

25th June, 2020

To

BSE Limited
Corporate Relationship Department
P J Towers
Dalal Street, Fort
Mumbai – 400 001.

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on 25th June, 2020

Ref: Security Code: 524520; Security ID; KMCSHIL

With reference to the above, please find enclosed the Standalone Audited Financial results for the Quarter and year ended 31st March, 2020 along with the Auditors Report as approved by the Board of Directors at their meeting held today, 25th June, 2020.

Pursuant to Regulation 33(3)(d) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, declaration by the company with respect to Auditors Report with unmodified opinion is also enclosed.

We hereby inform you that the Board Meeting commenced at 12.30 PM and concluded at 2.20 PM

Thank You

With regards,

For **KMC SPECIALITY HOSPITALS (INDIA) LIMITED**



Dr S Manivannan
Managing Director
DIN: 00910804



Regd. Office :

KMC Speciality Hospitals (India) Ltd

CIN - L85110TN1982PLC009781

No. 6, Royal Road, Cantonment, Trichy - 620 001.

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KMC Speciality Hospitals (India) Limited
Regd. Office: 6, Royal Road, Cantonment, Trichy - 620 001
Corporate Identity Number: L85110TN1982PLC009781

Statement of financial results for the quarter and year ended March 31, 2020

(Rs. In Lakhs except EPS)

Particulars	Quarter ended			Year ended	
	March 31, 2020 Refer Note 3	December 31, 2019 (Unaudited)	March 31, 2019 Refer Note 3	March 31, 2020 (Audited)	March 31, 2019 (Audited)
1 Income					
a) Revenue from operations	2,323.44	2,659.82	2,099.08	9,618.01	8,225.86
b) Other income	46.25	31.78	107.25	141.72	164.40
Total income	2,369.69	2,691.60	2,206.33	9,759.73	8,390.26
2 Expenses					
a) Cost of materials consumed	33.23	58.11	57.01	145.43	189.22
b) Purchase of traded goods	346.93	396.43	284.78	1,299.32	1,025.34
c) Changes in inventory of traded goods	(29.20)	(18.05)	(14.98)	(65.07)	(20.46)
d) Employee benefits expense	545.94	571.36	402.99	2,158.41	1,724.66
e) Finance costs	18.44	21.84	23.72	86.08	110.51
f) Depreciation and amortisation expense	138.09	131.16	105.59	494.79	419.94
g) Other expenses	915.67	1,092.86	915.47	3,971.30	3,708.23
Total expenses	1,969.11	2,253.71	1,774.58	8,090.26	7,157.44
3 Profit before tax (1-2)	400.58	437.89	431.75	1,669.47	1,232.82
4 Income tax expense					
a) Current tax	141.82	173.98	104.37	535.26	319.38
b) Deferred tax	(23.11)	(30.94)	44.52	(40.05)	52.67
Total income tax expense	118.71	143.04	148.89	495.21	372.05
5 Profit after tax (3-4)	281.87	294.85	282.86	1,174.26	860.77
6 Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
(a) Re-measurement of defined benefit plans	(8.93)	(5.00)	(22.45)	(22.18)	7.93
(b) Income tax effect	2.60	1.46	6.54	6.46	(2.31)
Total other comprehensive (loss)/ income, net of tax	(6.33)	(3.54)	(15.91)	(15.72)	5.62
7 Total comprehensive income, net of tax (5+6)	275.54	291.31	266.95	1,158.54	866.39
8 Paid-up equity share capital (Face value of Re. 1/- each)	1,630.85	1,630.85	1,630.85	1,630.85	1,630.85
9 Reserves i.e. Other equity				3,434.83	2,276.31
10 Earnings per share (EPS) face value of Re. 1/- each :					
Basic and diluted EPS	0.17	0.17	0.17	0.72	0.53
	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)	(Annualised)

KMC Speciality Hospitals (India) Limited
Regd. Office: 6, Royal Road, Cantonment, Trichy - 620 001
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Statement of assets and liabilities - Refer Note 5

Rs. In Lakhs

Particulars	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
A Assets		
1 Non-current assets		
(a) Property, plant and equipment	3,754.90	3,489.85
(b) Right to use assets	83.55	-
(c) Intangible assets	61.95	58.02
(d) Capital work-in-progress	7.06	9.45
(e) Investment property	40.43	40.43
(f) Financial assets		
Investments	0.28	0.22
Loans Receivables	393.42	473.54
Other financial assets	7.68	11.66
(g) Deferred tax asset (net)	359.06	318.41
(h) Income tax assets (net)	80.62	278.78
(i) Other assets	440.17	19.81
Sub-total - Non-current assets	5,229.12	4,700.17
2 Current assets		
(a) Inventories	222.29	93.62
(b) Financial assets		
Trade receivables	209.96	173.02
Cash and cash equivalents	111.97	178.43
Other bank balances	887.12	459.03
Loans Receivables	113.29	99.58
Other financial assets	154.65	221.15
(c) Other assets	71.07	27.14
Sub-total - Current assets	1,770.35	1,251.97
Total - Assets	6,999.47	5,952.14
Equity and liabilities		
1 Equity		
(a) Equity share capital	1,630.85	1,630.85
(b) Other equity	3,434.83	2,276.31
Sub-total - Equity	5,065.68	3,907.16
2 Non-current liabilities		
(a) Financial Liabilities		
Borrowings	579.52	765.23
Lease Liabilities	66.56	-
Other financial liabilities	8.05	12.26
(b) Provisions	41.04	29.68
Sub-total - Non-current liabilities	695.17	807.17
3 Current liabilities		
(a) Financial Liabilities		
Lease Liabilities	19.00	-
Trade payables		
- Total outstanding dues of micro and small enterprises	8.83	10.76
- Total outstanding dues of creditors other than micro and small enterprises	426.07	516.43
Other financial liabilities	501.62	450.12
(b) Other liabilities	145.19	171.80
(c) Provisions	137.91	88.70
Sub-total - Current liabilities	1,238.62	1,237.81
Total - Equity and liabilities	6,999.47	5,952.14

