

MSCL

The Medical and Surgical Centre Limited

The Medical and Surgical Centre Limited and its subsidiary UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 31 MARCH 2017

| | THE GROUP | | | |
|---|---|---|--|--|
| | Unaudited Three months ended 31 March 2017 | Unaudited Three months ended 31 March 2016 | Unaudited Nine months ended 31 March 2017 | Unaudited Nine months ended 31 March 2016 |
| | Rs'000 | Rs'000 | Rs'000 | Rs'000 |
| Turnover | 393,867 | 213,674 | 822,373 | 599,234 |
| Operating profit | (8,917) | 28,117 | 39,906 | 74,762 |
| Non-operating expenses | (11,722) | - | (11,722) | - |
| Net finance (cost)/income | (6,704) | 2,241 | (3,263) | 4,260 |
| (Loss)/Profit before taxation | (27,343) | 30,358 | 24,921 | 79,022 |
| Income tax expense | 14,413 | (5,050) | 3,134 | (15,501) |
| (Loss)/Profit for the period | (12,930) | 25,358 | 28,055 | 63,521 |
| Other Comprehensive income for the period | - | - | - | 865 |
| Total Comprehensive (loss)/income for the period | (12,930) | 25,308 | 28,055 | 64,386 |
| Attributable to: | | | | |
| Equity holders | (12,930) | 25,308 | 28,055 | 63,521 |
| Earnings per share | | | | |
| Earnings attributable to equity holders | (12,930) | 25,308 | 28,055 | 63,521 |
| Number of shares in issue ('000) | 569,941 | 569,941 | 569,941 | 569,941 |
| Earnings per share (Rs/Cs) | (0.02) | 0.04 | 0.05 | 0.11 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

| | THE GROUP | |
|-------------------------------------|-------------------------------------|----------------------------------|
| | Unaudited As at 31 March 2017 | Audited As at 30 June 2016 |
| | Rs'000 | Rs'000 |
| ASSETS | | |
| Non-current assets | 1,170,476 | 530,067 |
| Current assets | 302,706 | 354,393 |
| TOTAL ASSETS | 1,473,182 | 884,460 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to: | | |
| Equity holders | 649,276 | 638,320 |
| TOTAL EQUITY | 649,276 | 638,320 |
| Non-current liabilities | 106,826 | 59,075 |
| Current liabilities | 717,080 | 187,065 |
| TOTAL EQUITY AND LIABILITIES | 1,487,115 | 884,460 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

| | Attributable to equity holders | | | |
|--|--------------------------------|------------------------|----------------------|-----------------|
| | Issued capital | Revaluation reserve | Retained Earnings | Total equity |
| | Rs'000 | Rs'000 | Rs'000 | Rs'000 |
| At 1 July 2016 (Audited) | 289,801 | 146,622 | 201,896 | 638,319 |
| Total comprehensive income for the period | - | - | 28,055 | 28,055 |
| Dividend Paid | - | - | (17,098) | (17,098) |
| At 31 March 2017 (Unaudited) | 289,801 | 146,622 | 212,853 | 649,276 |
| At 1 July 2015 (Unaudited) | 289,801 | 146,622 | 156,293 | 592,716 |
| Total comprehensive income for the period | - | - | 64,386 | 64,386 |
| Dividend Paid | - | - | (17,098) | (17,098) |
| At 31 March 2016 (Unaudited) | 289,801 | 146,622 | 203,581 | 640,004 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2017

| | THE GROUP | |
|---|--|--|
| | Unaudited Nine Months ended 31 March 2017 | Unaudited Nine Months ended 31 March 2016 |
| | Rs'000 | Rs'000 |
| Net cash (used in)/generated from operating activities | (2,932) | 129,533 |
| Net cash used in investing activities | (650,409) | (23,377) |
| Net cash from/(used in) financing activities | 395,192 | (12,952) |
| (Decrease)/Increase in cash and cash equivalents | (258,149) | 93,204 |
| MOVEMENT IN CASH AND CASH EQUIVALENTS | | |
| At the beginning of the period | 231,065 | 90,123 |
| Movement during the period | (258,149) | 93,204 |
| At the end of the period | (27,084) | 183,327 |

NOTES

The above condensed nine months financial statements to 31 March 2017 are unaudited. They have been prepared using the same accounting policies and methods of computation followed per the audited financial statements for the year ended 30 June 2016, except for the adoption of relevant amendments to published Standard, Standards and Interpretations issued now effective.

The said results of the Group for the nine months ended 31 March 2017 is a consolidated view of the operations of both Fortis Clinique Darné (including Le Café du Volcan Ltée, wholly owned subsidiary of The Medical and Surgical Centre Limited ("MSCL"), responsible for the catering needs of the visitors and the staff at Fortis Clinique Darné) and the newly acquired hospital, Wellkin Hospital (ex-Apollo Bramwell Hospital). MSCL has acquired the business operations of Wellkin Hospital for a purchase consideration of Rs 700M in January 2017.

The Group's Turnover for the nine months ended 31 March 2017 was Rs 822.37M compared to Rs 599.23M for the corresponding period in 2016. The profit after tax for the same period stood at Rs 28.05M compared to Rs 64.39M for the corresponding period in 2016. The net results for the quarter and year to date have been affected by the planned projected losses incurred in the month's post acquisition of the new operations.

As a result of the said acquisition MSCL profit for current financial year ending 30 June 2017 will be adversely impacted compared to prior year.

Operationalizing Strategy at Wellkin Hospital since acquisition date by Fortis Healthcare, the operator, led to Revenue growth and enhanced patient satisfaction. This is expected to lead to improved financial performance in the forthcoming months.

In its endeavour to meet the growing needs of its patients and providing high quality and consistent healthcare services, the Group aims to continue building on clinical excellence, maximising economies of scale and optimising on the operational synergies between Fortis Clinique Darné and Wellkin Hospital.

The Board of Directors of The Medical and Surgical Centre Limited accepts full responsibility for the accuracy of the information contained in this report.

By Order of the Board

CIEL Corporate Services Ltd
Company Secretary

10 May 2017

BRN: C07002054