

B S R & Co. LLP

Chartered Accountants

No 10, Mahatma Gandhi Road
Nungambakkam
Chennai - 600 034, India

Telephone: +91 44 3914 5000
Fax: +91 44 3914 5999

Limited Review report to the Board of Directors of KMC Speciality Hospitals (India) Limited

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of **KMC Speciality Hospitals (India) Limited** ("the Company") for the quarter and six months ended September 30, 2015, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. The accompanying 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.
2. 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 statements 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.
3. As more fully explained in note 1 to the Statement, the Company is in the process of carrying out a comprehensive reconciliation of certain control account balances. Pending completion of the aforesaid reconciliation, the impact, if any, in the Statement is not presently determinable.
4. Based on our review conducted as above, except for impact, if any, arising out of matters referred to in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results for the quarter and six months ended September 30, 2015, prepared in accordance with the applicable accounting standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement 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

ICAI Firm registration No. 101248W/W-100022



Chinnsamy Ganesan

Partner

Membership No.027501

Place: Trichy

Date: November 9, 2015

Part I: Statement of unaudited results for the quarter and six months ended September 30, 2015

Rs. In Lakhs

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	March 31, 2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from operations						
a) Net sales / income from operations (net of excise duty)	1,049.05	981.83	878.82	2,030.88	1,733.07	3,624.36
b) Other operating income	0.03	-	0.35	0.03	1.52	5.33
Total Income from operations (net)	1,049.08	981.83	879.17	2,030.91	1,734.59	3,629.69
2. Expenses						
a) Cost of materials consumed	24.34	13.46	25.74	37.80	56.08	108.51
b) Purchases of stock-in-trade	147.23	131.38	128.61	278.61	256.62	538.05
c) Changes in inventories of stock-in-trade	(2.37)	6.88	(0.74)	4.51	0.17	(7.93)
d) Employee benefits expense	236.32	232.33	204.32	468.65	427.34	888.49
e) Depreciation and amortisation expense	82.16	82.76	95.45	164.92	190.62	379.35
f) Doctor fees	243.82	224.33	204.94	468.15	384.20	841.78
g) Other expenses	198.44	175.85	169.47	374.29	331.90	697.67
Total expenses	929.94	866.99	827.79	1,796.93	1,646.93	3,445.92
3. Profit from operations before other income, finance costs and exceptional items (1-2)	119.14	114.84	51.38	233.98	87.66	183.77
4. Other income	83.01	2.88	4.04	85.89	5.12	21.24
5. Profit from ordinary activities before finance costs and exceptional items (3+4)	202.15	117.72	55.42	319.87	92.78	205.01
6. Finance costs	39.13	42.54	49.19	81.67	100.62	192.62
7. Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)	163.02	75.18	6.23	238.20	(7.84)	12.39
8. Exceptional items	-	-	-	-	-	-
9. Profit/(loss) from ordinary activities before tax (7-8)	163.02	75.18	6.23	238.20	(7.84)	12.39
10. Tax (expense)/benefit	(33.38)	(14.72)	-	(48.10)	-	-
11. Net profit/(loss) from ordinary activities after tax (9+10)	129.64	60.46	6.23	190.10	(7.84)	12.39
12. Extraordinary items	-	-	-	-	-	-
13. Net profit/(loss) for the period (11-12)	129.64	60.46	6.23	190.10	(7.84)	12.39
14. Paid-up equity share capital (Face value Rs. 1/- each)	1,630.85	1,630.85	1,630.85	1,630.85	1,630.85	1,630.85
15. Reserves (excluding revaluation reserves)	NA	NA	NA	NA	NA	(611.62)
16 (i). Earnings per share (before and after extraordinary items) of Rs. 1/- each : (Not Annualised):						
(a) Basic	0.08	0.04	0.00	0.12	(0.00)	0.01
(b) Diluted	0.08	0.04	0.00	0.12	(0.00)	0.01

Part II: Selected information for the quarter and six months ended September 30, 2015

Particulars	September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	March 31, 2015
A. PARTICULARS OF SHAREHOLDING						
1. Public shareholding						
- Number of shares	40,771,250	40,771,250	40,771,250	40,771,250	40,771,250	40,771,250
- Percentage of shareholding	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
2. Promoters and Promoter Group Shareholding						
a) Pledged / Encumbered						
- Number of shares	-	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
- Percentage of shares (as a % of the total share capital of the company)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
b) Non - encumbered						
- Number of shares	122,313,750	122,313,750	122,313,750	122,313,750	122,313,750	122,313,750
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%

B. INVESTOR COMPLAINTS

Particulars	
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed off during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil



Notes:

1) The above results of the Company were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 9, 2015. The above statement of financial results have been subjected to limited review by the statutory auditors. The statutory auditors have issued a qualified opinion with respect to certain pending control account reconciliation. The management is in the process of reconciling these accounts and believes that no financial implication will arise on completion of such reconciliation.

2) The Company has identified "Hospital Service" as its single reportable business segment. Hospital service segment comprises hospital revenues, pharmacy revenues and other allied revenues.


3) Standalone statement of assets and liabilities**(Rs. In Lakhs)**

Particulars	As at September 30, 2015	As at March 31, 2015
	(Unaudited)	(Audited)
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	1,630.85	1,630.85
(b) Reserves and surplus	(421.52)	(611.62)
Sub-total - Shareholders' funds	1,209.33	1,019.23
2. Non-current liabilities		
(a) Long-term borrowings	787.47	949.32
(b) Deferred tax liabilities (net)	-	-
(c) Other non-current liabilities	14.42	13.59
(d) Long-term provisions	129.02	187.38
Sub-total - Non-current liabilities	930.91	1,150.29
3. Current liabilities		
(a) Short-term borrowings	72.55	96.43
(b) Trade payables	302.13	296.32
(c) Other current liabilities	541.93	534.29
(d) Short-term provisions	3.77	3.38
Sub-total - Current liabilities	920.38	930.42
TOTAL - EQUITY AND LIABILITIES	3,060.62	3,099.94
B. ASSETS		
1. Non-current assets		
(a) Fixed assets	2,385.81	2,538.88
(b) Long-term loans and advances	335.12	291.55
(c) Other non-current assets	2.22	8.63
Sub-total - Non-current assets	2,723.15	2,839.06
2. Current assets		
(a) Inventories	72.92	72.71
(b) Trade receivables	180.27	119.35
(c) Cash and cash equivalents	48.55	30.33
(d) Short-term loans and advances	12.43	7.52
(e) Other current assets	23.30	30.97
Sub-total - Current assets	337.47	260.88
TOTAL - ASSETS	3,060.62	3,099.94

Place: Trichy
Date: November 9, 2015


D. S. Chandrakumar
Managing Director
DIN: 01867847

Signed for identification purposes only


B S R & Co. LLP