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Chartered Accountants

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Limited Review report

Review report to The Board of Directors of Narayana Hrudayalaya Limited

We have reviewed the accompanying statement of unaudited consolidated financial results ("Statement") of Narayana Hrudayalaya Limited ('the Company'), its subsidiaries and associates listed in the Annexure (collectively referred to as 'the Group'), for the quarter ended 30 June 2017 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, 2015').

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 the 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 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.

We did not review the financial results of four subsidiaries, unit of a subsidiary and four associates included in the Statement. These subsidiaries account for INR 326.99 lacs of net loss and INR 6.59 lacs of total income for the quarter ended 30 June 2017. The unit of a subsidiary accounts for INR 239.91 lacs of net loss and INR 1,820 lacs of total income for the quarter ended 30 June 2017. The Statement also includes Group's share of net loss of INR 117.27 lacs for the quarter ended 30 June 2017, in respect of two associates. The financial results of these subsidiaries, unit of a subsidiary and associates have been reviewed by the other auditors whose reports have been furnished to us by the Company's Management. Our report on the Statement, in so far as it relates to these subsidiaries, unit of a subsidiary and associates, is based solely on the aforesaid review reports of the other auditors.

The Statement additionally includes the Group's share of net loss of INR 136.30 lacs for the quarter ended 30 June 2017 in respect of two associates. The financial results of these associates have not been reviewed and is based on the financial results provided by the Company's Management. Our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these associates is based solely on the financial results certified by the Company's Management.

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B S R & Co. LLP
Narayana Hrudayalaya Limited

Limited Review report (continued)

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement 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 recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of SEBI 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 Registration Number: 101248W/W-100022

Amit Somani

Amit Somani
Partner
Membership Number: 060154

Place: Bengaluru
Date: 02 August 2017

Annexure to the Limited Review Report

S. No.	Entity	Subsidiary/ Associate	Country of incorporation
1	Meridian Medical Research & Hospital Limited	Subsidiary	India
2	Narayana Hrudayalaya Surgical Hospital Private Limited	Subsidiary	India
3	Narayana Vaishno Devi Specialty Hospitals Private Limited	Subsidiary	India
4	Narayana Hospitals Private Limited	Subsidiary	India
5	Narayana Health Institutions Private Limited	Subsidiary	India
6	Narayana Institute for Advanced Research Private Limited	Subsidiary	India
7	NewRise Healthcare Private Limited (with effect from 21 April 2017)	Subsidiary	India
8	Narayana Hrudayalaya Hospitals Malaysia Sdn. Bhd.	Subsidiary	Malaysia
9	Narayana Cayman Holdings Ltd.	Subsidiary	Cayman Islands
10	Narayana Holdings Private Limited	Subsidiary	Mauritius
11	ISO Healthcare Group	Associate	Mauritius
12	Health City Cayman Islands Ltd.	Associate	Cayman Islands
13	Trimedx India Private Limited	Associate	India
14	Cura Technologies Inc.	Associate	United States of America

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Narayana Hrudayalaya Limited

Registered office : No. 258/A, Bommasandra Industrial Area, Anekal Taluk, Bengaluru 560 099, Karnataka, India
Corporate office : 2nd Floor, No. 261/A, Bommasandra Industrial Area, Hosur Road, Bengaluru 560 099, Karnataka, India
CIN : L85110KA2000PLC027497, Website: www.narayanahealth.org, Email: investorrelations@nhhospitals.org

