	0.95	2.66	3.48	4.69
	See accompanying notes to the financial results						






**Notes:**

1. The statement of standalone financial results ('the Statement') of Narayana Hrudayalaya Limited ('the Company') for the quarter and nine months ended 31 December 2017 has been reviewed by the Audit, Risk and Compliance Committee and approved by the Board of Directors on 31 January 2018.

The statement has been subjected to limited review by Deloitte Haskins & Sells LLP, the statutory auditor of the Company. The report of the statutory auditor is unqualified.

2. Exceptional item for the quarter ended 30 September 2017 and nine months ended 31 December 2017 represents loss of ₹ 115.76 lakhs on impairment of investment in its associate "Trimedx India Private Limited".  
Also, exceptional item for the quarter and nine months ended 31 December 2016 and year ended 31 March 2017 represents loss of ₹ 319.08 lakhs on sale of its investment in wholly owned subsidiary "Asia Healthcare Development Limited" through a sale agreement dated 10 November 2016.
3. The Company's operating segment is 'Medical and Healthcare Services'. Since the Company has a single operating 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.
4. Ascension Health Ventures LLC, USA (AHV), an affiliate of Ascension Health Alliance, USA (AHA) holds 71.4% stake in Health City Cayman Islands Ltd (HCCI), an associate of Narayana Hrudayalaya Ltd (NHL) which through Narayana Cayman Holding Ltd ( a wholly owned subsidiary of NHL) holds the balance 28.6%. The aforesaid parties had entered into a definitive agreement on 06 November 2017 whereby HCCI would buyback 71.4% stake from AHV for a consideration of US\$ 32.26 million. The aforesaid buyback had been concluded in all respects on 12 January 2018. Consequent to this buyback, HCCI has become a wholly owned step down subsidiary of NHL.
5. Amounts for the quarter and nine months ended 31 December 2016 and year ended 31 March 2017 were reviewed/audited by the previous auditors - BSR & CO LLP .

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



*Ashutosh*

**Dr. Ashutosh Raghuvanshi**  
Managing Director

Place: Bengaluru

Date : 31 January 2018

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*Ashutosh*  
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