KMC Speciality Hospitals (India) Limited
Regd. Office: 6, Royal Road, Cantonment, Trichy - 620 001
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Notes:

- 1 These financial results have been prepared in accordance with Indian Accounting Standard ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2 The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their meeting held on June 25, 2020. The results for the year ended March 31, 2020 has been audited and for the quarter ended March 31, 2020 has been reviewed by our statutory auditors. The statutory auditors have expressed an unmodified opinion thereon. The financial statements of the company for the year ended March 31, 2019 was audited by BSR & Co. LLP, Chartered Accountants, the predecessor auditors who had expressed an unqualified audit opinion.
- 3 The figures for the current quarter and the quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year ended March 31, 2020 and March 31, 2019 respectively, and the published year to date figures upto the nine months period ended December 31, 2019 and December 31, 2018 respectively. The predecessor auditors had not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019.
- 4 The company operates in a single segment ie. "Medical and Healthcare Services" and hence does not have any additional disclosures to be made under IND AS - 108 Operating Segment.
- 5 The Statement of Assets and Liabilities as at March 31, 2020 and Statement of Cash Flows for the year ended March 31, 2020 is provided as an annexure to this Statement.
- 6 Effective April 01, 2019, the company adopted IND AS 116 - Leases, applied to its lease contracts existing on April 01, 2019, using the modified retrospective approach method which resulted in recognition of Right-of-Use (ROU) assets and Lease Liability of Rs. 41.58 Lakhs. The adoption of the standard did not have any material impact on the financial results of the company for the quarter and year ended March 31, 2020.
- 7 The company has evaluated the option of availing provision u/s 115BAA of The Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019 and accordingly decided to continue with the existing Income tax rate for the financial year 2019-20.
- 8 The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements relating to COVID-19 pandemic. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables, inventories, other financial assets and other current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

SELVARAJ
MANIVANNAN

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Dr. S. Manivannan
Managing Director
DIN: 00910804

Place: Chennai
Date : June 25, 2020

KMC Speciality Hospitals (India) Limited
Regd. Office: 6, Royal Road, Cantonment, Trichy - 620 001
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Cash Flow Statement - Refer Note 5

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flows from operating activities		
Net profit before taxation	1,669.46	1,232.82
Operating profit before working capital changes	2,169.18	1,741.10
Net cash from operating activities	1,069.69	1,583.18
B. Cash flow used in investing activities	(797.63)	(906.89)
C. Cash flow used in financing activities	(338.52)	(532.57)
Net (decrease) / increase in cash and cash equivalents	(66.46)	143.73
Cash and cash equivalents at the beginning of the year	178.43	34.70
Cash and cash equivalents at the end of the year	111.97	178.43
Components of Cash and Cash Equivalents		
Cash on hand	8.42	17.23
Balances with Banks	103.55	161.20
Total Cash and Cash Equivalents	111.97	178.43

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND
REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
KMC SPECIALITY HOSPITALS (INDIA) LIMITED**

Opinion and Conclusion

We have (a) audited the Financial Results for the year ended March 31, 2020 and (b) reviewed the Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended March 31, 2020 of **KMC Speciality Hospitals (India) Limited** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2020:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Financial Results for the quarter ended March 31, 2020

With respect to the Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the 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 amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Deloitte Haskins & Sells

Basis for Opinion on the Audited Financial Results for the year ended March 31, 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2020 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

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Deloitte Haskins & Sells

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Deloitte Haskins & Sells

(b) Review of the Financial Results for the quarter ended March 31, 2020

We conducted our review of the Financial Results for the quarter ended March 31, 2020 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 ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

- As stated in Note 3 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. The predecessor auditors have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report on the Statement is not modified in respect of this matter.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.
- Due to COVID-19 related lockdown we were not able to participate in the physical verification of inventory that was carried out by the management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these financial results. Our report on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 0080272S)

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AMARNATH

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Date: 2020.06.25
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Ananthi Amarnath
(Partner)
(Membership No.209252)
(UDIN:20209252AAAAGC2051)

Place: Chennai
Date: June 25, 2020

25th June, 2020

To

BSE Limited
Corporate Relationship Department
P J Towers
Dalal Street, Fort
Mumbai – 400 001.

Dear Sir/Madam,

Sub:Declaration on unmodified opinion in the Auditors Report for the Financial Year ended 31st March, 2020

Ref: Security Code: 524520; Security ID; KMCSHIL

Pursuant to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that M/s Deloitte Haskins & Sells, the Statutory Auditors of the Company have issued the Auditors Report on the Standalone Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 with unmodified opinion.

Kindly take the same on record.

Thank You

With regards,

For **KMC SPECIALITY HOSPITALS (INDIA) LIMITED**



Dr S Manivannan
Managing Director
DIN: 00910804



Regd. Office :

KMC Speciality Hospitals (India) Ltd

CIN - L85110TN1982PLC009781

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