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2017

		(₹ in lakhs, except per share data)			
Sl. No.	Particulars	Quarter ended			Year ended
		30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17
		(Unaudited)	(Audited) (Refer note 6)	(Unaudited)	(Audited)
1.	Income				
	(a) Revenue from operations	52,110.99	48,352.69	45,195.43	1,87,816.49
	(b) Other income	522.92	572.77	310.96	1,748.24
	Total income	52,633.91	48,925.46	45,506.39	1,89,564.73
2.	Expenses				
	(a) Purchase of medical consumables, drugs and surgical equipments	15,373.81	10,391.82	10,898.27	43,887.90
	(b) Changes in inventories of medical consumables, drugs and surgical equipments	(2,766.36)	449.04	(232.20)	(298.09)
	(c) Employee benefits expenses	10,725.08	9,240.56	9,147.59	37,521.05
	(d) Professional fees to doctors	11,049.42	10,167.12	9,207.46	38,557.35
	(e) Other expenses	12,688.67	12,090.92	10,893.53	45,262.74
	Total expenses	47,070.62	42,339.46	39,914.65	1,64,930.95
3.	Earnings before depreciation and amortisation, finance costs and exceptional items (1-2) (EBITDA) (refer note 7)	5,563.29	6,586.00	5,591.74	24,633.78
4.	Finance costs	1,030.96	556.75	547.33	2,180.34
5.	Depreciation and amortisation expense	2,181.64	2,122.76	1,895.32	7,992.08
6.	Profit before exceptional items (3-4-5)	2,350.69	3,906.49	3,149.09	14,461.36
7.	Exceptional items (refer note 2)	-	-	-	134.03
8.	Profit before share of loss of equity accounted investees and income tax (6-7)	2,350.69	3,906.49	3,149.09	14,327.33
9.	Share of loss of equity accounted investees	253.57	180.50	241.55	793.41
10.	Profit before tax (8-9)	2,097.12	3,725.99	2,907.54	13,533.92
11.	Tax expense	1,004.85	1,500.83	1,183.30	5,236.61
12.	Profit for the period/ year (10-11)	1,092.27	2,225.16	1,724.24	8,297.31
13.	Other comprehensive income				
	<i>Items that will not be reclassified subsequently to profit or loss</i>				
	(a) Re-measurement gains/(losses) on defined benefit plans	25.28	(27.19)	133.64	23.07
	(b) Income tax effect	(10.26)	10.90	(42.63)	(19.62)
	Other comprehensive income, net of taxes	15.02	(16.29)	91.01	3.45
14.	Total comprehensive income (12+13)	1,107.29	2,208.87	1,815.25	8,300.76
15.	Profit attributable to:				
	Owners of the company	1,093.86	2,226.86	1,725.19	8,305.21
	Non-controlling interests	(1.59)	(1.70)	(0.95)	(7.90)
	Profit for the period/ year	1,092.27	2,225.16	1,724.24	8,297.31
16.	Other comprehensive income attributable to:				
	Owners of the company	15.45	(16.30)	90.97	3.75
	Non-controlling interests	(0.43)	0.01	0.04	(0.30)
	Other comprehensive income for the period/ year	15.02	(16.29)	91.01	3.45
17.	Total comprehensive income attributable to:				
	Owners of the company	1,109.31	2,210.56	1,816.16	8,308.96
	Non-controlling interests	(2.02)	(1.69)	(0.91)	(8.20)
	Total comprehensive income for the period/ year (15+16)	1,107.29	2,208.87	1,815.25	8,300.76
18.	Paid-up equity share capital (Face value of ₹ 10 each)	20,436.08	20,436.08	20,436.08	20,436.08
19.	Reserves excluding revaluation reserves i.e. 'Other Equity' as per balance sheet of previous accounting year	-	-	-	75,872.10
20.	Earnings per share (of ₹ 10 each):	not annualised	not annualised	not annualised	annualised
	(a) Basic	0.54	1.10	0.85	4.10
	(b) Diluted	0.54	1.10	0.85	4.09
	See accompanying notes to the financial results				



Notes:

1 The statement of unaudited consolidated financial results ('the Statement') of Narayana Hrudayalaya Limited ('the Company'), its subsidiaries and associates (collectively referred to as 'the Group') for the quarter ended 30 June 2017 has been reviewed by the Audit, Risk and Compliance Committee and approved by the Board of Directors on 2 August 2017.

The Statement has been subjected to limited review by the Statutory Auditor of the Company. The report of the Statutory Auditor is unqualified.

2 Exceptional item for the year ended 31 March 2017 represents loss of ₹ 134.03 lakhs on sale of its investment in a wholly owned subsidiary "Asia Healthcare Development Limited" through a sale agreement dated 10 November 2016.

3 The Group's operating segment is 'Medical and Healthcare Services'. Since the Group 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 Pursuant to the approval on 21 April 2017 from the Committee formed by the Board of Directors, the Company signed a Share Purchase Agreement ('SPA') and acquired 100% equity and preference shares in NewRise Healthcare Private Limited (NewRise), a wholly owned subsidiary of Panacea Biotech Limited for a consideration of ₹ 7,564 lakhs payable in cash. As per the SPA, the Company has also granted a loan of ₹ 10,329 lakhs to NewRise.

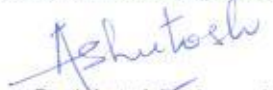
Further, the Company has taken necessary steps to amalgamate NewRise with the Company under Section 233 of the Companies Act, 2013. The consent of the Shareholders and Creditors is being sought in their respective meetings scheduled in August 2017.

5 Pursuant to the approval of the Committee of the Board in their meeting on 31 March 2017, Narayana Hrudayalaya Surgical Hospital Private Limited (NHSHP) has entered into Health Care Service agreement with Dharamshila Cancer Foundation and Research Centre for managing their hospital situated in Delhi. Narayana Hrudayalaya Surgical Hospital Private Limited has commenced the healthcare service at the hospital with effect from 1 April 2017.

6 The figures for the quarter ended 31 March 2017 are the balancing figures between audited figures in respect of the full previous financial year and the published unaudited year to date figures upto the end of the third quarter of the previous financial year, which were subjected to limited review.

7 As permitted by Schedule III of the Companies Act, 2013, the Group 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 consolidated financial statements. The same classification is also followed while presenting the Statement pursuant to the requirement of the SEBI Regulations. The Group has included other income and excluded depreciation and amortisation expense, finance costs, exceptional items, tax expense, share of loss of equity accounted investees and non-controlling interests for the EBITDA presentation.

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


Dr. Ashutosh Raghuvanshi
Managing Director

Place: Bengaluru
Date: 2 August 2017




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